

Independent Auditor's Report

To the Shareholders of Begistics Public Company Limited

Opinion

I have audited the financial statement of Begistics Public Company Limited and its subsidiary, which comprise the consolidated and separate statement of financial position as at December 31, 2019, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statement referred to above present fairly, which comprise the financial position in of Begistics Public Company Limited and is subsidiary financial position as at December 31, 2019, their financial performance in which the consolidated and separate and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of my report. I am independent of the Group's in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment of property, plant and equipment and leasehold right

The Company has to perform an impairment test of its property, plant, and equipment and leasehold rights of operation a wharf business as described in the Note 16 and Note 17 to the financial statements if there is an indication of impairment in accordance with Thai Financial Reporting Standards. The impairment test is significant to the audit. As at December 31, 2019, the Company had their net book value before allowance for impairment of Baht 296.61 million. The assessment process of management needs to required more judgment, also, the assessment is subject to assumptions that may chance according to economic situation and future market conditions, included discount rate.

Thus, my key audit procedures included using an prepared by management assumptions and discount rate and review the possibility of receiving money from businesses. I focused on the sufficiency of data disclosure of the Company in relation to the assumptions that are the most important to sensitivity of impairment test and also have significant impact to recoverable amounts of property, plant and equipment and leasehold rights.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kannika Wipanurat.

(Ms. Kannika Wipanurat)

Certified Public Accountant (Thailand)

Registration No. 7305

Karin Audit Company Limited

Bangkok

March 2, 2020

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

ASSETS

		In Thousand Baht			
		Consolidated		Separated	
	Note	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
CURRENT ASSETS					
Cash and cash equivalents	6	225,361	323,599	215,399	323,599
Current investments - net	7	150,043	-	150,043	-
Trade and other current receivables - net	8	74,920	120,170	74,917	120,170
Short - term loans - net	9	-	-	-	-
Current tax assets		6,287	8,085	6,287	8,085
Other current assets		529	11,649	529	11,649
Total current assets		457,140	463,503	447,175	463,503
NON - CURRENT ASSETS					
Securities available for sale - net	10	180	177	180	177
Investment in associate	11	65,705	6,370	62,680	4,680
Investment in subsidiary	12	-	-	10,000	-
Long - term investments	13	34,000	16,500	34,000	16,500
Investment property	15	58,365	58,365	58,365	58,365
Property, plant and equipment - net	16	236,076	182,094	236,076	182,094
Other intangible Asset - net		415	333	415	333
Leasehold rights - net	17	24,835	27,592	24,835	27,592
Other non - current assets	14	54,957	46,427	54,957	46,427
Total non - current assets		474,533	337,858	481,508	336,168
TOTAL ASSETS		931,673	801,361	928,683	799,671

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		Separated	
	Note	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
CURRENT LIABILITIES					
Trade and other current payables		64,241	91,227	64,230	91,227
Current portion of long - term liabilities	18	29,331	16,599	29,331	16,599
Accrued rental expenses	17	24,686	24,686	24,686	24,686
Other current liabilities		392	532	392	532
Total current liabilities		118,650	133,044	118,639	133,044
NON - CURRENT LIABILITIES					
Long - term liabilities - net	18	80,766	50,498	80,766	50,498
Accrued rental expenses	17	49,254	57,470	49,254	57,470
Non - current provisions for employee benefit	19	270	191	270	191
Other non - current liabilities		124	-	124	-
Total non - current liabilities		130,414	108,159	130,414	108,159
Total liabilities		249,064	241,203	249,053	241,203

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Thousand Baht			
		Consolidated		Separated	
	Note	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital	20	1,757,131	883,349	1,757,131	883,349
Issued and paid share capital	20	904,019	592,797	904,019	592,797
Share premium on ordinary shares - net	20	(97,025)	63,163	(97,025)	63,163
Retained earnings					
Legal reserve	21	-	-	-	-
Deficit		(124,396)	(95,810)	(127,375)	(97,500)
Other components of shareholders' equity	10	11	8	11	8
Total Shareholders' equity - net		682,609	560,158	679,630	558,468
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		931,673	801,361	928,683	799,671

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

		In Thousand Baht			
		Consolidated		Separated	
Note		2019	2018	2019	2018
REVENUES					
	Revenue from rendering of services	384,403	560,568	384,403	560,568
23	Other income	8,433	10,270	8,419	10,270
	Total revenues	392,836	570,838	392,822	570,838
EXPENSES					
24	Costs of rendering of services	350,183	548,563	350,183	548,563
24	Administrative expenses	60,418	69,049	60,358	69,049
	Doubtful accounts	6,931	-	6,931	-
	Finance cost	5,225	3,928	5,225	3,928
	Total expenses	422,757	621,540	422,697	621,540
	Share of profit of associates	1,995	2,139	-	-
	(Loss) before income tax	(27,926)	(48,563)	(29,875)	(50,702)
	Tax expense	660	449	-	-
	(Loss) for the year	(28,586)	(49,012)	(29,875)	(50,702)
Other comprehensive income					
	Item that will be reclassified subsequently to profit or loss :				
	- Gain (loss) on measurement of available - for - sale investments	3	(635)	3	(635)
10					
	Item that will not be reclassified subsequently to profit or loss :				
	- Actuarial gains for employee benefit	-	383	-	383
19					
	Other comprehensive gains (loss) for the year	3	(252)	3	(252)
	Total comprehensive (loss) for the year	(28,583)	(49,264)	(29,872)	(50,954)
Profit (loss) attributable to					
	Owners of the parent	(28,586)	(49,012)	(29,875)	(50,702)
	Non - controlling interest	-	-	-	-
		(28,586)	(49,012)	(29,875)	(50,702)
Total comprehensive income (expense) attributable to					
	Owners of the parent	(28,583)	(49,264)	(29,872)	(50,954)
	Non - controlling interest	-	-	-	-
		(28,583)	(49,264)	(29,872)	(50,954)
(Loss) per share (Baht)					
	Basic and Diluted	(0.028)	(0.059)	(0.030)	(0.061)
27					
Weighted average number of					
	ordinary shares (In Thousand shares)	1,009,691	824,564	1,009,691	824,564
27					

Note to financial statements from an integral part of these financial statements.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2019

In Thousand Baht									
Consolidated									
Note	Issued and paid - up share capital	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity			Noncontrolling interest	Total Shareholders' equity - net
			Legal reserve	Deficit	Gain (losses) on remeasurement of benefit plans	Fair value changes in securities available for sale	Total other components of shareholder's of equity		
	397,564	-	-	(47,181)	-	643	643	-	351,026
Capital increase	195,233	63,163	-	-	-	-	-	-	258,396
Transferred to retained earnings	-	-	-	383	(383)	-	(383)	-	-
Total comprehensive (loss) for the year	-	-	-	(49,012)	383	(635)	(252)	-	(49,264)
Balance at December 31, 2018	592,797	63,163	-	(95,810)	-	8	8	-	560,158
Capital increase	311,222	(160,188)	-	-	-	-	-	-	151,034
Total comprehensive (loss) for the year	-	-	-	(28,586)	-	3	3	-	(28,583)
Balance at December 31, 2019	904,019	(97,025)	-	(124,396)	-	11	11	-	682,609

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2019

		In Thousand Baht							
		Separated							
		Other components of shareholders' equity							
Note	Issued and paid - up share capital	Share premium on ordinary shares	Retained earnings		Gain (losses) on remeasurement of benefit plans	Fair value changes in securities available for sale	Total other components shareholder's of equity	Total Shareholders' equity - net	
			Legal reserve	Deficit					
	Balance at January 1, 2018	397,564	-	-	(47,181)	-	643	643	351,026
	Capital increase	195,233	63,163	-	-	-	-	-	258,396
19	Transferred to retained earnings	-	-	-	383	(383)	-	(383)	-
	Total comprehensive (loss) for the year	-	-	-	(50,702)	383	(635)	(252)	(50,954)
	Balance at December 31, 2018	592,797	63,163	-	(97,500)	-	8	8	558,468
	Capital increase	311,222	(160,188)	-	-	-	-	-	151,034
	Total comprehensive (loss) for the year	-	-	-	(29,875)	-	3	3	(29,872)
	Balance at December 31, 2019	904,019	(97,025)	-	(127,375)	-	11	11	679,630

