

ANNUAL REPORT

2018



EGT
CORPORATION PLC.

MESSAGE FROM CHAIRMAN OF THE BOARD



Dear Shareholders,

The overall economic development of Thailand in 2018 has strengthened whilst the country's Gross Domestic Product (GDP) continues to grow from 3.9 percent growth in 2017 and 4.2 percent increase in 2018, mainly driven by private consumption and private investment that is likely to expand. At present, consumers have the option to purchase products through various channels such as from in-stores shopping and through online channels because of the need for convenience and speed in spending patterns in the digital era. Consequently, the company needs to adjust our management strategies to administer both online and offline businesses to attract the consumers and meet their demands whilst making them feel comfortable with high satisfaction by adhering to business ethics and fair business practices as well as creating quality products and providing good services. In addition, we have developed various sales channels in the Marketplace such as Lazada, Shopee, JD Central as well as our own company's online channel via www.bgt4u.com to increase sales and E-commerce business growth that is strongly growing and highly competitive.

I expect that in 2019, the management will be able to create effective administrative strategies and better management such as cost control, product quality development, customize and modernize products to market trend, improve and develop the stores to attract consumers and increase their spending, and enhance brand awareness of "Body Glove" to the extent to which consumers are able to recall or recognize the brand continuously in order to drive the company's performance and business growth.

I would like to thank the shareholders, stakeholders, management and employees who took initiative to drive for results and efficiency of our organizational performance as well as the continued support on our company's operation to achieve maximum benefits for all stakeholders in a sustainable manner.



Dr.Nopdol Tumwattana

Chairman of the Board

FINANCIAL HIGHLIGHTS

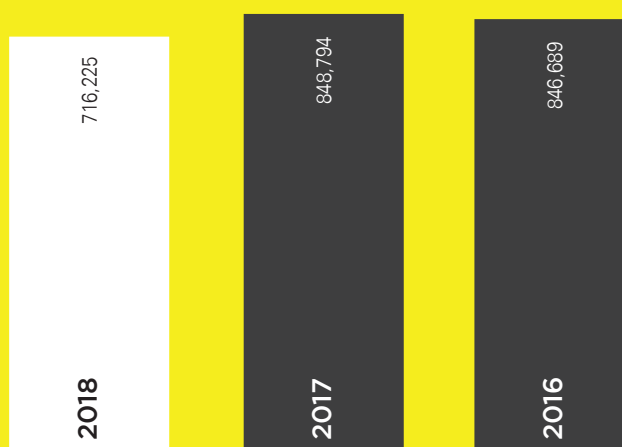
SEPARATE FINANCIAL STATEMENTS (Unit : Thousand Baht)	2018	2017	2016
Total Revenues	716,225	848,794	846,689
Profit (loss) before income tax expenses	(9,429)	39,712	51,958
Income for the year	(7,709)	30,717	41,308
Earnings per share (Baht per share)	(0.02)	0.08	0.11
Total assets	607,435	670,976	713,932
Total liabilities	119,506	172,066	244,923
Total shareholders' equity	487,929	498,910	469,010
Book value per share (Baht per share)	1.34	1.38	1.30
Dividend per share (Baht per share)	-	0.009	0.012

Remark :

These financial statements are the separated financial statements. The Company has prepared the financial statements in which the equity method. But the associated company has a resolution to approve the company dissolution as the Company has no intention to continue its business. On September 4, 2018, the liquidators of the associated company have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.

Total Revenues

(Thousand Baht)



CORPORATE MANAGEMENT

BOARD OF DIRECTORS	EXECUTIVE OFFICERS	CORPORATE INFORMATION
<p>Dr.Nopdol Tumwattana Chairman of the Board</p> <p>Mr.Goh Kok Cheng (Dickson) Director</p> <p>Mr.Goh Kok Beng Director</p> <p>Mrs.Mullika Tumwattana Director</p> <p>Assoc. Prof. Dr.Nantarika Chansue Director</p> <p>Pol.Gen.Sereepisuth Temeeyaves Director, Independent Director, Chairman of Audit Committee</p> <p>Prof.Emeritus Dr.Surapone Virulrak Director, Independent Director, Audit Committee Member</p> <p>Mr.Panu Kongtan Director, Independent Director, Audit Committee Member</p>	<p>Dr.Nopdol Tumwattana Chairman of the Board</p> <p>Mr.Goh Kok Cheng (Dickson) President, Chief Executive Officer, Chief Operation Officer</p> <p>Ms.Waristha Thapanasakunvong Chief Financial Officer, Company Secretary</p> <p>Ms.Dolnapa Tumwattana Head of Marketing</p> <p>Mrs.Panisara Nulmusik Head of Supply Chain</p> <p>Ms.Methira Thongsuwan Head of Account</p> <p>Mr.Chai Ratanamahawongse Head of Finance</p>	<p>Share Registrar Thailand Securities Depository Co.,Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand. Tel : 66 (0) 2009-9999 Fax : 66 (0) 2009-9991</p> <p>Auditor Dharmniti Auditing Co., Ltd. 178 Dharmniti Building , 6th-7th Floor, Soi Permsap (Prachachuen 20) Prachachuen Road, Bangsue, Bangkok 10800, Thailand. Tel : 66 (0) 2596-0500 Fax : 66 (0) 2596-0567</p> <p>Registered Office 188 Suwinthawong Road Minburi, Minburi, Bangkok 10510 Thailand. Tel : 66 (0) 2540-2888 Fax : 66 (0) 2540-1953</p> <p>Corporate Website www.bodyglove.co.th www.bgt4u.com</p>

BOARD OF DIRECTORS



Dr.Nopdol Tumwattana

Chairman of the Board

Age 67 Years. Thai

Dr.Nopdol Tumwattana was appointed to the Chairman of BGT Corporation Public Co., Ltd. in June 2007. At the beginning he and Mr.Mark J. Walden, an American business entrepreneur were entering into a joint venture to form Thai Segway International Co., Ltd., which its main objective to distribute ready-to-wear apparels under the trademarks of Walt Disney and Body Glove to the U.S.A based companies. As a result, he has gained a closed reputable business relationship with the Body Glove trademark owner.

He has been appointed to the Managing Director of Gold Master Public Co., Ltd. since 1991 till present. Moreover, he has been the Chairman of TSI International Co., Ltd. since 1988 and he has held the position of director at DB Group Co., Ltd. since 2015 until now.

For his educational background, he earned a Doctor of Philosophy Degree in Education Administration at Siam University, received his master of political science degree in Political Management and his bachelor degree in Laws from Ramkamhaeng University and received Business Administration Degree from South Plains College, Texas, U.S.A. Additionally, he received the Certificate of Lawyer program Class 23 from the Institute of Training Center of Lawyers Council in 2004.

His ratio and number of shares is 13.13% or 47,728,600 shares.



Mr. Goh Kok Cheng (Dickson)

President, Chief Executive Officer,
Director
Age 51 Years. Malaysian

He has been appointed to the President / Chief Executive Officer of Body Glove (Thailand) Co., Ltd. since 2004. The formerly name of the Company was changed to BGT Corporation Public Co., Ltd. in 2007.

He has extensive experience in the garment industry for years and has a comprehensive understanding and in-depth knowledge of the apparel market. His rises to success and prominence are attributed to his business acumen, his vast experience in the retail industry and his canny ability to spot business opportunities. He was the co-founder of Body Glove (M) Sdn Bhd which was instrumental for introducing Body Glove into the Malaysian market back in 1995.

In 2004, spurred by the success in the Malaysian market, he decided to venture offshore and move into repeating the same business formula in Thailand. His other business interests span far and wide across the globe into other countries. He is the Founding Director of Body Glove Asia Office, Body Glove Japan. He is also one of the major shareholders of Yen Global Berhad a company listed on Main Market of Bursa Malaysia Berhad and deemed interested by virtue of his shareholdings in Extreme Lifestyle (M) Sdn Bhd.

Educationally he obtained his secondary education at Chung Ling High School in Penang and subsequently continued his higher education in overseas for 4 years.

His ratio and number of shares is 13.10% or 47,627,200 shares.



Mr. Goh Kok Beng

Director

Age 57 Years. Malaysian

He was appointed to the Director of BGT Corporation Public Co., Ltd. in 2007. He was a founding member of Body Glove (M) Sdn. Bhd. (BGM) and has more than 29 years of extensive and comprehensive experience and network in the apparel industry and market both locally and internationally. He is was one of the major shareholders of BGT Corporation Public Co., Ltd. and Executive Chairman of Yen Global Berhad a listed company on the Main board of Bursa Malaysia Berhad and sits on the Board of several private limited companies.

He obtained his secondary education at Chung Ling High School in Penang and subsequently continued his studies in Singapore.

His ratio and number of shares is 13.01% or 47,297,450 shares.



Mrs. Mullika Tumwattana

Director

Age 65 Years. Thai

She was appointed to the Director of BGT Corporation Public Co., Ltd. In 2007 and she also has been appointed to the Director till the present. Additionally since 2005, she has been appointed to the Director of Mallika Interfood Co., Ltd. till the present.

She obtained her Master Degree in Education from California Polytechnic University, Pomona, U.S.A. and her Bachelor degree in Education from Chiangmai University.

Percentage of Shareholding in the Company : None



Assoc. Prof. Dr. Nantarika Chansue

Director

Age 57 Years. Thai

She was appointed to the Director of BGT Corporation Public Co., Ltd. in 2007. She has been also a Director of Education First Co., Ltd. since 2000 till present. Moreover she has been appointed to an Assistant Professional (C9) in Department of Veterinary Medicine, Faculty of Veterinary Science, Chulalongkorn University, a position she still holds present and also Director of Veterinary Medical Aquatic animal Research Center (VMARC). In 2009 till present, Head of Ornamental Aquatic animals and Aquatic animals for Conservation (OAAC) and in 2012 has been Assistant Dean of Public Relations in Faculty of Veterinary Science, Chulalongkorn University.

She obtained her Graduate degree as a Doctor of Philosophy in Marine Science (Immunotoxicology) from College of William and Mary, U.S.A. and a Doctor of Philosophy in Education Administration from Siam University.

Her ratio and number of shares is 0.94% or 3,429,999 shares.



Pol. Gen. Sereepisuth Temeeyaves

Director, Independent Director,
Chairman of Audit Committee

Age 70 Years. Thai

He was appointed to the Director, Independent Director and Chairman of Audit Committee of BGT Corporation Public Co., Ltd. in June 2007 till the present. He was appointed to National Police Chief of Royal Thai Police from 2007 to 2008.

He graduated from the Royal Police Cadet Academy, Thailand with a Bachelor of Science Degree, majoring in Public Administration.

Percentage of Shareholding in the Company : None



Prof. Emeritus Dr. Surapone Virulak

Director, Independent Director,
Audit Committee
Age 75 Years. Thai

He has been appointed to the Director, Independent Director and Audit Committee of BGT Corporation Public Co., Ltd. in June 2007, he still holds the position until present. He has been the Director of Gold Master Public Co., Ltd. since 1995.

He obtained his Doctor of Philosophy Degree in Drama and Theatre from University of Hawaii, U.S.A. and his Master Degree in Architecture also Master Degree in Drama and Theatre from University of Washington, U.S.A. and his Bachelor Degree in Architecture from Chulalongkorn University.

Percentage of Shareholding in the Company : None



Mr. Panu Kongtan

Director, Independent Director,
Audit Committee
Age 54 Years. Thai

He has been appointed to the Director, Independent Director and Audit Committee of BGT Corporation Plc. in February 2009, he has still hold the position until present. He has been appointed to the Executive Vice President Investment Banking of Country Group Securities Pcl. since July 2013 until present. Formerly, He had been settled as Senior Vice President Investment Banking of Thai Strategic Capital Co., Ltd. since May 2012 to July 2013. He was Executive Vice President of Finansia Syrus Securities Plc. from August 2011 to April 2012.

About his educational background, he obtained the Master Degree in Business Administration and Bachelor Degree in Science from Prince of Songkla University.

Percentage of Shareholding in the Company : None

MAJOR SHAREHOLDERS

STOCKHOLDER NAME	NO. OF SHARES
1. Ms.Dolnapa Tumwattana	78,076,750
2. Dr.Nopdol Tumwattana	47,728,600
3. Mr.Goh Kok Cheng (Dickson)	47,627,200
4. Mr.Goh Kok Beng	47,297,450
5. Mr.Supraroj Rojveera	20,696,400
6. Mr.Somchai Vijitsangrat	10,400,000
7. Mr.Pongpanich Laiwattanapaisan	4,991,800
8. Mr.Sompong Piyawanitchakul	4,802,700
9. Mr.Metha Rangsiyawaranon	4,596,000
10. TSD	3,472,600
11. Assoc.Prof.Dr.Nantarika Chansue	3,429,999
12. Mr.Thanachai Cheachan	3,380,000
13. Thai NVDR Co., Ltd.	2,810,736
14. Mr.Liew Kian Huat	2,763,000
15. Mr.Matthew Drake Walden	2,700,000
16. Ms.Nanthiya Thaimai	2,307,000
17. Mr.Thanit Mondkongthong	2,300,000
18. Ms.Orapan Atksamongkhon	2,268,600
19. Mrs.Chanakarn Noysang	2,206,300
20. Mr.Sutin Intai	2,075,800

MILESTONES OF SIGNIFICANT CHANGES AND DEVELOPMENT

1987

Dr.Nopdol Tumwattana and Mr.Mark J. Walden, an American business entrepreneur were entering into a joint venture to form Thai Segway International Co., Ltd., which its main objective to distribute ready-to-wear apparels under the trademarks of Walt Disney and Body Glove to the U.S.A based companies. As a result, Dr.Nopdol Tumwattana has gained a closed reputable business relationship with the Body Glove's trademark owner.

1988

Body Glove (Thailand) Company Limited was found by Dr.Nopdol Tumwattana, established on March 31st, 1988 with registered capital of Baht 10 million, its main objectives is to distribute ready-to-wear apparels and accessories under the Body Glove trademark.

1991, 1994 and 2000

The Company's capital was increased to finance for the business expansion from Baht 10 million to Baht 20 million, from Baht 20 million to Baht 40 million and from Baht 40 million to Baht 60 million respectively.

2004

There was a change in the shareholding and management structure as follows; Mr.Goh Kok Cheng (Dickson) and Mr.Goh Kok Beng hold 49% of shares in the total equity of BGT. Both have experience in the management of Body Glove (M) Sdn. Bhd. which engages in distribution of apparels under Body Glove trademark in Malaysia Mr.Goh Kok Cheng (Dickson) is no longer involved in Body Glove (M) Sdn. Bhd. but is actively involved in the Thailand operations which effectively had turned around the Company's operations and performance.

2005

Mr.Goh Kok Cheng (Dickson) and Dr.Nopdol Tumwattana, had restructure of the Company by concentrating on opening Body Glove owned retail stores and implemented new product lines by setting new target markets and new brand positioning, also introducing a matured retail chain system and management information system for the Company.

2007

- On May 3rd, 2007 the Company has entered into a 99-Year exclusive operating, License and Sub-License for 6 territories in Asia, with IP Global Investments America (IPG), the holder of the license for Asia Pacific.

- On June 29th, 2007 the Company has increased its share capital to support the Company's business expansion from Baht 60 million to Baht 80 million, and changed the name from "Body Glove (Thailand) Co., Ltd." to "Body Glove (Thailand) Public Company Limited".

- On November 23rd, 26th and 27th, 2007 the Company has initiated public offering of 20 million shares with par value Baht 1.00 each to public at Baht 4.70 per share.

- On November 30th, 2007 paid-up registered share capital of Baht 80 million with Ministry of Commerce.

- On December 11th, 2007 the Company has registered as a listed company in the Stock Exchange of Thailand/mai

- At the end of 2007, YoY Revenue Growth was 27.83%, Gross Profit Margin was 53.80% and Net Profit Growth was 53.87%.



Mr.Goh Kok Cheng • Dr.Nopdol Tumwattana

2008

- On May 6th, 2008 the Company's name has been changed from "Body Glove (Thailand) Public Company Limited" to "BGT Corporation Public Company Limited".

2009

- Establishment of a new brand called "Peoples Market", the contract has been signed with London based company, Two Agent See International Limited (TAS), in order to implement London Fashion Culture in Thailand.

- At the end of 2009, YoY Revenue Growth was 11.01%, Gross Profit margin was 49.91% and Net Profit Growth was 11.90% which performed a consistent growth for five consecutive years.

2010

- On May 20th, 2010, the Company has registered an increasing of the authorized share capital from Baht 80 million to Baht 160 million.

- June 2010, there were 100 stores in all major shopping malls and department stores throughout Thailand.

2011

- On December 31st, 2011, total stores were 143 stores in all major shopping malls and department stores throughout Thailand.

- In Q4/2011, flood disaster in Thailand affected most of our stores and 13 stores had to close down but Total Revenue was still growth 1%.

- At the end of 2011, YoY Total Revenue Growth was 13% and Net Profit Growth was 14.49%.

2012

- On May 10th, 2012, the Company has reduced its registered share from Baht 160,000,000.00 to Baht 159,786,650.00 and the paid-up registered share capital was Baht 159,786,650.00, remaining from the appropriation to support stock dividend payment.

- On May 11th, 2012, the Company has increased its registered share to support stock dividend payment from Baht 159,786,650.00 to Baht 179,759,982.00 and the paid-up registered share capital was Baht 159,786,650.00.

