THE BROOKER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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 services and investments.

**1.2 Basis for the preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting standards including related interpretations and guidelines promulgated by the Federation of Accounting Professional

The consolidated financial statements for the years ended December 31, 2018 and 2017, have been included the financial statements of its subsidiaries and overseas subsidiaries (Brooker International Company Limited and Brooker Dunn Asset Advisory Limited) after eliminated significant inter-company transactions. The financial statements for the overseas subsidiaries reflect total assets as of December 31, 2018 and 2017 amount of Baht 656.12 million and Baht 954.84 million respectively, (equivalent to 23.73% and 35.38% respectively of total assets in the consolidated financial statement), total liabilities amount of Baht 3.41 million and Baht 3.82 million respectively (equivalent to 0.59% and 1.94% respectively of total liabilities in the consolidated financial statement) and net (loss) and net profit for the years then ended, amount of Baht (131.31) million and Baht 272.30 million respectively (equivalent to (2,879.61%) of net profit and 80.18% of net profit in the consolidated financial statement respectively)

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

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 Basis of consolidation**

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 | |
|  |  |  |  | December 31 | December 31 |
|  |  |  |  | 2018 | 2017 |
| SUBSIDIARY COMPANIES |  |  |  |  |  |
| 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 | Shareholding and joint directors | Thailand | 99.99 | 99.99 |
| Brooker International Company Limited | Financial consultant for overseas clients | Shareholding 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 | - | - |

|  |  |  | Country of | Percentage of | |
| --- | --- | --- | --- | --- | --- |
| Company’s name | Nature of business | Relationship | incorporation | shareholding | |
|  |  |  |  | December 31 | December 31 |
|  |  |  |  | 2018 | 2017 |
| 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 | - | - |
|  |  |  |  |  |  |

1.4 Adoption of new financial reporting standards

1.4.1 Financial reporting standards which are effective for the current year

During the year, Company 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, 2018. Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements.

1.4.2 Financial reporting standards which are not effective for the current year

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

|  |  |
| --- | --- |
|  | Year effective |
| Accounting Standard |  |
| TAS 1 Presentation of Financial Statements (revised 2018) | 2019 |
| TAS 2 Inventories (revised 2018) | 2019 |
| TAS 7 Statement of Cash Flows (revised 2018) | 2019 |
| TAS 8 Accounting Policies, Changes in Accounting |  |
| Estimates and Errors (revised 2018) | 2019 |
| TAS 10 Events after the Reporting Period (revised 2018) | 2019 |
| TAS 12 Income Taxes (revised 2018) | 2019 |
| TAS 16 Property, Plant and Equipment (revised 2018) | 2019 |
| TAS 17 Leases (revised 2018) | 2019 |
| TAS 19 Employee Benefits (revised 2018) | 2019 |
| TAS 20 Accounting for Government Grants and Disclosure of |  |
| Government Assistance (revised 2018) | 2019 |
| TAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2018) | 2019 |
| TAS 23 Borrowing Costs (revised 2018) | 2019 |
| TAS 24 Related Party Disclosures (revised 2018) | 2019 |
| Accounting Standard | Year effective |
| TAS 26 Accounting and Reporting by Retirement Benefit Plans (revised 2018) | 2019 |
| TAS 27 Separate Financial Statements (revised 2018) | 2019 |
| TAS 28 Investments in Associates and Joint Ventures (revised 2018) | 2019 |
| TAS 29 Financial Reporting in Hyperinflationary Economies (revised 2018) | 2019 |
| TAS 32 Financial Instruments: Presentation | 2020 |
| TAS 33 Earnings per Share (revised 2018) | 2019 |
| TAS 34 Interim Financial Reporting (revised 2018) | 2019 |
| TAS 36 Impairment of Assets (revised 2018) | 2019 |
| TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2018) | 2019 |
| TAS 38 Intangible Assets (revised 2018) | 2019 |
| TAS 40 Investment Property (revised 2018) | 2019 |
| TAS 41 Agriculture (revised 2018) | 2019 |
| Financial Reporting Standard |  |
| TFRS 1 First - time Adoption of Thai Financial Reporting Standards | 2019 |
| TFRS 2 Share - based Payment (revised 2018) | 2019 |
| TFRS 3 Business Combinations (revised 2018) | 2019 |
| TFRS 5 Non - current Assets Held for Sale and Discontinued |  |
| Operations (revised 2018) | 2019 |
| TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2018) | 2019 |
| TFRS 7 Financial Instruments : Disclosures | 2020 |
| TFRS 8 Operating Segments (revised 2018) | 2019 |
| TFRS 9 Financial Instruments | 2020 |
| TFRS 10 Consolidated Financial Statements (revised 2018) | 2019 |
| TFRS 11 Joint Arrangements (revised 2018) | 2019 |
| TFRS 12 Disclosure of Interests in Other Entities (revised 2018) | 2019 |
| TFRS 13 Fair Value Measurement (revised 2018) | 2019 |
| TFRS 15 Revenue from Contracts with Customers | 2019 |
| Accounting Standard Interpretations |  |
| TSIC 10 Government Assistance - No Specific Relation to |  |
| Operating Activities (revised 2018) | 2019 |
| TSIC 15 Operating Leases - Incentives (revised 2018) | 2019 |
| TSIC 25 Income Taxes - Changes in the Tax Status of an Entity |  |
| or its Shareholders (revised 2018) | 2019 |
| TSIC 27 Evaluating the Substance of Transactions Involving |  |
| the Legal Form of a Lease (revised 2018) | 2019 |
| TSIC 29 Service Concession Arrangements: Disclosures (revised 2018) | 2019 |
| TSIC 32 Intangible Assets - Web Site Costs (revised 2018) | 2019 |
| Financial Reporting Standard Interpretations | Year effective |
| TFRIC 1 Changes in Existing Decommissioning, Restoration |  |
| and Similar Liabilities (revised 2018) | 2019 |
| TFRIC 4 Determining whether an Arrangement contains a Lease |  |
| (revised 2018) | 2019 |
| TFRIC 5 Rights to Interests arising from Decommissioning, |  |
| Restoration and Environmental Rehabilitation Funds |  |
| (revised 2018) | 2019 |
| TFRIC 7 Applying the Restatement Approach under TAS 29 |  |
| Financial Reporting in Hyperinflationary Economies |  |
| (revised 2018) | 2019 |
| TFRIC 10 Interim Financial Reporting and Impairment (revised 2018) | 2019 |
| TFRIC 12 Service Concession Arrangements (revised 2018) | 2019 |
| TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset, |  |
| Minimum Funding Requirements and their Interaction |  |
| (revised 2018) | 2019 |
| TFRIC 16 Hedges of a Net Investment in a Foreign Operation | 2020 |
| TFRIC 17 Distributions of Non - Cash Assets to Owners (revised 2018) | 2019 |
| TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments | 2020 |
| TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine |  |
| (revised 2018) | 2019 |
| TFRIC 21 Levies (revised 2018) | 2019 |

The management of the Company has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statements year beginning on or after January 1, 2019 that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 19, TAS 21, TAS 23, TAS 24, TAS 33, TAS 34, TAS 36, TAS 37 and TFRS 8, TFRS 13 and TFRS 15 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.

And the management of the Company is currently evaluating the impact of TAS, TFRS and TFRIC which are effective for financial statements year beginning on or after January 1, 2020 to the financial statements when they are adopted.

**1.5 Summary of significant accounting policies**

**1.5.1 Revenue recognition**

a) Rendering of services

Service income is recognized on accrual basis.

b) Sales of goods

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

c) Interest income

Interest income is recognized as interest accrues based on the effective rate method.