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2019

	In Thousand Baht				
	Note	Consolidated		Separated	
		2019	2018	2019	2018
Cash flows from operating activities					
Loss for the year		(27,926)	(48,563)	(29,875)	(50,702)
Adjustments for					
Trade and other accounts receivable (increase) decrease		38,196	(106,932)	38,199	(106,932)
Other current assets (increase) decrease		11,119	(3,571)	11,119	(3,571)
Other non - current assets (increase)		(76)	(276)	(76)	(276)
Trade and other accounts payable increase (decrease)		(27,025)	74,600	(27,036)	75,049
Accrued expenses increase (decrease)		(8,215)	(8,215)	(8,215)	(8,215)
Other non - current liabilities increase (decrease)		124	(200)	124	(200)
Other current liabilities increase (decrease)		(140)	532	(140)	532
Depreciation and amortization		27,231	33,669	27,231	33,669
Doubtful accounts		6,929	-	6,929	-
Provision for employee benefits		79	154	79	154
(Gain) on sale of securities available for sale		-	(782)	-	(782)
Unrealized loss on exchange rate		103	156	103	156
(Gain) on sale of property, plant and equipment		170	(224)	170	(224)
(Gain) on sale of investment property		-	(564)	-	(564)
(Gain) from changes in fair value of trading securities		(43)	-	(43)	-
Provision		4,200	-	4,200	-
Share of profit of associates		(1,995)	(1,690)	-	-
interest income		(6,360)	(929)	(6,346)	(929)
Interest expenses		5,225	3,928	5,225	3,928
Total adjustment of (loss)		21,596	(58,907)	21,648	(58,907)
Net cash provided by (use in) operating activities					
Cash (paid) income tax		(6,287)	(8,085)	(6,287)	(8,085)
Net cash provided by (use in) operating activities		15,309	(66,992)	15,361	(66,992)

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOW (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

		In Thousand Baht			
		Consolidated		Separated	
Note		2019	2018	2019	2018
Cash flows from investing activities					
	Cash received from interest	6,360	929	6,346	929
	Proceeds from sale of available - for - sale investments	-	18,380	-	18,380
	Cash paid for purchase of current investments	(150,000)	-	(150,000)	-
	Cash paid for purchase of long - term investment	(17,500)	(16,500)	(17,500)	(16,500)
	(Increase) in deposits at bank with commitment	(368)	(34,942)	(368)	(34,942)
	Cash paid for purchase of property, plant and equipment	(5,444)	(5,701)	(5,444)	(5,701)
	Cash paid for purchase of other intangible asset	(359)	(483)	(359)	(483)
	Cash paid for purchase of investments in associates	(58,000)	(4,680)	(58,000)	(4,680)
	Cash paid for purchase of investment in subsidiaries	-	-	(10,000)	-
	Cash received from sales of fixed assets	1,505	2,495	1,505	2,495
	Cash received from sale for investment property	-	167,960	-	167,960
	Net cash provided by (used in) investing activities	(223,806)	127,458	(233,820)	127,458
Cash flows from financing activities					
	Interest paid	(5,166)	(3,917)	(5,166)	(3,917)
	Repayments of finance lease liabilities	(35,610)	(14,294)	(35,610)	(14,294)
	Cash paid for short - term loans	(150,000)	-	(150,000)	-
	Cash received from short - term loans	150,000	-	150,000	-
	Cash received from capital increase	151,035	258,395	151,035	258,395
	Net cash provided by financing activities	110,259	240,184	110,259	240,184
	Net increase in cash and cash equivalents	(98,238)	300,650	(108,200)	300,650
	Cash and cash equivalents at beginning of years	6 323,599	22,949	6 323,599	22,949
	Cash and cash equivalents at ending of years	6 225,361	323,599	6 215,399	323,599

Supplemental cash flows information

In Year 2018, the Company purchase of fixed assets by debt - liabilities under finance leases of 26.88 million baht.

In Year 2019, the Company purchase of fixed assets by debt - liabilities under finance leases of 74.41 million baht.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

1. GENERAL

Begistics Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 3656/64 Green Tower Building, 19th Floor, Unit K, Rama 4 Road, Klongton, Klongtoey, Bangkok.

The Company registered the change of the Company’s name from “Bangpakong Terminal Public Company Limited” to Begistics Public Company Limited” with the Ministry of Commerce on February 21, 2018 and change the ticker symbol from “BTC” to “B” with effective from March 13, 2018 onwards.

The Company was listed on the Stock Exchange of Thailand in July 2003.

The principal business of the Company is the operation of a port in Bangpakong which includes a container depot, warehousing, a wharf and other related services. The Company has operated transportation and related services starting from December 2015, and logistics service starting from January 2018.

The new registered offices are as follows:

Head office	:	3656/64 Green Tower Building, 19 th Floor, Unit K, Rama 4 Road, Klongton, Klongtoey, Bangkok.
Branch 1	:	8/1 Moo 8, Tambol Tahkarm, Amphor Bangpakong, Chachoengsao.
Branch 2	:	273/15 Moo 6, Tambol Surasak, Amphor Srirasha, Chonburi.
Branch 3	:	99 Moo 3, Tambol Nikhom Phatthana, Amphor Nikhom Phatthana, Rayong.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENT AND PRINCIPLES OF CONSOLIDATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

2.2 Principles of consolidation

The consolidated financial statements include the financial statements of Begistics Public Company Limited and its subsidiary which are under its control with more than 50 percent voting rights as follows :

	Percentage of holding (%)		Nature of business
	As at December 31,	As at December 31,	
	2019	2018	
Beyond capital Co.,Ltd.	100	-	All types of credit companies except those that have to apply for permission and reports to the Bank of Thailand.

Significant transactions with subsidiary have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

2.3 Significant accounting judgment and estimates

In order to prepare financial statements in conformity with the financial reporting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgment and estimates as follow;

Employee benefits

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality rates in Thailand. However, the actual post - employment benefits may differ from the estimates.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Intangible assets

Intangible assets are amortization by the straight - line method based on the estimated useful lives and will consider impairment if there is an indication of impairment.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

Allowance for doubtful accounts

Non - monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Impairment of assets

The Company performs impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company determines the devaluation of such assets based on net realizable value. The determination of what is devaluation requires the management to exercise judgment.

3. New financial reporting standards

a. Financial reporting standards that become effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarized below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmed
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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

b. Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

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

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

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

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at January 1, 2020 to be to increase the Group's assets by approximately Baht 223.83 million and the Company only approximately Baht 223.83 million, and the Group's liabilities by approximately Baht 223.83 million and the Company only approximately Baht 223.83 million.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

4. Significant accounting policies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non - monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dated of the transactions.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision - maker. The chief operating decision - maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

Segment information is presented in respect of the Company's business segments which is based on the Company's management and internal reporting structure (see Note 26).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short - term investments.

Investment

Temporary investments from investment in mutual fund units are regarded as trading investments. Present in the statement of financial position at fair value at the date of measurement.

Disposal of investment the difference between the net return received from the sale compared to the book value of that investment will be included in the income statement. In the event that part of an investment being sold is held in debt of the same type of equity or equity, the carrying amount of the sold investment will be determined by FIFO with the carrying amount of the total amount held.

The company uses the FIFO method to calculate the cost of investments.

Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

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Securities available for sale

Marketable equity securities other than securities held for trading or intended to be held to maturity, are classified as being available - for - sale and are stated at fair value, with any resultant gain or loss being recognized in other comprehensive income.

Investment property

Property that is held for long - term rental yields or for capital appreciation or both, and that is not occupied by the companies, is classified as investment property.

Investment property of the Company is land held for long - term rental yields or for capital appreciation, including certain land which is currently undetermined for future use.

Investment property is measured initially at its cost. After initial recognition, investment property is carried at cost less any accumulated impairment losses.

Long - investments

Investments in non - marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

Investments

Investments in associates in the separate financial statements of the Company are accounted for using the cost method less impairment losses. Investments in associates in the financial statements in which the equity method is applied are accounted for using the equity method.

Property, plant and equipment

Land is stated at cost.

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight - line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation is calculated based on cost of the property and equipment less residual value.

Useful lives and residual values are reviewed at each year-end. The estimated useful lives are as follows:

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

	<u>Years</u>
Leasehold improvements	20
Building and improvements	20 - 50
Wharf	20
Machinery and equipment	5 and 10
Furniture, fixtures and office equipment	3 and 5
Vehicles	5, 7 and 10

No depreciation is provided on assets under construction.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Leasehold rights on land

Leasehold rights on land are stated at cost less accumulated amortization and impairment losses. Leasehold rights on land are amortized in profit or loss on a straight - line basis under the agreements 30 years.

