7THE BROOKER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2019, 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, 2019 amount of Baht 384.68 million (equivalent to 11.21% of total assets in the consolidated financial statement), total liabilities amount of Baht 17.39 million (equivalent to 2.02% of total liabilities in the consolidated financial statement) and net profit (loss) for the year then ended, amount of Baht 9.70 million (equivalent to 1.32 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 |
|  |  |  |  | 2019 | 2018 |
| 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 |
|  |  |  |  | 2019 | 2018 |
| 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, the 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, 2019. Adoption of the above financial reporting standards in the current year do not have material effect on the financial statements.

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

The Federation of Accounting Professions has issued the 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, 2020 as follows:

|  |  |
| --- | --- |
| Accounting Standard |  |
| TAS 1 Presentation of Financial Statements |  |
| TAS 2 Inventories |  |
| TAS 7 Statement of Cash Flows |  |
| TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors |  |
| TAS 10 Events after the Reporting Period |  |
| TAS 12 Income Taxes |  |
| TAS 16 Property, Plant and Equipment |  |
| TAS 19 Employee Benefits |  |
| TAS 20 Accounting for Government Grants and Disclosure of Government Assistance |  |
| TAS 21 The Effects of Changes in Foreign Exchange Rates |  |
| TAS 23 Borrowing Costs |  |
| TAS 24 Related Party Disclosures |  |
| TAS 26 Accounting and Reporting by Retirement Benefit Plans |  |
| TAS 27 Separate Financial Statements |  |
| TAS 28 Investments in Associates and Joint Ventures |  |
| TAS 29 Financial Reporting in Hyperinflationary Economies |  |
| TAS 32 Financial Instruments: Presentation |  |
| TAS 33 Earnings per Share |  |
| TAS 34 Interim Financial Reporting |  |
| TAS 36 Impairment of Assets |  |
| TAS 37 Provisions, Contingent Liabilities and Contingent Assets |  |
| TAS 38 Intangible Assets |  |
| TAS 40 Investment Property |  |
| TAS 41 Agriculture |  |
|  |  |
| Financial Reporting Standard |  |
| TFRS 1 First - time Adoption of International Financial Reporting Standards |  |
| TFRS 2 Share - based Payment |  |
| TFRS 3 Business Combinations |  |
| TFRS 4 Insurance Contract |  |
| TFRS 5 Non - current Assets Held for Sale and Discontinued Operations |  |
| TFRS 6 Exploration for and Evaluation of Mineral Resources |  |
| TFRS 7 Financial Instruments: Disclosures |  |
| TFRS 8 Operating Segments |  |
| TFRS 9 Financial Instruments |  |
| TFRS 10 Consolidated Financial Statements |  |
| TFRS 11 Joint Arrangements |  |
| TFRS 12 Disclosure of Interests in Other Entities |  |
| TFRS 13 Fair Value Measurement |  |
| TFRS 15 Revenue from Contracts with Customers |  |
| TFRS 16 Leases |  |
|  |  |
| Accounting Standard Interpretations |  |
| TSIC 10 Government Assistance - No Specific Relation to Operating Activities |  |
| TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |  |
| TSIC 29 Service Concession Arrangements: Disclosures |  |
| TSIC 32 Intangible Assets - Web Site Costs |  |
|  |  |
| Financial Reporting Standard Interpretations |  |
| TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities |  |
| TFRIC 5 Rights to Interests arising from Decommissioning, |  |
| Restoration and Environmental Rehabilitation Funds |  |
| TFRIC 7 Applying the Restatement Approach under TAS 29 |  |
| Financial Reporting in Hyperinflationary Economies |  |
| TFRIC 10 Interim Financial Reporting and Impairment |  |
| TFRIC 12 Service Concession Arrangements |  |
| TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset, |  |
| Minimum Funding Requirements and their Interaction |  |
| TFRIC 16 Hedges of a Net Investment in a Foreign Operation |  |
| TFRIC 17 Distributions of Non - Cash Assets to Owners |  |
| TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments |  |
| TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine |  |
| TFRIC 21 Levies |  |
| TFRIC 22 Foreign Currency Transactions and Advance Consideration |  |
| TFRIC 23 Uncertainty over Income Tax Treatments |  |

The management of the Company has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statement year beginning on or after January 1, 2020 as follows:

1. TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 19, TAS 21, TAS 24, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TFRS 8, TFRS 13 and TFRS 15 will not have material impact on the financial statements when they are applied.
2. The management of the Company is currently evaluating the impact of TAS 32, TFRS 7, TFRS 9, TFRS 16, TFRIC 16 and TFRIC 19 to the financial statements when they are adopted.
3. The other TAS, TFRS, TSIC and TFRIC which have not been stated in No.1) and 2) are not relevant to the Company business, therefore they do not have impact on the financial statement when they are applied.

And the management of the group of companies is currently evaluating the impact of TAS 32, TFRS 7, TFRS 9, TFRS 16 and TFRIC 16 and TFRIC 19 to the financial statements when they are adopted

**1.5 Summary of significant accounting policies**

**1.5.1 Revenue recognition**

The company records revenue and expenses on an accrual basis.

A) Service income will be recognized as income by considering stage of success

B) Sales revenue are recognized as revenue once the goods have been transferred to customers, that is, when the goods are delivered. Except in the case of revenue from sales of products manufactured by customers with special orders will recognize income by considering the stage of work completion

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

D) Dividends are recognized as income when the Company has the rights to receive dividends.

**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** | 2019 | 2018 | 2019 | 2018 |  |
| Service income | 223 | 403 | 223 | 230 | At the rate determined under the contract |
| Rental income | 106 | 106 | 106 | 106 | At the rate determined under the contract |
| Management income | 26,815 | 40,005 | - | - | At the rate determined under the contract |
| Others | 103 | 111 | 103 | 111 | At the rate determined under the contract |
| **Subsidiary companies** |  |  |  |  |  |
| Service income | - | - | 23,339 | 22,528 | At the rate determined under the contract |
| Rental income | - | - | 274 | 449 | At the rate determined under the contract |
| Dividend income | - | - | 560,011 | 445,340 | At the announced rate |
| Interest income | - | - | 11,137 | 1,494 | At the interest rate 3.00% p.a. |
| Interest expense | - | - | 492 | 1,876 | At the interest rate 3.00% p.a. |
| Consulting fee | - | - | 89,540 | 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, 2019 and 2018 are as follow;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
| Benefits – short-term | 63,491,022.68 |  | 36,842,206.47 |  | 63,491,022.68 |  | 36,842,206.47 |
| Benefits – after retirement | 1,592,501.00 |  | 964,716.00 |  | 1,592,501.00 |  | 964,716.00 |
| Total | 65,083,523.68 |  | 37,806,922.47 |  | 65,083,523.68 |  | 37,806,922.47 |