**1.5.2 Cash and cash equivalents**

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

**1.5.3 Trade accounts receivable**

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

**1.5.4 Temporary investments**

Trading securities are presented at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in determining gains or losses.

The fair value of trading securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

Investment in Brooker Sukhothai Fund is presented at fair value which is the net assets value (NAV) at the end of the accounting period. The Company records the changed of the securities value as gain or loss in the income statement.

**1.5.5 Property, plant, equipment**

Property, plant, equipment are stated at cost less accumulated depreciation.

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

|  |  |
| --- | --- |
| Type of Assets | Period (Years) |
| Buildings | 20 |
| Condominium units | 20 |
| Furniture and fixtures | 5 |
| Office equipment | 5 |
| Computer | 3 |
| Other equipment | 5 |
| Vehicles | 10 |

Depreciation is included in determining of income.

**1.5.6 Related party transactions**

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

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

**1.5.7 Foreign currencies**

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates (buying or selling rates) of the Bank of Thailand ruling on the statement of financial position date respectively.

Gains and losses on exchange are included in determining of income in the period.

**1.5.8 Impairment of assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset’s recoverable amount where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statements. An asset’s recoverable amount is the higher of fair value less costs to sell or value in use.

**1.5.9 Employee benefits**

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law is recognized as expenses in the income statement along the service period of employees. The Company’s post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company and its subsidiaries recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

The Company and its subsidiaries recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the income statement when the Company and its subsidiaries’ plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

**1.5.10 Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to business combination or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities at the reporting date and tax base of the relating assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**1.5.11 Lease**

The Company recognizes the lease payments, specified in the operating lease agreement, in the statements of income by straight-line method for the whole lease-period.

**1.5.12 Accounting judgments and estimates**

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

**1.5.13 Basic earnings (loss) per share**

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of issued and paid-up of common shares at the end of accounting period.

**2. RELATED PARTY TRANSACTION**

**2.1 Related Party Transaction**

During the year, 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 :-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | THOUSAND BAHT | | | |  |
|  | Consolidated  Financial Statement | | Separate  Financial Statement | | Pricing policy |
| **Related companies** | 2018 | 2017 | 2018 | 2017 |  |
| Service income | 403 | 5,901 | 230 | 221 | At the rate determined under the contract |
| Rental income | 106 | 106 | 106 | 106 | At the rate determined under the contract |
| Management income | 40,005 | 52,948 | - | - | At the rate determined under the contract |
| Others | 111 | 138 | 111 | 138 | At the rate determined under the contract |
| **Subsidiary companies** |  |  |  |  |  |
| Service income | - | - | 22,528 | 4,023 | At the rate determined under the contract |
| Rental income | - | - | 449 | 449 | At the rate determined under the contract |
| Interest income | - | - | 1,494 | 185 | At the interest rate 2.85% p.a. |
| Dividend income | - | - | 445,340 | - | At the announced rate |
| Interest expense | - | - | 1,876 | 6,026 | At the interest rate 2.85% p.a. |
| Consulting fee | - | - | 41,681 | - | At the rate determined under the contract |

Management remuneration comprised of salary, bonus, life insurance premium, board of directors meeting allowance and directors compensation etc. for the years ended December 31, 2018 and 2017 are as follow;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
| Benefits – short-term | 36,842,206.47 |  | 43,261,989.74 |  | 36,842,206.47 |  | 43,261,989.74 |
| Benefits – after retirement | 964,716.00 |  | 1,204,681.00 |  | 964,716.00 |  | 1,204,681.00 |
| Total | 37,806,922.47 |  | 44,466,670.74 |  | 37,806,922.47 |  | 44,466,670.74 |

The outstanding balances of assets and liabilities with the subsidiary and related companies presented in the statements of financial position as of December 31, 2018 and 2017 as follows:-

**2.2** **TRADE ACCOUNTS RECEIVABLE – RELATED COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31,2018 | December 31,2017 | December 31,2018 | December 31,2017 |
| **TRADE ACCOUNTS RECEIVABLE – RELATED COMPANIES** | |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker Business Development Co.,Ltd. | - | - | 1,073,046.22 | - |
| Brooker Planner Company Limited | - | - | - | - |
| Total | - | - | 1,073,046.22 | - |
| **Related companies** |  |  |  |  |
| Civetta Capital Co., Ltd. | 1,432.42 | 428.00 | 1,432.42 | 428.00 |
| Brooker Sukhothai Fund Limited | 8,535,741.14 | 12,296,778.51 | - | - |
| Total amounts due from related companies | 8,537,173.56 | 12,297,206.51 | 1,074,478.64 | 428.00 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31,2018 | December 31,2017 | December 31,2018 | December 31,2017 |
| Current | 8,537,173.56 | 12,296,992.51 | 120,570.20 | 214.00 |
| Overdue Less than 30 days | - | 214.00 | 121,027.53 | 214.00 |
| 31 - 60 days | - | - | 119,160.81 | - |
| 61 - 90 days | - | - | 119,054.96 | - |
| 91 - 180 days | - | - | 356,886.65 | - |
| 181 - 365 days | - | - | 237,778.49 | - |
| Over 365 days | - | - | - | - |
| Trade accounts receivable – related companies - net | 8,537,173.56 | 12,297,206.51 | 1,074,478.64 | 428.00 |

**2.3** **OTHER ACCOUNTS RECEIVABLE – RELATED COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31,2018 | December 31,2017 | December 31,2018 | December 31,2017 |
| **UNBILLED RECEIVABLES – RELATED COMPANIES** | |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker International Company Limited | - | - | 72,301,150.00 | - |
| Brooker Business Development Co.,Ltd. | - | - | 219,410.97 | - |
| Total Unbilled Receivable - related companies | - | - | 72,520,560.97 | - |
| **ADVANCE – RELATED COMPANIES** |  |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker Business Development Co.,Ltd | - | - | 1,594,862.94 | - |
| Brooker Corporate Advisory Co., Ltd. | - | - | - | 2,828.00 |
| Total Advance - related companies | - | - | 1,594,862.94 | 2,828.00 |
|  |  |  |  |  |
| **Total Other Accounts Receivable - related companies** | - | - | 74,115,423.91 | 2,828.00 |

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |  | POLICY |
|  |  | Separate Financial Statement | | | | | | |  | ON |
|  |  | December 31, 2017 |  | Increase |  | Decrease |  | December 31, 2018 |  | LENDING COST |
| **Subsidiary companies** |  |  |  |  |  |  |  |  |  |  |
| Brooker Corporate Advisory Co., Ltd. |  | - |  | 75,600,000.00 |  | - |  | 75,600,000.00 |  | 2.85% p.a. |
| Brooker Business Development Co.,Ltd |  | 15,000,000.00 |  | - |  | (5,000,000.00) |  | 10,000,000.00 |  | 2.85% p.a. |
| Total loans to related companies |  | 15,000,000.00 |  | 75,600,000.00 |  | (5,000,000.00) |  | 85,600,000.00 |  |  |

**2.5 ACCOUNTS PAYABLE TRADE – RELATED COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| Brooker Planner Co., Ltd. | - | - | - | 9,630,000.00 |
| Brooker International Company Limited | - | - | - | 83,340,000.00 |
| Total Accounts Payable Trade - related company | - | - | - | 92,970,000.00 |