Impairment of assets

The Company performs impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company determines the devaluation of such assets based on net realisable value. The determination of what is devaluation requires the management to exercise judgment.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Long - term lease agreement

The Company recorded vehicles under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Operating lease - where the Company are the lessee

The Company records leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as an expense on straight-line basis, over the lease term.

Employee benefits obligations

- Provident fund

The Company have established provident fund under the defined contribution plan. The fund's assets are separated entitles which are administered by the external fund manager. The fund is contributed to both by the employees and the Company at the same rate of 3% of employees' salaries. The fund contribution payments to the provident fund were recorded as expenses in the statements of income in the incurred period.

- Employee benefit

Short - term employee benefits

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

Post - employment benefits

Defined contribution plans

The Company, its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company contributions are recognised as expenses when incurred.

Defined benefit plans

The Company have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a qualified actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses arising from other long - term benefits are recognised immediately in profit or loss.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre - tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue

Revenue from service is recognised as revenue when the service is rendered based on the stage of completion. Which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time

Interest income is recognised on an accrual basis based on the effective interest rate.

Other income is recognized on and actual basis.

Expenses

Expenses by accrual basis.

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Income tax

Tax expense for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by 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.

The Company expects that it is not probable that future taxable profit will be utilized and, accordingly no deferred tax asset is provided.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares issued and paid up.

Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiary and fellow subsidiary are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY**NOTE TO FINANCIAL STATEMENT****DECEMBER 31, 2019****5. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly, or have significant influence over the financial or operating policies of the Company.

5.1 The related parties consisted of :

Name of entities	Country of incorporation/ Nationality	Nature of relationships
Beyond Capital Co.,Ltd.	Thailand	Subsidiary
Millcon Steel Public Company Limited*	Thailand	Shareholder in the Company
Millcon Burapha Co., Ltd.*	Thailand	Common director
Suntech Metals Co., Ltd.*	Thailand	Common director
UAUC Co., Ltd.	Thailand	Common director
Malachi Co., Ltd.	Thailand	Shareholder in the Company
CPS Shipping & Logistic Co., Ltd**	Thailand	Associate
Director	Thailand	Director
Key management personnel	Thailand	Persons having authority and Responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

* Starting relationship as related parties since March 1, 2018.

** Starting relationship as related parties since November 13,2018.

5.2 Pricing Policy :

	Pricing Policy
Revenue from rendering of service	In year 2019 - Market price In year 2018 - Operated logistic service, by agreed. - Operated transportation by cost plus and discount as agreed.
Expenses for rent	Agreed price

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Significant transactions for the year ended December 31, 2019 and 2018 with related parties were as follows:

	In Thousand Baht			
	Consolidated		Separated	
	2019	2018	2019	2018
Related parties				
Revenue from rendering of service				
Millcon Steel Public Company Limited.	125,110	136,520	125,110	136,520
Millcon Burapha Co., Ltd.	36,435	40,119	36,435	40,119
Suntech Metals Co., Ltd.	931	44,792	931	44,792
CPS Shipping & Logistic Co., Ltd.	248	1,460	248	1,460
Malachi Co., Ltd.	12	1,704	12	1,704
Total	162,736	224,595	162,736	224,595
Expenses for rent				
Millcon Steel Public Company Limited.	1	41	1	41
Millcon Burapha Co., Ltd.	277	232	277	232
Suntech Metals Co., Ltd.	-	572	-	572
UAUC Co., Ltd.	267	642	267	642
CPS Shipping & Logistic Co., Ltd.	2,980	19,882	2,980	19,882
Total	3,525	21,369	3,525	21,369
Key management compensation				
Short - term employee benefits	14,842	15,923	14,842	15,923
Post - employment benefits	341	465	341	465
Total	15,183	16,388	15,183	16,388

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Balance Assets and Liabilities as at December 31, 2019 and 2018 with related parties are as follows :

	In Thousand Baht			
	Consolidated		Separated	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Trade and other current receivable				
related parties				
<u>Trade accounts receivable</u>				
Millcon Steel Public Company Limited.	17,350	33,709	17,350	33,709
Millcon Burapha Co., Ltd.	2,564	4,121	2,564	4,121
Suntech Metals Co., Ltd.	143	8,821	143	8,821
CPS Shipping & Logistic Co., Ltd.	15	1,563	15	1,563
Malachi Co., Ltd.	-	93	-	93
Total Trade accounts receivable	<u>20,072</u>	<u>48,307</u>	<u>20,072</u>	<u>48,307</u>
<u>Other current receivable</u>				
<u>Accrued income</u>				
Millcon Steel Public Company Limited.	1,295	1,891	1,295	1,891
Millcon Burapha Co., Ltd.	1,580	2,567	1,580	2,567
Suntech Metals Co., Ltd.	114	1,435	114	1,435
Malachi Co., Ltd.	-	22	-	22
Total accrued income	<u>2,989</u>	<u>5,915</u>	<u>2,989</u>	<u>5,915</u>
<u>Advances</u>				
Millcon Burapha Co., Ltd.	28	12	28	12
Malachi Co., Ltd.	-	35	-	35
Total advances	<u>28</u>	<u>47</u>	<u>28</u>	<u>47</u>
Total Other current receivable	<u>3,017</u>	<u>5,962</u>	<u>3,017</u>	<u>5,962</u>
Trade and other current receivable -				
related parties	<u>23,089</u>	<u>54,269</u>	<u>23,089</u>	<u>54,269</u>

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

	In Thousand Baht			
	Consolidated		Separated	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Trade account payable - related parties				
Millcon Steel Public Company Limited.	-	30	-	30
Millcon Burapha Co., Ltd.	23	23	23	23
Suntech Metals Co., Ltd.	-	442	-	442
CPS Shipping & Logistic Co., Ltd.	6,068	21,274	6,068	21,274
Total Trade account payable - related parties	6,091	21,769	6,091	21,769

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		Separated	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Cash on hand	198	333	198	333
Cash at banks	225,163	323,266	215,201	323,266
Total	225,361	323,599	215,399	323,599

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTE TO FINANCIAL STATEMENT
DECEMBER 31, 2019

7. CURRENT INVESTMENTS - NET

	In Thousand Baht	
	Consolidated / Separated	
	December 31, 2019	December 31, 2018
	Aggregate cost / Amortized cost	Aggregate cost / Amortized cost
Trading securities		
Open - end fund	150,000	-
Add : Changes in fair value of securities	43	-
Total current investments - net	150,043	-

The disclosure movement of investments held as available for sale, as required by the Securities and Exchange Commission, for the year ended December 31, 2019 was as follows

	In Thousand Baht
Net book amount as at January 1, 2019	-
Purchase	150,000
Change in fair value	43
Net book amount as at December 31, 2019	150,043

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTE TO FINANCIAL STATEMENT
DECEMBER 31, 2019

8. TRADE AND OTHER CURRENT RECEIVABLE - NET

	In Thousand Baht			
	Consolidated		Separated	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Trade accounts receivable	68,651	97,293	68,651	97,293
<u>Less</u> allowance for doubtful accounts	(6,949)	-	(6,949)	-
Total Trade accounts receivables	61,702	97,293	61,702	97,293
Other current receivables				
- Prepaid expenses	3,867	3,077	3,867	3,077
- Advances	811	4,739	811	4,739
- Accrued income	7,220	12,611	7,220	12,611
- Other receivables	1,353	2,483	1,350	2,483
<u>Less</u> allowance for doubtful accounts	(33)	(33)	(33)	(33)
Total Other current receivables	13,218	22,877	13,215	22,877
Total Trade and other current receivables - net	74,920	120,170	74,917	120,170

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Trade accounts receivable are classified by aging as follows :

	In Thousand Baht			
	Consolidated		Separated	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Undue :				
- Normal	48,563	43,791	48,563	43,791
Overdue :				
- Not over 3 months	6,730	47,483	6,730	47,483
- Over 3 months to 6 months	3,962	1,139	3,962	1,139
- Over 6 months to 12 months	2,020	1,439	2,020	1,439
- Over 12 months	4,385	-	4,385	-
	65,660	93,852	65,660	93,852
Debt acceptance	2,398	-	2,398	-
Post - date cheque	593	3,441	593	3,441
Total	68,651	97,293	68,651	97,293

The normal credit term granted by the Company ranges from 7 days to 30 days.

The related companies's credit term is by 30 days.