The outstanding balances of assets and liabilities with the subsidiary and related companies presented in the statements of financial position as of December 31, 2019 and 2018 as follows:-

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| **TRADE ACCOUNTS RECEIVABLE – RELATED COMPANIES** | |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker International Company Limited | - | - | 14,150,000.00 | - |
| Brooker Business Development Co.,Ltd. | - | - | - | 1,073,046.22 |
| Total | - | - | 14,150,000.00 | 1,073,046.22 |
| **Related companies** |  |  |  |  |
| Civetta Capital Co., Ltd. | 764.78 | 1,432.42 | 764.78 | 1,432.42 |
| Brooker Sukhothai Fund Limited | 18,570,583.34 | 8,535,741.14 | - | - |
| Total amounts due from related companies | 18,571,348.12 | 8,537,173.56 | 14,150,764.78 | 1,074,478.64 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| Current | 5,323,525.29 | 8,537,173.56 | 8,275,000.00 | 120,570.20 |
| Overdue Less than 30 days | 6,418,846.32 | - | - | 121,027.53 |
| 31 - 60 days | 6,828,976.51 | - | 764.78 | 119,160.81 |
| 61 - 90 days | - | - | 5,875,000.00 | 119,054.96 |
| 91 - 180 days | - | - | - | 356,886.65 |
| 181 - 365 days | - | - | - | 237,778.49 |
| Over 365 days | - | - | - | - |
| Trade accounts receivable – related companies - net | 18,571,348.12 | 8,537,173.56 | 14,150,764.78 | 1,074,478.64 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| **UNBILLED RECEIVABLES – RELATED COMPANIES** | |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker International Company Limited | - | - | 6,493,815.39 | 72,301,150.00 |
| Brooker Business Development Co.,Ltd. | - | - | - | 219,410.97 |
| Total Unbilled Receivable - related companies | - | - | 6,493,815.39 | 72,520,560.97 |
| **ADVANCE – RELATED COMPANIES** |  |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker Business Development Co.,Ltd | - | - | - | 1,594,862.94 |
| Total Advance - related companies | - | - | - | 1,594,862.94 |
|  |  |  |  |  |
| **Total Other Accounts Receivable - related companies** | - | - | 6,493,815.39 | 74,115,423.91 |

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |  | POLICY |
|  |  | Separate Financial Statement | | | | | | |  | ON |
|  |  | December 31, 2018 |  | Increase |  | Decrease |  | December 31, 2019 |  | LENDING COST |
| **Subsidiary companies** |  |  |  |  |  |  |  |  |  |  |
| Brooker Corporate Advisory Co., Ltd. |  | 75,600,000.00 |  | 40,000,000.00 |  | (5,000,000.00) |  | 110,600,000.00 |  | 3.00% p.a. |
| Brooker Business Development Co., Ltd |  | 10,000,000.00 |  | 7,300,000.00 |  | - |  | 17,300,000.00 |  | 3.00% p.a. |
| Brooker International Company Limited |  | - |  | 361,219,235.00 |  | - |  | 361,219,235.00 |  | 3.00% p.a. |
| Total loans to related companies |  | 85,600,000.00 |  | 408,519,235.00 |  | (5,000,000.00) |  | 489,119,235.00 |  |  |

**2.5 ACCOUNTS PAYABLE TRADE – RELATED COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
|  |  |  |  |  |
| Brooker International Company Limited | - | - | 89,540,000.00 | - |
| Total Accounts Payable Trade - related company | - | - | 89,540,000.00 | - |

**2.6 LOANS FROM RELATED COMPANIES**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |  | POLICY |
|  |  | Separate Financial Statement | | | | | | |  | ON |
|  |  | December 31, 2018 |  | Increase |  | Decrease |  | December 31, 2019 |  | BORROWING COST |
| **Subsidiary companies** |  |  |  |  |  |  |  |  |  |  |
| Brooker Planner Co., Ltd. |  | 13,000,000.00 |  | 27,000,000.00 |  | (40,000,000.00) |  | - |  | 3.00% p.a. |
| Binswanger Brooker (Thailand) Limited |  | 17,000,000.00 |  | 28,000,000.00 |  | (45,000,000.00) |  | - |  | 3.00% p.a. |
| **Total loans from subsidiary companies** |  | 30,000,000.00 |  | 55,000,000.00 |  | (85,000,000.00) |  | - |  |  |

**3. CASH AND CASH EQUIVALENTS**

As at December 31, 2019 and 2018, cash and cash equivalents are as follow;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | December 31, 2019 |  | December 31, 2018 |  | December 31, 2019 |  | December 31, 2018 |
| Cash |  | 25,000.00 |  | 20,000.00 |  | 25,000.00 |  | 20,000.00 |
| Current and saving account deposits |  | 722,345,776.53 |  | 170,690,951.14 |  | 583,011,900.92 |  | 29,486,348.00 |
| Fixed deposit with maturity dates not  longer than 3 months |  | - |  | - |  | - |  | - |
| Total cash and cash equivalents |  | 722,370,776.53 |  | 170,710,951.14 |  | 583,036,900.92 |  | 29,506,348.00 |

**4. SHORT-TERM INVESTMENT**

As at December 31, 2019 and December 31, 2018, the investment in trading securities are as follows :-

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | | | | | | | |
|  | December 31, 2019 | | | | | |  | | December 31, 2018 | | | | | |
|  | Cost |  | Fair Value |  | | Unrealized Gain (Loss) |  | Cost | |  | Fair Value |  | Unrealized Gain (Loss) | |
| **4.1 The Company** |  |  |  |  | |  |  |  | |  |  |  |  | |
| Investment in |  |  |  |  | |  |  |  | |  |  |  |  | |
| - Trading securities | 1,154,061,172.59 |  | 959,840,180.19 |  | | (194,220,992.40) |  | 416,927,651.73 | |  | 380,587,218.69 |  | (36,340,433.04) | |
| **4.2 Subsidiary Company** |  |  |  |  | |  |  |  | |  |  |  |  | |
| Investment in |  |  |  |  | |  |  |  | |  |  |  |  | |
| |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | - Trading securities |  |  |  |  |  |  |  |  |  |  |  | | 55,985,792.14 |  | 30,947,954.00 |  | | (25,037,838.14) |  | 61,780,193.64 | |  | 64,770,570.00 |  | 2,990,376.36 | |
| - Brooker Sukhothai Fund | 171,897,038.82 |  | 215,933,701.24 |  | | 44,036,662.42 |  | 212,998,155.35 | |  | 324,654,834.01 |  | 111,656,678.66 | |
| - Civetta Fund | 134,993,258.88 |  | 99,915,748.55 |  | | (35,077,510.33) |  | 157,512,772.91 | |  | 112,368,991.72 |  | (45,143,781.19) | |
| Total subsidiary | 362,876,089.84 |  | 346,797,403.79 |  | (16,078,686.05) | |  | 432,291,121.90 | |  | 501,794,395.73 |  | 69,503,273.83 | |
| Total short-term investments | 1,516,937,262.43 |  | 1,306,637,583.98 |  | | (210,299,678.45) |  | 849,218,773.63 | |  | 882,381,614.42 |  | 33,162,840.79 | |