**2.6 ACCOUNTS PAYABLE OTHER – RELATED COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
|  |  |  |  |  |
| **Accrued Interest – Related Companies** |  |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker International Company Limited | - | - | - | 5,329,025.17 |
| Total Accounts Payable Other - related company | - | - | - | 5,329,025.17 |

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |  | POLICY |
|  |  | Separate Financial Statement | | | | | | |  | ON |
|  |  | December 31, 2017 |  | Increase |  | Decrease |  | December 31, 2018 |  | BORROWING COST |
| **Subsidiary companies** |  |  |  |  |  |  |  |  |  |  |
| Brooker International Company Limited |  | 131,388,800.00 |  | - |  | (131,388,800.00) |  | - |  | 2.85% p.a. |
| Brooker Planner Co., Ltd. |  | - |  | 23,000,000.00 |  | (10,000,000.00) |  | 13,000,000.00 |  | 2.85% p.a. |
| Binswanger Brooker (Thailand) Limited |  | 11,000,000.00 |  | 17,000,000.00 |  | (11,000,000.00) |  | 17,000,000.00 |  | 2.85% p.a. |
| **Total loans from subsidiary companies** |  | 142,388,800.00 |  | 40,000,000.00 |  | (152,388,800.00) |  | 30,000,000.00 |  |  |

**3. CASH AND CASH EQUIVALENTS**

As at December 31, 2018 and 2017, cash and cash equivalents are as follow;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | December 31, 2018 |  | December 31, 2017 |  | December 31, 2018 |  | December 31, 2017 |
| Cash |  | 20,000.00 |  | 20,000.00 |  | 20,000.00 |  | 20,000.00 |
| Current and saving account deposits |  | 170,690,951.14 |  | 336,281,995.84 |  | 29,486,348.00 |  | 143,230,858.20 |
| Fixed deposit with maturity dates not  longer than 3 months |  | - |  | 114,021,881.16 |  | - |  | 113,000,000.00 |
| Total cash and cash equivalents |  | 170,710,951.14 |  | 450,323,877.00 |  | 29,506,348.00 |  | 256,250,858.20 |

**4. SHORT-TERM INVESTMENT**

As at December 31, 2018 and December 31, 2017, the investment in trading securities are as follows :-

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | | | | | | | |
|  | December 31, 2018 | | | | | |  | | December 31, 2017 | | | | | |
|  | Cost |  | Fair Value |  | | Unrealized Gain (Loss) |  | Cost | |  | Fair Value |  | Unrealized Gain (Loss) | |
| **4.1 The Company** |  |  |  |  | |  |  |  | |  |  |  |  | |
| Investment in |  |  |  |  | |  |  |  | |  |  |  |  | |
| - Trading securities | 416,927,651.73 |  | 380,587,218.69 |  | | (36,340,433.04) |  | 584,407,202.82 | |  | 673,996,001.29 |  | 89,588,798.47 | |
| **4.2 Subsidiary Company** |  |  |  |  | |  |  |  | |  |  |  |  | |
| Investment in |  |  |  |  | |  |  |  | |  |  |  |  | |
| |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | - Trading securities |  |  |  |  |  |  |  |  |  |  |  | | 61,780,193.64 |  | 64,770,570.00 |  | | 2,990,376.36 |  | 18,068,915.00 | |  | 18,183,955.00 |  | 115,040.00 | |
| - Brooker Sukhothai Fund | 212,998,155.35 |  | 324,654,834.01 |  | | 111,656,678.66 |  | 254,878,710.76 | |  | 438,965,874.91 |  | 184,087,164.15 | |
| - Civetta Fund | 157,512,772.91 |  | 112,368,991.72 |  | | (45,143,781.19) |  | 165,382,823.72 | |  | 157,032,977.12 |  | (8,349,846.60) | |
| Total subsidiary | 432,291,121.90 |  | 501,794,395.73 |  | 69,503,273.83 | |  | 438,330,449.48 | |  | 614,182,807.03 |  | 175,852,357.55 | |
| Total short-term investments | 849,218,773.63 |  | 882,381,614.42 |  | | 33,162,840.79 |  | 1,022,737,652.30 | |  | 1,288,178,808.32 |  | 265,441,156.02 | |

* 1. The acquisitions and disposals of trading securities during the years ended December 31, 2018 is as follow;

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | |  | BAHT | | |
|  | |  | For the years ended December 31, 2018 | | |
|  | |  | Consolidated Financial Statement |  | Separate Financial Statement |
| - Securities acquired | |  | | 910,893,267.00 |  | 709,319,806.00 |
| - Securities disposed | |  | | (1,084,412,145.67) |  | (876,799,357.09) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | For the three-month period ended December 31, 2018 | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| - Securities acquired |  | 230,372,972.00 |  | 205,702,880.00 |
| - Securities disposed |  | (197,578,199.39) |  | (99,935,861.00) |

**4.4** The transactions of unrealized gain (loss) on trading securities during year ended December 31, 2018 is as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial  Statement | |
| Beginning balance as at January 1, 2018 |  | 265,441,156.02 |  | 89,588,798.47 | |
| Transactions during the year |  | (232,278,315.23) |  | (125,929,231.51) | |
| Ending balance as at December 31, 2018 |  | 33,162,840.79 |  | (36,340,433.04) | |

**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 |  | 34.1071 |  | 136,498,599.57 |
| Un-realize gain |  | - |  |  |  | 784,197.83 |  | 34.1071 |  | 26,746,713.81 |
| 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 |  | 34.1071 |  | 8,526,775.00 |
| As of December 31,2012 |  | 2,078.739 |  |  |  | 5,036,256.04 |  |  |  |  |
| As adjusted January 1,2013 |  | (6.274) |  |  |  | (18,470.49) |  | 34.1071 |  | (629,974.85) |
| 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 |  | 34.1071 |  | 64,160,230.09 |
| 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 |  | 34.1071 |  | 565,597.70 |
| 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 |  | 34.1071 |  | 1,119,110.57 |
| 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 |  | 34.1071 |  | 17,053,550.00 |
| 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) |  | 34.1071 |  | (114,009.12) |
| As of December 31, 2017 |  | 2,732.268 |  |  |  | 7,444,977.52 |  |  |  |  |
| Redemption December 3,2018 |  | (293.263) |  | 4,091.89 |  | (1,200,000.00) |  | 34.1071 |  | (40,928,437.42) |
| As of December 31, 2018 |  | 2,439.005 |  |  |  | 6,244,977.52 |  |  |  | 212,998,155.35 |

**\***  Weighted average price

\*\* Weighted average exchange rate as at December 31, 2018

**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) |
| Invested on March 10, 2014 |  | 49,999.500 |  | 100.00 |  | 5,000,000.00 |  | 32.8756 |  | 164,378,000.00 |
| Redemption October 1, 2018 |  | (2,500.000) |  | 83.528 |  | (208,820.67) |  | 32.8756 |  | (6,865,227.09) |
| As at December 31, 2018 |  | 47,499.500 |  |  |  | 4,791,179.33 |  |  |  | 157,512,772.91 |

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

As at December 31, 2018 and 2017, the outstanding balance of trade accounts receivable are classified by aging as follows :-