Allowance for doubtful accounts have changed during the years are as follows:

	In Thousand Baht			
	Consolidated		Separated	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Beginning balance	33	33	33	33
Increase (decrease)	6,949	-	6,949	-
Ending balance	6,982	33	6,982	33

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTE TO FINANCIAL STATEMENT
DECEMBER 31, 2019

9. SHORT - TERM LOANS - NET

	Interest rate (% per annum)		In Thousand Baht	
	December 31,	December 31,	Consolidated / Supareted	
	2019	2018	December 31,	December 31,
			2019	2018
At January 1	2.50 and 6.25	2.50 and 6.25	232,463	232,463
Increase			150,000	-
(decrease)			(377,813)	-
At December 31			4,650	232,463
<u>Less</u> allowance for doubtful accounts			(4,650)	(232,463)
Net			-	-
Other non - current receivables				
Interest receivables				
Interest receivables			197	60,870
<u>Less</u> allowance for doubtful accounts			(197)	(60,870)
Net			-	-
Other receivables				
Other receivables			332	227,631
<u>Less</u> allowance for doubtful accounts			(332)	(227,631)
Net			-	-
Total			-	-

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

Allowance for doubtful accounts have changed during the years are as follows:

	In Thousand Baht	
	Consolidated / Supareted	
	December 31, 2019	December 31, 2018
Beginning balance	520,965	520,965
Written - off bad debt	(515,767)	-
Increase (decrease)	(20)	-
Ending balance	<u>5,178</u>	<u>520,965</u>

Increase and decrease in short - term loans are as follows :

	In Thousand Baht			Balance As at December 31, 2019
	Balance As at January 1, 2019	Movement		
		Addition	(Deduction)	
Platinum Container Lines Co., Ltd.	153,952	-	(153,952)	-
Platinum Emerald Co., Ltd.	73,861	-	(73,861)	-
Platinum Jade Co., Ltd.	2,550	-	-	2,550
Platinum Diamond Co., Ltd.	2,100	-	-	2,100
Mr.Sumate Thitiphuree	-	150,000	(150,000)	-
Total	<u>232,463</u>	<u>150,000</u>	<u>(377,813)</u>	<u>4,650</u>

The Company did not recognized interest income from loans of principal amount to Baht 232.46 million for the year ended December 31, 2019 and 2018 since the Company's management believes that this interest income is not collectible. Provision for doubtful accounts for all loans and interest receivable was fully provided.

On December 30, 2015, the Company claimed the formerly associate amounting to Baht 227 million. This claim arose from settlement of the formerly associate's debt. Since the Company's management believe that this claim is not collectible and accordingly, allowance for doubtful accounts was fully provided.

On January 10, 2019, the Central Bankruptcy Court delivered judgement that the Platinum Container Lines Company Limited is a bankrupt. The company therefore write off bad debts of short-term loans amount 153.95 million baht.

On March 25, 2019, the Central Bankruptcy Court delivered judgement that the Platinum Emerald Company Limited is a bankrupt. The company therefore write off bad debts of short - term loans in the amount of 73.86 million baht.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY**NOTE TO FINANCIAL STATEMENT****DECEMBER 31, 2019**

On January 29, 2019, The Board of Directors had the resolution during the Board of Directors' meeting No.3/2019 to approve to provide the financial assistance to the non - related party, amounting to Baht 150 million. Interest rate of 1.25 % per month. The borrower must pay interest at the end of the month for a period of 2 months. Mentioned in the form of securities as ordinary shares of Triple I Logistics Public Company Limited.

On March 29, 2019, the borrower requested an extension of the principal repayment amount of Baht 150 million by various guarantee conditions. Including interest extended until April 30, 2019.

On April 18, 2019, the Company has received repayment of principal amount of Baht 150 million and interest (31/3/2019 - 18/4/2019) in the amount of Baht 1.19 million which is the repayment before the period of request for extension.

Guarantee and pending lawsuits (note 22).

10. SECURITIES AVAILABLE FOR SALE - NET

	In Thousand Baht	
	Consolidated / Supareted	
	December 31, 2019	December 31, 2018
Securities available for sale		
Aggregate cost	177	169
<u>Add</u> unrealized gain (loss) on securities available for sale	3	8
Total Securities available for sale - net	180	177

The disclosure movement of investments held as available for sale, as required by the Securities and Exchange Commission, for the year ended December 31, 2019 was as follows:

	In Thousand Baht
Net book amount as at January 1, 2019	177
Disposal	-
Change in fair value	3
Net book amount as at December 31, 2019	180

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY**NOTE TO FINANCIAL STATEMENT****DECEMBER 31, 2019****11. INVESTMENT IN ASSOCIATE - NET (Continued)**

On November 13, 2018 the resolution of board of management No.9/2018 approved the Company to invest in CPS Shipping & Logistic Co., Ltd by the holding proportion of 26%, 46,800 shares each Baht 100, total amount of Baht 4,680,000.

On December 25, 2019, CPS Shipping&Logistic Co., Ltd, has approve to purchase the increase of the registered capital in amount of Baht 2 million so form original Baht 18 million to Baht 20 million that make shareholding of the Company after the Change will be reduced form 26.00% of paid-up share capital to 23.00% of paid-up share capital. Therefore, the company has issued objection letter to the increase the capital shares of that company.

According to the Board of Directors' Meeting No. 2/2019 on August 1, 2019, Approved the Company to invest in the 2 solar power plant projects by purchased newly issued shares of GA Power Pte. Ltd., ("GA Power") ,invest not over of Baht 160 million and the proportion is not over 40% of paid - up shares, GAP is the shareholder in 100 percent of proportion and get permission to invest in GA Power Solar Park Huong Son Ltd.,and GA Power Solar Park Cam Xuyen Ltd.,which get the permission to invest in The solar power plants business located in Vietnam with total installed capacity of 58.00 MW in 2 projects. The Company paid issued shares to GA Power Pte. Ltd., for the first installment of Baht 58 million.

There was no dividend received from associates during the years ended December 31, 2019

11.2. Share of comprehensive income and dividend received

Associates	Thousand Baht			
	Consolidated			
	Share of profit (loss) from investments in associates		Share of other comprehensive income from investments in associates	
	2019	2018	2019	2018
CPS Shipping & Logistic Co., Ltd.	2,360	1,690	-	-
GA Power Pte.Ltd.,	(1,025)	-	-	-
Total	1,335	1,690	-	-

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTE TO FINANCIAL STATEMENT
DECEMBER 31, 2019

11.3. Summarised financial information about material associates

CPS Shipping&Logistic Co., Ltd.

Summarised information about financial position

	Thousand Baht	
	December 31,	December 31,
	2019	2018
Current assets	66,668	27,047
Non - current assets	7,954	3,398
Current liabilities	38,223	8,928
Non - current liabilities	1,403	9,166

Summarised information about comprehensive income

	Thousand Baht	
	For the years ended 31 December	
	2019	2018
Revenue	222,200	20,744
Expense	210,574	12,517
Other comprehensive income	9,080	6,499

GA Power Pte.Ltd.

Summarised information about financial position

	Thousand Baht	
	December 31,	December 31,
	2019	2018
Current assets	124,050	-
Non - current assets	11,067	-
Current liabilities	21,729	-
Non - current liabilities	7,803	-

Summarised information about comprehensive income

	Thousand Baht	
	For the years ended 31 December	
	2019	2018
Revenue	16,379	-
Expense	25,180	-
Other comprehensive income	(8,801)	-

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTE TO FINANCIAL STATEMENT
DECEMBER 31, 2019

12. INVESTMENT IN SUBSIDIARY

Consist of :

Company	Paid - up capital		Proportion of investment		Cost method		Dividend income (In thousand Baht)	
	(Thousand Baht)		(%)		(Thousand Baht)		For the year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Beyond capital								
Co.,Ltd.	10,000	-	10.00	-	10,000	-	-	-
Total					10,000	-	-	-

On April 29, 2019, the resolution of the Annual General Meeting of Shareholders 2019 to approved in the establishment of new subsidiary authorized share Capital amount of Baht 10,000,000. The registered with the Ministry of commerce on June 13, 2019 and Call up the share capital amount.