* 1. The acquisitions and disposals of trading securities during the years ended December 31, 2019 is as follow;

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | |  | BAHT | | |
|  | |  | For the years ended December 31, 2019 | | |
|  | |  | Consolidated Financial Statement |  | Separate Financial Statement |
| Book value as at January 1 – net | |  | | 882,381,614.42 |  | 380,587,218.69 |
| Transferred from other investment - | |  | |  |  |  |
| fair value as the reclassification date | |  | | 300,000,000.00 |  | 300,000,000.00 |
| Gain on change of investment | |  | | 587,222,864.00 |  | 587,222,864.00 |
| Acquisition | |  | | 375,479,826.69 |  | 314,660,880.25 |
| Disposal | |  | | (594,984,201.89) |  | (464,750,223.39) |
| Unrealized gain (loss) in trading securities | |  | | (243,462,519.24) |  | (157,880,559.36) |
| Book value as at December 31 - net | |  | | 1,306,637,583.98 |  | 959,840,180.19 |
|  | |  | |  |  |  |

On November 13, 2019, Absolute Clean Energy Public Company Limited was listed on the Stock Exchange of Thailand, therefore the Company reclassified the investment to Short-term investment resulting in a profit from the change of investment amounting Baht 587,222,864.00, in accordance with Accounting Standard No. 105 (revised 2016), Accounting for Investments in Debt and Equity, Re: Transfer of Investment Types. The difference between cost and fair value is recognized immediately in the income statement.

**4.4** The transactions of unrealized gain (loss) on trading securities during year ended December 31, 2019 is as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial  Statement | |
| Beginning balance as at January 1, 2019 |  | 33,162,840.79 |  | (36,340,433.04) | |
| Transactions during the year |  | (243,462,519.24) |  | (157,880,559.36) | |
| Ending balance as at December 31, 2019 |  | (210,299,678.45) |  | (194,220,992.40) | |

**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 December 31, 2017 |  | 2,732.268 |  | 2,724.83 |  | 7,444,977.52 |  | 30.8571 |  | 229,730,415.82 |
| Redemption December 3,2018 |  | (293.263) |  | 4,091.89 |  | (1,200,000.00) |  | 30.8571 |  | (37,028,520.00) |
| As of December 31, 2018 |  | 2,439.005 |  |  |  | 6,244,977.52 |  |  |  |  |
| Redemption April 1,2019 |  | (60.975) |  | 3,872.58 |  | (236,130.46) |  | 30.8571 |  | (7,286,301.22) |
| Redemption August 1,2019 |  | (60.975) |  | 3,798.09 |  | (231,588.49) |  | 30.8571 |  | (7,146,149.19) |
| Redemption October 1,2019 |  | (60.975) |  | 3,387.00 |  | (206,521.85) |  | 30.8571 |  | (6,372,406.59) |
| As of December 31, 2019 |  | 2,256.080 |  |  |  | 5,570,736.72 |  |  |  | 171,897,038.82 |

\*\* Weighted average exchange rate as at December 31, 2019

**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.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 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 |  | 31.2554 |  | 156,277,000.00 |
| Redemption October 1, 2018 |  | (2,500.000) |  | 83.528 |  | (208,820.67) |  | 31.2554 |  | (6,526,773.57) |
| As at December 31, 2018 |  | 47,499.500 |  |  |  | 4,791,179.33 |  |  |  |  |
| Redemption January 2, 2019 |  | (2,500.000) |  | 74.552 |  | (186,379.93) |  | 31.2554 |  | (5,825,379.26) |
| Redemption April 1, 2019 |  | (1,187.500) |  | 77.218 |  | (91,696.69) |  | 31.2554 |  | (2,866,016.72) |
| Redemption July 1, 2019 |  | (1,187.500) |  | 83.033 |  | (98,601.56) |  | 31.2554 |  | (3,081,907.24) |
| Redemption October 1, 2019 |  | (1,187.500) |  | 80.383 |  | (95,454.44) |  | 31.2554 |  | (2,983,664.33) |
| As at December 31, 2019 |  | 41,437.000 |  |  |  | 4,319,046.71 |  |  |  | 134,993,258.88 |

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

As at December 31, 2019 and 2018, the outstanding balance of trade accounts receivable are classified by aging as follows :-

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| **Trade accounts receivable - Other parties** |  |  |  |  |
| Current | - | 7,708,499.70 | - | 7,547,999.70 |
| Overdue Less than 30 days | 1,765,500.00 | 3,183,292.74 | - | 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 | - | 3,210,000.00 |
| 181 - 365 days | - | 129,002,701.42 | - | 25,093,265.50 |
| Over 365 days | 13,390,789.59 | 6,464,592.25 | 12,695,289.59 | 5,769,092.25 |
| Total | 15,156,289.59 | 155,474,283.75 | 12,695,289.59 | 50,708,847.83 |
| Less : Allowance for doubtful accounts | (2,077,592.25) | (2,077,592.25) | (1,382,092.25) | (1,382,092.25) |
| Net | 13,078,697.34 | 153,396,691.50 | 11,313,197.34 | 49,326,755.58 |

The Company has not set up any allowance for doubtful accounts. Trade accounts receivable -Non-related companies overdue more than 365 days since customers have already made some payments and will pay the remaining balance in April 2020.

Movement of the allowance for doubtful accounts – Accounts receivable-others during the year ended December 31, 2019 is as follows;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated  Financial Statement |  | Separate  Financial Statement |
| Balance at beginning of the year |  | 2,077,592.25 |  | 1,382,092.25 |
| Provision increase (decrease) during the year |  | - |  | - |
| 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 | |
|  | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| Account Receivable – Other \* | 36,815,306.34 | 75,500,000.00 | 36,500,000.00 | 75,500,000.00 |
| Unbilled Receivable | 2,876.71 | 14,736,986.32 | 2,876.71 | 14,736,986.32 |
| Advance Payment | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 |
| Prepaid Expenses | 961,828.72 | 1,023,176.36 | 955,041.05 | 770,607.68 |
| Total Other Account Receivable - other company | 37,784,511.77 | 91,264,662.68 | 37,462,417.76 | 91,012,094.00 |

\* On September 14, 2018, The Company sold securities to a non-related company for Baht 90.50 million. The Company has received payments of the share amounting to Baht 54.00 million. The remaining Baht 36.50 million is secured by share certificates from the buyer for the collateral at the amount equal to the remaining balance. It will be due on March 20, 2020.