- On May 15th, 2012, the Company has made an allotment of 39,946,664 new ordinary shares with the par value of Baht 0.50 per share divided into registered share Baht 179,759,982.00 and the paid-up registered share capital Baht 179,756,452.00.

- On October 1st, 2012, headquarters has moved to 188 Suwinthawong Road, Minburi, Minburi, Bangkok 10510.

- On December 31st, 2012, total stores were 149 stores in all major shopping malls and department stores throughout Thailand.

2013

On January 3rd, 2013 the company established the new subsidiary called BGT Technology. BGT Corporation Public Company Limited effectively own 59.60% of the equity in the BGT Technology Company Limited. The nature of business is to distribute electronic devices and other related accessories such as mobile case, ipad case and etc. to Hypermarket.



2014

In 2014 the Company operated depends on the global economic condition and the slow recovery of domestic economic. The decline in consumer confidence due to uncertainty about the economic and political situations which establishing new government affect to the retail trade at the beginning of year, including unexpected financial performance of the Company, however the Company could recover and increase the profit at the last quarter. In 2014, total stores were 151 stores in all major shopping malls and department stores throughout Thailand.

2015

- On March 27th, 2015, the Company had sold part of its investment in BGT Technology Co., Ltd. Thus, the Company has held paid-up capital of BGT Technology Co., Ltd. at 24.60% and has changed the status from its subsidiary to its associate. In September 2015, BGT Technology Co., Ltd has increased its registered capital more Baht 10 million. Therefore, the Company has increased the investment in its associate at Baht 2.27 million, which resulted in total investment at Baht 4.73 million and total shareholding proportion at 23.65%.

- At the end of 2015, separate financial statements showed that the Company increased its total revenues by 6.38%, gross profit margin by 48.38% and net profit by 208.24%. As of December 31st, 2015, there were totally 148 stores throughout Thailand.

2016

As of December 31st, 2016 the Company's revenue increased by 11.79, gross profit rose at 49.42% and net profit was higher to 194.46%. There were 37 stores in Bangkok and 129 stores in upcountry, which were totally 166 stores throughout Thailand.

2017

On December 31st, 2017 separate financial statements showed that the Company has total revenues at Baht 849 million, gross profit margin by 47.37% and net profit by 3.62%. There were totally 168 stores throughout Thailand.

2018

- As of 31 December 2018, BGT Corporation Public Company Limited has 149 shops with total revenue of Baht 716 million.

- On 17 July 2018, the extra ordinary shareholder's meeting No. 1/2018 of BGT Technology Company Limited (associated company) resolved to approve the dissolution of the company due to no intention to continue its' business operation. Further, on 4 September 2018, the liquidator has registered the dissolution of businesses with the Ministry of Commerce and the associated company was under liquidation process.

For years, the Company has constantly developed products align with customers' and consumers' needs and expanded its distribution channels in front-end stores and E-commerce such as Lazada, Shopee, JD Central etc. in order to access more consumers and enlarge its customer base via www.bgt4u.com. The Company has added the new category for customers' and consumers' direct access to sportswear. This includes fitness or workout wear for men and ladies and related accessories. By the rights of Body Glove trademark, the Company has been able to expand its retail operation in 6 Asian countries: Thailand, Vietnam, Myanmar, Laos, Cambodia and Philippines.



• Active Wear Collection Summer 2018

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REPORT OF THE AUDIT COMMITTEE ON CORPORATE GOVERNANCE

To: The shareholders of BGT Corporation Public Company Limited

The Audit Committee was appointed by the Board of Director, comprising of three independent, namely

- | | |
|---|----------------------------------|
| 1. Police General Sereepisuth Temeeyaves | Chairman of the Audit Committee, |
| 2. Professor Emeritus Dr. Surapone Virulrak | Committee Member |
| 3. Mr. Panu Kongtan | Committee Member |

The Audit Committee was assigned to fulfill the responsibility according to the scope, duties and responsibilities that complied with the Regulation of the Stock Exchange of Thailand.

Our main duties and responsibilities are to review accuracy and sufficiency of financial reports of the Company, to provide adequate and effective internal audit and internal control system of the Company, to control the Company to comply with all related laws and regulations, to consider the reasonability of the connected transaction or transaction which causes conflict of the interest, to ensure sufficiency of disclosure of information by the Company, and to consider and propose the appointment of the Company auditors and their remuneration.

During the year 2018, the Audit Committee held 4 meetings which all members thereof have attended all meetings, having the followings significant matters:

1. Reviewing quarterly, annual and consolidated financial statements of the Company prior to submission to the Board of Director, the Securities Exchange Commission and the Stock Exchange of Thailand. After due consideration of the said financial statements and discussions with auditors and management division, we are of the opinion that the above-mentioned financial statements are recorded in accordance with generally accepted accounting principles with accuracy, completeness and sufficient disclosure of information.

2. Evaluating sufficiency and appropriateness of the Company's internal control system, through the supervision, supporting and encouraging their independent operation; introducing to apply risk assessment as guideline for examining in order to mitigate from potential risk causing damage to business operation of the Company; and suggestions for enhancing efficiency of their operation and internal control.

3. Reviewing the connected transactions or transactions which may cause conflict of interest to be in compliance of the laws and regulations of Stock Exchange of Thailand. We are of the opinion that the aforesaid transactions are reasonable and for the best interest of the Company. The Company also discloses accurate and complete information.

4. Consideration and appointment of the Auditors of 2018 - The Audit Committee has taken into consideration and appointment to select the Auditor for the Year 2018 as Dharmniti Auditing Co.,Ltd. to be the Auditors of the Company. Since they are appropriate, competent, professional, in addition, their performance in the past are acceptable and reliable, the auditor are independent and they have no relationship with the Company which was proposed to the Board of Directors for consideration and would be further proposed the Auditor Fees to the Meeting of Shareholders for approval.

In summary, the Audit Committee performed its duties and responsibilities stated in its Board-approved charter with competence, care, prudence, and adequate independence for the equitable benefit of stakeholders. Its opinion is that financial reports are accurate, reliable, and in accordance with the generally accepted accounting principles. In addition, commands adequate risk management practices and a suitable, effective internal audit, has in place work practices aligning with good governance, and complies with laws, regulations and obligations, disclosed the connected transactions correctly, performed duties in compliance with the good corporate governance principles, adequate, transparent and reliable.



(Pol.Gen Sereepisuth Temeeyaves)
Chairman of the Audit Committee

MILESTONES OF SIGNIFICANT CHANGES AND DEVELOPMENT

- 1987** Dr.Nopdol Tumwattana and Mr. Mark J. Walden, an American business entrepreneur were entering into a joint venture to form Thai Segway International Co., Ltd., which its main objective to distribute ready-to-wear apparels under the trademarks of Walt Disney and Body Glove to the U.S.A based companies. As a result, Dr.Nopdol Tumwattana has gained a closed reputable business relationship with the Body Glove's trademark owner.
- 1988** Body Glove (Thailand) Company Limited was found by Dr.Nopdol Tumwattana, established on March 31st, 1988 with registered capital of Baht 10 million, its main objectives is to distribute ready-to-wear apparels and accessories under the Body Glove trademark.
- 1991, 1994 and 2000** the Company's capital was increased to finance for the business expansion from Baht 10 million to Baht 20 million, from Baht 20 million to Baht 40 million and from Baht 40 million to Baht 60 million respectively.
- 2004** There was a change in the shareholding and management structure as follows; Mr. Goh Kok Cheng (Dickson) and Mr. Goh Kok Beng hold 49% of shares in the total equity of BGT. Both have experience in the management of Body Glove (M) Sdn. Bhd. which engages in distribution of apparels under Body Glove trademark in Malaysia. Mr.Goh Kok Cheng (Dickson) is no longer involved in Body Glove (M) Sdn. Bhd. but is actively involved in the Thailand operations which effectively had turned around the Company's operations and performance.
- 2005** Mr. Goh Kok Cheng (Dickson) and Dr.Nopdol Tumwattana, had restructure of the Company by concentrating on opening Body Glove owned retail stores and implemented new product lines by setting new target markets and new brand positioning, also introducing a matured retail chain system and management information system for the Company.
- 2007**
- On May 3rd, 2007 the Company has entered into a 99-Year exclusive operating, License and Sub-License for 6 territories in Asia, with IP Global Investments America (IPG), the holder of the license for Asia Pacific.
 - On June 29th, 2007 the Company has increased its share capital to support the Company's business expansion from Baht 60 million to Baht 80 million, and changed the name from "Body Glove (Thailand) Co., Ltd." to "Body Glove (Thailand) Public Company Limited".
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 - On November 30th, 2007 paid-up registered share capital of Baht 80 million with Ministry of Commerce.
 - On December 11th, 2007 the Company has registered as a listed company in the Stock Exchange of Thailand/mai
 - At the end of 2007, YoY Revenue Growth was 27.83%, Gross Profit Margin was 53.80% and Net Profit Growth was 53.87%
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- 2009**
- Establishment of a new brand called "Peoples Market", the contract has been signed with London based company, Two Agent See International Limited (TAS), in order to implement London Fashion Culture in Thailand.
 - At the end of 2009, YoY Revenue Growth was 11.01%, Gross Profit margin was 49.91% and Net Profit Growth was 11.90% which performed a consistent growth for five consecutive years.
- 2010**
- On May 20th, 2010, the Company has registered an increasing of the authorized share capital from Baht 80 million to Baht 160 million.
 - June 2010, there were 100 stores in all major shopping malls and department stores throughout Thailand.
- 2011**
- On December 31st, 2011, total stores were 143 stores in all major shopping malls and department stores throughout Thailand.
 - In Q4/2011, flood disaster in Thailand affected most of our stores and 13 stores had to close down but Total Revenue was still growth 1%.
 - At the end of 2011, YoY Total Revenue Growth was 13% and Net Profit Growth was 14.49%.

- 2012**
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 - On May 11th, 2012, the Company has increased its registered share to support stock dividend payment from Baht 159,786,650.00 to Baht 179,759,982.00 and the paid-up registered share capital was Baht 159,786,650.00.
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 - On December 31st, 2012, total stores were 149 stores in all major shopping malls and department stores throughout Thailand.
- 2013** On January 3rd, 2013 the company established the new subsidiary called BGT Technology. BGT Corporation Public Company Limited effectively own 59.60% of the equity in the BGT Technology Company Limited. The nature of business is to distribute electronic devices and other related accessories such as mobile case, ipad case and etc. to Hypermarket.
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- On March 27th, 2015, the Company had sold part of its investment in BGT Technology Co., Ltd. Thus, the Company has held paid-up capital of BGT Technology Co., Ltd. at 24.60% and has changed the status from its subsidiary to its associate. In September 2015, BGT Technology Co., Ltd has increased its registered capital more Baht 10 million. Therefore, the Company has increased the investment in its associate at Baht 2.27 million, which resulted in total investment at Baht 4.73 million and total shareholding proportion at 23.65%.
 - At the end of 2015, separate financial statements showed that the Company increased its total revenues by 6.38%, gross profit margin by 48.38% and net profit by 208.24%. As of December 31st, 2015, there were totally 148 stores throughout Thailand.
- 2016** As of December 31st, 2016, the Company's revenue increased by 11.79, gross profit rose at 49.42% and net profit was higher to 194.46%. There were 37 stores in Bangkok and 129 stores in upcountry, which were totally 166 stores throughout Thailand.
- 2017** On December 31st 2017, separate financial statements showed that the Company has total revenues at Baht 849 million, gross profit margin by 47.37% and net profit by 3.62%. There were totally 168 stores throughout Thailand.
- 2018**
- As of 31 December 2018, BGT Corporation Public Company Limited has 149 shops with total revenue of Baht 716 million
 - On 17 July 2018, the extra ordinary shareholder's meeting No. 1/2018 of BGT Technology Company Limited (associated company) resolved to approve the dissolution of the company due to no intention to continue its' business operation. Further, on 4 September 2018, the liquidator has registered the dissolution of businesses with the Ministry of Commerce and the associated company was under liquidation process.

For years, the Company has constantly developed products align with customers' and consumers' needs and expanded its distribution channels in front-end stores and E-commerce such as Lazada, Shopee, JD Central etc. in order to access more consumers and enlarge its customer base via www.bgt4u.com.

The Company has added the new category for customers' and consumers' direct access to sportswear. This includes fitness or workout wear for men and ladies and related accessories. By the rights of Body Glove trademark, the Company has been able to expand its retail operation in 6 Asian countries: Thailand, Vietnam, Myanmar, Laos, Cambodia and Philippines.

FINANCIAL HIGHLIGHTS

Separate Financial Statements

STATEMENT OF FINANCIAL POSITION	(Btm)	2016	2017	2018
TOTAL ASSETS		713.93	670.98	607.43
TOTAL LIABILITIES		244.92	172.07	119.51
TOTAL SHAREHOLDERS' EQUITY		469.01	498.91	487.93

STATEMENT OF COMPREHENSIVE INCOME	(Btm)	2016	2017	2018
Revenues from sales		843.97	843.25	714.27
Total Revenues		846.69	848.79	716.22
Cost of sales		426.89	443.82	385.43
Selling expense		254.92	254.15	246.79
Administrative expense		107.82	106.04	90.76
Finance costs		5.10	5.08	2.68
Total Expense		794.73	809.08	725.65
Profit (loss) before income tax expenses		51.96	39.71	(9.43)
Income tax (revenue) expenses		10.65	9.00	(1.72)
Income for the year		41.31	30.72	(7.71)
Earnings per share	(Baht per share)	0.11	0.08	(0.02)
Book value per share	(Baht per share)	1.30	1.38	1.34

FINANCIAL RATIOS	2016	2017	2018
Revenue growth (%)	11.79%	0.25%	(15.62%)
Net Profit growth (%)	194.46%	(25.64%)	(125.10%)
EBIT growth (%)	123.04%	(21.50%)	(115.07%)
Gross profit margin (%)	49.42%	47.37%	46.04%
Net profit margin (%)	4.88%	3.62%	(1.08%)
DE ratio (time)	0.52 time	0.34 time	0.24 time
ROA (%)	6.02%	4.44%	(1.21%)
ROE (%)	9.24%	6.35%	(1.56%)

Remark :

These financial statements are the separated financial statements. The Company has prepared the financial statements in which the equity method. But the associated company has a resolution to approve the company dissolution as the Company has no intention to continue its business. On September 4, 2018, the liquidators of the associated company have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.

PROFILES OF BOARD OF DIRECTORS AND EXECUTIVES

No.	Name Position	Age (Yrs.)	Highest Education/Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
1.	Dr. Nopdol Tumwattana* (Chairman of the Board) Date of Appointment June 2007	67	- Education > Ph.D. Program in Educational Administration, Siam University - Training Program > Director Accreditation Program (IOD) DAP 50/2006	- 13.10% or 47,628,600 shares as of Jan. 1, 2018 - 13.13% or 47,728,600 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	Mrs. Mullika Tumwattana's brother and Miss Dolnapa Tumwattana's father	June 2007 - present	Chairman of the Board	BGT Corporation Public Company Limited (Main occupation)
Listed Companies -none-								
Other Non-Listed Companies								
						1991 - present 1988 - present May 2015 - present May 2016 - present	Managing Director Chairman Director Director	Gold Master Public Company Limited TSI International Company Limited DB Group Company Limited Thai International School Company Limited
2.	Mr. Goh Kok Cheng (Dickson)* (President / Chief Executive Officer) Date of Appointment June 2007	51	- Education > Chung Ling High School (A Level) - Training Program > Director Accreditation Program (IOD) DAP 62/2007	- 13.10% or 47,627,200 shares as of Jan. 1, 2018 - 13.10% or 47,627,200 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	Mr. Goh Kok Beng's brother	June 2007 - present	President / Chief Executive Office	BGT Corporation Public Company Limited (Main occupation)
Listed Companies -none-								
Other Non-Listed Companies								
						2002 - present 2002 - present 2013 - present	Director Director Director	Yen Club Asia Sdn Bhd Yen Group Holding Corporation Sdn Bhd BGT Technology Company Limited

PROFILES OF BOARD OF DIRECTORS AND EXECUTIVES

No.	Name Position	Age (Yrs.)	Highest Education/Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
3.	Mr. Goh Kok Beng* (Director) Date of Appointment June 2007	57	- Education > Chung Ling High School (A Level) - Training Program > Director Accreditation Program (IOD) DAP 65/2007	- 13.01% or 47,297,450 share as of Jan. 1, 2018 - 13.01% or 47,297,450 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	Mr. Goh Kok Cheng, (Dickson)'s brother	June 2007 - present	Director	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies (Aboard)		
						2002 - present	Director	Yen Group Holding Corporation Sdn Bhd (Main occupation)
4.	Mrs. Mullika Tumwattana* (Director) Date of Appointment June 2007	65	- Education > M.A. Education, California Polytechnic University, Pomona, USA - Training Program > Director Accreditation Program (IOD) DAP 52/2006	As of Jan. 1, 2018 -none- As of Dec. 31, 2018 -none- ----- Held by spouse or minor children -none-	Dr. Nopdol Tumwattana's sister and Miss Dolhapa Tumwattana's aunt	2002 - present	Director	Yen Club Asia Sdn Bhd
						2002 - present	Director	Yen Group Properties (M) Sdn Bhd
						1999 - present	Director	Yen Shoes (M) Sdn Bhd
						1995 - present	Director	Irama Pilihan Sdn Bhd
						June 2007 - present	Director	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies		
						2005 - present	Director	Malika Interfood Company Limited (Main occupation)
						May 2016 - present	Director	Thai International School Company Limited