The aforementioned subsidiary in Thailand financial statements as at December 31, 2019 brought into the preparation of consolidated financial statements were audits by the auditor already.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

13. LONG - TERM INVESTMENT

Investment in share capital is general investment consisted of;

Company	Type of business	Ownership interest (%)	In Thousand Baht			
			Consolidated / Separated			
			paid share capital	paid share capital	December 31, 2019	December 31, 2018
Sokochan Co.,Ltd.	Other management, Stock fulfillment, Warehouse service and Transport management	10.00	2,469	2,469	9,000	9,000
Moonshot venture capital Co.,Ltd.	Venture Capital	15.00	320,000	160,000	25,000	7,500
Other Long - term investment - net			322,469	162,469	34,000	16,500

On August 1, 2019, the Board of Directors' Meeting No. 8/2019 approved the Company to invest 10 percent of Moon Shot Venture Capital Company Limited's Paid - up capital amount 200,000 shares with par value of Baht 100, total amount of Baht 20,000,000. The price is a par price and on September 23, 2019, the Company made payment for the 1st ordinary share in the proportion of 50 percent of the additional investment that the Company invested in 10,000,000 baht according to the letter to call for payment of shares form Moon Shot Venture Capital Company Limited.

On July 15, 2019, According to the Executive Board Meeting No.8/2019 approved to pay the second payment to Moon Shot Venture Capital Company Limited in 25% of the investment value, amount of Baht 7,500,000 according to the second call for ordinary shares on July 23, 2019.

On June 21, 2018 the resolution of board of management No.6/2018 approved the Company to invest in Sokochan Co., Ltd by the holding proportion of 10%, 2,468 shares each Baht 3,646.68, total amount of Baht 9,000,000.

On August 24, 2018 the resolution of board of management No.8/2018 approved the Company to invest in Moonshot venture capital Co., Ltd by the holding proportion of 3%, 300,000 shares each Baht 100, total amount of Baht 30,000,000. Dividend payment of 4 years of 25%, amount of Baht 7,500,000.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

14. ASSETS USED AS COLLATERAL FOR CREDIT FACILITIES

As at December 31, 2019, a fixed deposit of Baht 40.02 million (December 31, 2018 : Baht 39.65 million) of the Company is used as collateral for bank guarantee issued to the two government agencies value of Baht 0.30 million and Baht 37 million and guarantees the use of fleet card value of Baht 1.60 million.

As at December 31, 2019 and 2018, Guarantee of Baht 0.50 million of the Company is used to guarantees the use of fleet card value of Baht 6 million issued to a private agency.

As at December 31, 2019 and 2018, machinery and equipment with gross carrying value of Baht 50.50 million (fully depreciated) (investment property); land not used in operations some part (note 15) of the Company are used as collateral for bank guarantee of Baht 35 million issued to Customs Department.

As at December 31, 2019 and 2018, insurance coverage on the above machinery and equipment is assigned to the bank.

15. INVESTMENT PROPERTY

As at December 31, 2019 and 2018, investment property consists of 2 land title deeds 16 rai - 1 ngan - 46 square wah amount of Baht 58.36 million, respectively, (the appraised value by an independent appraiser made in 2018 by the market price approach of Baht 58.90 million of 2 landed).

Some part land (16 rai - 1 ngan - 46 square wah) are used as collateral for bank guarantee (note 14).

According to the resolution of Board of Director's meeting held on February 27, 2018, has approved the Company to sell land - investment property by the pricing not less than appraisal value. And on February 28, 2018 the Company has entered into the agreement to sell a part of such land to non related company by Baht 173.15 million, Baht 9,907 per squar wah (The appraise value by Baht 9,763 per square wah). Transfer expenses will be the buyer responsibility, and the Company has to pay for commission by 3% of sell price.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

16. PROPERTY, PLANT AND EQUIPMENT - NET

	In Thousand Baht								Total
	Consolidated / Separated								
	Land	Leasehold improvements	Building and improvements	Wharf	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Cost									
At January 1, 2018	41,376	192,279	111,178	65,485	114,836	11,625	73,314	1,110	611,203
Additions	-	-	-	-	56	1,065	26,880	4,236	32,237
Disposals	-	-	(2,106)	-	(11)	(41)	(606)	-	(2,764)
Transfer in (out)	-	-	3,422	-	111	206	-	(3,739)	-
At December 31, 2018	41,376	192,279	112,494	65,485	114,992	12,855	99,588	1,607	640,676
Additions	-	-	-	51	148	1,133	74,410	4,112	79,854
Disposals	-	-	-	-	(7,740)	-	(5,803)	-	(13,543)
Transfer in (out)	2,889	-	151	-	384	171	-	(3,595)	-
At December 31, 2019	44,265	192,279	112,645	65,536	107,784	14,159	168,195	2,124	706,987

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

16. PROPERTY, PLANT AND EQUIPMENT – NET (Continued)

	In Thousand Baht								Total
	Consolidated / Separated								
	Land	Leasehold improvements	Building and improvements	Wharf	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Accumulated depreciation									
At January 1, 2018	-	151,402	90,755	56,830	107,262	9,056	13,352	-	428,657
Depreciation charge for the year	-	7,350	3,663	2,700	2,506	1,577	12,966	-	30,762
Disposals	-	-	(156)	-	(11)	(64)	(606)	-	(837)
At December 31, 2018	-	158,752	94,262	59,530	109,757	10,569	25,712	-	458,582
Depreciation charge for the year	-	6,119	1,586	2,667	2,565	1,294	9,967	-	24,198
Disposals	-	-	-	-	(7,740)	-	(4,129)	-	(11,869)
At December 31, 2019	-	164,871	95,848	62,197	104,582	11,863	31,550	-	470,911
Net book value									
At December 31, 2018	41,376	33,527	18,232	5,955	5,235	2,286	73,876	1,607	182,094
At December 31, 2019	44,265	27,408	16,797	3,339	3,202	2,296	136,645	2,124	236,076

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

16. PROPERTY, PLANT AND EQUIPMENT - NET (Continued)

As at December 31, 2019, the Company has reviewed assets impairment of operation of wharf business (included leasehold right as note 17) by independent appraiser's report, income approach, market price compared, and cost method and found that book value of assets are nearly a realizable value.

As at December 31, 2018, the Company has reviewed assets impairment both of operation of wharf business (included leasehold right as note 17) and operated transportation & logistics business by independent appraiser's report, income approach, market price compared, and cost method and found that book value of assets are nearly a realizable value.

The gross carrying amount of fully depreciated property and equipments of the Company that was still in use as at December 31, 2019 amounted to Baht 288.15 million (December 31, 2018 : Baht 284.97 million).

As at December 31, 2019 and 2018, the Company have a portion of vehicles and truck - trailers totaling Baht 163.02 million and Baht 88.62 million, respectively, under hires purchase agreements.

The Company was informed the expropriate land by 1 rai - 2 ngan - 77 squarwah, with the compensation of land Baht 20,000 per squarwah, amounting to Baht 13.55 million, and the compensation of construction or other damage amounting to Baht 9.14 million (total amount by Baht 22.69 million). The Company recognized loss from asset impairment amount by Baht 3.90 million, according to the lower of compensation amount different from book value.

On August 23, 2017, the Company has appeal the compensation of land to Transport Minister, and on December 18, 2017, the Company has appeal the compensation of construction or other damages. The Lawsuit about additional compensation of expropriate assets.

On November 15, 2017, the Company has registered for expropriate title deed to separate by cadaster.

On March 30, 2018, the secretary of minister of Transport informed judgement of minister of transport to the Company that ;

- 1) Compensation of expropriated land and loss on business are appropriated.
- 2) No addition compensation to un - expropriated land title deed number 58293 due to the Company could operate as usual. This is not under compensation criteria.
- 3) Granted additional compensation to building in expropriated land title deed number 58293 amounting to Baht 453,518.
- 4) Granted additional compensation for set up new office premise amounting to Baht 109,411.

Letter informed that the Department of transport will Contact the company to receive the additional compensation with interest accordingly.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

On August 6, 2018, the Company submitted a request to divide the land expropriated land title deed No. 58293. Subsequently, the land official had a letter to inform the company by proceeding with the Representative of Department of Highways according to the notification dated December 7, 2018 by notifying the results of surveying that the area of expropriation was 1 - 1 - 72 rai (less than the registered 0 - 1 - 05 rai).

In the case of actual expropriation, the area decreases as such The expropriation officer will notify the Company to refund only the land compensation for the expropriated land as received by the Company in excess of 105 square wah at the rate of 20,000 baht per square wah, totaling 2,100,000 baht.