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | December 31, 2019 |  | December 31, 2018 |  | December 31, 2019 |  | December 31, 2018 |
| Other persons non-related |  | 49,000,000.00 |  | 130,000,000.00 |  | 49,000,000.00 |  | 130,000,000.00 |
| Global Alliance Co., Ltd. |  | 130,000,000.00 |  | - |  | 130,000,000.00 |  | - |
| Ban Chang Land Development Co., Ltd. |  | 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 |  | 313,908,000.00 |  | 134,908,000.00 |  | 313,908,000.00 |  | 134,908,000.00 |
| 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 |  | 309,000,000.00 |  | 130,000,000.00 |  | 309,000,000.00 |  | 130,000,000.00 |

The transactions of loans to others person and company during the year ended December 31, 2019, are as follow;

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | | | | |  | | POLICY | |
|  |  | Consolidated Financial Statement / Separate Financial Statement | | | | | | | | | |  | | ON LENDING | |
|  |  | December 31, 2018 | |  | | Increase |  | Decrease |  | December 31, 2019 |  | | COST | |
| Other persons non-related |  | 130,000,000.00 |  | | 7,000,000.00 | |  | (88,000,000.00) |  | 49,000,000.00 |  | | 12.00,15.00% p.a. | |
| Global Alliance Co., Ltd. |  | - |  | | 130,000,000.00 | |  | - |  | 130,000,000.00 |  | | 12.00% p.a. | |
| Ban Chang Land Development Co., Ltd. |  | - |  | | 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 |  | 134,908,000.00 |  | | 267,000,000.00 | |  | (88,000,000.00) |  | 313,908,000.00 |  | |  | |
| Less : Allowance for doubtful accounts |  | (4,908,000.00) |  | | - | |  | - |  | (4,908,000.00) |  | |  | |
| Total loans to others person and companies |  | 130,000,000.00 |  | | 267,000,000.00 | |  | (88,000,000.00) |  | 309,000,000.00 |  | |  | |

On November 29, 2019 and December 18, 2019, the Company granted loans to two non-related companies by making loan agreements as evidence. Amount of Baht 130 million per company repayable within 1 year. Lending fees and interest rates of 3% per annum and 12% per annum respectively, with land registered to mortgage to the Company. These 2 loan transactions have been approved by the Company's board of directors.

**8. INVESTMENTS IN SUBSIDIARY COMPANIES**

As at December 31, 2019 and 2018, 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 | 2019 | | 2018 | 2019 | | 2018 | | | 2019 | | | 2018 | 2019 | 2018 | | 2019 | | | 2018 |
|  |  | (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 | 14,223 | 17,552 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| 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 | (10,317) | 23,060 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Brooker Business Development Co., Ltd. | Business consultant | 2.00 mil | | 2.00 mil | 99.99 | | 99.99 | | | 2,000 | | | 2,000 | (17,657) | (13,525) | | (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 | 71,478 | 578,409 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Investment in subsidiaries | | | |  |  | |  | | | 60,077 | | | 60,077 | 57,727 | 605,496 | | (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, 2019 and December 31, 2018, 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 | 2019 | 2018 |  | 2019 | 2018 |
| Advance Finance Plc. | Finance | 185,000,000.00 | 185,000,000.00 |  | 185,000,000.00 | 185,000,000.00 |
| Absolute Clean Energy Plc. | Energy | - | 300,000,000.00 |  | - | 300,000,000.00 |
| YLP Co., Ltd. | Property development for sale | 256,243,013.73 | - |  | 256,243,013.73 | - |
| Total |  | 441,243,013.73 | 485,000,000.00 |  | 441,243,013.73 | 485,000,000.00 |
| **Other Investment – Related Company** |
| Civetta Capital Co., Ltd. | Fund Management | 510.80 | 550.13 |  | - | - |
| Total other investments-related company |  | 510.80 | 550.13 |  | - | - |
| **Total other investments** |  | 441,243,524.53 | 485,000,550.13 |  | 441,243,013.73 | 360,000,000.00 |

On November 8, 2019, the Company received 1,257,999 shares from YLP Company Limited for debt settlement of Baht 230 million and interest in the amount of Baht 26,243,013.73 and aims to hold shares in YLP on short term basis only. The company does not engage into management or receive any benefits from YLP.

On December 30, 2019, the Company has entered into Sale and Purchase Agreement to sell all YLP shares with non- related party. The Closing date will be not later than March 31, 2020.

On November 13, 2019, Absolute Clean Energy Public Company Limited was listed on the Stock Exchange of Thailand, therefore the Company reclassified the investment to short-term investment

1. **LOAN TO OTHERS – LONG TERM**

As at December 31, 2019 and 2018, the Company has loan to others – long term as follows;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | BAHT | | | | | |
|  | |  | Consolidated Financial Statement and  Separate Financial Statement | | | | | |
|  | |  | 2019 | |  | 2018 | | |
| Loan to other – long term | |  | 580,000,000.00 | |  | 760,000,000.00 | | |
| Provision increase (decrease) during the year | |  | (188,500,000.00) | |  | - | | |
| Total Loan to other – long term | |  | 391,500,000.00 | |  | 760,000,000.00 | | |
|  | | |  | | |  |  | |

The transactions of loans to others – long term during the year ended December 31, 2019, are as follow;

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | | | | | |  | | POLICY | | |
|  |  | Consolidated Financial Statement / Separate Financial Statement | | | | | | | | | | |  | | ON | | |
|  |  | December 31, 2018 |  | Increase |  | | Decrease | |  | December 31, 2019 | |  | | LENDING COST | | |
| Other company non-related (1) |  | 180,000,000.00 |  | 50,000,000.00 | |  | | (230,000,000.00) | |  | - | | |  | | 12.00-15.00% p.a. | | |
| Other persons non-related (2) |  | 580,000,000.00 |  | - | |  | | - | |  | 580,000,000.00 | | |  | | 15.00% p.a. | | |
| Total |  | 760,000,000.00 |  | 50,000,000.00 | |  | | (230,000,000.00) | |  | 580,000,000.00 | | |  | |  | | |
| Less : Allowance for doubtful accounts |  | - |  | (188,500,000.00) | |  | | - | |  | (188,500,000.00) | | |  | |  | | |
| Total loans to others – long term |  | 760,000,000.00 |  | (138,500,000.00) | |  | | (230,000,000.00) | |  | 391,500,000.00 | | |  | |  | | |

1. 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 May 31, 2018, the Company received a partial loan payback of Baht 120 million, the remaining amount to be returned of Baht 180 million. Subsequently, on October 5, 2019, additional loans of Baht 50 million were provided, with interest at 15 percent per annum.