PROFILES OF BOARD OF DIRECTORS AND EXECUTIVES

No.	Name Position	Age (Yrs.)	Highest Education/Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
5.	Assoc. Prof. Dr. Nantarika Chansue (Director) Date of Appointment June 2007	57	- Education > Ph.D. Marine Science (Immunotoxicology), College of William and Mary, U.S.A. > Ph.D. Program in Educational Administration, Siam University - Training Program > Director Accreditation Program (IOD) DAP 50/2006	- 0.94% or 3,429,999 shares as of Jan. 1, 2018 - 0.94% or 3,429,999 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	-	2007 - present	Director	BGT Corporation Public Company Limited
						2012 - present	Assistant Dean for Public Relations	Veterinary Medicine, Chulalongkorn University
						2011 - present	Head of Department	Ornamental Aquatic animals and Aquatic animals for Conservation research unit (OAAC)
						1994 - present	Director	Veterinary Medical Aquatic Animal Research Center (VMARC), Chulalongkorn University
						1989 - present	Assistant Professional (C9)	Veterinary Medicine, Faculty of Veterinary Medicine, Chulalongkorn University (Main occupation)
Listed Companies -none-								
Other Non-Listed Companies								
6.	Pol.Gen. Sereepisuth Temeeyaves (Director, Independent Director and Chairman of Audit Committee) Date of Appointment June 2007	70	- Education > B.S. Public Administration (Royal Police Cadet Academy, Thailand) - Training Program > Director Accreditation Program (IOD) DAP 62/2006	As of Jan. 1, 2018 -none- As of Dec. 31, 2018 -none- ----- Held by spouse or minor children -none-	-	2000 - present	Director	Education First Co., Ltd.
						June 2007 - present	Director, Independent Director and Chairman of Audit Committee	BGT Corporation Public Company Limited
						2007 - 2008 Present	National Police Chief	Royal Thai Police a retired government official (Main occupation)
						Listed Companies -none-		
						Other Non-Listed Companies -none-		
7.	Professor Emeritus Dr. Surapone Virulrak (Director, Independent Director and Audit Committee) Date of Appointment June 2007	75	- Education > Ph.D. (Drama and Theatre), University of Hawaii, U.S.A. - Training Program > Director Accreditation Program (IOD) DAP 62/2006	As of Jan. 1, 2018 -none- As of Dec. 31, 2018 -none- ----- Held by spouse or minor children -none-	-	June 2007 - present	Director, Independent Director and Audit Committee	BGT Corporation Public Company Limited
						Present		a retired government official (Main occupation)
						Listed Companies -none-		
						Other Non-Listed Companies		
						1995 - present	Director	Gold Master Public Company Limited



PROFILES OF BOARD OF DIRECTORS AND EXECUTIVES

No.	Name Position	Age (Yrs.)	Highest Education/Training	Ratio and No. of shares	Relationship	5 Years' Working Experience				
						Period	Position	Company		
8.	Mr. Panu Kongtan (Director, Independent Audit Committee) Date of Appointment February 2009	54	- Education > Master of Business Administration, Prince of Songkhla University - Training Program > Director Accreditation Program (IOD) DAP 79/2009	As of Jan. 1, 2018 -none- As of Dec. 31, 2018 -none- ----- Held by spouse or minor children -none-	-	February 2009 - present	Director, Independent Director and Audit Committee	BGT Corporation Public Company Limited		
						July 16, 2013 - present	Executive Vice President Investment Banking	Country Group Securities Public Company Limited (Main Occupation)		
						May 2012 - July 15, 2013	Senior Vice President Investment Banking	Thai Strategic Capital Co., Ltd.		
						August 2011 - April 2012	Executive Vice President of Corporate Finance	Finasia Syrus Securities Public Company Limited		
						Listed Companies -none-				
Other Non-Listed Companies -none-										
9.	Miss Waristha Thapanasakunvong (Chief Financial Officer) And Company Secretary	55	- B.S. Business Administration, Management, Ramkhamhaeng University	- 0.05% or 200,000 shares as of Jan. 1, 2018 - 0.04% or 130,000 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	-	June 2007 - present	Chief Financial Officer	BGT Corporation Public Company Limited		
						Listed Companies -none-				
						Other Non-Listed Companies -none-				
10.	Miss Dolnapa Tumwattana (Head of Marketing)	37	- Master of Science in Marketing Program (MIM), Thammasat University	- 21.48% or 78,076,750 shares as of Jan.1,2018 - 21.48% or 78,076,750 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	Dr. Nopdol Tumwattana's daughter and Mrs. Mullika Tumwattana's niece	February 2009 - present	Head of Marketing	BGT Corporation Public Company Limited		
						Listed Companies -none-				
						Other Non-Listed Companies -none-				
						Other Non-Listed Companies May 2015 - present			Director	DB Group Company Limited

PROFILES OF BOARD OF DIRECTORS AND EXECUTIVES



No.	Name Position	Age (Yrs.)	Highest Education/Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
11.	Mr. Chai Ratanamahawongse (Head of Finance)	51	- B.S. Business Administration, Finance and Banking, Assumption University	- 0.05% or 210,000 shares as of Jan. 1, 2018 - 0.06% or 210,000 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	-	June 2007 - present	Head of Finance	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies -none-		
12.	Miss Methira Thongsuwan (Head of Account)	50	- B.S. Business Administration, Department of Account, Ramkhamhaeng University	- 0.05% or 210,000 shares as of Jan. 1, 2018 - 0.06% or 210,000 shares as of Dec. 31, 2018 ----- Held by spouse or minor children -none-	-	June 2007 - present	Head of Account	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies -none-		
13.	Mrs. Panisara Nulmusik (Head of Supply Chain)	42	- MBA of Marketing, Ramkhamhaeng University	As of Jan. 1, 2018 -none- As of Dec. 31, 2018 -none- ----- Held by spouse or minor children -none-	-	Sep 2014 - present	Head of Supply Chain	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies -none-		

Remark

1. * The Director number 1, 2, 3 and 4 are authorized directors

2. ** The Director no.1 to no. 8 and Executive no. 9 to no. 13 are not in position of consultant or partner, manager in Business or organization for purpose of profit.

MAJOR SHAREHOLDERS

List of the top 10 shareholders as shown in the Share Registration Book as of December 31st, 2018

			Shares	Ratio (%)
1.	Miss. Dolnapa	Tumwattana	78,076,750	21.48
2.	Dr. Nopdol	Tumwattana	47,728,600	13.13
3.	Mr. Goh Kok	Cheng (Dickson)	47,627,200	13.10
4.	Mr. Goh Kok	Beng	47,297,450	13.01
5.	Mr. Supraroj	Rojveera	20,696,400	5.69
6.	Mr. Somchai	Vijitsangrat	10,400,000	2.86
7.	Mr. Pongpanich	Piyavanitchakul	4,991,800	1.37
8.	Mr. Sompong	Piyavanitchakul	4,802,700	1.32
9.	Mr. Metha	Rangsiyawaranon	4,596,000	1.26
10.	Thailand Securities Depository Co., Ltd. For Depositors		3,472,600	0.96
Total Shares			269,689,500	74.18

The groups of major shareholders responsible for setting company policies is from Tumwattana's Family being Dr. Nopdol Tumwattana as Directors, in addition to members Malaysian Investors being Mr. Goh Kok Cheng (Dickson) and Mr. Goh Kok Beng.

OVERVIEW OF NATURE OF THE BUSINESS

Vision:

To become a leader in a retail business of Ready-to-Wear apparel and related accessories under the Body Glove brand from USA in a concept of California lifestyle, which developed to carry on an intention of the twin brothers, Bob and Bill Meistrell, the legend of waterman with the plan to expand its businesses into other regions in the ASEAN.

Mission:

1. To focus in the retail business of Ready-to-Wear apparel and accessories with the rights to manufacture and distribute, to differentiate itself with a unique brand character in a concept of Original California Lifestyle.
2. To capture the target group's demand with quality products at affordable prices.
3. To satisfy customers by carrying and serving customers' needs as well as to build sustainable customer relations.
4. To improve our client experience by providing exceptional customer service with trained staff.
5. To continue involvement in Corporate Social Responsibility programs.
6. To generate the most profit for our stakeholders.

Business operation's goal

The company set the development plan and change pattern of the clothes including to accessories that involving under licenced "Bodyglove" brand be various, for examples the sport clothes which harmonize of lifestyle and customer's preference under idea of Surf & Easy Lifestyles by providing distributing channels which are stores and online distributing channels via www.bgt4u.com, Body Glove Thailand Facebook Fan Page, Instagram (@bodygloveth) and line@ (@bodygloveth) which are organization's media in order to answer the queries and help customers about their purchasing 24 hours. Besides, there are other distributing channels which are Lazada, Shopee and several others.

The business implementation strategy

1. The strategy of products

The company realizes the variety of customers' groups, therefore, we has designed the products having various compatibilities and are modern in order to meet the needs of customers. With regard to this, we try to create the brand awareness to make it more well-known. Especially, we are emphasizing on current customer base and new customer base by doing the marketing in many advertising media such as radio, magazine and participating in several activities.

2. The strategy of distribution channels

The company has distribution channels available in department stores and Modern Trade in both Bangkok and we have expanded to every regional part in order to serve the needs of customers. Currently, at the end of year 2018, the company has 33 shops in Bangkok and 116 shops in other provinces. We have expanded the customer base to cover online media customers. Customers are able to order the goods at www.bgt4u.com and also follow the promotions via Facebook, Instagram from which we get the good response from our customers.

3. The strategy to build the management's effectiveness

The company's management emphasizes on a systematic and effective management in every department. We place an importance on sorting, product's quality control and every process of work. We have a marketing plan and selling plan by implementing the promotions to draw our customers. We have a working monitoring via information technology and working control in order to make it effective. In addition, we have salesperson training and workshop to develop their working potential.

BGT Corporation Public Company Limited has been in a retail business of ready-to-wear apparels and related accessories under the trademark of Body Glove with Hand Device as its logo. The distribution has passed through both own stores and department stores since 1988 and expanded to all over regions of Thailand. In 2018, one of the Company's strategic focuses is to continuously develop store expansion by adding more flagship stores and counters in the department stores. The Company differentiates itself with uniqueness in store designs and consistently redecorates existing flagship stores to be as up-to-date as newly opened stores. Additionally, the Company places high emphasis on the selection of new store location, which is in prime areas and serve well with market demands.

As of December 31st, 2018, the products have been distributed and sold through 80 Body Glove flagship stores located in prime business locations and through 69 counters in the leading department stores in Thailand and open the shop in social network for selling products through online in www.bgt4u.com, Lazada, Shopee and JD Central be provided in the year 2018. Moreover, the Company also has its head office and one warehouse, located at the address 188, Suwinthawong Road, Minburi, Minburi, Bangkok, where is convenient for distributing products to various stores and overseeing the inventory.

Product Characteristics of Body Glove

The Company's products are divided into 3 categories as follows:

1. Ready-to-wear Apparels under Body Glove Trademark

The Company is a distributor of ready-to-wear apparels which designed for men and women, ages above 15 years. The product varieties are in the range of choices, captivating designs and colors, also are featured with high absorbency, soft and durable fabric to make it easy to wear and take care of its long lasting colors.

The ready-to-wear apparels are classified into 4 types as follows:

(1) Active Collection : Ready-to-wear apparels which designs are taken an emphasis on season climates which has specific identity of the California lifestyle and used of innovative and unique designs of Body Glove trademark to be imprinted on the products. Some of the products are T-shirt, V-neck T-shirt, sheer T-shirt, seamless T-shirt, collared T-shirt, 3-quarter shorts, 4-quarter shorts, casual shorts, nylon shorts, cargo shorts and other modern and trendy style fashion products, etc. The product prices range from Baht 890-2,890 and gears to target youngsters and working professionals as main customers.

(2) Pima Tee Collection : Ready-to-wear apparels that based its design on specific design identity, and easy to wear in all occasions. the products don't have Body Glove trademark . Some of the products are Polo shirt, shirt, long sleeves shirt, collared shirt, etc. The product prices range from Baht 790-960 and gears to target youngster and working professionals as main customers.

(3) Body Glove Activate Collection: is an apparel men and ladies, which suitably wearing to exercise and comfort to wear, the clothes has the air flow on texture, high elastic for wearing which made of high quality polyester spandex. The BODY GLOVE activate collection is consisted of sport bra, vest, polo tees, shirts and legging. The product prices range from Baht 890-1,990 and gears to target loving exercise and people who take care themselves.

(4) Sport Casual collection: is an sport casual apparel which comfort to wear. The sport casual collection is consist of T-shirt, V-neck, Jacket, 4-quarter short. The product price range from Baht 790 – 1,490 and gear to target sport liking customer and loving health.

2. Accessories under Body Glove Trademark

The products in this category have become a valuable component in the product mix. They are offered in wide ranges of selection with different types and designs, for example, shoulder bag, backpack, traveling bag, wallet, pencil case, cap, socks, men's underwear, etc. The product prices range from Baht 190-2,590 and gears to target youngsters and working professionals as main customers.

3. BG PRO (Professional Water Sport Gears)

The products in this category is another component of the product mix in which it can help create a committed brand image for Body Glove as a professional water sport brand of the California lifestyle. The product prices range from Baht 1,900-8,900 and are included of wetsuits, rash guards, snorkeling gears, PFD's (vest and life jackets), body boards, and soft surfboards. This product category has a very focused group of customers, such as divers, surfers, recreational sport lovers, and kids.

Market Conditions and Competitiveness

Industry Outlook

Thai Garment Manufacturers Association had experienced a rapid growth rate that spread over the ready-to-wear apparel industry for men, women and children. For the market section of ready-to-wear apparels in the country is highly competitive among the local ready-to-wear entrepreneurs, the importers of ready-to-wear apparels under international

license trademark and the importers of low-cost ready-to-wear from China, Vietnam and India. However, there is no collective data from any trustworthy source that verify total market value branded ready-to-wear apparels in the country.

During the past years, the market sector of ready-to-wear apparels in the country was steadily growing. Because each corporation has implemented a full marketing strategy to build brand awareness and popularity and to expand the number of distribution channel for through stand alone Flagship Stores and counters in the department stores. The tendency of an apparel industry tends to expand at close proximity as to the rate of economic growth expansion.

However, the industry will highly remain at a competitive level for local entrepreneurs and ready-to-wear importers. Therefore, a strong emphasis must be taken on developing quality and up-to-date designs to match customer's preferences, as well as building brand awareness and implementing strategies to gain loyalty from consumers.

Market Conditions and Competition Policy

1) Competitive Strategy

- Product Quality

The Company's products have unique California lifestyle identity, thus the Company places a high emphasis on the selection of designs for Surf Lifestyle & health products to match customer everyday lifestyle and their demands in the market. The Company values in the importance of product quality and uses only the high quality cotton fabrics to ensure high absorbency rate, softness, durability, comfortableness to wear, ease in cleaning; the products are with ranges of designs and colors to fulfill the needs of the target customers whilst keeping modern and trendy styles to match customer's everyday life.

- Flagship Stores Environments

The importance of Flagship Store environments was given to the Visual Merchandise Display ("VM Display"), which is consisted of products displays, Display showing decorations, POP signage displays, store arrangements and decoration equipments. Each Flagship Store will be arranged in a standard uniformity to enhance brand recognition to target customers, be giving the emphasis on modernity and unique identity of Body Glove. As for the product presentation, there are 2 types of displays as follows:

1. Arrangement by color scheme such as cool, hot, pastel, bright, gray and displayed in terms of shade, i.e., light to dark, dark to light, light in the center, or dark in the center, etc.
2. Arrangement by category according to the size of the store such as small-sized store, medium-sized store or large-sized store.

VM Display is considered an effective way of product presentation due to

- (1) the format is clean, simple and clear that is easy to remember and select the merchandise;
- (2) the display of merchandise has clear dimension and easy to highlight the prominent product by using the light and color coordination;
- (3) able to present new collections continuously and
- (4) able to display the product by Product Theme or Store Theme to emphasize the sales volume and brand image.

- Service Area

The Company emphasizes on the value added service by serving the customers with highly trained staff to assure the customer excellent service. The staff will be able to respond to the requirement of the customer's preference and can give useful advice about the products. The staff will be trained to invite the customers to try on the clothing and take care of the customers as deem appropriate in order to increase the customer satisfaction. Moreover, the Company had installed the internet web camera at various Flagship Stores and linked to the head office. As a result, the head office could follow-up on the services provided by the staff at each store location on a real-time basis.

- Pricing Policy

The pricing policy for the Company's products is based on cost, type of product, model and gross profit margin as preliminary set wherein each store there is only One Price Policy which may be varied on store promotion at different intervals to match the requirement of each target group of customers at each location. In addition, the Company's policy is to offer a reasonable and competitive price to the customer. With this, the Company had launched a super value program by offering a Combo set or selling in pairs by applying to simple clothing that are comfortable

to wear, able to mix and match with other products easily. The program is a super value as the products are sold in pairs but can be sold separately as well, for example, Polo shirt, T-shirt, Mini Polo shirt, etc. The price range for this product category is from Baht 590-890, and the target customers are school and college students and young working professionals.