On February 7, 2019, the company filed a lawsuit against the Department of Highways, the Director-General of the Department of Highways, and the Minister of Transport to the Central Administrative Court to request additional compensation in the amount of 32,420,223 baht, including interest at the highest interest rate of the fixed deposit of Government Saving Bank, in the amount that has increased since the date of payment or place such compensation. The case is currently being in trial for searching the facts by the Central Administrative Court. On May 30, 2019, the three defendants (the Department of Highways, the Director-General of the Department of Highways, and the Minister of Transport) have submitted the answer to the court. Thus, the Central Administrative Court has sent a copy of the said answers to the company for making an objection to the answer and filing an objection to the Central Administrative Court. On August 7, 2019, The Company has already filed an objection to the Central Administrative Court.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTE TO FINANCIAL STATEMENT
DECEMBER 31, 2019

17. LEASEHOLD RIGHTS AND ACCRUED RENTAL EXPENSES

	In Thousand Baht	
	Consolidated / Separated	
	December 31, 2019	December 31, 2018
Leasehold rights		
At cost	134,906	134,906
<u>Less</u> accumulated amortization	(72,188)	(69,431)
allowance for impairment	(37,883)	(37,883)
Net	24,835	27,592
Accrued rental expenses		
Rental expense from January 1, 1999 to December 31, 2019 and 2018	345,885	329,414
Rental payment from January 1, 1999 to December 31, 2019 and 2018	(271,945)	(247,258)
Net	73,940	82,156
<u>Shown under</u>		
Current liabilities	24,686	24,686
Non - current liabilities	49,254	57,470
Total	73,940	82,156
Non - cancellable operating lease commitments		

	In Thousand Baht	
	Consolidated / Separated	
	December 31, 2019	December 31, 2018
Within one year	24,686	24,686
After one year but within five years	98,745	98,745
After five years	98,745	123,432
Total	222,176	246,863

The Company entered into a lease agreement for land for 30 years ending in December 2028. Under the term of the agreement, the Company paid Baht 134.90 million as leasehold rights on land.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

18. LONG - TERM LIABILITIES - NET

	In Thousand Baht		
	Consolidated / Separated		
	Total	Interest	Net
As at December 31, 2019			
Due within one year	35,029	(5,698)	29,331
Due after one year but within five years	88,095	(7,329)	80,766
Total	123,124	(13,027)	110,097
As at December 31, 2018			
Due within one year	20,113	(3,514)	16,599
Due after one year but within five years	55,028	(4,530)	50,498
Total	75,141	(8,044)	67,097

Long - term borrowings as at December 31, 2019 and 2018 arose from purchase of vehicles under hire - purchase agreements. Net book value of these vehicles amounted to Baht 135.03 million and Baht 69.33 million, respectively.

The title on these vehicles will be transferred to the Company upon final payment.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTE TO FINANCIAL STATEMENT
DECEMBER 31, 2019

19. NON - CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement in the present value of the obligations (unfunded) was as follows:

	In Thousand Baht	
	Consolidated / Separated	
	December 31, 2019	December 31, 2018
Obligations as at January 1,	191	420
Current cost	71	135
Interest on obligations	8	19
Actuarial (gain)	-	(383)
	<u>79</u>	<u>(229)</u>
Obligations as at December 31,	<u>270</u>	<u>191</u>

Principal actuarial assumptions at the valuation date are as follows:

	Consolidated / Separated	
	December 31, 2019	December 31, 2018
Discount rate (% per annum)	2.92	2.92
Average salary increase rate (% per annum)	6.18	6.18
Turnover Rate	Age band	Age band
Retirement age	60 years old	60 years old

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

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

	In Thousand Baht			
	Change of the present value of the employee benefit obligations increase (decrease)			
	2019		2018	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	11,168	(11,960)	7,448	(7,978)
Salary increase rate	(12,731)	11,998	(7,528)	7,107
Turnover rate	16,355	(17,715)	9,732	(34,183)

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2019 and 2018 the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	In Thousand Baht	
	Consolidated / Separated	
	2019	2018
Within 1 year	91,658	-
Over 1 and up to 5 years	68,419	160,077
Over 5 years	532,398	501,835

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post - employment benefits plan amendment.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

20. SHARE CAPITAL AND PREMIUM (DISCOUNT) ON COMMON

	Amount of share	As at December 31, 2019		As at December 31, 2018	
		Shares	Amount	Shares	Amount
<i>Authorized share capital consist of</i>					
Ordinary shares	0.68	1,299,043	883,349	871,134	592,371
Capital increase		1,284,987	873,791	633,130	430,528
Capital decrease		(13)	(9)	(205,221)	(139,550)
		<u>2,584,017</u>	<u>1,757,131</u>	<u>1,299,043</u>	<u>883,349</u>
<i>Issued and paid-up share capital</i>					
Ordinary shares	0.68	871,760	592,797	584,654	397,564
Capital increase		457,680	311,222	287,106	195,233
		<u>1,329,440</u>	<u>904,019</u>	<u>871,760</u>	<u>592,797</u>
<i>Issued and paid-up share capital</i>					
<i>Consist of</i>					
Ordinary shares	0.68	1,329,440	904,019	871,760	592,797
		<u>1,329,440</u>	<u>904,019</u>	<u>871,760</u>	<u>592,797</u>
<i>Premium on shares</i>					
Ordinary shares	0.22	287,106	63,163	287,106	63,163
<i>Discount on common shares</i>					
Ordinary shares	0.35	457,680	(160,188)	-	-

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

20.1 At the Extraordinary General Meeting of Shareholders No.1/2018 held on February 8, 2018, the Shareholders passed the following resolutions ;

- 1) Approve the Increase of registered capital of the Company from Baht 592,371,171.68 or equivalent to 871,134,076 shares to Baht 957,033,230.80 or equivalent to 1,407,401,810 shares by issuing 536,267,734 common shares at Baht 0.68 of par value which equivalent to Baht 364,662,059.12 and also to approve the Amendment of Clause 4 of the Company's Memorandum of Association to be consistent with the Capital Increase. The common shares allocation as follow,
 - To be offered to the existing shareholders by shareholding proportion, in the amount not exceeding 292,326,871 shares, totaling Baht 198,782,272.28 (par value of Baht 0.68 each), and using a ratio of 2 existing shares to 1 newly issued share, at the issuance price of Baht 0.90.
 - In case that there are remaining shares issued and offered to the existing shareholders, the remaining shares shall be offered to Millcon Steel Public Company Limited. (Private Placement)
 - To be offered to Millcon Steel Public Company Limited, in the amount not exceeding 200,000,000 shares, totalling Baht 136,000,000 (par value of 0.68 Baht each), at the issuance price of Baht 0.90.
 - For the right adjustment of BTC-W3 in the amount not exceeding 43,940,863 share, totalling Baht 29,879,786.84 (par value of Baht 0.68 each).
- 2) Approve the change of the Company's name from Bangpakong Terminal Public Company Limited to "Begistics Public Company Limited" and approve the amendment of Clause 1 of the Memorandum of Association of the Company to be conform to the change of the Company's name.
- 3) Approval of the sale of shares to allot not over than 200,000,000 shares to the Private Placement which is Millcon Steel Public Company Limited Millcon, the offered price is Baht 0.90 per share which equivalent up to Baht 180,000,000. The offered price is less than 90% of the Market Price where the Market Price equivalent to Baht 1.27 per share (between November 15, 2017 - December 6, 2017). The date for the private placement share subscription is between 19 - 23 February 2018 (Five Business days in total).

On February 21, 2018, the Company registered the change of the Company name with the Ministry of Commerce and on February 23, 2018, the Company received payment of shares from the sale of shares to the Private Placement to Millcon Steel Public Company Limited amount of Baht 180,000,000.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

20.2 According to the Annual General Meeting of Shareholders 2018 held on April 27, 2018, the Shareholders passed the following resolutions ;

- 1) Approved the issuance and offering of warrants to purchase the Company's ordinary shares to the existing shareholders not exceeding 96,862,212 units at a rate of 9 existing ordinary shares to 1 warrant free of charge (0 Baht) (B - W4). The exercise ratio is 1 warrant to 1 additional ordinary share for an exercise price of Baht 1.20 per share. The exercise date of the warrant is 3 years from the issue date of warrants.
- 2) Approved the reduction of the Company's registered capital of the Company in the amount of Baht 139,550,081.44 from Baht 957,033,230.80 to a registered capital of Baht 817,483,149.36 by canceling 205,220,708 unissued shares with a par value of Baht 0.68.
- 3) Approved the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the decrease in the Company's registered capital.
- 4) Approved the increase of the registered capital of the Company in the amount of Baht 65,866,304.16 from a registered capital of Baht 817,483,149.36 to Baht 883,349,453.52 by issuing additional shares of 96,862,212 share with a par value of Baht 0.68.
- 5) Approved the amendment of Clause 4 in the Company's Memorandum of Association to be in line with the increase of the Company's registered capital.
- 6) Approved the allotment of new ordinary shares to support the issuance and offering of warrant rights to purchase the Company's ordinary shares to existing shareholders not exceeding 96,862,212 shares with a par value of Baht 0.68.
- 7) Approved the registration of two additional branches which are Leamchabang and Rayong.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

20.3 Warrants (B - W4)

Details of the warrants approved by the shareholders are as follows;

- Exercise ratio : 1 unit of warrant to 1 new ordinary share, unless the exercise ratio is adjusted otherwise pursuant to the provisions.
- Exercise price : Baht 1.20 per share, unless the exercise price is adjusted otherwise pursuant to the provisions concerning.
- Exercise period : The warrants holders of Warrant B - W4 will be entitled to exercise their right under the Warrants B - W4 two times per year on the last business day of June and December each year throughout the life of the warrant. The first exercise date is December 28, 2018 and the last exercise date is at the date that the Warrants B - W4 have completed the term of 3 years from the issuance date.