On November 8, 2019, the company received 1,257,999 shares from YLP Company Limited for debt settlement of Baht 230 million and interest in the amount of Baht 26,243,013.73.

1. 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. Currently, the loan agreement expiration date has been extended to July 31, 2020. During the year, curtain amount of allowance for doubtful accounts has been provided.

**11. Properties and Equipment - net**

As at December 31, 2019 and 2018, 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, 2019 |  | 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 |
| Additions |  | - | |  | - |  | - |  | 198,200.00 |  | - |  | - |  | 198,200.00 |
| Disposals/ written-off |  | - | |  | (1,853,598.34) |  | (463,574.54) |  | (1,687,593.91) |  | - |  | (230,729.90) |  | (4,235,496.69) |
| At December 31, 2019 |  | 40,884,000.00 | |  | 11,535,590.46 |  | 527,872.62 |  | 3,478,787.32 |  | 22,044,782.76 |  | - |  | 78,471,033.16 |
| **ACCUMULATED DEPRECIATION** |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2019 |  | 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 |
| Additions |  | 2,044,199.98 | |  | 1,893.74 |  | 28,537.19 |  | 88,550.62 |  | 1,136,478.25 |  | - |  | 3,299,659.78 |
| Disposals |  | - | |  | (1,853,420.54) |  | (459,481.78) |  | (1,344,291.62) |  | - |  | (230,728.90) |  | (3,887,922.84) |
| At December 31, 2019 |  | 24,347,686.16 | |  | 11,535,577.46 |  | 482,778.46 |  | 3,207,516.84 |  | 8,469,296.71 |  | - |  | 48,042,855.63 |
| **Property, plant and equipment – net** |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2019 |  | 18,580,513.82 | |  | 2,084.54 |  | 77,724.11 |  | 504,923.39 |  | 14,711,964.30 |  | 1.00 |  | 33,877,211.16 |
| At December 31, 2019 |  | 16,536,313.84 | |  | 13.00 |  | 45,094.16 |  | 271,270.48 |  | 13,575,486.05 |  | - |  | 30,428,177.53 |
| **Depreciation included in statements of income for the year ;** | | | | | | | | | | | | | | | |
| 2018 |  | |  |  |  |  |  |  |  |  |  |  |  |  | 3,530,442.52 |
| 2019 |  | |  |  |  |  |  |  |  |  |  |  |  |  | 3,299,659.78 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | B A H T | | | | | | | | | | | | |
|  |  | Separate Financial Statement | | | | | | | | | | | | |
|  |  |  |  | Furniture |  | Office |  |  |  |  |  | Website |  |  |
|  |  | Buildings |  | and Fixture |  | Equipment |  | Computer |  | Vehicles |  | Development |  | Total |
| **COST** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2019 |  | 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 |
| Additions |  | - |  | - |  | - |  | 198,200.00 |  | - |  | - |  | 198,200.00 |
| Disposals/ written-off |  | - |  | (1,847,198.34) |  | (439,972.04) |  | (1,282,617.95) |  | - |  | (230,729.90) |  | (3,800,518.23) |
| At December 31, 2019 |  | 40,884,000.00 |  | 11,535,590.46 |  | 527,872.62 |  | 3,478,787.32 |  | 22,044,782.76 |  | - |  | 78,471,033.16 |
| **ACCUMULATED DEPRECIATION** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2019 |  | 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 |
| Additions |  | 2,044,199.98 |  | 1,554.58 |  | 28,537.19 |  | 65,766.38 |  | 1,136,478.25 |  | - |  | 3,276,536.38 |
| Disposals |  | - |  | (1,847,021.54) |  | (435,883.28) |  | (1,282,590.50) |  | - |  | (230,728.90) |  | (3,796,224.22) |
| At December 31, 2019 |  | 24,347,686.16 |  | 11,535,577.46 |  | 482,778.46 |  | 3,207,516.84 |  | 8,469,296.71 |  | - |  | 48,042,855.63 |
| **Property, plant and equipment – net** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At January 1, 2019 |  | 18,580,513.82 |  | 1,744.38 |  | 77,720.11 |  | 138,864.31 |  | 14,711,964.30 |  | 1.00 |  | 33,510,807.92 |
| At December 31, 2019 |  | 16,536,313.84 |  | 13.00 |  | 45,094.16 |  | 271,270.48 |  | 13,575,486.05 |  | - |  | 30,428,177.53 |
| **Depreciation included in statements of income for the year ;** | | | | | | | | | | | | | | |
| 2018 | | | | | | | | | | | |  |  | 3,504,615.36 |
| 2019 | | | | | | | | | | | |  |  | 3,276,536.38 |

1. **INVESTMENT PROPERTY, NET**

The movement of investment property for the year ended December 31, 2019 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| **Cost** |  |  |  |  |
| At January 1, 2019 |  | 8,803,554.00 |  | 8,803,554.00 |
| Property, increase (decrease) |  | - |  | - |
| At December 31, 2019 |  | 8,803,554.00 |  | 8,803,554.00 |
| **Accumulated Depreciation** |  |  |  |  |
| At January 1, 2019 |  | 1,432,687.84 |  | 1,432,687.84 |
| Increase (decrease) |  | 440,177.66 |  | 440,177.66 |
| At December 31, 2019 |  | 1,872,865.50 |  | 1,872,865.50 |
| Balance as of January 1, 2019 |  | 7,370,866.16 |  | 7,370,866.16 |
| **Balance as of December 31, 2019** |  | 6,930,688.50 |  | 6,930,688.50 |

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 28, 2019.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| Bualuang Securities Plc. | 194,140,800.00 | - | 194,140,800.00 | - |
| Asian Ocean Enterprises Limited | 6,236,608.77 | 2,795,059.01 | - | - |
| Simpson Financial Limited | 466,930.34 | 262,830.61 | - | - |
| Total Accounts Payable Trade - other company | 200,844,339.11 | 3,057,889.62 | 194,140,800.00 | - |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
| **OTHER COMPANIES** | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
|  |  |  |  |  |
| Other accounts payable | 4,805,924.15 | 296,503.04 | 358,570.70 | 295,812.89 |
| Unearned income | 27,294,407.47 | 3,443,046.54 | 27,294,407.47 | 3,443,046.54 |
| Accrued expenses | 48,229,618.91 | 20,348,666.59 | 40,616,191.37 | 17,868,468.98 |
| Total other account payable - other company | 80,329,950.53 | 24,088,216.17 | 68,269,169.54 | 21,607,328.41 |

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

Short-term loan from financial institution as at December 31, 2019 and December 31, 2018 are as follows;