When compared the selling price of the Company to local brand distributors, it can be concluded that our company status is at the competitive edge, especially the “Combo” set products of the same price point as of those local brand due to the Body Glove Trademark is more universally accepted.

- **Market Support and Public Relations**

The Company has continued its market support through various advertising campaigns via mass media such as radio, on-line magazines, various media, through event marketing and social network as Facebook, Instagram, LINE@ in order to build brand awareness under Body Glove Trademark. Additionally, the Company had introduced its product through the company’s website www.bgt4u.com and various sources of social media platforms to promote new products and news update to the customers. The Company also organized special activities, such as, launching seasonal and special holiday promotion, highlighting promotional area to attract the customer’s interest, offering the customer to buy special premium with regular purchased items.

Offering Gift Voucher during holiday season, PR on various promotions via different media, building strong relationship with other suppliers, i.e., joined with department stores in renting the area for product distribution and participated in the joint promotion, joined with the government and private entrepreneur for social contribution activities, etc.

2) Nature of Customers and Target Groups of Customer

The Company separates its target customers into 2 major groups as follows:

- (1) School and college students, men and women, ages 15-25 years
- (2) Young working professionals and adults, men and women, ages 25 years and over.

The Company placed high emphasis on the continuity of product development to be in line with the requirement of these two groups of target customers.

During the previous 3 years, the Company had not sold to any one particular customer in excess of 30% of total sales revenues due to the nature of retails business operated by the Company.

3) Sales and Distribution Channels

The Company has distributed proportion through channel by flagship stores and counters in department stores.

1. Distributes channel through flagship stores or counters in department store

Distribution channel	2016	2017	2018
Through Flagship Stores	73%	76%	76%
Through Counters in Department Stores	27%	24%	24%
Total	100%	100%	100%

2. Distributes to local of service area

Service Area	2016	2017	2018
Bangkok and vicinity areas	24%	26%	28%
Rural province	76%	74%	72%
Total	100%	100%	100%

REVENUE STRUCTURE

Revenue structure of the Company is classified by product lines during 2016 - 2018:

Items	Separate Financial Statements					
	2016		2017		2018	
	MB	%	MB	%	MB	%
1. Sales revenue						
1.1 Apparel sales	781.76	92.33	783.73	92.34	668.63	93.36
1.2 Related products sales	62.20	7.35	59.52	7.01	45.64	6.37
Total sales revenue	843.96	99.68	843.25	99.35	714.27	99.73
2. Gain on exchange rate	1.08	0.13	3.56	0.42	0.71	0.10
3. Dividend	0.14	0.01	0.95	0.11	0.00	0.00
4. Other incomes	1.50	0.18	1.03	0.12	1.24	0.17
Total revenues	846.68	100.00	848.79	100.00	716.22	100.00

Additional Explanation:

- All sales revenue from the Company is from domestic sales.
- Related products included backpacks, shoulder bags, traveling bags, wallets, pencilcase, caps, socks, scarf and men's underwear.

Revenue structure of the Company is classified by regions during 2016 - 2018:

Items	Operated by	Separate Financial Statements					
		2016		2017		2018	
		MB	%	MB	%	MB	%
1. Sales revenue							
1.1 Sales revenue from Bangkok and vicinity areas	Company	200.30	23.73	216.95	25.73	200.64	28.09
1.2 Sales revenue from provincial areas	Company	643.66	76.27	626.30	74.27	513.63	71.91
Total sales revenue	Company	843.96	100.00	843.25	100.00	714.27	100.00

Additional Explanation:

- Sales revenue from Bangkok and vicinity areas during 2018 is earned from 20 shops and 13 department store counters.
- Sales revenue from provincial areas during 2018 is earned from 60 shops and 56 department store counters.

DESCRIPTION AND ANALYSIS OF FINANCIAL STATUS AND OPERATION RESULT

1. Summary of Financial Statements

Statements of Financial Position, Statements of Comprehensive Income and Statements of Cash Flows for the past three years for fiscal year ended December 31st, 2016, 2017 and 2018 are shown in the tables hereunder.

These financial statements are the separated financial statements. The Company has prepared the financial statements in which the equity method. But the associated company has a resolution to approve the company dissolution as the Company has no intention to continue its business. On September 4, 2018, the liquidators of the associated company have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.

BGT Corporation Public Company Limited

The Statements of Financial Position

As at December 31st, 2016, 2017 and 2018

(Unit : Baht Thousand)

	Separate Financial Statements					
	2016		2017		2018	
	Amount	%	Amount	%	Amount	%
<u>Current Assets</u>						
Cash and cash equivalents	10,311	1.44	63,984	9.54	49,144	8.09
Temporary investments	16	0.00	31,047	4.63	52,416	8.63
Trade receivables - related party	4	0.00	0	0.00	0	0.00
- other parties	33,559	4.70	30,205	4.50	25,982	4.28
Other receivables Prepaid expenses	1,990	0.28	1,169	0.17	1,408	0.23
Inventories	340,527	47.70	241,108	35.93	191,304	31.49
Other current assets						
- Vat of consignment	10,313	1.44	6,787	1.01	3,972	0.65
- Deposit of goods	9,827	1.38	5,476	0.82	4,103	0.68
- Other	1,702	0.24	3,663	0.55	4,514	0.74
Total Current Assets	408,249	57.18	383,439	57.15	332,843	54.79
<u>Non-Current Assets</u>						
Investment in associated	4,730	0.66	0	0.00	0	0.00
Long-term loans	0	0.00	0	0.00	8,394	1.38
Property, plant and equipment	194,083	27.19	190,320	28.36	175,472	28.89
Intangible assets	5,138	0.72	5,181	0.77	4,782	0.79
Other non-current assets						
- Leasehold rights - shop area	36,971	5.18	30,897	4.60	24,438	4.02
- Rental deposits	42,675	5.98	45,395	6.77	44,043	7.25
Deferred tax assets	22,086	3.09	15,744	2.35	17,463	2.88
Total Non-Current Assets	305,683	42.82	287,537	42.85	274,592	45.21
TOTAL ASSETS	713,932	100.00	670,976	100.00	607,435	100.00

BGT Corporation Public Company Limited

The Statements of Financial Position

As at December 31st, 2016, 2017 and 2018

(Unit : Baht Thousand)

	Separate Financial Statements					
	2016		2017		2018	
	Amount	%	Amount	%	Amount	%
<u>Current Liabilities</u>						
Bank overdraft and short-term loans						
from financial institutions	22,087	3.09	3,551	0.53	0	0.00
Trade payables - related party	1,789	0.25	0	0.00	0	0.00
- other parties	79,179	11.09	56,159	8.37	40,960	6.74
Other payables - Accrued expenses	32,802	4.59	29,867	4.45	15,133	2.49
- Accrued payables						
fixed assets	4,040	0.57	2,158	0.32	828	0.14
- Others	249	0.03	284	0.04	389	0.06
Current portion of finance lease						
obligations	2,405	0.34	2,771	0.41	2,909	0.48
Current portion of long term liabilities	19,840	2.78	16,991	2.53	14,010	2.31
Income tax payable	9,894	1.39	0	0.00	0	0.00
Other current liabilities	1,257	0.18	982	0.15	1,231	0.20
Total Current Liabilities	173,542	24.31	112,763	16.80	75,460	12.42
<u>Non-Current Liabilities</u>						
Finance lease obligations	6,459	0.90	5,938	0.89	3,030	0.50
Long-term borrowings	45,261	6.34	28,270	4.21	14,260	2.35
Employee benefits obligations	8,756	1.23	10,253	1.53	11,675	1.92
Provisions for demolition costs	3,329	0.47	7,329	1.09	7,083	1.16
Other non-current liabilities	7,576	1.06	7,513	1.12	7,998	1.32
Total Non-Current Liabilities	71,381	10.00	59,303	8.84	44,046	7.25
TOTAL LIABILITIES	244,923	34.31	172,066	25.64	119,506	19.67
<u>Shareholders' Equity</u>						
Share capital - Issued and paid-up share capital	180,642	25.30	181,760	27.09	181,760	29.92
Premium on share capital	71,581	10.03	73,981	11.03	73,981	12.18
Retained earnings - Appropriated Legal reserve	19,084	2.67	20,620	3.07	20,620	3.40
- Unappropriated	197,702	27.69	222,549	33.17	211,568	34.83
Total shareholders' equity	469,009	65.69	498,910	74.36	487,929	80.33
Total liabilities and shareholders' equity	713,932	100.00	670,976	100.00	607,435	100.00

BGT Corporation Public Company Limited
The Statement of Comprehensive Income
For The Year Ended December 31st, 2016, 2017 and 2018

(Unit : Baht Thousand)

	Separate Financial Statements					
	2016		2017		2018	
	Amount	%	Amount	%	Amount	%
<u>Revenues</u>						
Revenues from sales	843,965	99.68	843,248	99.35	714,268	99.73
Other income						
- Gain on exchange rate	1,080	0.13	3,568	0.42	713	0.10
- Dividend	142	0.01	946	0.11	0	0.00
- Others	1,502	0.18	1,032	0.12	1,244	0.17
Total Revenues	846,689	100.00	848,794	100.00	716,225	100.00
<u>Expenses</u>						
Cost of sales	426,892	50.42	443,815	52.29	385,428	53.82
Selling expenses	254,918	30.11	254,153	29.94	246,792	34.46
Administrative expenses	107,820	12.73	106,037	12.49	90,756	12.67
Finance costs	5,101	0.60	5,077	0.60	2,677	0.37
Total Expenses	794,731	93.86	809,082	95.32	725,653	101.32
Profit (loss) before income tax expenses	51,958	6.14	39,712	4.68	(9,428)	(1.32)
Income tax (revenue) expenses	10,650	1.26	8,995	1.06	(1,719)	(0.24)
Income For The year	41,308	4.88	30,717	3.62	(7,709)	(1.08)
Par Value (Baht)	0.50		0.50		0.50	
Earnings per share (Baht)	0.11		0.08		(0.02)	

BGT Corporation Public Company Limited
The Statement of Cash Flows
For the Year Ended December 31st, 2016, 2017 and 2018

(Unit: BAHT Thousand)

	2016	2017	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit (loss) for the year	41,308	30,717	(7,709)
Adjustment to reconcile profit for the year to net cash provided by (used in) from operating activities			
Unrealized loss (gain) on change in value of the temporary investment	0	(31)	(248)
Realized loss (gain) on change in value of the temporary investment	(137)	0	(121)
Allowance for the decline in value of inventories increase (reversal)	1,151	(833)	16,502
Loss from the impairment in the investment of the associate	0	1,183	0
Loss (gain) on sales of assets/loss from disposal	1,248	1,375	1,159
Loss on disposal of intangible assets	16	0	0
Depreciation and amortization	34,115	34,899	30,681
Unrealized loss (gain) on exchange rate	178	(180)	(50)
Employee benefits expenses	1,224	1,497	1,422
Demolition costs	580	236	114
Shared-based payment reserves	344	1,282	0
Dividends received	(142)	(946)	0
Interest income	(60)	(52)	(323)
Interest expenses	5,101	5,077	2,677
Current tax expenses	9,932	2,653	0
Income tax (revenue) expenses	718	6,343	(1,719)
(Increase) decrease in operating assets			
Trade receivables-related party	2	4	0
Trade receivables-other parties	7,522	3,354	4,222
Other receivables-prepaid expenses	(592)	821	(239)
Inventories	(79,136)	105,355	33,302
Other current assets	(1,703)	7,707	3,532
Other non-current assets -rental deposits	(5,430)	(2,720)	1,352
Increase (decrease) in operating liabilities			
Trade payables-related party	1,595	(1,789)	0
Trade payables-other parties	(113)	(27,527)	(15,059)
Other payable-accrued expenses	8,946	(2,915)	(14,709)
Other payable-fixed assets	(646)	(3,880)	(1,997)

BGT Corporation Public Company Limited

The Statement of Cash Flows (cont.)

For the Year Ended December 31st, 2016, 2017 and 2018

(Unit: BAHT Thousand)

	2016	2017	2018
Other payables-other	(11)	34	105
Other current liabilities	(3,751)	(274)	249
Cash paid for demolition costs	(677)	(546)	(811)
Other non-current liabilities-employee deposits	(215)	(63)	485
Cash paid for income tax	(10,987)	(14,752)	(7)
Net cash provided by (used in) operating activities	10,380	146,029	52,810
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Dividends received	142	946	0
Interest received	60	52	136
Payment for acquisition in temporary investment	(15,000)	(31,000)	(41,000)
Proceeds from sales of temporary investment	20,900	0	20,000
Cash received from capital reduction in the associate company	0	3,547	0
Cash paid for long-term loans -other parties	0	0	(8,485)
Cash paid for purchase of property, plant and equipment	(27,933)	(17,849)	(9,249)
Cash received from sales of property, plant and equipment	27	665	45
Cash paid for intangible assets	(679)	(460)	0
Net cash provided by (used in) investing activities	(22,483)	(44,099)	(38,553)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Cash paid for interest expenses	(5,027)	(4,988)	(2,512)
Bank overdraft and short-term loans from financial institutions increase (decrease)	22,087	(18,536)	(3,551)
Finance lease obligations (decrease)	(2,546)	(2,794)	(2,771)
Long-term borrowings (decrease)	(19,641)	(19,840)	(16,991)
Cash received from converting warrents	600	2,236	0
Dividend paid	0	(4,335)	(3,271)
Net cash provided by (used in) financial activities	(4,527)	(48,257)	(29,096)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS- NET	(16,630)	53,673	(14,839)
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	26,940	10,310	63,983
CASH AND CASH EQUIVALENT, AT THE END OF THE YEAR	10,310	63,983	49,144

Supplement Disclosures of Cash Flows Information

Increase in finance lease obligation from purchase of vehicles	0	2,640	0
Increase of property, plant and equipment without payment in cash	3,880	1,997	668
Increase of goods in transit without payment in cash	0	5,102	0

BGT Corporation Public Company Limited

Ratio Analysis

As at December 31st, 2016, 2017 and 2018

(Unit: BAHT Thousand)

	2016	2017	2018
<u>LIQUIDITY RATIO</u>			
Liquidity ratio (times)	2.35	3.40	4.41
Quick ration (times)	0.25	1.11	1.69
Trade receivables turnover ratio (times)	7.13	6.89	6.89
Average collection period (days)	51	53	53
Inventory turnover (times)	1.43	1.54	1.79
Average selling period (days)	255	237	204
Trade payables turnover (times)	5.40	6.47	7.94
Average payment period (days)	68	56	46
Cash Cycle (days)	238	234	211
<u>PROFITABILITY RATIO</u>			
Gross profit margin (%)	49.42%	47.37%	46.04%
Operating profit margin (%)	6.74%	5.28%	(0.94%)
Net profit margin (%)	4.88%	3.62%	(1.08%)
ROE (%)	9.24%	6.35%	(1.56%)
<u>EFFICIENCY RATIO</u>			
ROA (%)	6.02%	4.44%	(1.21%)
Total Assets turnover (times)	1.23	1.22	1.12
<u>FINANCIAL POLICY RATIO</u>			
DE ratio (times)	0.52	0.34	0.24
Time interest Earned (times)	11.19	8.82	(2.52)
<u>SHARE PROFILE</u>			
Par value (Baht)	0.50	0.50	0.50
Book value per share (Baht)	1.30	1.38	1.34
Basic earnings per share (Baht)	0.11	0.08	(0.02)

2. Management Clarification and Analysis on Financial Status and Operating Results

The Company's operation results for the past three years (Y2016 - 2018) as presented in the Separate financial statements began to decline due to the decreasing of sales growth in total revenues. The Company's profit and profit before finance cost and income tax expenses for the fiscal year ending December 31st, 2018 was Baht 328.84 million and Baht (6.75) million respectively. The finance cost was Baht 2.68 million and income tax (revenue) expenses was Baht (1.72) million ; thus, total comprehensive income for the year was Baht (7.71) million, decreased Baht 38.43 million or (125.10%) when compared to the previous year.

Revenue

In Y2018, the sales revenues was Baht 714.27 million, decreasing 15.30% when compared to Y2017 sales revenues of Baht 843.25 million due to the declining of the purchasing power. Thus the Company offered more promotion during the pricing campaign period and reduced duration period. The Company still continuously opened flagship stores and counters in department stores Basically, the total sales revenues were generated from 87 flagship stores and 81 counters in department stores in Y2017 to 80 stores and 69 counters at the end of Y2018.

In Y2018 the Company's revenues from flagship stores were accounted for 75.82% revenues from counters in the department stores were accounted for 24.18% of total sales revenues.

The Company believes that continuity of marketing activities and well-selection of products as to be correspondent to the demand of the target customers contribute to our success. Therefore, the Company has consistently developed and introduced newly designed ready-to-wear apparels to match the customers' needs while following the trend of unique California Lifestyle to cultivate the customers' admiration of "Body Glove" brand.

Cost of Goods Sold

In Y2018, the cost of goods sold was Baht 385.43 million, decreasing 13.16% when compared to Y2017 of Baht 443.82 million. The gross profit margins for Y2017 and Y2018 was equivalent to 47.37% and 46.04% respectively, due to the more promotion of goods to persuade the customers' desire that caused cost per sales increased from 52.63% for Y2017 to be 53.96% for Y2018.