On July 2, 2018, the Company issued warrants (B - W4) of 96,862,212 units to the shareholders. The remaining warrants of 12,651 units will be cancelled afterwards.

20.4 According to the Annual General Meeting of Shareholders 2019 held on April 29, 2019, the Shareholders passed the following resolution;

- 1) Approved the establishment of a subsidiary with a 100% shareholding.

Details of the subsidiary that are established

Subsidiary name : Beyond Capital Company Limited

Registered capital : 10,000,000 baht

Objective : All types of credit companies except those that have to apply for permission and reports to the Bank of Thailand, including personal loans, etc.

- 2) Approved the reducing the company's registered capital from the registered capital amount 883,349,453.52 baht is registered capital 883,340,850.84 baht by cutting the remaining registered ordinary shares from the allotment of shares to support the warrants to purchase the newly issued ordinary shares (B - W4) of 12,651 shares with a par value of 0.68 baht per share.

The company registered the change of the registered capital of company with the ministry of Commerce on July 15, 2019.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

20.5 According to the Annual General Meeting of Shareholders 2019 held on July 26, 2019, the Shareholders passed the following resolution;

- 1) Number of shares not exceeding 871,759,905 shares to the existing shareholders of the company in proportion to the shareholding (Right Offering) at the rate of 1 ordinary share per 1 ordinary share new At the offering price of 0.33 baht per share total value not exceeding 287,680,768.65 baht.
- 2) To consider and approve the offering of warrants to purchase ordinary shares No.5 (B - W5) The company wishes to issue and offer not more than 290,586,635 warrants to purchase ordinary shares of the Company to be allocated to the existing shareholders at the rate of 3 existing ordinary shares. Get 1 unit of warrants to purchase ordinary shares of the company without charge (The fraction of the warrants that are not full, 1 unit from the calculation shall be rounded off) the exercise ratio is 1 unit can be exercised to purchase 1 newly issued ordinary share of the Company at an exercise price of Baht 0.35 per share and the period specified. Exercise 1 year and 6 months from the issuance date of the warrants.
- 3) Due to Agenda 3 (B - W3) and Agenda 4 (B - W4), the company offered to sell the newly issued ordinary shares. the Company's ordinary shares in order to comply with the conditions of rights adjustment which are specified in the B - W3 terms and B - W4 terms and conditions) as follows:
 1. Allocate not more than 90,430,000 ordinary shares at a par value of Baht 0 .68 per share to support the adjustment of the rights of warrant No. 3 (B - W3).
 2. Allocate not more than 32,210,000 ordinary shares with a par value of Baht 0.68 per share to support the adjustment of the rights of warrant No.4 (B - W4).
- 4) To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the decrease in the Company's registered capital.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

21. Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTE TO FINANCIAL STATEMENT

DECEMBER 31, 2019

22. GUARANTEE AND PEDING LAWSUIT

The Company is a guarantor of the bank loan (including interest) of an associated company since 2004. This loan is granted for cargo boat purchasing. However the associated company did not pay back the loan.

On April 4, 2014 bank filed the lawsuit, requested this associated company, the Company, and another associated company (as guarantor) pay back to the bank Baht 317.40 million with interest rate 18% per annum on the principle of Baht 234.90 million, starting from April 5, 2014.

The Company estimated loss on guarantee amounting to Baht 227 million, in 2014 and 2015.

On August 24, 2015 the Company mediated to the bank at the court, and agreed to pay debt from guarantor of Baht 227 million. And in the year 2016, The Company disposal on investment in associates as a whole, the relating company was terminated since that date. In addition board of directors meeting dated May 11, 2016 approved the Company management team prepared documents for legal action to the former associated companies. On April 11, 2017 the Company filed the former associated companies and it guarantor, totaling of 4 legal cases due to unpaid amount.

At present, the Company has submit the request for repayment to the receiver officer of the court to the legal Execution Department in 2 cases.

23. OTHER INCOME

	In Thousand Baht			
	Consolidated		Separated	
	2019	2018	2019	2018
Gain on sale of available - for - sale investments	-	782	-	782
Gain on sale asset	619	5,982	619	5,982
Interest income	6,360	929	6,346	929
Others	1,454	2,577	1,454	2,577
Total	8,433	10,270	8,419	10,270

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

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24. EXPENSES BY NATURE

Costs of rendering of services

	In Thousand Baht			
	Consolidated		Separated	
	2019	2018	2019	2018
Depreciation	23,921	29,595	23,921	29,595
Land rent	14,824	14,824	14,824	14,824
Employee expenses	28,313	45,854	28,313	45,854
Repacking goods	8,231	5,365	8,231	5,365
Transportation	151,805	218,833	151,805	218,833
Cargo handling	8,978	4,192	8,978	4,192
Gasoline and gas	28,630	21,172	28,630	21,172
Maintenance	6,717	3,712	6,717	3,712
Customs clearance operation costs	56,397	153,698	56,397	153,698
Freight cost	6,858	29,490	6,858	29,490
Cost of construction	3,476	-	3,476	-
Others	12,033	21,828	12,033	21,828
Total	350,183	548,563	350,183	548,563

Administrative expenses

	In Thousand Baht			
	Consolidated		Separated	
	2019	2018	2019	2018
Employee expenses	12,396	8,901	12,396	8,901
Management benefits	14,842	15,923	14,842	15,923
Depreciation	3,033	3,924	3,033	3,924
License fee and others fee	4,060	4,095	4,060	4,095
Consultant fee	6,590	8,522	6,590	8,522
Others	19,497	27,684	19,437	27,684
Total	60,418	69,049	60,358	69,049

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The defined contribution plan comprises provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contribution is made monthly by the employees at the rate of 2% of their basic salaries and by the Company at 2% of the employees' basic salaries. And since July 2016, contribution is made monthly at the rate of 3% of their basic salaries and by the Company at 3% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

25. INCOME TAX

As at December 31, 2019, the Company had tax loss carry forward amounting to approximately Baht 656.22 million whereby such loss carry forward is able to be used as tax credit until 2024.

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

	In Thousand Baht			
	Consolidated		Separated	
	2019	2018	2019	2018
Loss carry forward	131,245	130,649	131,245	130,649
Allowance for doubtful accounts	2,432	104,200	2,432	104,200
Allowance for impairment	29,012	29,012	29,012	29,012
Employee benefit obligations	53	38	53	38
Deferred tax assets - Net	162,742	263,899	162,742	263,899

As at December 31, 2019 and 2018, The financial statement have deductible temporary differences totaling Baht 162.74 million and 263.90 million respectively. On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and/or they might not be used to offset taxable income in the future.