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | | |
|  |  | Consolidated Financial Statement | | |  | | Separate Financial Statement | | |
|  |  | December 31, 2019 |  | December 31, 2018 |  | December 31, 2019 | |  | December 31, 2018 |
| A Financial Institute |  | 350,000,000.00 |  | 500,000,000.00 |  | 350,000,000.00 | |  | 500,000,000.00 |
| Total Short-term loan from Financial Institute |  | 350,000,000.00 |  | 500,000,000.00 |  | 350,000,000.00 | |  | 500,000,000.00 |

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. EMPLOYEE BENEFITS OBLIGATION**

Movements in the present value of the provision under defined benefit obligation for the years ended December 31, 2019 and 2018 were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | December 31, 2019 |  | December 31, 2018 |  | December 31, 2019 |  | December 31, 2018 |
| Employee benefits obligation as of |  |  |  |  |  |  |  |
| beginning of year | 25,649,866.00 |  | 25,844,393.00 |  | 23,744,276.00 |  | 23,855,531.00 |
| Current service cost and interest cost | 2,366,482.00 |  | 2,226,140.00 |  | 2,156,485.67 |  | 1,936,255.00 |
| Past service cost | - |  | 1,906,332.00 |  | 997,197.33 |  | 1,684,001.00 |
| (Gain) loss from estimate of actuarial assumptions | - |  | (4,326,999.00) |  | - |  | (3,731,511.00) |
| Employee benefits obligation as of |  |  |  |  |  |  |  |
| ending of year | 28,016,348.00 |  | 25,649,866.00 |  | 26,897,959.00 |  | 23,744,276.00 |

Expenses recognized in gain or loss for the years ended December 31, 2019 and 2018 are as follow;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | For the year ended December 31 | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
| Current service cost | 1,859,578.00 |  | 1,615,252.00 |  | 1,685,311.00 |  | 1,385,187.00 |
| Interest cost | 506,904.00 |  | 610,888.00 |  | 471,174.67 |  | 551,068.00 |
| Total | 2,366,482.00 |  | 2,226,140.00 |  | 2,156,485.67 |  | 1,936,255.00 |

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, 2019 and 2018 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated Financial Statement / Separate Financial Statement | | |
|  | 2019 |  | 2018 |
| Discount rate | 2.25 - 3.39% |  | 2.25 - 3.39% |
| 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, 2019 as follows:

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 0.74 million (increase Baht 0.86 million).

- If the salary increase rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 1.13 million (decrease Baht 0.66 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.

**17. 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) | |
|  | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| **Basic earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) | 736,479 | 4,565 | 5,638,571 | 5,637,605 | 0.131 | 0.001 |
| **Effect of dilutive potential ordinary shares** |  |  |  |  |  |  |
| Warrants : 1,407,383,900 |  |  |  |  |  |  |
| (2018 : 0 units) |  |  | 131,512 | - |  |  |
| **Diluted earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) of ordinary shareholders |  |  |  |  |  |  |
| (assuming conversion of potential ordinary |  |  |  |  |  |  |
| shares to ordinary shares) | 736,479 | 4,565 | 5,770,083 | 5,637,605 | 0.128 | 0.001 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 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) | |
|  | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| **Basic earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) | 1,265,185 | 561,094 | 5,638,571 | 5,637,605 | 0.224 | 0.100 |
| **Effect of dilutive potential ordinary shares** |  |  |  |  |  |  |
| Warrants : 1,407,383,900 |  |  |  |  |  |  |
| (2018 : 0 units) |  |  | 131,512 | - |  |  |
| **Diluted earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) of ordinary shareholders |  |  |  |  |  |  |
| (assuming conversion of potential ordinary |  |  |  |  |  |  |
| shares to ordinary shares) | 1,265,185 | 561,094 | 5,770,083 | 5,637,605 | 0.219 | 0.100 |

**18. 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 2019 and 2018 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.

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  |  |  |  |  |  |  |  |
| **Current income tax :** |  |  |  |  |  |  |  |  |
| Corporate income tax of current period |  | 169,484,160.32 |  | 66,664,693.48 |  | 169,484,160.32 |  | 66,664,693.48 |
| **Deferred tax :** |  |  |  |  |  |  |  |  |
| Relating to origination and reversal |  |  |  |  |  |  |  |  |
| of temporary differences |  | (395,940.45) |  | (38,364,544.40) |  | 6,371,291.35 |  | (37,981,339.60) |
| **Income tax expense reported in**  **the statements of income** |  | 169,088,219.87 |  | 28,300,149.08 |  | 175,855,451.67 |  | 28,683,353.88 |

18.2 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, 2019 and 2018 are presented as the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
| Accounting profit before corporate income tax | 906,076,547.71 |  | 31,511,606.63 |  | 1,441,040,612.56 |  | 589,777,391.72 |
| Corporate income tax rates | 20% |  | 20% |  | 20% |  | 20% |
| Accounting profit before corporate income tax |  |  |  |  |  |  |  |
| Multiply by tax rates | 181,215,309.55 |  | 6,302,321.31 |  | 288,208,122.52 |  | 117,955,478.34 |
| Effects to deferred tax from |  |  |  |  |  |  |  |
| change of income tax rates | (395,940.45) |  | (38,364,544.40) |  | 6,371,291.35 |  | (37,981,339.60) |
| Income tax effects that is nondeductible in |  |  |  |  |  |  |  |
| calculation of profit: |  |  |  |  |  |  |  |
| - Revenue exempted in tax calculation | (232,484,951.64) |  | 18,747,328.81 |  | (232,364,951.64) |  | (91,244,866.90) |
| -Nondeductible expenses | 218,562,628.72 |  | 41,217,940.37 |  | 113,640,989.44 |  | 39,954,082.04 |
| -Tax loss | 2,191,173.69 |  | 397,102.99 |  | - |  | - |
| Income tax expense presented in the Statement |  |  |  |  |  |  |  |
| of Income | 169,088,219.87 |  | 28,300,149.08 |  | 175,855,451.67 |  | 28,683,353.88 |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | December 31,2019 |  | December 31,2018 |  | December 31,2019 |  | December 31,2018 |
| Deferred tax assets |  |  |  |  |  |  |  |
| Allowance for doubtful accounts – Trade receivables | 276,418.45 |  | 276,418.45 |  | 276,418.45 |  | 276,418.45 |
| Allowance for doubtful accounts – Account receivable - Other | 5,722,191.78 |  | - |  | 5,722,191.78 |  | - |
| Allowance for impairment of investments | 687,114.72 |  | 687,114.72 |  | 399,994.00 |  | 399,994.00 |
| Investment in marketable securities | 7,170,778.00 |  | 18,649,605.50 |  | - |  | 18,403,499.50 |
| Allowance for doubtful accounts – Loans to others | 38,681,600.00 |  | 981,600.00 |  | 38,681,600.00 |  | 981,600.00 |
| Employee benefit obligations | 5,603,269.60 |  | 5,129,973.20 |  | 5,379,591.80 |  | 4,748,855.20 |
| Benefits from accumulated tax loss | - |  | - |  | - |  | - |
| Total | 58,141,372.55 |  | 25,724,711.87 |  | 50,459,796.03 |  | 24,810,367.15 |
| Deferred tax liabilities |  |  |  |  |  |  |  |
| Investment in marketable securities | 32,020,720.23 |  | - |  | 32,020,720.23 |  | - |
| Total | 32,020,720.23 |  | - |  | 32,020,720.23 |  | - |

**19. DIVIDEND PAYMENT**

On April 24, 2019, the annual general shareholders meeting no. 1/2019 approves the resolutions to pay interim dividend to the shareholders from the Company’s earnings for the period from July 1, 2018 to December 31, 2018 at Baht 0.02 per share or not exceeding Baht 112.75 million. The paid of dividend was on May 23, 2019.