Selling & Administrative Expenses

In Y2018, the selling and administrative expenses was Baht 337.55 million, when compared to Y2017 of Baht 360.19 million, decreased from the previous year 6.29% as a result of the decrease changes in the employee's expenses and depreciation expenses, whereas a result of the increase changes in rent and advertisement fee.

Finance cost

In Y2018, the finance cost was Baht 2.68 million, or 0.37% of total revenues when compared to Y2017 of Baht 5.08 million, or 0.60% of total revenues. In Y2018, the interest payment decreased from the previous year 47.27%.

Net profit margin for Y2017 and Y2018 was equivalent to 3.62% and (1.08%) respectively.

These financial statements are the separated financial statements was due to the associated company has a resolution to approve the company dissolution as the Company has no intention to continue its business and it have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.

FINANCIAL STATUS

(as presented in the Separated financial statements)

Assets

As of the end of 2017 and 2018, the Company has total assets of Baht 670.98 million and Baht 607.43 million, respectively. The Company business nature is to operate a retailing business to distribute ready-to-wear clothing and related products through various shops in Bangkok and major provinces in all regions of the country. Thus, the assets are mainly comprised of:

- (1) Inventories are such as finished goods and raw material. As of the end of 2017 and 2018 net inventories were total of Baht 241.11 million and Baht 191.30 million, respectively.
- (2) Property, plant and equipment such as land, building and building improvement, decorative, office supplies and vehicles. As of the end of 2017 and 2018 net property, plant and equipment were total of Baht 190.32 million and Baht 175.47 million, respectively.
- (3) Temporary investments as of the end of 2017 and 2018 were total of Baht 31.05 million and Baht 52.42 million, respectively.

The current assets as of the end of 2017 and 2018 were Baht 383.44 million and Baht 332.84 million, respectively. The current assets mainly composed of inventories, cash and cash equivalents, and trade receivable-other parties.

Asset quality

The Company has trade receivables-other parties were Baht 30.20 million and Baht 25.98 million as of the end of 2017 and 2018, respectively.

Details of receivable-other parties as of the end of 2016, 2017 and 2018

(Unit: Baht)

Trade receivables	Sepaarate Financial Statements		
	As of Dec 31 st , 2016	As of Dec 31 st , 2017	As of Dec 31 st , 2018
Not overdue	33,020,816.60	29,875,718.39	25,883,976.98
Overdue			
Less than 3 months	537,789.26	329,145.68	98,391.96
3 months to 6 months	-	-	-
6 months to 12 months	-	-	-
Over 12 months	-	-	-
Total Trade Receivables	33,558,605.86	30,204,864.07	25,982,368.94

On the average the Company provides credit term for customers approximately 30-60 days. During 2017 and 2018, the Company has average collection period of 53 days and 53 days, respectively (same as previous). The Company has its own policy to collect debt according to the given credit term. Presently the trade receivables decrease which mainly from the Company has less promotion of goods with Department stores. The Company's trade receivables were Baht 30.20 million and Baht 25.98 million, respectively.

The Company has net inventories as at the end of 2017 and 2018 of Baht 241.11 million and Baht 191.30 million, respectively.

Details of Inventories as of the end of 2016, 2017 and 2018 were as follow:

(Unit: Baht)

Inventories - Net	Separate Financial Statements		
	As of Dec 31 st , 2016	As of Dec 31 st , 2017	As of Dec 31 st , 2018
Finished goods	340,393,002.67	237,775,883.35	208,881,446.61
Goods in transit	2,285,756.91	5,102,267.07	2,277,010.57
<u>Less</u> Allowance for the decline in value of inventories	(4,375,138.42)	(3,541,661.08)	(20,043,949.34)
Net	338,303,621.16	239,336,489.34	191,114,507.84
Raw materials and supplies	2,223,623.63	1,771,067.94	189,175.42
Total	340,527,244.79	241,107,557.28	191,303,683.26

During 2017 and 2018, the Company has average inventory turnover period of 237 days and 204 days, respectively. The Company implements various marketing plans to match specific product lines or designs such as sales promotion campaign or special prices in special time period, etc. Presently inventories decrease in relation to more sales promotion campaign in shops.

Trademark

The Company records Baht 17.36 million for trademark, and has accounting policy for trademark by stating at cost net of accumulated amortization, with amortization period over 10 years in straight - line method, starting from July 2007. As of December 31st, 2018, net trademark was Baht 3.76 million which decreased of Baht 13.60 million from accumulated amortization.

Liquidity

Changes in cash flow during each accounting period are as follow;

In 2017, the Company reported profit for the year in an amount of Baht 30.72 million but net cash flows from operating activities of Baht 146.03 million of cash inflow, mainly due to

- Increasing on depreciation and amortization expenses of Baht 34.90 million,
- Increasing on loss from the impairment in the investment of the associate of Baht 1.18 million,
- Increasing on net payment of income tax of Baht 9.00 million,
- Increasing on decreased in trade receivables-other parties of Baht 3.35 million,
- Increasing on decreased in inventories of Baht 105.36 million
- Decreasing on decreased in trade payables-other parties of Baht 27.53 million and
- Decreasing on cash paid for income tax of Baht (14.75) million.

For net cash flows from investing activities in 2017 were Baht (44.10) million of cash outflow, due to the Company has purchased property, plant, and equipment in amount of Baht 17.85 million, decreasing on net purchasing in temporary investment of Baht 31.00 million and increasing on cash received from capital reduction in the associate company of Baht 3.55 million. The net cash flows were spent in financing activities during 2017 for Baht (48.26) million of cash outflow, the Company has paid interest of Baht 4.99 million, decreasing on bank overdraft and short-term loans from financial institutions of Baht 18.54 million, decreasing on pay dividend of Baht 4.33 million and repaid a principal long-term borrowings from financial institutions in amount of Baht 19.84 million.

In 2018, the Company reported profit (loss) for the year in an amount of Baht (7.71) million but net cash flows from operating activities of Baht 52.81 million of cash inflow, mainly due to

- Increasing on depreciation and amortization expenses of Baht 30.68 million,
- Increasing on interest payment of Baht 2.68 million,
- Increasing on allowance for the decline in value of inventories increase of Baht 16.50 million,
- Increasing on decreased in trade receivables-other parties of Baht 4.22 million,
- Increasing on decreased in inventories of Baht 33.30 million
- Decreasing on decreased in trade payables-other parties of Baht 15.06 million
- Decreasing on decreased in other payables-accrued expenses of Baht 14.71 million and
- Decreasing on cash paid for income tax (revenue) expenses of Baht (1.72) million.

For net cash flows from investing activities in 2018 were Baht (38.55) million of cash outflow, due to the Company has purchased property, plant, and equipment in amount of Baht 9.25 million, decreasing on net purchasing in temporary investment of Baht 21.00 million and decreasing on cash paid for long-term loans-other parties of Baht 8.49 million. The net cash flows were spent in financing activities during 2018 for Baht (29.10) million of cash outflow, the Company has paid interest of Baht 2.51 million, decreasing on pay dividend of Baht 3.27 million and repaid a principal long-term borrowings from financial institutions in amount of Baht 16.99 million.

Liquidity ratios of 2017 and 2018 were 3.40 times and 4.41 times, respectively.

Quick ratios of 2017 and 2018 were 1.11 times and 1.69 times, respectively. The Company has more invested in products purchasing whereas the cash inflows from sale of goods as cash from the shops.

Cash cycles in 2017 and 2018 of the Company were 234 days and 211 days respectively, are mainly due to;

- (1) In 2017 and 2018, average collection periods were 53 days and 53 days due to its own policy to collect debt according to the given credit term (60 day).
- (2) In 2017 and 2018, average selling periods were 237 days and 204 days. The inventory continuous decreased during the Y2018.
- (3) In 2017 and 2018, average payments in equally period have shortened from 56 days to 46 days, which is consistent with the Company's payment credit term of 90 days.

Sources of fund

Shareholders' equity of the Company as of the end of 2017 and 2018 were at Baht 498.91 million and Baht 487.93 million, respectively due to the Company's operation result in 2018 decreased. Moreover, the funds are partly from profitable operation from previous years, and financial institutions also from capital increase during late of 2007. For debt to shareholders' equity ratio as of the end of 2017 and 2018 were 0.34 times and 0.24 times, respectively.

The Company has following obligations as at the end of December 31st, 2018:

- (1) The long-term lease agreements on shop area and services for the period of 1 - 28 years with expiration date ranging from 2018 to 2024.
- (2) Accommodation lease agreement with a related party for 3 years, commencing in January 2018.

The future minimum rental payment and services under the above operating leases are as follow: (Unit: Baht)

Lease Agreement	Period of Time		
	Not later than one year	Later than one year but not later than five years	Later than five years
Shop area and services	76.26	54.37	0.45
Accommodation	1.44	1.44	-

The said sources of fund shall come from working capital and/or loan and/or capital increased, depending on monetary and capital market conditions.

Liabilities

Total liabilities of the Company as at the end of 2017 and 2018 were Baht 172.07 million and Baht 119.51 million, respectively. Total liabilities were decreased by using on short-term loan from financial institutions and some long-term borrowings have been fulfilled. Liabilities were mainly comprised of trade payables-other parties and other long-term borrowings with following details:

- (1) Trade payables-other parties as of the end of 2017 and 2018 were Baht 56.16 million and Baht 40.96 million, respectively. And the average payment in equally period of 56 days and 46 days, respectively.
- (2) Other long-term borrowings (including current portion which payment due within one year) as of the end of 2017 and 2018 were Baht 45.26 million and Baht 28.27 million, respectively.

During the past, the Company has strictly complied with the loan conditions and pay principal and repayments according to the repayment schedule.

Factors that may affect business operation or future financial status

The Company operates retailing business to distribute the ready-to-wear clothing and related products under trademark of "Body Glove". The performance depends on clothing preference and lifestyle of the Company's target group of customers and their purchasing power. Therefore, the Company must select the products to be consistent with the needs of prospective target group.

The Company must implement appropriate marketing strategies in term of products, pricing, distribution channels and promotion. Moreover, the Company must control cost of sales, selling - related expenses and utilize technology to ensure efficient inventories control and distribution process.

RISK FACTORS

The Company's risk factors are classified as follows:

1. Risk from Business Operations

1.1 Risk from breach of contract on significant terms

The Master Licensing Agreement for the exclusive right in Body Glove Trademark entered by and between the Company and IP Global Investments America, Inc. ("IPG"), the contract party, have set forth the significant terms as follows:

(1) The Company must pay a royalty fee which consisted of the initial fee and quarterly royalty fee based on the confirmed sales. The Company has paid an initial upfront fee as specified in the agreement and paid completely at the end of the first quarter of 2012. The Company is confident it has the sufficient cash flow to pay since the Company's sale revenues grow continuously.

(2) Responsible for Brand Regional Marketing Contribution at the rate as agreed upon mutual determination between the Company and IPG as stated in the Agreement. Presently, such contribution for the said Brand Regional Marketing had been waived for the Company.

(3) The expansion into authorized territories: Vietnam, Burma, Laos, Cambodia and the Philippines, or any other country, within the first 3 years starting from July 1st, 2007, should the Company fail to enter such country to sell Body Glove products within the terms and conditions as set forth in the Agreement, the Company may receive a written notice to remove a particular country from the authorized list.

However, should the Company expand the business into the authorized territory within 6 months after received the written notice from IPG, it deems as the Company could fulfil its task according to the condition as set forth in the Agreement.

Moreover, in the event of the Company has ceased sales or operations or failed to submit the sales reports for 6 months consecutively to the newly expanded country in the authorized territory; then, IPG has written notice, the Company must resume to operate the business in such country within 6 months. If the Company fails to do so, the said country will be terminated from the authorized list.

Presently, the abovementioned period condition for expansion into authorized territories has been thoroughly acknowledged and agreed by IPG and the Company has never received a written notice in the past years.

1.2 Risk from Change of Target Customers and their Preference on Ready-to-wear Apparel

The Company operates a retail business of ready-to-wear apparel and accessories under the Body Glove trademark where these ready-to-wear apparel and accessories are considered as fashionable items that tend to change with popularity and demand subject to personal preference and individual lifestyle of the target customers. If the Company cannot promptly provide the products to match the target customer's preference, this may cause an effect on the Body Glove trademark: to be unapproved by consumers and out of their consideration set, resulting in negative impact on sales revenue, operating results, as well as financial status of the Company.

Nevertheless, the Company has been operating its business under the concept of Surf Fashion and Easy Lifestyle, while also continuously researching and studying on lifestyle and patterns of the target customers and changes of ready to wear trends and consumer popularity towards related products. The findings from such researches and studies have played a major role in product design and development, that is; correspondent to trends and requirements of the target customers at different period of time. The target groups of customers are divided into 2 major groups, for example: school and college students, both men and women, age 15-25 years; and young working professionals to adults, both men and women, age 25 years old and over. With this, the Company continues to alter its products in every 4-6 months period, in terms of patterns, colors, designs to be in line with the changes of consumer's preference. Additionally, the Company always ensures its products to be made of high quality fabrics and materials that provide comfort and ease in caring; it is the Company's policy to deliver only the finest quality goods with the best service to the customers. As a result, the Company has earned its reputation and continuous support from our target customer up to now.

1.3 Risk from Renewal Contract of Flagship Store

The major income proportion from the Company's sales mostly 76% derived from the sales through Flagship Stores. As these aforementioned stores are under lease agreement of 1-28 years term with contract ending date from year 2018-2024 onward, the Company may risk a chance of non-renewal lease agreement or risk from rental rate and service fee increase in proportion

However, all lease agreements authorized the Company the full right option to extend the term of the lease at the expiration period of the agreement where such clause relating to the rental adjustment are clearly stated. Throughout the past years, the Company had strictly followed the terms and conditions as set in the said agreements and never once an agreement were terminated by the lessor. In addition, the Flagship Stores located in the department stores help drawing the consumer's attention to use the service from the department stores are offering which in turn benefiting both the department store business and the Company. Therefore, we believe that we will receive a continued support in extending the lease agreement from the lessor in the future.

2. Risk from Procurement and Product Accessibility

Risk from Dependency on Suppliers

The Company's main operation is retail business of ready-to-wear apparel and accessories under the Body Glove trademark where the Company has no policy to manufacture its own clothing or accessories by oneself. However, it is the Company's policy that all the clothings and accessories are purchased through the reputable suppliers under the Company's direction on product design pattern. Additionally, each supplier must get an approval from the exclusive master licensee prior to the said arrangement. In the event of the Company is unable to place product orders through quality suppliers, this may result in the shortage of different products and may have an effect on the quality of the Company's products as a whole. If this happens, it will have negative impact on the Company's reputation and Body Glove trademark as well as the sales volume.

However, the Company has a policy to order products from various reputable and worthy suppliers, both domestic and oversea. Furthermore, the Company has a policy to build up strong relationship and commitment with each supplier on a continual basis and has never faced any problem about the suppliers in the past years.

3. Risk from Management Administration

Risk in Control by Two Major Shareholder Groups with Total Shares Held Over 50%

The Company has the Tumwattana family which consisted of Miss Dolnapa Tumwattana and Dr. Nopdol Tumwattana, and Malaysian Investors which consisted of Mr. Goh Kok Cheng, (Dickson) and Mr. Goh Kok Beng as two major shareholder groups. If the shareholders of these two groups added up the vote at the Meeting, they can take control over the resolution of the Shareholder's Meeting in almost all area including the appointment of directors or other decisions which require majority vote by shareholders with exception on the law or Company's regulations that require 3 out of 4 votes from the Shareholder's Meeting. Hence, other shareholders may not be able to control the collective voting rights for inspection and control power balance with a majority shareholder.

Nevertheless, the two groups of shareholders can control power balance over the management administration between them. In consideration of the Company's operation structure which consisted of Board of Directors and Audit Committee, it clearly specifies the structure of management administration providing qualified individuals with scope of responsibilities and authorization levels of the Board of Directors and Audit Committee that clearly identified and transparent. As for the procedure on any connected transactions with the Board of Directors, major shareholders, the control power authority or any party which may be potentially causing the conflicts of interest, such individual will not be allow to authorize the respective transactions. It will be reported to the Audit Committee for control power balance to ensure transparency and confident of the shareholders whilst controlling power balance of the Company's management administration.

Risk from associated company business operation

The Company holds 23.65% of shares in the BGT Technology Company Limited, so the status has changed to the associate.

The company get the payment in term "dividend money" however, if the associate loss the incomes or profits, The Company will recorded the allowance for losses on impairment of investments in the statement of comprehensive income of the Company.

The company has taken measures to prevent investments risk by choose the audit committee in associates company to prove or control the business operation.

The Company has recorded the allowance for impairment in the investment in the associated company. As a result, the investment in the associated company has net zero.

On July 17, 2018, The BGT Technology Company Limited has a resolution to approve the company dissolution as the Company has no intention to continue its business. On September 4, 2018, the liquidators of the associated company have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.