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| **Trade accounts receivable - Other parties** |  |  |  |  |
| Current | 7,708,499.70 | 168,945,861.60 | 7,547,999.70 | - |
| Overdue Less than 30 days | 3,183,292.74 | 160,500.00 | 3,183,292.74 | - |
| 31 - 60 days | 1,070,000.00 | - | 1,070,000.00 | - |
| 61 - 90 days | 4,835,197.64 | - | 4,835,197.64 | - |
| 91 - 180 days | 3,210,000.00 | 6,420,000.00 | 3,210,000.00 | 6,420,000.00 |
| 181 - 365 days | 129,002,701.42 | 4,922,000.00 | 25,093,265.50 | 4,922,000.00 |
| Over 365 days | 6,464,592.25 | 5,715,592.25 | 5,769,092.25 | 4,592,092.25 |
| Total | 155,474,283.75 | 186,163,953.85 | 50,708,847.83 | 15,934,092.25 |
| Less : Allowance for doubtful accounts | (2,077,592.25) | (5,715,592.25) | (1,382,092.25) | (4,592,092.25) |
| Net | 153,396,691.50 | 180,448,361.60 | 49,326,755.58 | 11,342,000.00 |

Movement of the allowance for doubtful accounts – Accounts receivable-others during the year ended December 31, 2018 is as follows;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated  Financial Statement |  | Separate  Financial Statement |
| Balance at beginning of the year |  | 5,715,592.25 |  | 4,592,092.25 |
| Provision increase (decrease) during the year |  | (3,638,000.00) |  | (3,210,000.00) |
| Balance at ending of the year |  | 2,077,592.25 |  | 1,382,092.25 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
| **OTHER COMPANIES** | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| Account Receivable – Other \* | 75,500,000.00 | - | 75,500,000.00 | - |
| Unbilled Receivable | 14,736,986.32 | 42,061,879.73 | 14,736,986.32 | 36,582,213.92 |
| Advance Payment | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 |
| Prepaid Expenses | 1,023,176.36 | 1,018,800.16 | 770,607.68 | 719,706.74 |
| Total Other Account Receivable - other company | 91,264,662.68 | 43,085,179.89 | 91,012,094.00 | 37,306,420.66 |

\* On September 14, 2018, The Company sold securities to a non-related company for Baht 90.50 million. The Company received the first payment of the share amounting to Baht 15.00 million. The remaining Baht 75.50 million is paid by a post-dated cheque with collaterals by the buyer.

### **LOANS TO OTHER PERSONS AND COMPANY**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | December 31, 2018 |  | December 31, 2017 |  | December 31, 2018 |  | December 31, 2017 |
| Other persons non-related |  | 130,000,000.00 |  | - |  | 130,000,000.00 |  | - |
| Kingdom Property company limited |  | 4,908,000.00 |  | 4,908,000.00 |  | 4,908,000.00 |  | 4,908,000.00 |
| Total |  | 134,908,000.00 |  | 4,908,000.00 |  | 134,908,000.00 |  | 4,908,000.00 |
| 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 |  | 130,000,000.00 |  | - |  | 130,000,000.00 |  | - |

The transactions of loans to others person and company during the year ended December 31, 2018, are as follow;

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | | |  | | POLICY | |
|  |  | Consolidated Financial Statement / Separate Financial Statement | | | | | | | |  | | ON LENDING | |
|  |  | December 31, 2017 |  | Increase |  | Decrease |  | December 31, 2018 |  | | COST | |
| Other persons non-related |  | - |  | 130,000,000.00 |  | - |  | 130,000,000.00 |  | | 12.00% p.a. | |
| Kingdom Property Company Limited |  | 4,908,000.00 |  | - |  | - |  | 4,908,000.00 |  | | 10.00% p.a. | |
| Total |  | 4,908,000.00 |  | 130,000,000.00 |  | - |  | 134,908,000.00 |  | |  | |
| Less : Allowance for doubtful accounts |  | (4,908,000.00) |  | - |  | - |  | (4,908,000.00) |  | |  | |
| Total loans to others person and companies |  | - |  | 130,000,000.00 |  | - |  | 130,000,000.00 |  | |  | |

**8. INVESTMENTS IN SUBSIDIARY COMPANIES**

As at December 31, 2018 and 2017, 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 | December 31 | | December 31 | December 31 | | December 31 | | | December 31 | | | December 31 | December 31 | December 31 | | December 31 | | | December 31 |
| Name of company | business | 2018 | | 2017 | 2018 | | 2017 | | | 2018 | | | 2017 | 2018 | 2017 | | 2018 | | | 2017 |
|  |  | (Baht) | | (Baht) | % | | % | | |  | | |  |  |  | |  | | |  |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Binswanger Brooker (Thailand) Limited | Real estate brokerage and consultancy | 22.87 mil | | 22.87 mil | 99.99 | | 99.99 | | | 9,222 | | | 9,222 | 17,552 | 13,101 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| 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 | 31.02 mil | | 31.02 mil | 99.99 | | 99.99 | | | 31,011 | | | 31,011 | 23,060 | 31,647 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Brooker Business Development Co., Ltd. | Business consultant | 2.00 mil | | 2.00 mil | 99.99 | | 99.99 | | | 2,000 | | | 2,000 | (13,525) | (9,697) | | (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 | 578,409 | 1,161,731 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Investment in subsidiaries | | | |  |  | |  | | | 60,077 | | | 60,077 | 605,496 | 1,196,782 | | (2,000) | | | (2,000) |
| Less : Allowance for Impairment | | | |  |  | |  | | | (2,000) | | | (2,000) |  |  | |  | | |  |
| Net Investments in subsidiary companies - The Company Only | | | | |  | |  | | | 58,077 | | | 58,077 |  | |  | |  |

**9. OTHER INVESTMENTS**

As at December 31, 2018 and December 31, 2017, the Company has invested in other investments as follows;

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | |  | BAHT | |
|  |  | Consolidated Financial Statement | |  | Separate Financial Statement | |
|  |  | December 31 | December 31 |  | December 31 | December 31 |
| **Other Investment – Other Company** | Type of business | 2018 | 2017 |  | 2018 | 2017 |
| GM Multimedia Plc. | Publishing | - | 1,000,000.00 |  | - | 1,000,000.00 |
| Advance Finance Plc. | Finance | 185,000,000.00 | 160,000,000.00 |  | 185,000,000.00 | 160,000,000.00 |
| Absolute Clean Energy Plc. | Energy | 300,000,000.00 | 200,000,000.00 |  | 300,000,000.00 | 200,000,000.00 |
| Less : Allowance for impairment |  | - | (1,000,000.00) |  | - | (1,000,000.00) |
| Total |  | 485,000,000.00 | 360,000,000.00 |  | 485,000,000.00 | 360,000,000.00 |
| **Other Investment – Related Company** |
| Civetta Capital Co., Ltd. | Fund Management | 550.13 | 554.05 |  | - | - |
| Total other investments-related company |  | 550.13 | 554.05 |  | - | - |
| **Total other investments** |  | 485,000,550.13 | 360,000,554.05 |  | 485,000,000.00 | 360,000,000.00 |

On April 5, 2018, The Company has acquired additional common shares of Absolute Clean Energy Co., Ltd. total 2.5 million shares amounting to 100 million Baht.

On April 25, 2018, The Company has acquired additional common shares of Advance Finance Plc. total 25 million shares, par value Baht 1.00, amounting to 25 million Baht.

The transactions of allowance for impairment of investment during the year ended December 31, 2018 is as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| Balance as at January 1, 2018 |  | 1,000,000.00 |  | 1,000,000.00 |
| Provision during the year |  | (1,000,000.00) |  | (1,000,000.00) |
| Balance as at December 31, 2018 |  | - |  | - |

1. **LOAN TO OTHERS – LONG TERM**

As at December 31, 2018 and 2017, the Company has loan to others – long term as follows;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | BAHT | | | | | |
|  | |  | Consolidated Financial Statement and  Separate Financial Statement | | | | | |
|  | |  | 2018 | |  | 2017 | | |
| Loan to other – long term | |  | 760,000,000.00 | |  | 300,000,000.00 | | |
| Total Loan to other – long term | |  | 760,000,000.00 | |  | 300,000,000.00 | | |
|  | | |  | | |  |  | |

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 two-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. On 31 May 2018, the Company received a partial loan payback of baht 120 million, the remaining amount to be returned of baht 180 million.