On August 5, 2019, 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, 2019 to June 30, 2019 at Baht 0.02 per share or not exceeding of Baht 112.79 million. The interim dividend was paid on September 4, 2019.

On November 13, 2019, the board of directors meeting approves the resolutions to pay special dividend to the shareholders from the Company’s earnings during the period of January 1, 2019 to September 30, 2019 at Baht 0.02 per share or not exceeding of Baht 112.79 million. The special dividend paid on December 12, 2019.

**20. 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 |  |  |
|  | (Thousand shares) |  | (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 |  |  |
| December 31, 2018 | 5,647,349 |  | 705,919 |  |  |
| April 29, 2019 decrease capital | (9,744) |  | (1,218) |  |  |
| May 2, 2019 increase during the year to accommodate exercise of warrant right | 1,409,401 |  | 176,175 |  |  |
| December 31, 2019 | 7,047,006 |  | 880,876 |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particular | No of shares |  | Amount |  | Premium (discount) of share value |
|  | (Thousand shares) |  | (Thousand Baht) |  | (Thousand Baht) |
| Issued and paid-up ordinary share |  |  |  |  |  |
| 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 |
| July 3, 2019 shareholder exercise of warrant right | 1,861 |  | 232 |  | 233 |
| October 3, 2019 shareholder exercise of warrant right | 156 |  | 20 |  | 19 |
| December 31, 2019 | 5,639,622 |  | 704,953 |  | 145,142 |

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

**21. WARRANTS**

**21.1 BROOK-W5**

On April 24, 2019, The Company’s ordinary shareholders meeting no. 1/2019 approved a resolution to issue 1,409,401,217 warrants (BROOK-W5) value at Baht 0.00 per unit with rights to purchase newly issued ordinary shares for 3 years from the issued date to existing shareholders. A unit of warrant has the rights to purchase 1 new ordinary share unless the exercised rights are adjusted according to the exercise adjustment conditions, at an exercise price of Baht 0.25 per share unless the exercised prices are adjusted according to the exercise adjustment condition. As of June 30, 2019, the shareholders paid for newly issued ordinary shares according to the warrants of 1,861,000 units totaling Baht 465,250.00. The Company registered the share increase and the paid-up shares with the Ministry of Commerce on July 3, 2019. The remaining of warrants which have not been exercised are 1,407,540,217 units.

On September 30, 2019, shareholders exercised their warrant rights to purchase the allotted ordinary shares for 156,317 units to receive 156,317 units of rights at the exercise price of Baht 0.25 per share totaling Baht 39,079.25. The Company registered the share increase and the paid-up shares with the Ministry of Commerce on October 3, 2019. The remaining of warrants which have not been exercised are 1,407,383,900 units.

On December 31, 2019, shareholders exercised their warrant rights to purchase the allotted ordinary shares for 4,069,800 units to receive 4,069,800 units of rights at the exercise price of Baht 0.25 per share totaling Baht 1,017,450.00 The Company registered the share increase and the paid-up shares with the Ministry of Commerce on January 7, 2020. The remaining of warrants which have not been exercised are 1,403,314,100 units.

As of December 31, 2019, the exercised warrants and unexercised warrants balance are as follows;

|  |  |  |
| --- | --- | --- |
|  |  | Number of units |
|  |  |  |
|  |  | BROOK-W5 |
| Allotted warrants |  | 1,409,401,217 |
| Less : Exercised and converted to ordinary |  |  |
| Shares as of December 31, 2019 |  | (2,017,317) |
| Balance of allotted warrants |  | 1,407,383,900 |
| Duration of the warrants |  | 3 Years |
| Exercise rate (units : share) |  | 1 : 1 |
| Exercise price to buy 1 ordinary share (Baht) |  | Baht 0.25 |
| First exercise date |  | Jun 28, 2019 |
| Last exercise date |  | May 20, 2022 |

**22. EXPENSES BY NATURE**

The material expenses for the years ended December 31, 2019 and 2018 are categorized by their natures as follows;

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | | | |
|  | 2019 |  | 2018 |  | 2019 |  | | 2018 | |
| Personnel expenses  (Excluded Management benefit expenses) | 23,275,773.53 |  | 23,873,915.03 |  | 18,279,453.27 |  | | 16,304,772.97 | |
| Management remunerations  (Included in Cost of service and administrative expenses) | 63,491,022.68 |  | 36,842,206.47 |  | 63,491,022.68 |  | | 36,842,206.47 | |
| Depreciation and amortization | 4,087,435.32 |  | 3,970,621.18 |  | 3,721,032.08 |  | | 3,944,794.02 | |
| Loss on sales of trading securities | 195,374,991.31 |  | 240,295,330.16 |  | 157,880,559.36 |  | | 125,929,231.51 | |
| Consulting fee | 188,412,271.76 |  | 11,086,148.60 |  | 276,236,200.00 |  | | 47,456,018.60 | |
| Advertising expenses | 25,497.17 |  | 66,465.36 |  | 24,562.61 |  | | 65,530.80 | |
| Foreign Business Information fees | 1,449,089.65 |  | 1,373,371.37 |  | 1,354,672.13 | |  | | 1,373,371.37 |