1. CONNECTED TRANSACTIONS

As of December 31st, 2017 to December 31st, 2018, the Company has Connected Transactions with entity who may have conflict as follows:

PARTY WITH POTENTIAL CONFLICT	RELATIONSHIP	CONNECTING TRANSACTIONS	AMOUNT (Million Baht) End of December 31		COMMENTS OF AUDIT COMMITTEE
			2017	2018	
1. Mr.Goh Kok Cheng (Dickson)	Mr.Goh Kok Cheng (Dickson) is The Chief of Managing Director / the Chief Executive Officer President and holds 13.10% of shares as of December 31, 2018	<p>Mr.Goh Kok Cheng (Dickson) holds 49% of the total shares in Great Management Company Limited, the owner of accommodation in “The Star Estate at Pattanakarn” Project and BGT Corporation Plc. has rent the building as a residence for BGT Executives. BGT Corporation Plc. has signed on accommodation lease agreement as following details;</p> <p>Total area of 84.60 square wah, 3-storey residence. The term of rental agreement shall be for a period of three (3) years, commencing from January 1st, 2015 to December 31st, 2017. The rental rate is in an amount of 120,000 baht per month.</p> <p>On 1 January 2018, the Company agreed to renew the rental agreement for the management of the company. The rental period is 3 years from 1 January 2018 until 31 December 2020. Monthly rental rate of 120,000 baht per month.</p> <p>The transaction occurred between the entities as follows;</p> <ul style="list-style-type: none"> - Rental Fee - Accrued Account Payable 	1.44	1.44	The rental fee of this transaction is below the market rate when compared to the other renting residence in the same area which is around Baht 130,000 / month.
2. BGT Technology Company Limited	BGT Technology Co.,Ltd. is an association company. BGT holds 23.65% of shares in the BGT Technology Co.,Ltd. as of December 31 st , 2018.	<p>BGT Technology Co., Ltd., a subsidiary of the company was established on January 3rd, 2013 with registered capital of 5 million baht, situated at the same place of BGT Corporation Plc.</p> <p>BGT Technology Co.Ltd., increased the registered capital 5 million on September 26th, 2013. The registered capital is 10 million baht in total.</p> <p>On March 27th, 2015. The company was sold the investment of BGT technology Co, Ltd at the amount of 35% of the investment. Therefore, on March 31st, 2015, the company held 24.60% of the paid-in capital, and the right of control was over. From this situation has changed the status from subsidiary to association company.</p>	-	-	

As of December 31st, 2017 to December 31st, 2018, the Company has Connected Transactions with entity who may have conflict as follows:

PARTY WITH POTENTIAL CONFLICT	RELATIONSHIP	CONNECTING TRANSACTIONS	AMOUNT (Million Baht) End of December 31		COMMENTS OF AUDIT COMMITTEE
			2017	2018	
2. BGT Technology Company Limited (continued)	BGT Technology Co.,Ltd. is an association company. BGT holds 23.65% of shares in the BGT Technology Co.,Ltd. as of December 31 st , 2018.	<p>In September 2015, BGT technology Co. Ltd has increased registered capital at the amount of 10 million baht making its capital to 20 million baht in total. The company has increased investment in BGT technology of 2.27 million baht. The total investment is 4.73 million baht. That made the company hold the shares about 23.65% of the paid-in capital.</p> <p>On February 27th, 2017, the company signed the memorandum of understanding to terminate the contract renewal, office equipment service contract, and telephone service between the company and BGT Technology Company Limited. The last day was effective from March 1st, 2017 on.</p> <p>On March 24th, 2017 BGT Technology Company Limited reduced the registered capital for 15 million baht from previous 20 million baht. So, it remained 5 million baht. The company earned the payback from BGT Technology Company Limited 3.55 million baht in total. On March 31st, 2017 the company has total 1.18 million baht of investment which is 23.65% of paid-in capital.</p> <p>As of 31 December 2017, BGT Technology Company Limited has no intention to continue its business.</p> <p>Other miscellaneous income;</p> <ul style="list-style-type: none"> - The Company has service to association company such as rental fee, Office expenses etc. - Trade Account receivables 	0.17	-	The audit committee has considered the mentioned items are reasonable by pricing policy according to the agreed price fixing.

As of December 31st, 2017 to December 31st, 2018, the Company has Connected Transactions with entity who may have conflict as follows:

PARTY WITH POTENTIAL CONFLICT	RELATIONSHIP	CONNECTING TRANSACTIONS	AMOUNT (Million Baht) End of December 31		COMMENTS OF AUDIT COMMITTEE
			2017	2018	
3. BGT Technology Company Limited	BGT Technology Co.,Ltd. is an association company. BGT holds 23.65% of shares in the BGT Technology Co.,Ltd. as of December 31 st , 2018.	<p>BGT Technology Co.,Ltd., a subsidiary was established on January 3rd, 2013 with registered capital of 5 million baht, situated at the same place of BGT Corporation Pcl.</p> <p>BGT Technology Co.,Ltd., increased the registered capital 5 million on September 26th, 2013. The registered capital is 10 million baht in total.</p> <p>On March 27th, 2015. The company was sold the investment of BGT technology Co.,Ltd. at amount of 35% of the investment. Therefore, on March 31st, 2015, the company held 24.60% of the paid-in capital, and the right of control was over. From this situation has changed the status from subsidiary to association company.</p> <p>In September 2015, BGT technology Co.,Ltd. has increased registered at the amount of 10 million baht making its capital to 20 million baht in total. The company has increased investment in BGT technology of 2.27 million baht. The total investment is 4.73 million baht. That made the company hold the shares about 23.65% of the paid-in capital.</p> <p>On March 24th, 2017 BGT Technology Company Limited reduced the registered capital for 15 million baht from previous 20 million baht. So, it remains 5 million baht. The company received the payback from BGT Technology Company Limited 3.55 million baht in total. On March 31st, 2017 the company has total 1.18 million baht of investment which is 23.65% of paid-in capital.</p>			<p>The purchase prices which the Company has received from BGT Technology are normal deal. The rate is as same as when the BGT Technology distributes those products to other ordinary customers. In case the company purchases the products from other distributors, the prices are still at the same rate when compared with purchasing products from BGT Technology.</p> <p>In case the company buys assets, vehicles, computers, office equipment and air-conditioners from BGT Technology, it is the agreed price of purchasing by both parties.</p> <p>For the credit term policy, the company is granted the credit term of payment to BGT Technology as the usual payment which is 30 day - period as same as other customers' deal.</p> <p>Audit committees have been considered that it's reasonable transaction since it is regular dealing for purchase price and credit term that BGT Technology distributes to other customers.</p>

As of December 31st, 2017 to December 31st, 2018, the Company has Connected Transactions with entity who may have conflict as follows:

PARTY WITH POTENTIAL CONFLICT	RELATIONSHIP	CONNECTING TRANSACTIONS	AMOUNT (Million Baht) End of December 31		COMMENTS OF AUDIT COMMITTEE
			2017	2018	
3. BGT Technology Company Limited (continued)	BGT Technology Co.,Ltd. is an association company. BGT holds 23.65% of shares in the BGT Technology Co.,Ltd. as of December 31 st , 2018.	As of 31 December 2017, BGT Technology Company Limited has no intention to continue its business.			As well as the trading term of condition is at the same rate in case the company purchases with other distributors.
		The transaction (purchase) occurred between the entities as follows: - Company purchased (returned) electronics devices and accessories from BGT Technology Company Limited	0.25	-	In year 2016, the company received the dividend for its operation ending on March 31 st , 2015 from BGT Technology Company Limited as a rate of 3 baht for each share. The total amount is 141,900 baht.
		- Company purchased assets, vehicles, computers, office equipment and air-conditioners from BGT Technology Company Limited.	0.58	-	On February 24 th , 2017 the company received the dividend for its operation ending on December 31 st , 2016 from BGT Technology Company Limited as a rate of 20 baht for each share. The total amount is 946,000 baht.
		- Account payables - Account payables, Asset purchasing	- -	- -	
		Other income occurred between the entities as follows: - The company received the dividend from BGT Technology Company Limited.	0.95	-	
		On July 17, 2018, BGT Technology Company Limited has a resolution to approve the company dissolution as the Company has no intention to continue its business. On September 4, 2018, the liquidators of the associated company have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.			

2. Necessity and Reasonability of Transactions

The Connected Transactions are based on the necessity and reasonability of transactions for the best interests of the company according to the ordinary course of business operation and the company pays the fair price.

3. Procedures for the Approval of Connected Transactions

In the case of Connected Transactions, such consideration must be approved by the Board of Directors and the Shareholder's Meeting, whichever case may be. The Board of Directors or the authorized persons from the Board of Directors will not approve any transactions that they might have conflict interests or other interests in any ways with the Company or its subsidiaries. Moreover, the Company must comply with all legal orders concerning securities and the Stock Exchange. In the event the Company has registered securities in the Stock Exchange of Thailand, the Company shall comply with all regulations, announcements, orders or procedures of the Stock Exchange of Thailand in addition to the procedures on disclosure of information on the Connected Transactions and the acquisition or disposal of assets.

4. Policy on Connected Transactions in the Future

The Company has a policy that the future connected transactions may occur under the Board of Directors which will be considered based on the necessity and reasonability of the transaction conducting as well as the best interests of the company. The company will consider price fixing and transaction condition according to prevailing market which is able to be compared with the price occurred by external persons.

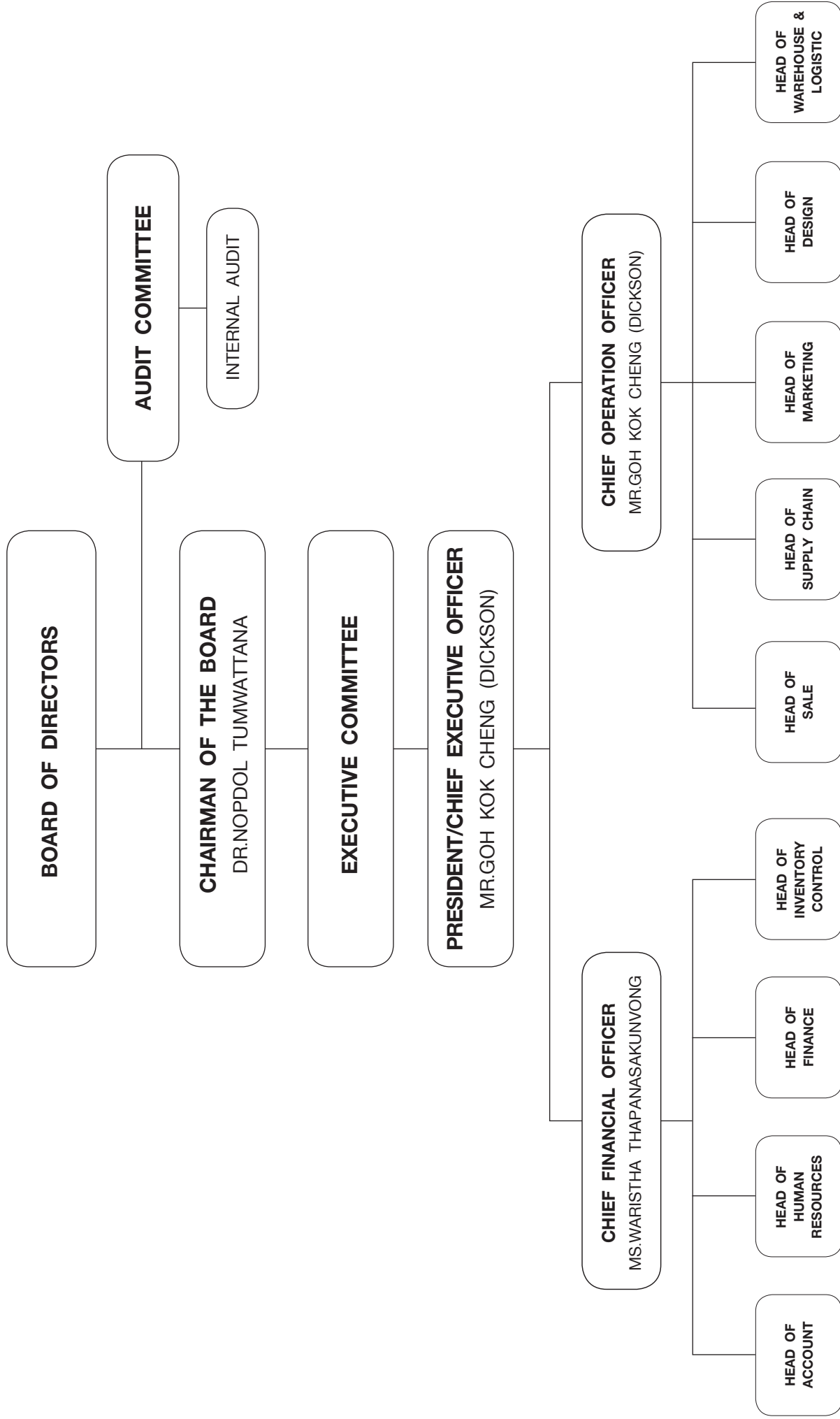
However, the Company will have the Audit Committee or the Company's Auditor or Independent Advisor consider and examine the reasonability of the price and the transactions which might be occurred in the future. Whereas the Company will comply with all legal and regulatory orders as stipulated by related departments on Connected Transactions, i.e. the Securities and Exchange Commission, the Stock Exchange of Thailand regarding to the Connected Transactions

1. Management Structure

Organization Chart of BGT Corporation Public Company Limited



BGT
CORPORATION PLC.



As of December 31st, 2018, the management structure of the Company has comprised of the sets of Committees, namely, the Board of Directors, Independent Directors and the Audit Committee as follows:

(a) The Board of Directors is comprised of 8 Directors as follows:

1.	Dr. Nopdol Tumwattana	Chairman of the Board
2.	Mr. Goh Kok Cheng (Dickson)	President / Chief Executive Officer
3.	Mr. Goh Kok Beng	Director
4.	Mrs. Mullika Tumwattana	Director
5.	Assoc. Prof. Dr. Nantarika Chansue	Director
6.	Pol.Gen. Sereepisuth Temeeyaves	Director, Independent Director and Chairman of Audit Committee
7.	Professor Emeritus Dr. Surapone Virulrak	Director, Independent Director and Audit Committee Member
8.	Mr. Panu Kongtan	Director, Independent Director and Audit Committee Member

With Miss Waristha Thapanasakunvong served as Secretary to the Board of Directors

Authorized Persons

The names and numbers of authorized persons to sign on behalf of the Company are Dr.Nopdol Tumwattana or Mrs.Mullika Tumwattana, either one Director, to co-sign with Mr.Goh Kok Cheng (Dickson) or Mr.Goh Kok Beng, either one Director, total two persons and accompanied with a stamp of the Company's Seal.

Scope of Duties and Responsibilities of Board of Directors

The Board of Directors shall perform their duties and responsibility to carry out the Company's business in compliance with the laws, the objectives, the Articles of Association of the Company, and the resolutions of Shareholder's Meetings in good faith, with due diligence and care in the best interests of the Company. The importance scopes of responsibilities are as follows:

- (1) Conduct an Annual Shareholders Meeting within 4 months as from the last day of the Company's fiscal year period.
- (2) Conduct a Board of Directors meeting at least once every 3 months.
- (3) Responsible and verify the Company's financial statements with the Auditor at the end of fiscal year period and propose to the Shareholders Meeting for consideration and approval.
- (4) The Board of Directors may appoint one or more Directors or other person to carry out any act on behalf of the Board and under the monitoring of the Board, or may appoint such person an authority in a specified period, which the Board deem appropriate. The Board of Directors may abrogate, revoke change or adjust the appointed authority as deem appropriate.

With respect to the foregoing approval, a person or persons delegated shall not be able to approve any transaction in which he or any person may have conflict of interest or beneficiary's conflict with the Company or its subsidiaries (if any), unless such approval is executed on general commercial terms in accordance with the policy and criteria approved by the Board of Directors except.

- (5) Define vision, mission, strategy, operating plan as well as budgetary plan of the Company including control and monitor administrative functions, and the Board of Directors operation in accordance to the Company's policy, with exception of the following which require consent from the Shareholders Meeting: capital increase; capital splitting; sales or transfer the Company operation, either whole or partial to other person; acquisition or transfer other company operation for the Company; or amend the Articles of Association or regulation, etc.

In addition, the Board of Directors should control and monitor the Company's operation to be in compliance with the law regarding the Securities and Stock Exchange policy and regulation such as making a transaction with respect to connected transactions or buying and selling significant assets in accordance to the SET policy and relating business transaction law.

(6) Review the administrative structure, appointment of the President and other Committee Member as may deem appropriate.

(7) Monitor the operation performance to assure that it is in accordance to the plan and budgetary continuously.

(8) The Director shall not perform or involve in any similar business and/or compete with the Company; become a partner in an ordinary partnership with unlimited liability; or assume a Director position in a private entrepreneur or other company with similar business and/or compete with the Company either for personal interest or others, except to acquire a consent from the Shareholders Meeting prior to the appointment.

(9) The Director must inform the Company without hesitation if there is any direct or indirect interest involving any contract conducted by the Company; or holds shares or bonds of the Company or its subsidiaries at an increasing or decreasing number.

(10) The company's Board of Directors has set the policy to the Director of another listed company Chief Executive Officer (CEO) of the company no more than 2.

(11) The Board of Directors of the company directors has policy allowed person to be Director in other listed companies no more than 5 companies but does not define as Director in a company that is not registered.

(12) In case of any member of the Company required to be directors of other companies more than 5 places shall inform of the reason and to perform such duties in the Annual Information Form (56-1) and annual reports (Form. 56-2).

(b) Authorization from the Board of Directors

The Board must scope the duties and responsibilities of Chairman of the Board and President/ Chief Executive Officer as well as administrative authority for any ordinary operation. The important responsibility and authority are summarized as follows:

Scope of Duties and Responsibilities of Chairman of the Board

(1) Monitor and follow-up on the Company's operating results with the management.