On January 25, 2018, the Company entered into a loan agreement with a non-related person to lend an amount of Baht 580 million for a two-year period with interest rate at 15% p.a. The loan is secured by common stock valued at 1.5 times of the amount of the loan on the loan agreement signing date. The Board of Directors of the Company has a resolution approve the loan.

**11. Properties and Equipment - net**

As at December 31, 2018 and 2017, the Company has property, plant and equipment as follows;

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | B A H T | | | | | | | | | | | | | | |
|  | Consolidated Financial Statement | | | | | | | | | | | | | | |
|  |  |  | |  | Furniture |  | Office |  |  |  |  |  | Website |  |  |
|  |  | Buildings | |  | and Fixture |  | Equipment |  | Computer |  | Vehicles |  | Development |  | Total |
| **COST** |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2018 |  | 40,884,000.00 | |  | 13,389,188.80 |  | 988,970.53 |  | 4,736,668.83 |  | 22,044,782.76 |  | 230,729.90 |  | 82,274,340.82 |
| Additions |  | - | |  | - |  | 24,476.63 |  | 231,512.40 |  | - |  | - |  | 255,989.03 |
| Disposals/ written-off |  | - | |  | - |  | (22,000.00) |  | - |  | - |  | - |  | (22,000.00) |
| At December 31, 2018 |  | 40,884,000.00 | |  | 13,389,188.80 |  | 991,447.16 |  | 4,968,181.23 |  | 22,044,782.76 |  | 230,729.90 |  | 82,508,329.85 |
| **ACCUMULATED DEPRECIATION** |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2018 |  | 20,259,286.18 | |  | 13,374,152.50 |  | 898,494.56 |  | 4,163,672.82 |  | 6,196,340.21 |  | 230,728.90 |  | 45,122,675.17 |
| Additions |  | 2,044,200.00 | |  | 12,951.76 |  | 37,227.49 |  | 299,585.02 |  | 1,136,478.25 |  | - |  | 3,530,442.52 |
| Disposals |  | - | |  | - |  | (21,999.00) |  | - |  | - |  | - |  | (21,999.00) |
| At December 31, 2018 |  | 22,303,486.18 | |  | 13,387,104.26 |  | 913,723.05 |  | 4,463,257.84 |  | 7,332,818.46 |  | 230,728.90 |  | 48,631,118.69 |
| **Property, plant and equipment – net** |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2018 |  | 20,624,713.82 | |  | 15,036.30 |  | 90,475.97 |  | 572,996.01 |  | 15,848,442.55 |  | 1.00 |  | 37,151,665.65 |
| At December 31, 2018 |  | 18,580,513.82 | |  | 2,084.54 |  | 77,724.11 |  | 504,923.39 |  | 14,711,964.30 |  | 1.00 |  | 33,877,211.16 |
| **Depreciation included in statements of income for the year ;** | | | | | | | | | | | | | | | |
| 2017 |  | |  |  |  |  |  |  |  |  |  |  |  |  | 3,590,803.75 |
| 2018 |  | |  |  |  |  |  |  |  |  |  |  |  |  | 3,530,442.52 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | B A H T | | | | | | | | | | | | |
|  |  | Separate Financial Statement | | | | | | | | | | | | |
|  |  |  |  | Furniture |  | Office |  |  |  |  |  | Website |  |  |
|  |  | Buildings |  | and Fixture |  | Equipment |  | Computer |  | Vehicles |  | Development |  | Total |
| **COST** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2018 |  | 40,884,000.00 |  | 13,382,788.80 |  | 965,368.03 |  | 4,563,206.27 |  | 22,044,782.76 |  | 230,728.90 |  | 82,070,874.76 |
| Additions |  | - |  | - |  | 24,476.63 |  | - |  | - |  | - |  | 24,476.63 |
| Disposals/ written-off |  | - |  | - |  | (22,000.00) |  | - |  | - |  | - |  | (22,000.00) |
| At December 31, 2018 |  | 40,884,000.00 |  | 13,382,788.80 |  | 967,844.66 |  | 4,563,205.27 |  | 22,044,782.76 |  | 230,729.90 |  | 82,073,351.39 |
| **ACCUMULATED DEPRECIATION** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2018 |  | 20,259,286.18 |  | 13,369,372.66 |  | 874,896.06 |  | 4,149,303.10 |  | 6,196,340.21 |  | 230,727.90 |  | 45,079,927.11 |
| Additions |  | 2,044,200.00 |  | 11,671.76 |  | 37,227.49 |  | 275,037.86 |  | 1,136,478.25 |  | - |  | 3,504,615.36 |
| Disposals |  | - |  | - |  | (21,999.00) |  | - |  | - |  | - |  | (21,999.00) |
| At December 31, 2018 |  | 22,303,486.18 |  | 13,381,044.42 |  | 890,124.55 |  | 4,424,340.96 |  | 7,332,818.46 |  | 230,728.90 |  | 48,562,543.47 |
| **Property, plant and equipment – net** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2018 |  | 20,624,713.82 |  | 13,416.14 |  | 90,471.97 |  | 413,902.17 |  | 15,848,442.55 |  | 1.00 |  | 36,990,947.65 |
| At December 31, 2018 |  | 18,580,513.82 |  | 1,744.38 |  | 77,720.11 |  | 138,864.31 |  | 14,711,964.30 |  | 1.00 |  | 33,510,807.92 |
| **Depreciation included in statements of income for the year ;** | | | | | | | | | | | | | | |
| 2017 | | | | | | | | | | | |  |  | 3,587,493.00 |
| 2018 | | | | | | | | | | | |  |  | 3,504,615.36 |

1. **INVESTMENT PROPERTY, NET**

The movement of investment property for the year ended December 31, 2018 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| **Cost** |  |  |  |  |
| At January 1, 2018 |  | 8,803,554.00 |  | 8,803,554.00 |
| Property , increase (decrease) |  | - |  | - |
| At December 31, 2018 |  | 8,803,554.00 |  | 8,803,554.00 |
| **Accumulated Depreciation** |  |  |  |  |
| At January 1, 2018 |  | 992,510.18 |  | 992,510.18 |
| Increase (decrease) |  | 440,177.66 |  | 440,177.66 |
| At December 31, 2018 |  | 1,432,687.84 |  | 1,432,687.84 |
| Balance as of January 1, 2018 |  | 7,811,043.82 |  | 7,811,043.82 |
| **Balance as of December 31, 2018** |  | 7,370,866.16 |  | 7,370,866.16 |

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, which is the market price Baht 11.34 million according to an independent valuator dated November 29, 2018.