**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, 2019 and 2018 | | | | | | | | | | | | | | | | | |
|  | Business Consulting | | | | Investments | | | Eliminated | | | | Consolidated | | | | | | |
|  | 2019 | | 2018 | | | 2019 | 2018 | 2019 | | 2018 | | | 2019 | | 2018 | | | |
| Services income | 1,032,768 | | 350,024 | | 835,109 | | 160,839 | (677,077) | | (63,697) | | | 1,190,800 | | 447,166 | | | |
| Cost of services | (594,441) | | (94,295) | | (34,258) | | (94,367) | 110,880 | | 60,891 | | | (517,819) | | (127,771) | | | |
| Gross earnings (loss) | 438,327 | | 255,729 | | 800,851 | | 66,472 | (566,197) | | (2,806) | | | 672,981 | | | 319,395 | | |
| Other income |  |  | |  | | |  | |  | |  | | | 596,988 | 19,091 | | |
| Administrative expenses |  |  | |  | | |  | |  | |  | | | (106,311) | (60,955) | | |
| Unrealized loss in trading securities |  |  | |  | | |  | |  | |  | | | (243,463) | (232,278) | | |
| Loss from sales other investment |  |  | |  | | |  | |  | |  | | | - | (970) | | |
| Financial costs |  |  | |  | | |  | |  | |  | | | (14,118) | (12,771) | | |
| Income tax expense |  |  | |  | | |  | |  | |  | | | (169,088) | (28,300) | | |
| Loss(Gain) of non-controlling interest | |  | |  | | |  | |  | |  | | | (510) | | | 1,353 | |
| Net profit (loss) |  |  | |  | | |  | |  | |  | | | 736,479 | | | 4,565 | |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate Financial Statement | | | | | | | | | | | | |
|  | For the years ended December 31, 2019 and 2018 | | | | | | | | | | | | |
|  | Business Consulting | | | | Investments | | | | Separate | | | | |
|  | 2019 | | 2018 | | | 2019 | | 2018 | | 2019 | | | 2018 | |
| Services income | 1,038,632 | | 242,182 | | | 663,686 | | 614,886 | | 1,702,318 | | | 857,068 |
| Cost of services | (587,899) | | (83,257) | | | - | | - | | (587,899) | | | (83,257) |
| Gross earnings (loss) | 450,733 | | 158,925 | | | 663,686 | | 614,886 | | 1,114,419 | | | 773,811 |
| Other income |  |  | |  | | |  | | | | 594,743 | 9,236 | |
| Administrative expenses |  |  | |  | | |  | | | | (95,733) | (51,757) | |
| Unrealized loss in trading securities |  |  | |  | | |  | | | | (157,881) | (125,929) | |
| Loss from sales other investment |  |  | |  | | |  | | | | - | (970) | |
| Financial costs |  |  | |  | | |  | | | | (14,508) | (14,614) | |
| Income tax expense |  |  | |  | | |  | | | | (175,855) | (28,683) | |
| Net profit (loss) |  |  | |  | | |  | | | | 1,265,185 | 561,094 | |

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, 2019 and 2018 | | | | | | | | | |
|  | Business Consulting | | Investments | | | | Consolidated | | | |
|  | 2019 | 2018 | 2019 | | 2018 | | 2019 | | 2018 | |
|  |  |  |  | |  | |  | |  | |
| Sales and services income | 1,065,905 | 410,212 | 124,895 | | 36,954 | | 1,190,800 | | 447,166 | |
| Cost of sales and services | (498,455) | (105,676) | (19,364) | | (22,095) | | (517,819) | | (127,771) | |
| Gross earnings (loss) | 567,450 | 304,536 | 105,531 | | 14,859 | | 672,981 | | 319,395 | |
| Other income | 9,765 | 19,091 | 587,223 | - | | 596,988 | | 19,091 | |
| Administrative expenses | (80,978) | (48,716) | (25,333) | (12,239) | | (106,311) | | (60,955) | |
| Unrealized loss in trading securities | - | - | (243,463) | (232,278) | | (243,463) | | (232,278) | |
| Loss from sales other investment | - | (970) | - | - | | - | | (970) | |
| Financial costs | (14,118) | (12,771) | - | - | | (14,118) | | (12,771) | |
| Income tax expense | (169,088) | (28,607) | - | - | | (169,088) | | (28,300) | |
| Loss(Gain) of non-controlling interest | (510) | 1,353 | - | - | | (510) | | 1,353 | |
| Net profit (loss) | 312,521 | 234,223 | 423,958 | (229,658) | | 736,479 | | 4,565 | |

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, 2019 and 2018 | | | | | |
|  | Assets | | Service Income | | Net Profit (1) | |
|  | December 31 | December 31 | December 31 | December 31 | December 31 | December 31 |
|  | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Foreign country | 384,683 | 656,118 | 85,720 | 45,433 | 9,696 | (131,311) |
| Domestic | 3,049,117 | 2,109,083 | 890,777 | 240,894 | 726,783 | 135,876 |
| Total | 3,433,800 | 2,765,201 | 976,497 | 286,327 | 736,479 | 4,565 |

(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, 2019 and 2018 | | | | | | | |
|  |  | |  | |  | |  | |
|  | Business Consulting | | Investments | | Eliminated | | Consolidated | |
|  | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Assets |  |  |  |  |  |  |  |  |
| Equipment | 13,581 | 14,736 | - | 366 | - | - | 13,581 | 15,102 |
| Unallocated equipment |  |  |  |  |  |  | 16,847 | 18,775 |
| Total assets |  |  |  |  |  |  | 3,403,372 | 2,731,324 |
| Total assets |  |  |  |  |  |  | 3,433,800 | 2,765,201 |

**24. COMMITMENTS**

**24.1** As of December 31, 2019 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 | 0.20 |
| Over 1 year but not over 5 years | - |
| Over 5 years | - |
| Tota Total | 0.20 |

**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**

The Company is exposed to foreign currency risk relating to trading transactions which are denominated in foreign currencies. Management believes that there is no significant affect from the foreign currency risk. Because of the balance of foreign currency is due from transactions between foreign subsidiaries, which the Company is able to set a payment period corresponding to the fluctuation of exchange rate. Thus, the Company does not use derivative financial instruments to mitigate this risk.

**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, 2019** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Short term investment : |  |  |  |  |  |  |  |  |  |
| Trading Securities | 1,210,047 |  | 990,788 |  | - |  | - |  | 990,788 |
| Investments Fund : Fund | 306,890 |  | 315,850 |  | - |  | - |  | 315,850 |
|  | **Separate financial statements** | | | | | | | | |
|  | Cost |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **December 31, 2019** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Trading Securities | 1,154,061 |  | 959,840 |  | - |  | - |  | 959,840 |

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**

On February 25, 2020, the board of directors approves a resolution to call the Annual General Meeting of Shareholders, to be held on April 29, 2020, that proposes to pay dividend to the shareholders from the Company’s earnings for the period of January 1, 2019 to December 31, 2019 at Baht 0.07 per share, by deducting the interim dividend paid on September 04, 2019 at Baht 0.02 per share and special dividend paid on December 12, 2019 at Baht 0.02 per share, which the balance of the dividend is Baht 0.03 per share to be payment on May 28, 2020.

**27. APPROVAL OF THE FINANCIAL STATEMENT**

The financial statement has been approved for issue by the Company’s board of directors on February 25, 2020.