(2) Review annual budgetary plan as submitted by the management prior to submission to the Board of Directors for review and approval.

(3) Monitor and follow-up on the Company's operation as assigned by the Board of Directors.

(4) Authorize to appoint, transfer, revoke or terminate the employment of the Executive level staff.

(5) Approve and/or delegate authorities to approve acquisition of fixed assets other than ordinary business transaction within the credit limit of Baht 10 million per transaction.

(6) Approve and/or delegate authorities to approve other ordinary transactions within the credit limit of Baht 10 million per transaction for the benefit of business liquidity.

(7) Approve and/or delegate authorities to approve other ordinary transaction in business operation within the credit limit of Baht 100,000 per transaction.

(8) Perform duties in good faith and utmost care for the benefits of the Company.

(9) Approve on the performance of principle of trading agreement, generally for transaction processing between the company and any subsidiary firm, which may have connected transactions with Committees, Executive administrators or any person who may concern in the future. Those transactions with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation, and without any dependent interest can be resulted from the status of the Director, executive or related person. Also, any transaction of greater than Baht 5 million should be reported to the Board of Director's meeting quarterly.

However, the authority of Chairman of the Board excludes an approval in any transaction, personal or person which may perceive as potentially causing conflict of interest or benefit with the Company or its subsidiary (if any) unless such approvals are deemed as ordinary course of business in accordance to the Company's policy and criteria as have been approved by the Board of Directors.

Scope of Duties and Responsibilities of President and Chief Executive Officer

(1) Execute and carry out ordinary course of business relating to the general operation of the Company.

- (2) Perform duties as assigned by the Board of Directors or the Executive Chairman.
- (3) Authorize to appoint, transfer, revoke, terminate, set and increase salary, allocate reward, compensation and bonus to all employee of the Company below management level, including appoint a representative of the employer as Provident Fund Committee of the Company.
- (4) Approve and/or delegate authorities to approve acquisition of fixed assets other than ordinary business transaction within the credit limit of Baht 10 million per transaction.
- (5) Approve and/or delegate authorities to approve other ordinary transactions within the credit limit of Baht 10 million per transaction for the benefit of business liquidity.
- (6) Approve and/or delegate authorities to approve other ordinary transaction in business operation within the credit limit of Baht 100,000 per transaction.
- (7) Authorize to issue instructions, regulations, announcement, and memos to ensure the business operations are in compliance with the Company's policy and its best interest, with exception of matters regarding employee benefits.
- (8) Authorize to act and represent the Company on related business activities that are of best interest to the Company.
- (9) Perform other duties as assigned by the Board of Directors from time to time.
- (10) Perform duties in good faith and utmost care for the benefits of the Company.
- (11) Approve on the performance of principle of trading agreement, generally for transaction processing between the company and any subsidiary firm, which may have connected transactions with Committees, Executive administrators or any person who may concern in the future. Those transactions with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation, and without any dependent interest can be resulted from the status of the Director, executive or related person. Also, any transaction of greater than Baht 5 million should be reported to the Board of Director's meeting quarterly.

However, the authority of President and Chief Executive Officer excludes an approval in any transaction, personal or person which may perceive as potentially causing conflict of interest or benefit with the Company or its subsidiary (if any) unless such approvals are deemed as ordinary course of business in accordance to the Company's policy and criteria as have been approved by the Board of Directors

(c) The Audit Committee is comprised with 3 members as follows:

- | | |
|---|-----------------------------|
| 1. Pol.Gen. Sereepisuth Temeeyaves | Chairman of Audit Committee |
| 2. Professor Emeritus Dr. Surapone Virulrak | Audit Committee Member |
| 3. Mr. Panu Kongtan | Audit Committee Member |

The Audit Committee number 3, Mr.Panu Kongtan has adequately expertise and experience to review creditability of financial reports.

Term of Officer for Audit Committee is 3 years.

With Miss Thitima Joralee served as the Secretary to the Audit Committee.

Scope of Duties and Responsibilities of Audit Committee

- (1) To review the Company's financial reporting process to ensure that it is accurate and adequate;
- (2) To review the Company's internal control system and Internal Audit system to ensure that they are suitable and efficient, to determine an Internal Audit unit's independence, as well as to approve the appointment, transfer and dismissal of the Chief of an Internal Audit unit or any other unit in charge of an Internal Audit;
- (3) To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
- (4) To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
- (5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the Laws and the Exchange's Regulations, and are reasonable and for the highest benefit of the Company;

(6) To prepare, and to disclose in the Company's annual report, an Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:

- (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
- (b) an opinion on the adequacy of the Company's internal control system,
- (c) an opinion on the compliance with the law on securities and exchange, the Exchange's Regulations, or the Laws relating to the Company's business,
- (d) an opinion on the suitability of an auditor,
- (e) an opinion on the transactions that may lead to conflicts of interest,
- (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
- (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.

(h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.

(7) To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

(8) In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period or time that the Audit Committee thinks fit:

- (1) transaction which causes a conflict of interest;
- (2) any fraud, irregularity, or material defect in an internal control system; or
- (3) an infringement of the Law on Securities and Exchange, the Exchange's Regulations or any law relating to the Company's business.

If the Company's Board of Directors or Management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange.

(d) The Independent Directors Committee is comprised with 3 members as follows:

- | | |
|---|----------------------|
| 1. Pol.Gen. Sereepisuth Temeeyaves | Independent Director |
| 2. Professor Emeritus Dr. Surapone Virulrak | Independent Director |
| 3. Mr. Panu Kongtan | Independent Director |

(e) The Executives Members are consisted of 7 persons as follows:

- | | |
|-----------------------------------|-------------------------------------|
| 1. Dr. Nopdol Tumwattana | Chairman of the Board |
| 2. Mr. Goh Kok Cheng (Dickson) | President / Chief Executive Officer |
| 3. Miss Waristha Thapanasakunvong | Chief Financial Officer |
| 4. Miss Dolnapa Tumwattana | Head of Marketing |
| 5. Mr. Chai Ratanamahawongse | Head of Finance |
| 6. Miss Methira Thongsuwan | Head of Account |
| 7. Mrs. Panisara Nulmusik | Head of Supply Chain |

(f) Company Secretary

Company Secretary is a key person to help the Company perform according to laws and related regulations. The Company Secretary is responsible not only for collecting the information of the meetings but also oversee the meetings of the Board and shareholders' meetings to be orderly and correct. Also, the Company Secretary must be a representative of the Company to contact with any compliance officers. Thus, the Company Secretary must be skillful and be responsible for any duty in the authority. The Board of Directors has appointed Miss Waristha Thapanasakunvong as a Company Secretary and scoped the duties and responsibilities as follows:

Scope of Duties and Responsibilities of the Company Secretary

- (1) Meeting of the Board of Directors.
 - Set the meeting agendas with the Executive Committee.
 - Prepare the meeting agendas and documentations to be delivered with notice of Director meeting.
 - Conduct the meetings as smoothly and legitimately.
 - Participate in the meetings and prepare minutes of the meeting.
 - Certify copy of the minutes of the Board of Directors meeting to various organizations.
 - Record and file the minutes of the meeting.
- (2) Meeting of the Particular Committees
 - Set the meeting agendas with the Chairman of the Particular Committees.
 - Prepare meeting agendas and documentation to be delivered with notice of Particular Committee meeting.
 - Conduct the meetings as smoothly and legitimately.
 - Participate in the meetings and prepare minutes of the meeting.
 - Certify the minutes of the Particular Committee meeting.
 - Record and file the minutes of meeting.
- (3) Meeting of Shareholders
 - Prepare a meeting of shareholders as to be compliantly with the law.
 - Prepare and send notice of shareholder meetings and the company's annual report to shareholders and compliance officers.
 - Coordinate with shareholders to bring various proposals to management and executives for reviewing.
 - Prepare shareholders' meeting agenda for the Chairman of the meeting.
 - Participate in the shareholders' meetings and maintain in the meeting as smooth legitimacy.
 - Prepare and keep records on the minutes of shareholders meeting for delivering to any compliance officers, shareholders and be responsible for posting the meeting minutes on the website.
- (4) Preparation of the registration and file the company documents.
 - Prepare and collect the Directors' registration forms as well as Annual Reports of the Company.
 - Track and collect reports on interest filed by a Director or an Executive.
 - File records of various policies and regulations of the Company which are to be approved, completed, and verified by the Board of Directors, such as the original rules, etc.
- (5) Tasks of SET, SEC, Office of the National Anti-Corruption Commission (NACC)
 - To ensure that the listed company, Directors and Executives are in compliance with the regulations of SET, SEC and NACC.
 - Act as a coordinator for various matters with SET, SEC and NACC.
 - Notify to SET and SEC in regards to Directors and Executives of the listed company.
- (6) Duties and Responsibilities of the Board of Directors and other Particular Committee.
 - Consult and give advice for a new establishment of Company's Director.
 - Give advice and report to the Directors on responsibilities in terms of legitimacy and regulations according to SET and SEC as part of the Director of the Company's duty.
 - File the records of the Board of Directors.
 - Consult and give advice to the Directors of the Company and be responsible for communications between the Directors.
 - Prepare any necessary information to the Board for recruiting the company's Directors and Particular Committee and remuneration.
 - Act as a coordinator between the Board and other Executives.
 - Prepare and collect the performance assessment of the Board of Directors and Particular Committee.
 - Conduct the orientation and give advice for new- appointed committee.

- (7) Duties and Responsibilities to the Shareholders.
 - Coordinate with a good relationship to the shareholders.
 - Answer questions and consider the proposals from shareholders.
 - Report to the Board and Executives as in regards to the shareholders' requirements.
 - Act as a mediator between shareholders, the Board and Executives.
 - Notify the shareholders on any matters, such as the minutes of shareholders' meeting.
- (8) Compliance of Rules and regulations
 - To ensure that the Company is in compliance with the rules and regulations, such as to process Information Disclosure Report (Form 56-1).
- (9) Corporate Governance
 - Support and provide information of Corporate Governance, and carry forward the Board to follow as well as to monitor the compliant requirements of these principles.
 - Provide information and give advice to the Directors and Executives for making various reports which to be complied with laws or regulations. As given, the information must be disclosed to the public for transparency such as to acknowledge of obligations as regards to the stocks holding reports and any reports of stock holding.
 - To ensure that the operation of the Company is in compliance with the Article of Association of the Company and SET.
- (10) Registration of Directors
 - Coordinate any registration of Directors as based on Directors or the regulations.

2. Selection of Directors and Executives

(a) Selection of Directors

The Company has not appointed a Nomination Committee. In the selection of candidates, the Directors shall be elected in accordance with the following rules and procedures:

(1) The Board of Directors shall consist of at least 5 members being elected at the meeting of shareholders based on majority votes in accordance with the following criteria and methods:

(1.1) each shareholder shall have a number of votes equal to the number of shares held;

(1.2) each shareholder may exercise all the votes he or she has under (1.1) to elect one or several persons as Director or Directors, but may not allot his or votes to any person.

(1.3) after the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as Directors in that order, until all of the Director positions are filled. Where there is an equality of votes cast for candidates in descending order causing the number of Directors to be exceeded, the Chairman of the meeting shall cast one extra vote.

(2) At every annual ordinary meeting of shareholders, one-third of the Directors shall vacate in proportion where the Committee members who were in the post for the longest period shall be retired. If the number of Directors is not a multiple of three, the number of Directors closest to one-third shall vacate.

(b) Selection of Independent Directors and Audit Committee

The Independent Directors and Audit Committee shall be elected in accordance with the following criteria:

(1) Holding no more than 1% of the Company's paid up capital, or that of an affiliated company, a related company or an associate company, including the shares holding by related persons.

(2) Not involve in the day to day management of the Company, an affiliated company, a related company, an associate company; and not an employee, staff or an advisor receiving a regular salary from the Company, an affiliated company, a related company, an associate company, or major shareholders of the Company.

(3) Administrative operation of the Company, an affiliated company, a related company, an associate company, or major shareholders of the Company; and have no benefit or conflict of interest with reference to the aforementioned for 2 years during an accounting year prior to the appointment as Independent Directors or Audit

Committee unless approved by the Board of Directors after careful consideration that such benefit or conflict of interest shall have no influence to the performance and ability to give opinion in an independent manner.

(4) No relationship or being related to the Executives or major shareholders of the Company.

(5) Not be appointed as a representative or to safeguard the interests of the Company's Directors, major shareholders or shareholders who are related to the Company's major shareholders.

(6) Must be capable of his or her performing duties, giving his or her opinions or reporting the results of work performance according to the duties delegated by the Board, free and clear of the control of management or major shareholders of the Company including related persons or close relatives of the said persons.

(7) Not an Audit Committee of other corporates in the same industry.

(8) At least 1 person of Audit Committee must have adequate expertise and experience to review creditability of financial reports.

(c) Number of Directors who are major shareholders

Number of Directors who are major shareholders is consisted to 3 Directors as follows:

Director who is major shareholder from the Tumwattana Family is Dr.Nopdol Tumwattana.

Director who are major shareholders from Malaysian Investors are Mr. Goh Kok Cheng, (Dickson) and Mr. Goh Kok Beng.

3. Executive Remuneration

(a) Monetary Compensation

Directors

Name	Year 2018	
	Attendance Fee (Baht)	Director Pension (Baht)
1. Dr. Nopdol Tumwattana	100,000.-	-
2. Mr. Goh Kok Cheng, (Dickson)	80,000.-	-
3. Mr. Goh Kok Beng	40,000.-	-
4. Mrs. Mullika Tumwattana	80,000.-	-
5. Assoc. Prof. Dr. Nantarika Chansue	60,000.-	-
6. Pol.Gen. Sereepisuth Temeeeyaves	180,000.-	-
7. Professor Emeritus Dr. Surapone Virulrak	160,000.-	-
8. Mr.Panu Kongtan	160,000.-	-
Total	860,000.-	-

Executive remuneration whose names are listed as Executive Members

Remuneration	Year 2018	
	No. of Executive (Person)	Total Remuneration (Baht)
Salary / Allowance	6	16,120,814.-
Bonus / Comission	6	1,341,900.-
Provident Fund	6	479,514.-
Insurance Policy	1	1,000,054.-
Entertainment	2	595,235.-
Employee Benefits after Termination	6	724,535.-
Other	-	-
Total		20,262,052.-

(b) Other Moneraty Compensation

The Company and its employee had established a Provident Fund in which the Company's contribution equivalent 2 - 3% of monthly salary. The Company started to pay the said contribution for the executives and employees as from June, 2007 onward.

CORPORATE GOVERNANCE

The Company recognizes the importance of carry out the responsibilities of business operation, in nurturing a good corporate governance practice. Therefore, the Company strives to operate its business in compliance with the guidelines of the Stock Exchange of Thailand's (SET) Code of Best Practice for Directors of Listed Companies.

In addition, the Company resolved to adopt the Principle of Good Corporate Governance following the guidelines of the SET to ensure the highest benefits to the Company and to strengthen the transparency and efficiency of the management that could strengthen the confidence of the shareholders, investors and all related parties concerned as follows:

Section 1 Right of the Shareholder

(1) The Company shall place utmost importance on the rights of every shareholder. On each Shareholder's meeting, the Company shall send a written notice calling the meeting with relevant information to the shareholders not less than 7 days prior to the date of the meeting. Moreover, in the event the Securities & Exchange Commission or the Stock Exchange of Thailand requiring that the Company should send a written notice calling the meeting to the shareholders more than 7 days in advance, the Company shall promptly comply with such regulation, i.e., a written notice calling the meeting to consider connected transactions or acquisitions and dispositions of assets; or a written notice calling the meeting to consider Employee Stock Option Program, etc., the Company shall send such written notice calling the meeting of shareholders not less than 14 days prior to the date of the meeting. On the day of shareholders' meeting, the Company shall provide equal opportunity for every shareholder to audit the Company's performance and express opinion and comment freely and the Company shall prepare minutes of all shareholders' meetings that are accurate and complete in order to be examined by the shareholders.

(2) Shareholders' Meeting

At the Shareholders' Meeting, the Chairman of the Meeting provides equal opportunity for every shareholder to examine the Company's operation, to ask questions or comment on any suggestions.

The Company recognizes the importance of the shareholders' meeting; thus, it is the Company's policy to prepare and provide sufficient and adequate information to the shareholders providing equitable treatment to express their opinions and raise any questions at the shareholders' meeting. The following procedures relating to preparation of the shareholders' meeting are adopted by the Company, namely:

(a) Receive Notice of the Meeting: The Company shall prepare a written notice calling the meeting that indicate the place, date, time, agenda of the meeting and the matters to be proposed to the meeting together with sufficient detail to the shareholders not less than 14 days prior to the date of the meeting. The notice calling for the meeting shall also be posted in the Company's website.

(b) Conduct the Meeting: At the Shareholders' Meeting, the Chairman of the Meeting shall explain the voting procedure and vote count prior to the commencement of the meeting, and provide opportunity for the shareholders to ask questions, express opinions and suggestions on various agendas in which significant topics in questions and suggestions will be recorded in the minutes of the meeting. In addition, the Company shall arrange to have representatives from the Board of Directors, the Management, the Audit Committee, the Auditor and Legal Advisor to attend the Shareholders' Meeting for questions clarification.