**13. ACCOUNTS PAYABLE TRADE – OTHER COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| SCB Securities Co., Ltd. | - | 30.00 | - | - |
| Asian Ocean Enterprises Limited | 2,795,059.01 | 1,835,627.01 | - | - |
| Simpson Financial Limited | 262,830.61 | 761,881.94 | - | - |
| Total Accounts Payable Trade - other company | 3,057,889.62 | 2,597,538.95 | - | - |

**14. OTHER ACCOUNTS PAYABLE – OTHER COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
| **OTHER COMPANIES** | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
|  |  |  |  |  |
| Other accounts payable | 296,503.04 | 75,979.54 | 295,812.89 | 75,273.34 |
| Unearned income | 3,443,046.54 | 5,703,000.00 | 3,443,046.54 | 5,703,000.00 |
| Accrued expenses | 20,348,666.59 | 26,504,854.85 | 17,868,468.98 | 23,435,747.02 |
| Total other account payable - other company | 24,088,216.17 | 32,283,834.39 | 21,607,328.41 | 29,214,020.36 |

1. **SHORT TERM LOAN FROM FINANCIAL INSTITUTE**

Short-term loan from financial institution as at December 31, 2018 and December 31, 2017 are as follows;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | December 31, 2018 |  | December 31, 2017 |  | December 31, 2018 |  | December 31, 2017 |
| A Financial Institute |  | 500,000,000.00 |  | 100,000,000.00 |  | 500,000,000.00 |  | 100,000,000.00 |
| Total Short-term loan from Financial Institute |  | 500,000,000.00 |  | 100,000,000.00 |  | 500,000,000.00 |  | 100,000,000.00 |

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

**16. FINANCIAL LEASE OBLIGATIONS**

Financial Lease Obligations as at December 31, 2018 and December 31, 2017 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
|  |  |  |  |  |
| Financial lease obligations | - | 9,125,800.99 | - | 9,125,800.99 |
| Less : Amount due within 1 year | - | (9,125,800.99) | - | (9,125,800.99) |
| Financial Lease Obligations - Net | - | - | - | - |

Changed of Financial Lease Obligations for the years ended December 31, 2018 was as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated |  | Separate |
|  |  | Financial Statement |  | Financial Statement |
| Balance as of January 1, 2018 |  | 9,125,800.99 |  | 9,125,800.99 |
| Add : Increase during the year |  | - |  | - |
| Less : Payment during the year |  | (9,125,800.99) |  | (9,125,800.99) |
| Balance as of December 31, 2018 |  | - |  | - |

**17. EMPLOYEE BENEFITS OBLIGATION**

Movements in the present value of the provision under defined benefit obligation for the years ended December 31, 2018 and 2017 were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | December 31, 2018 |  | December 31, 2017 |  | December 31, 2018 |  | December 31, 2017 |
| Employee benefits obligation as of |  |  |  |  |  |  |  |
| beginning of year | 25,844,393.00 |  | 21,667,371.00 |  | 23,855,531.00 |  | 19,364,405.00 |
| Current service cost and interest cost | 2,226,140.00 |  | 2,332,895.00 |  | 1,936,255.00 |  | 2,069,152.00 |
| Past service cost | 1,906,332.00 |  | - |  | 1,684,001.00 |  | - |
| (Gain) loss from estimate of actuarial assumptions | (4,326,999.00) |  | 1,844,127.00 |  | (3,731,511.00) |  | 2,421,974.00 |
| Employee benefits obligation as of |  |  |  |  |  |  |  |
| ending of year | 25,649,866.00 |  | 25,844,393.00 |  | 23,744,276.00 |  | 23,855,531.00 |

Expenses recognized in gain or loss for the years ended December 31, 2018 and 2017 are as follow;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | For the year ended December 31 | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
| Current service cost | 1,615,252.00 |  | 1,777,739.00 |  | 1,385,187.00 |  | 1,565,880.00 |
| Interest cost | 610,888.00 |  | 555,156.00 |  | 551,068.00 |  | 503,272.00 |
| Total | 2,226,140.00 |  | 2,332,895.00 |  | 1,936,255.00 |  | 2,069,152.00 |

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 December 31, 2018 and 2017 are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Old | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
| Discount rate | 2.31 - 3.16% |  | 3.16% |  | 2.31% |  | 3.16% |
| Expected rate of salary increase | 0 – 8.00% |  | 0 – 8.00% |  | 0 – 8.00% |  | 0 – 8.00% |
| Voluntary resignation rate | 0 – 6.00% |  | 0 – 6.00% |  | 0 – 6.00% |  | 0 – 6.00% |
| Mortality rate | TMO 2008 |  | TMO 2008 |  | TMO 2008 |  | TMO 2008 |

The Company hires an actuary to re-compute the employee benefits obligation of the Company according to The Labour Protection Act (Amendment) which increases the rate of benefit for retirement of employee who has past service 20 years or more to 400 days.

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as at December 31, 2018 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | New | | |
|  | Consolidated Financial Statement |  | Separate Financial Statement |
|  | 2018 |  | 2018 |
| Discount rate | 2.25 - 3.39% |  | 2.25% |
| Expected rate of salary increase | 0 – 10.00% |  | 0 – 10.00% |
| Voluntary resignation rate | 0 – 4.00% |  | 0 – 4.00% |
| Mortality rate | TMO 2017 |  | TMO 2017 |

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 December 31, 2018 as follows:

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 0.73 million (increase Baht 0.85 million).

- If the salary increase rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 0.87 million (decrease Baht 0.48 million).

- If the life expectancy increases (decreases) by one year for all employees, the employee benefit obligation would increase Baht 0.03 million (decrease Baht 0.03 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.

On December 13, 2018, the National Legislative Assembly approved draft of Labour Protection Act. The main point is increasing the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. At the present, the draft is in the process of announcement in the Government Gazette. However, the Company has amended its post-employment benefits plan to conform with the draft, effecting to increasing of the provisions for employee benefits of the Company as of December 31, 2018. The Company have recorded the effect of the change by recognizing post service cost as expenses immediately in the income statement.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | |
|  | For the year ended December 31 | | | | | |
|  |  | | Weighted average number | |  | |
|  | Net earnings (loss) | | of ordinary shares | | Earnings (loss) per share | |
|  | (Thousand Baht) | | (Thousand shares) | | (Baht) | |
|  | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
|  |  |  |  |  |  |  |
| **Basic earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) | 4,565 | 339,590 | 5,637,605 | 5,637,605 | 0.001 | 0.060 |
| **Effect of dilutive potential ordinary shares** |  |  |  |  |  |  |
| Warrants |  |  |  |  |  |  |
| (2018 and 2017 : 0 units) |  |  | - | - |  |  |
| **Diluted earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) of ordinary shareholders |  |  |  |  |  |  |
| (assuming conversion of potential ordinary |  |  |  |  |  |  |
| shares to ordinary shares) | 4,565 | 339,590 | 5,637,605 | 5,637,605 | 0.001 | 0.060 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate Financial Statement | | | | | |
|  | For the year ended December 31 | | | | | |
|  |  | | Weighted average number | |  | |
|  | Net earnings (loss) | | of ordinary shares | | Earnings (loss) per share | |
|  | (Thousand Baht) | | (Thousand shares) | | (Baht) | |
|  | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
|  |  |  |  |  |  |  |
| **Basic earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) | 561,094 | 71,470 | 5,637,605 | 5,637,605 | 0.100 | 0.013 |
| **Effect of dilutive potential ordinary shares** |  |  |  |  |  |  |
| Warrants |  |  |  |  |  |  |
| (2018 and 2017 : 0 units) |  |  | - | - |  |  |
| **Diluted earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) of ordinary shareholders |  |  |  |  |  |  |
| (assuming conversion of potential ordinary |  |  |  |  |  |  |
| shares to ordinary shares) | 561,094 | 71,470 | 5,637,605 | 5,637,605 | 0.100 | 0.013 |