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26. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

Business unit segment information of the Company for year ended December 31, 2019 and 2018 Follows;

	In Thousand Baht									
	Consolidated									
	For the year ended December 31,									
	Operation		transportation &		Operated		Other		Total	
	a wharf		logistics		logistics service					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from rendering of services	88,073	44,135	161,313	213,267	131,421	303,166	3,596	-	384,403	560,568
Costs of rendering of services	(92,729)	(57,487)	(130,547)	(202,786)	(123,431)	(288,290)	(3,476)	-	(350,183)	(548,563)
Gain (Loss) profit	(4,656)	(13,352)	30,766	10,481	7,990	14,876	120	-	34,220	12,005
Other income									8,433	10,270
Administrative expenses									(67,349)	(69,049)
Finance cost									(5,225)	(3,928)
Share of profit of associates									1,995	2,139
(Loss) before income tax									(27,926)	(48,563)
Tax expense									(660)	(449)
(Loss) for the years									(28,586)	(49,012)
Fixed asset - net										
As at December 31, 2019		59,580		176,016		480		-		236,076
As at December 31, 2018		44,094		138,000		-		-		182,546

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In Thousand Baht

Separated

For the year ended December 31,

	Operated									
	Operation a wharf		transportation & logistics		Operated logistics service		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from rendering of services	88,073	44,135	161,313	213,267	131,421	303,166	3,596	-	384,403	560,568
Costs of rendering of services	(92,729)	(57,487)	(130,547)	(202,786)	(123,431)	(288,290)	(3,476)	-	(350,183)	(548,563)
Gain (Loss) profit	(4,656)	(13,352)	30,766	10,481	7,990	14,876	120	-	34,220	12,005
Other income									8,419	10,270
Administrative expenses									(67,289)	(69,049)
Finance cost									(5,225)	(3,928)
(Loss) for the years									(29,875)	(50,702)
Fixed asset - net										
As at December 31, 2019		59,580		176,016		480		-		236,076
As at December 31, 2018		44,094		138,000		-		-		182,094

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27. LOSS PER SHARE

27.1 Basic loss per share

Basic loss per share for the years ended December 31, 2019 and 2018 were calculated by dividing loss for the periods to the weighted average number of common shares outstanding during the periods as follows;

	In Thousand Baht / Thousand share			
	Consolidated		Separated	
	2019	2018	2019	2018
(Loss) for the year	<u>(28,554)</u>	<u>(49,012)</u>	<u>(29,875)</u>	<u>(50,702)</u>
Number of common share at January 1	871,760	584,654	871,760	584,654
Effect of capital increase	<u>137,931</u>	<u>239,910</u>	<u>137,931</u>	<u>239,910</u>
Weighted average number of common share	<u>1,009,691</u>	<u>824,564</u>	<u>1,009,691</u>	<u>824,564</u>
Basic (loss) per share (In Thousand Share)	<u>(0.028)</u>	<u>(0.059)</u>	<u>(0.030)</u>	<u>(0.061)</u>

Since the fair value of common share is lower than the warrant exercise price. There was no effect of dilutive potential common shares. Accordingly, diluted loss per share is the same as basic loss per share.

27.2 Diluted loss per share

Diluted loss per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the periods adjusted for the effect of conversion of warrant to ordinary share.

The Company did not calculate diluted earnings per share for years ended December 31, 2019 and 2018 because the fair value of an ordinary share is lower than the exercised price of warrants.

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY
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28. FINANCIAL INSTRUMENTS

28.1 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.

28.2 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty 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 all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

28.3 Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company operations and cash flows. The Company exposed the interest rate risk due to its deposits at financial institutions, current investments, short - term loans and deposits at bank with commitment and long - term liabilities under financial lease agreement. The Company do not use derivative financial instruments to hedge such risk.

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As at December 31, 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

In Thousand Baht							
Consolidated							
As at December 31, 2019							
	Fixed rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per year)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	225,163	198	225,361	0.25 - 0.62
Current investments - net	-	-	-	-	150,043	150,043	-
Trade and other current receivables - net	-	-	-	-	74,920	74,920	-
Securities available for sale - net	-	-	-	-	180	180	-
Long - term investments	-	-	-	-	34,000	34,000	-
Deposit at bank with commitment	-	40,017	-	-	-	40,017	0.90 - 1.30
	-	40,017	-	225,163	259,341	524,521	
Financial liabilities							
Trade and other current payables	-	-	-	-	64,241	64,241	-
Long - term liabilities	29,331	80,766	-	-	-	110,097	5.91 - 7.50
	29,331	80,766	-	-	64,241	174,338	

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In Thousand Baht							
Consolidated							
As at December 31, 2018							
	Fixed rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per year)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	323,266	333	323,599	0.25 - 0.62
Trade and other current receivables - net	-	-	-	-	120,170	120,170	-
Securities available for sale - net	-	-	-	-	177	177	-
Long - term investments	-	-	-	-	16,500	16,500	-
Deposit at bank with commitment	39,649	-	-	-	-	39,649	0.90 - 1.30
	39,649	-	-	323,266	137,180	500,095	
Financial liabilities							
Trade and other current payables	-	-	-	-	91,227	91,227	-
Long - term liabilities	16,599	50,498	-	-	-	67,097	5.91 - 7.50
	16,599	50,498	-	-	91,227	158,324	

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In Thousand Baht							
Separated							
As at December 31, 2019							
	Fixed rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per year)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	215,200	199	215,399	0.25 - 0.62
Current investments - net	-	-	-	-	150,043	150,043	-
Trade and other current receivables - net	-	-	-	-	74,917	74,917	-
Securities available for sale - net	-	-	-	-	180	180	-
Long - term loans - net	-	-	-	-	34,000	34,000	-
Deposit at bank with commitment	-	40,017	-	-	-	40,017	0.90 - 1.30
	-	40,017	-	215,200	259,339	514,556	
Financial liabilities							
Trade and other current payables	-	-	-	-	64,230	64,230	-
Long - term liabilities	29,331	80,766	-	-	-	110,097	5.91 - 7.50
	29,331	80,766	-	-	64,230	174,327	

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In Thousand Baht							
Separated							
As at December 31, 2018							
	Fixed rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per year)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	323,266	333	323,599	0.25 - 0.62
Trade and other current receivables - net	-	-	-	-	120,170	120,170	-
Securities available for sale - net	-	-	-	-	177	177	-
Long - term loans - net	-	-	-	-	16,500	16,500	-
Deposit at bank with commitment	39,649	-	-	-	-	39,649	0.90 - 1.30
	39,649	-	-	323,266	137,180	500,095	
Financial liabilities							
Trade and other current payables	-	-	-	-	91,227	91,227	-
Long - term liabilities	16,599	50,498	-	-	-	67,097	5.91 - 7.50
	16,599	50,498	-	-	91,227	158,324	

BEGISTICS PUBLIC COMPANY LIMITED AND SUBSIDIARY

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29. Fair value

Since the majority of the Company financial instruments are short - term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

	In Thousand Baht			
	Consolidated / Separated			
	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Securities available for sale investments Equity instruments*	-	150,043	-	150,043
Available - for - sale investments Equity instruments*	-	180	-	180
Financial assets for which fair value are disclosed				
Investment properties	-	58,365	-	58,365
	In Thousand Baht			
	Consolidated / Separated			
	As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available - for - sale investments Equity instruments*	-	177	-	177
Financial assets for which fair value are disclosed				
Investment properties	-	58,365	-	58,365

* Level 2 The fair value determined by using the net asset value as published by the Asset Management.

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30. Exchange risk

The Company and subsidiary have the exchange rate risk for trade accounts receivable and other receivable payable and other payable denominated to foreign currency. The Company has reduced the uncertainty of future cash flow by using natural hedge.

As at December 31, 2019 and 2018, the Company and subsidiary have assets and liabilities denominated as follows :

Transaction	Currency	Consolidated / Separated	
		As at December 31, 2019	As at December 31, 2018
Trade accounts receivable	USD	63,087	91,929
Trade accounts payable	USD	13,418	117,735

31. COMMITMENT

31.1 Land lease commitment (Note 17)

31.2 Operating lease commitments - Office buildings and vehicles

	In Thousand Baht	
	Consolidated / Separated	
	As at December 31, 2019	
Within 1 year		3,840
More than 1 to 5 years		6,420

31.3 Finance leases commitments - vehicles and truck - trailers

	In Thousand Baht	
	Consolidated / Separated	
	As at December 31, 2019	
Within 1 year		29,331
More than 1 to 5 years		80,766

31.4 As at December 31, 2019, the Company has commitment to letter of guarantee that issued by bank totaling of Baht 0.30 million in respect of the electricity usage of the Company, customs department of Baht 72 million.

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31.5 As at December 31, 2019 and subsequent events after report date indicated that the company has contingent liabilities and / or entered into the agreements those related to new business as follow;

In Thousand Baht		
Commitment	As at December 31, 2019	Subsequent event (January 1, 2020 - February 25, 2020)
1. Letter of guarantee	1,000	Contract termination

32. SUBSEQUENT EVENT

According to Board of director's meeting held on March 2, 2020 to propose the shareholders to approval to decrease the Company's registered capital for Baht 281,595,361 from the registered capital of Baht 1,757,131,698.04 to be Baht 1,475,536,337.04 by cancelling the unsold 414,110,825 ordinary shares of par value Baht 0.68 each and to amend Clause 4 of the Memorandum of Association.

33. APPROVAL OF FINANCIAL STATEMENT

This financial statement has been approved by the Company's authorities on March 2, 2020.