**19. 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 2018 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.

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  |  |  |  |  |  |  |  |  |
| **Current income tax :** |  |  |  |  |  |  |  |  |
| Corporate income tax of current period |  | 66,664,693.48 |  | 11,342,789.61 |  | 66,664,693.48 |  | 11,056,699.66 |
| **Deferred tax :** |  |  |  |  |  |  |  |  |
| Relating to origination and reversal |  |  |  |  |  |  |  |  |
| of temporary differences |  | (38,364,544.40) |  | 10,780,252.94 |  | (37,981,339.60) |  | 10,798,345.94 |
| Effects to deferred tax from change |  |  |  |  |  |  |  |  |
| of income tax rates |  | - |  | - |  | - |  | - |
| **Income tax expense reported in**  **the statements of income** |  | 28,300,149.08 |  | 22,123,042.55 |  | 28,683,353.88 |  | 21,855,045.60 |

19.2 The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the years ended December 31, 2018 and 2017 are presented as the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
| Accounting profit before corporate income tax | 31,511,606.63 |  | 381,271,536.53 |  | 589,777,391.72 |  | 93,324,714.93 |
| Corporate income tax rates | 20% |  | 20% |  | 20% |  | 20% |
| Accounting profit before corporate income tax |  |  |  |  |  |  |  |
| Multiply by tax rates | 6,302,321.31 |  | 76,254,307.30 |  | 117,955,478.34 |  | 18,664,942.98 |
| Effects to deferred tax from |  |  |  |  |  |  |  |
| change of income tax rates | (38,364,544.40) |  | 10,780,252.94 |  | (37,981,339.60) |  | 10,798,345.94 |
| Income tax effects that is nondeductible in |  |  |  |  |  |  |  |
| calculation of profit:: |  |  |  |  |  |  |  |
| - Revenue exempted in tax calculation | 18,747,328.81 |  | (67,720,326.39) |  | (91,244,866.90) |  | (9,688,815.97) |
| -Nondeductible expenses | 41,217,940.37 |  | 2,170,643.38 |  | 39,954,082.04 |  | 2,080,572.65 |
| -Tax loss | 397,102.99 |  | 638,165.32 |  | - |  | - |
| Income tax expense presented in the Statement |  |  |  |  |  |  |  |
| of Income | 28,300,149.08 |  | 22,123,042.55 |  | 28,683,353.88 |  | 21,855,045.60 |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | December 31,2018 |  | December 31,2017 |  | December 31,2018 |  | December 31,2017 |
| Deferred tax assets |  |  |  |  |  |  |  |
| Allowance for doubtful accounts – Trade receivables | 276,418.45 |  | 918,418.45 |  | 276,418.45 |  | 918,418.45 |
| Allowance for impairment of investments | 687,114.72 |  | 887,114.72 |  | 399,994.00 |  | 599,994.00 |
| Investment in marketable securities | 18,649,605.50 |  | - |  | 18,403,499.50 |  | - |
| Allowance for doubtful accounts – Loans to others | 981,600.00 |  | 981,600.00 |  | 981,600.00 |  | 981,600.00 |
| Employee benefit obligations | 5,129,973.20 |  | 5,168,878.60 |  | 4,748,855.20 |  | 4,771,106.20 |
| Benefits from accumulated tax loss | - |  | - |  | - |  | - |
| Total | 25,724,711.87 |  | 7,956,011.77 |  | 24,810,367.15 |  | 7,271,118.65 |
| Deferred tax liabilities |  |  |  |  |  |  |  |
| Investment in marketable securities | - |  | 19,730,444.50 |  | - |  | 19,695,788.90 |
| Total | - |  | 19,730,444.50 |  | - |  | 19,695,788.90 |

19.4 Components of income tax in other comprehensive income (loss) for the years ended December 31, 2018 and 2017 are presented as the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | For the years ended December 31 | | | | | | |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
| Deferred tax show in |  |  |  |  |  |  |  |
| other comprehensive income(loss) : |  |  |  |  |  |  |  |
| * (Gain) loss from estimate of |  |  |  |  |  |  |  |
| Actuarial assumption | (865,399.80) |  | 368,825.40 |  | (746,302.20) |  | 484,394.80 |
| Total | (865,399.80) |  | 368,825.40 |  | (746,302.20) |  | 484,394.80 |

**20. 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.

On April 25, 2018, the annual general shareholders meeting no. 1/2018 approves the resolutions to pay interim dividend to the shareholders from the Company’s earnings for the period from July 1, 2017 to December 31, 2017 at Baht 0.03 per share or not exceeding Baht 169.13 million. The payment of dividend was on May 24, 2018.

On August 9, 2018, 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, 2018 to June 30, 2018 at Baht 0.02 per share or not exceeding of Baht 112.75 million. The interim dividend was paid on September 7, 2018.

**21. 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 |  |  |
| Registered ordinary share | (Thousand shares) |  | (Thousand Baht) |  |  |
| January 1, 2015 | 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 |  |  |
| December 31, 2018 | 5,647,349 |  | 705,919 |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particular | No of shares |  | Amount |  | Premium (discount) of share value |
| Issued and paid-up ordinary share | (Thousand shares) |  | (Thousand Baht) |  | (Thousand Baht) |
|  |  |  |  |  |  |
| 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 |
| December 31, 2018 | 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

**22. EXPENSES BY NATURE**

The material expenses for the years ended December 31, 2018 and 2017 are categorized by their natures as follows;

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | | | |
|  | 2018 |  | 2017 |  | 2018 |  | | 2017 | |
| Personnel expenses  (Excluded Management benefit expenses) | 23,873,915.03 |  | 24,192,527.26 |  | 16,304,772.97 |  | | 16,028,306.28 | |
| Management remunerations  (Included in Cost of service and administrative expenses) | 36,842,206.47 |  | 43,261,989.74 |  | 36,842,206.47 |  | | 43,261,989.74 | |
| Depreciation and amortization | 3,970,621.18 |  | 4,030,985.41 |  | 3,944,794.02 |  | | 4,027,670.66 | |
| Loss on sales of trading securities | 240,295,330.16 |  | 40,671,211.27 |  | 125,929,231.51 |  | | 40,671,211.27 | |
| Consulting fee | 11,086,148.60 |  | 2,892,233.33 |  | 47,456,018.60 |  | | 279,300.00 | |
| Advertising expenses | 66,465.36 |  | 183,058.99 |  | 65,530.80 |  | | 178,222.59 | |
| Foreign Business Information fees | 1,373,371.37 |  | 1,632,841.78 |  | 1,373,371.37 | |  | | 1,580,375.85 |

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

The Company had classified its segment operation as follow;

**23.1 The results of operations by segment**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | | | | | | | | | | | | | |
|  | For the years ended December 31, 2018 and 2017 | | | | | | | | | | | | | | | | | |
|  | Business Consulting | | | | Investments | | | Eliminated | | | | Consolidated | | | | | | |
|  | 2018 | | 2017 | | | 2018 | 2017 | 2018 | | 2017 | | | 2018 | | 2017 | | | |
| Services income | 350,024 | | 475,307 | | 160,839 | | 65,949 | (63,697) | | (4,472) | | | 447,166 | | 536,784 | | | |
| Cost of services | (94,295) | | (42,849) | | (94,367) | | (110,158) | 60,891 | | 778 | | | (127,771) | | (152,229) | | | |
| Gross earnings (loss) | 255,729 | | 432,458 | | 66,472 | | (44,209) | (2,806) | | (3,694) | | | 319,395 | | | 384,555 | | |
| Other income |  |  | |  | | |  | |  | |  | | | 19,091 | 75,591 | | |
| Administrative expenses |  |  | |  | | |  | |  | |  | | | (60,955) | (56,446) | | |
| Unrealized loss in trading securities |  |  | |  | | |  | |  | |  | | | (232,278) | (19,994) | | |
| Loss from sales other investment |  |  | |  | | |  | |  | |  | | | (970) | - | | |
| Financial costs |  |  | |  | | |  | |  | |  | | | (12,771) | (2,435) | | |
| Income tax expense |  |  | |  | | |  | |  | |  | | | (28,300) | (22,123) | | |
| Loss(Gain) of non-controlling interest | |  | |  | | |  | |  | |  | | | 1,353 | | | (19,558) | |
| Net profit (loss) |  |  | |  | | |  | |  | |  | | | 4,565 | | | 339,590 | |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate Financial Statement | | | | | | | | | | | | |
|  | For the years ended December 31, 2018 and 2017 | | | | | | | | | | | | |
|  | Business Consulting | | | | Investments | | | | Separate | | | | |
|  | 2018 | | 2017 | | | 2018 | | 2017 | | 2018 | | | 2017 | |
| Services income | 242,182 | | 80,742 | | | 614,886 | | 66,263 | | 857,068 | | | 147,005 |
| Cost of services | (83,257) | | (32,040) | | | - | | - | | (83,257) | | | (32,040) |
| Gross earnings (loss) | 158,925 | | 48,702 | | | 614,886 | | 66,263 | | 773,811 | | | 114,965 |
| Other income |  |  | |  | | |  | | | | 9,236 | 96,971 | |
| Administrative expenses |  |  | |  | | |  | | | | (51,757) | (54,034) | |
| Unrealized loss in trading securities |  |  | |  | | |  | | | | (125,929) | (40,671) | |
| Loss on sales of trading securities |  |  | |  | | |  | | | | - | (15,630) | |
| Loss from sales other investment |  |  | |  | | |  | | | | (970) | - | |
| Financial costs |  |  | |  | | |  | | | | (14,614) | (8,276) | |
| Income tax expense |  |  | |  | | |  | | | | (28,683) | (21,855) | |
| Net profit (loss) |  |  | |  | | |  | | | | 561,094 | 71,470 | |

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

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | | | | | |
|  | For the years ended December 31, 2018 and 2017 | | | | | | | | | |
|  | Business Consulting | | Investments | | | | Consolidated | | | |
|  | 2018 | 2017 | 2018 | | 2017 | | 2018 | | 2017 | |
|  |  |  |  | |  | |  | |  | |
| Sales and services income | 410,212 | 470,835 | 36,954 | | 49,030 | | 447,166 | | 519,865 | |
| Cost of sales and services | (105,676) | (139,219) | (22,095) | | (13,010) | | (127,771) | | (152,229) | |
| Gross earnings (loss) | 304,536 | 331,616 | 14,859 | | 36,020 | | 319,395 | | 367,636 | |
| Other income | 19,091 | 43,962 | - | 49,015 | | 19,091 | | 92,977 | |
| Administrative expenses | (48,716) | (43,139) | (12,239) | (13,773) | | (60,955) | | (56,912) | |
| Unrealized loss in trading securities | - | - | (232,278) | (19,994) | | (232,278) | | (19,994) | |
| Loss from sales other investment | (970) | - | - | - | | (970) | | - | |
| Financial costs | (12,771) | (2,435) | - | - | | (12,771) | | (2,435) | |
| Income tax expense | (28,607) | (22,123) | - | - | | (28,300) | | (22,123) | |
| Loss(Gain) of non-controlling interest | 1,353 | (19,559) | - | - | | 1,353 | | (19,559) | |
| Net profit (loss) | 234,223 | 288,322 | (229,658) | 51,268 | | 4,565 | | 339,590 | |

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 the years ended December 31, 2018 and 2017 | | | | | |
|  | Assets | | Service Income | | Net Profit (1) | |
|  | December 31 | December 31 | December 31 | December 31 | December 31 | December 31 |
|  | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Foreign country | 656,118 | 954,836 | 45,433 | 381,608 | (131,311) | 272,301 |
| Domestic | 2,109,083 | 1,744,191 | 240,894 | 89,227 | 135,876 | 67,289 |
| Total | 2,765,201 | 2,699,027 | 286,327 | 470,835 | 4,565 | 339,590 |

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

**23.2 Assets by segment**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | As at December 31, 2018 and 2017 | | | | | | | |
|  |  | |  | |  | |  | |
|  | Business Consulting | | Investments | | Eliminated | | Consolidated | |
|  | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Assets |  |  |  |  |  |  |  |  |
| Equipment | 14,736 | 15,950 | 366 | 161 | - | - | 15,102 | 16,111 |
| Unallocated equipment |  |  |  |  |  |  | 18,775 | 21,041 |
| Total assets |  |  |  |  |  |  | 2,731,324 | 2,661,875 |
| Total assets |  |  |  |  |  |  | 2,765,201 | 2,699,027 |

**24. COMMITMENTS**

**24.1** As of December 31, 2018 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 | 0.30 |
| Over 1 year but not over 5 years | 0.02 |
| Over 5 years | - |
| Tota Total | 0.32 |

**24.2** 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 expire August 31, 2020.

**24.3** 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.

**25. FINANCIAL INSTRUMENTS**

**25.1**  **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.

**25.2 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.

**25.3 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. The Company has extended the forward contract for 6 months which will be due in May 2018.

**25.4 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.

**25.5 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.

**25.6 Financial instruments carried at fair value**

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Cost |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **December 31, 2018** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Short term investment : |  |  |  |  |  |  |  |  |  |
| Trading Securities | 478,708 |  | 445,358 |  | - |  | - |  | 445,358 |
| Investments Fund : Fund | 370,511 |  | 437,024 |  | - |  | - |  | 437,024 |

|  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Cost |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **December 31, 2018** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Trading Securities | 416,928 |  | 380,587 |  | - |  | - |  | 380,587 |

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.

**26. EVENTS AFTER THE REPORTING YEAR ENDED**

26.1 On February 21, 2019, the board of directors approves a resolution to call the Annual General Meeting of Shareholders, to be held on April 24, 2019, that proposes to pay dividend to the shareholders from the Company’s earnings for the period of January 1, 2018 to December 31, 2018 at Baht 0.04 per share, by deducting the interim dividend paid on September 07, 2018 at Baht 0.02 per share, which the balance of the dividend is Baht 0.02 per share to be paid on May 23, 2019.

26.2 The board of directors approves a resolution to propose the Annual General Meeting of Shareholders to consider the followings:

1. To consider and approve the reduction of the registered capital from Baht 705,918,641 to Baht 704,700,608.25 by canceling the 9,744,262 unissued ordinary shares at the par value of Baht 0.125 per share each.

2. To consider and approve the issuance of 1,409,401,217 the warrants to purchase ordinary shares (BROOK-W5) for offering to existing shareholders on a pro rata basis (4:1) at ratio 4 existing ordinary shares to 1 unit of BROOK-W5.

Offering price per unit 0.00 Baht

Exercise ratio 1 unit of warrant has the rights to purchase 1 new ordinary share

Exercise price 0.25 Baht per share

Life 3 years after issuance date

3. To approve the increase of registered capital from Baht 704,700,608.25 to Baht 880,875,760.375 by issuing new 1,409,401,217 ordinary shares at the par value Baht 0.125 per share totaling Baht 176,175,152.125 to accommodate the exercise of the warrants.

**27. APPROVAL OF THE FINANCIAL STATEMENT**

The financial statement has been approved for issue by the Company’s board of directors on February 21, 2019.