(c) Minutes of the Shareholders' Meeting: The Company shall disclose the Minutes of the Shareholders' Meeting via the Company's website and shall propose to the shareholders to consider confirmation of the Minutes at the next meeting. The Company shall maintain the Minutes of Shareholders' Meeting and keep them at a safe place for related party to examine.

Section 2 Right and Equitable Treatment

(1) For shareholders who are unable to attend the meeting, the Company provides a proxy form to allow the shareholders to appoint an Independent Director or Audit Committee as a proxy to vote on behalf of the shareholders.

(2) Control and Usage of Insider's Information

The Company place importance on the effective controlling system and the Internal Audit for both the Executives and operation level staff. Therefore, clear job descriptions and lines of authority and reporting and responsibilities for each unit are defined in writing to support the control and monitoring the use of company's assets for the benefits of the Company. There are segregation of positions for operation staff, management staff and performance appraisal staff to balance off the power and

cross-examination as appropriate. In addition, there is an internal control system for Sales in which the Company has set up reporting system for submission to respective Executive for approval. With this, the Company has hired the Company's Internal Audit to review the internal control system, with the scope of responsibilities consisted of 4 systems as follows:

- (2.1) Sales and Collection System
- (2.2) Procurement and Payment System
- (2.3) Inventory Control and Warehouse System
- (2.4) Human Resources Management System

The Company's Internal Audit officer shall submit the report of performance appraisal on Internal Audit activities to the Audit Committee. Additionally, the Company's Internal Audit officer shall review any significant connected transactions as assigned by the Audit Committee for submission to the Audit Committee. The Secretary of Audit Committee shall act as a coordinator between an Internal Auditor and the Company's Executive.

The Board of Directors highly recognizes the importance of Risk Management. Therefore, the Company has set up a risk assessment for the operation and has set a preventive measurement and mitigation, including the risk that will have an impact on the Company's business operation as specified in the risk factors.

Section 3 Role to Stakeholders

(1) Rights of Stakeholders

The Committee assigns the highest priority to the rights of all stakeholders as follows:

(a) Employees: The Company treats all employees as equal, fair with reasonable compensation whilst continues to hold training and development on skilled knowledge and foreign language.

(b) Business Partners and Creditors: The Company strictly observes and adheres to all its obligations to partners and creditors on a fair basis in compliance with the commercial conditions and/or joint agreement for mutual benefits of both parties.

(c) Customers: The Company is honest and sincere to the customers and continues to provide quality products whilst gathering feedback and comments from the customer.

(d) Competitors: The Company abides by rules and ethics of fair competition, and will not destroy its competitors through unethical strategies.

(e) Shareholders: The Company continues to develop the organization toward continuous growth for higher sales revenues and increase of net profit which shall benefit the shareholders in terms of reasonable return on investment based on the present business situation.

(f) Society and Community: The Company continues to play an active role in the community environment and society, including takes part in social activities for the benefit of the community.

(2) Anti-Corruption policy

The Company concerns the importance of conducting its business with moral and shows a keen of sense to social responsibility and every interested person in alignment with the good corporate governance. Therefore, The Company has strived to make organization's staff intensively understand and emphasize on Anti - corruption issue. The Company has set the Anti-corruption policy and the guidelines approved by the board on February 27, 2017. It has been effective on April 7, 2017. The policy has also published in company's website www.bodyglove.co.th.

In case of interested persons find corruption and performing against company's regulation and business ethics, which will be affect the company's reputation whether direct or indirect manner, you can notify such act to company or make requisitions. The company will inspect the facts until the conclusion comes to the end. The company will provide safeguard for Whistleblower as stated in the company policy.

Here are the channels to notify clues or make requisition.

- 1) Send mail to Chairman of Audit committee
BGT Corporation PLC. 188 Suwinthawong road, Minburi, Minburi Bangkok 10510
- 2) E-mail to Chairman of Audit committee
audit__committee@bodyglove.co.th

In year 2018, there were no any requisitions

Section 4 Disclosure of Information and Transparency

(1) Corporate Governance Policy

The Board of Directors adopted the principal good governance policy as it recognizes the significant roles in nurturing the practice which facilitating continuous growth and stability. The Board is determined and intended to follow the principal by setting policy and direction for the Company's operation to place importance on the internal control system and the internal audit; to monitor the administrative management in carry out the operation effectively for the long-term benefit of the shareholders under the governing laws and business ethics including the disclosure of information and transparency and appropriate risk management.

(2) Business Ethics

The Company has clear regulations on Code of Ethics or Statement concerning the duty of the Board of Directors, the Executives and all employees of the Company, as guidelines in performing one's duties with honesty, integrity and moral principles. The Company shall sincerely monitor and follow-up to encourage the best practice on Code of Ethics or Statement among the employees as well as the disciplinary action otherwise. "Code of Conduct" was publicly disclosed on the Company's website (www.bodyglove.co.th)

(3) Investor Relation

The Board of Directors understands the importance of disclosed the Company's information regarding finance and non-finance information in terms of transparency and accuracy. Thus, the Company has appointed Miss Waristha Thapanasakunvong to be responsible for the disclosure of the Company's important information, including creating a good relationship and communicate to investors, shareholders and other analysts. General investors can contact the Company for more information at Telephone: 02-540-2888 Ext. 818 or www.bodyglove.co.th

Section 5 Responsibilities of Board of Directors

(1) The Board of Directors specifies the policy and participate in the consideration and approve to determines the vision, missions, strategies, business plan and budget of the Company, as well as having good corporate governance so that the executives perform the work under the policy as specified effectively and efficiency whilst increase more valued added at the height of the economy for the business and the highest stability for the shareholders.

(2) Balance of Power for Non-Executive Directors

There are 8 persons on the Board of Directors, namely

- 2 Directors from the Executives
- 3 Directors not from the Executives
- 3 Directors as Independent Directors

Therefore, the Company has 3 Directors as Independent Directors who represent 37.5% of the whole Board of Directors.

Moreover, the numbers of Director from major shareholders are consisted of 3 Directors, or 37.5% of the whole Board of Directors, namely (1) Directors from major shareholders of Tumwattana's Family is Dr. Nopdol Tumwattana and (2) Directors from major shareholders of Malaysian Investors are Mr. Goh Kok Cheng (Dickson) and Mr. Goh Kok Beng. The Directors from these two major shareholders groups can balance off the power of the administrative operation among themselves.

(3) Aggregation or Segregation of Positions

The Chairman of the Board is not the same person as the President as to clearly define and separate role of duties in directing the Company's policies and management.

(4) Conflict of Interest

In order to prevent conflict of interest transaction, it is the Board of Director's authorization to specify that an authorized person shall not approve any transaction of his own or a person who may have conflict of interest or benefit unless such transaction is of ordinary business transaction of the Company under general commercial terms. In addition, the Company shall comply with the Security and Exchange of Thailand's notification governing the connected transaction of the registered company, or on the acquisition or disposition of assets of the registered company, whichever case may be. Furthermore, the Company shall set policy and procedure that no members of the Executives or related parties can use non-disclosure information of the Company for personal benefit.

- The Company has potential conflict of interest transactions : None
- The Company shall require that the Executives report changes of the securities hold to the Securities Exchange Commission, Section 59, of the Securities and Exchange Act, B.E. 2535 within three working days. In addition, the Directors,

Executives or employees who receive the internal information are prohibited to disclose internal information to outside individual or non-related person, and the said Directors, Executives or employees must not buy or sell shares of the Company for a period of one month before the release of the Company's financial statements to the public.

The Company's policies on transactions that may have potential conflict of interest or connected transactions are as follows:

- to set a price and term following the same procedure as may entered with other individual.
- to strictly follow the procedures of the Stock Exchange of Thailand.
- to disclose information on connected transactions in the Company's Financial Statements, Annual Report and Information Disclosure Report (Form 56-1) for inspection by the shareholders.

(5) Remuneration for the Board of Directors and Executives.

Remuneration for the Board: The Company has defined a clear and transparent remuneration policy, which is determined to be an equitable manner with the industry standards as approximately as the size of the operation base and must be approved by the Shareholders' Meeting.

Remuneration for the Executives: Remuneration for the Executives is in compliance with the principle and policy as set by the Board of Directors which related to the Company's performance and individual performance of the Executives. The Company has no Remuneration Committee at present.

(6) The orientation for new board of director

There was an orientation for new board of director members whose positions were appointed as the first time in the company. The company had them study Code of Conduct for Executive and Employees, important company's information, Securities and Exchange Act., Public Limited Company Act., and other regulations of The Stock Exchange of Thailand and the Securities and Exchange Commission. They also attended the Director Certification Program training curriculum.

(7) Board of Directors Meeting

The Board of Directors shall hold a meeting at least once every 3 months and hold additional meetings as deem necessary. The Company Secretary served a written notice, the agenda, and any documents to the Directors not less than 7 days prior to the date of meeting to ensure sufficient time for the Directors to study and review the agenda before attending the meeting. The Company shall maintain the minutes of meetings and keep the said documents receiving the confirmation from the Board of Directors for future examine by the Board or related party.

In 2018 the Board of Directors held meetings as follows:

BOARD OF DIRECTORS	Year 2018	
	No. of Attendance / No. of Meeting	
	Board of Directors Meeting	Audit Committee Meeting
1. Dr. Nopdol Tumwattana	4/4	
2. Mr. Goh Kok Cheng (Dickson)	4/4	
3. Mr. Goh Kok Beng	2/4	
4. Mrs. Mullika Tumwattana	4/4	
5. Assoc. Prof. Dr. Nantarika Chansue	3/4	
6. Pol.Gen. Sereepisuth Temeeyaves	4/4	4/4
7. Professor Emeritus Dr. Surapone Virulrak	4/4	4/4
8. Mr. Panu Kongtan	4/4	4/4

(8) The Minimum Quorum Policy of The Board of Director

To pass a resolution of board of director, there must be at least two thirds of all the directors' members in the meeting.

(9) Sub-Committee

The Company appointed the Audit Committee to monitor and review the Company's operation with clear scope of duties and responsibilities of Audit Committee (details as shown in Item 1 (c)).

The Company has no Remuneration Sub-Committee. However, the Company has taken appropriate procedure in consideration for the remuneration, and determined in a manner equitable with industry standards of approximately the size operation, and is performance-based.

(10) Board of Directors's Report

The Board of Directors is responsible for the financial statements of the Company and the financial information as shown in the Annual Report. The financial statements shall comply with the generally accepted accounting standards in Thailand, which considered appropriate for the Company. In addition, the Board of Directors is accountable for reviewing the accuracy of the Company's financial statements and ensures there is adequate disclosure in notes to financial statements.

Moreover, the Company has stipulated the Audit Committee to scrutinize and review the financial statements as well as to disclose the financial statements of the Company.

Internal Information Usage

The Company has a concise policy and procedure on the control and usage of internal information, especially the information on the Company's financial status that must be audited / reviewed by the Certified Public Accountant and receive approval from the Audit Committee Meeting every time before propose to the Board of Directors and the Stock Exchange of Thailand or general public.

The Company has come up with the rules to prevent the usage of internal data for personal benefits for the Board of Directors, Executives and employees as follows:

(1) To prohibit the Board of Directors, Executives as well as their spouses and children under legal age the use of internal information for the purpose of acquisition, disposition, transfer or take over the securities of the Company before such information is disclosed to the general public, especially within 30 days before the disclosure of the Company's financial statements to the public. Moreover, following the release of such information, the aforementioned individuals are prohibited to acquire or dispose of the securities of the Company until the public acknowledge the information receipt for appropriate time (7 days from the disclosure date)

(2) To acknowledge the Board of Directors and Executives as well as their spouses and children under legal age to be aware of their duties that they have the duties to submit reports on the securities holding of the Company in accordance to the Securities and Exchange Commission Notification No. Sor. Jor. 14/2540, Re: Preparation and Disclosure of Reports on Securities Holding of Directors, Executives and Auditor of the Company.

In case of any violation of the aforementioned regulations, the Company shall proceed with a disciplinary action as may deem appropriate, i.e., verbal warning with written confirmation, deduction of salary, suspend, or termination of employment, etc.

Employees

Board of Director has concerned the importance of employees who are our valued resource and a heart driving the organization, so the company considers employee's life safety, health and welfare as well as working environment with fairness in order to lead organization to sustainable success.

Important Data of Employee in Year 2018

- (a) The numbers of employees as of December 31st, 2018 are 526 employees consisting 93 males and 433 females.
- (b) The numbers of sick leave in Year 2018 are average 2.75 days per year.
- (c) The accident rate at work in Year 2018 is 1 employee making 0.0018% of all employees.
- (d) Total remuneration and type of compensation provided to the employees (excluded Directors and Executives)

Types of Remuneration	Year 2018 (Baht)
Salary / Wages	83,828,740.-
Bonus / Commission	12,120,418.-
Employees benefits expenses	31,320,792.-
Total	127,269,950.-

(e) Policy on Human Resources Development

As the Company's operation is distribution of ready-to-wear apparels and accessories under Body Glove Trademark which place high emphasis on the continuation of product development and quality service to promote sales. The Company, therefore, recognizes the importance of Human Resources Development to ensure the highest benefits for the Company and for the customer's satisfaction on impressive service rendered. With these objectives, we strive to strengthen the effectiveness in various areas, such as, (1) the administrative management of Flagship Store and product presentation; (2) the complete quality service rendered by skillful staff who understand the products and brand trademark; (3) increment sales volumes and profits; and (4) building strong and binding relationship among co-workers and working effectively as teamwork.

The Company's Human Resources Department is in charge of the training, both in-house and public. For in-house training, the speaker is represented by the Company member and/or special guest speaker from outside. For public training, the Company will send the employees to attend courses by considering the position, duty and responsibility for selection of suitable courses and contents as well as the Training Institution for the benefit of the employee and the Company as a whole.

Internal Control

The Company recognizes the importance of an internal control system with sufficiency to protect or minimize probable risks. Whereas the Board of Directors has established an Internal Audit Department by hiring an inside company, to review the operation systems in accordance to the annual audit plan as approved by the Audit Committee. It is the Company's objectives to ensure and evaluate the efficiency and sufficiency of the Company Internal Control System; to ensure that all resources are utilized to full benefits whilst control on other company's operations are in line with the law governing and the government regulations, and important financial transactions of the Company are conducted efficiently and accurately. Therefore, in order for the Internal Audit Department to be independent and to be able to assess and perform its checks and balances task, the Board of Directors has stipulated that the Internal Audit Department report directly to the Audit Committee.

As for the Risk Management, the Company views the importance of the risk management procedure by consider the present risk factors and expected risk together and thus analyze probable impact or possibility that such risk will take affect in order to set a preventive measurement and manage such risk. After careful consideration, the Company has prepared a report on Risk Management and constantly follow-up on the results. For major Risk Factors of the Company, details are summarized in a separate topic under Risk Factors.

The Board of Directors and the Audit Committee had evaluated the Internal Control System in accordant to the Appraisal of the Sufficiency of Internal Control and concluded that the Company had sufficient Internal Control System and appropriate for the business operation. In addition, there was no significant faults relating to the Internal Control System and that the system can protect the Company's assets from unjustified or wrongly usage by the Executives. The Audit Committee Board had expressed that the Company develop the 15 Principles of Good Corporate Governance as set by the Stock Exchange of Thailand to the full extent.

Dividend Policy

The Company has a policy of making annual dividend payment to its shareholders at a rate of no less than 40% of the Company's net profit after deduction of income tax; however, are subject to change to a lower rate than aforementioned depending on the Company's investment plan on business operation.

CORPORATE SOCIAL RESPONSIBILITY

BGT Corporation Public Company Limited conducts its business based on the corporate culture which focuses on “**Business Development Along With Social Development and Environmental Preservation**”. We encourage our employees to be diligent, honest, patient and good people for the benefits of themselves and others. Our employees have received adequate training regularly to ensure that our customers receive the best service possible providing fairness and equity. As part of our business operations, we employ Corporate Social Responsibility on organizational commitment when doing our business to lead a successful and sustainable business practices by adopted the CSR-in-Process policies as follows:

- **Good Corporate Governance**

The Company recognizes the importance of good corporate governance in practice. The Board of Directors is committed to do business in compliance with the Code of Best Practice for Directors of Listed Companies and the Principles of Good Corporate Governance of the Stock Exchange of Thailand whilst operated in accordance to the law and related regulations. The Board realizes the importance of equal and fair treatment to all shareholders; thus, announces its shareholders rights to propose the agenda and to nominate persons to be considered as the Directors for the Annual General Meeting. At the Shareholders Meeting, all shareholders are given a chance to equally exercise their rights to examine the company’s business operations as well as to raise any questions, express their opinions or suggestions to the Board of Directors. In addition, the Company has placed the announcement in the newspaper for information of the shareholders on the agenda, date, time and venue for the Annual General Meeting as well as providing an Annual Report by sending to all shareholders prior to the Annual General Meeting every year in which all shareholders can examine the validity of the Company’s administration and management accordingly.

- **Fairness in Business Management**

To achieve fairness in business management, the company has established guidelines to care for all stakeholders in the “Code of Conduct and Business Ethics for Management and Employee Handbook”, which was approved by the Board of Directors. Our company is committed to operating the business based on corporate social responsibility for all stakeholders including shareholders, employees, customers, suppliers, business partners, other communities and the environment and will not be in favor of other benefits that may be derived from the incorrect sanctioned as we place great importance in complying with measures to prevent corruption and bribery in accordance with applicable laws. Moreover, we also recognize the stakeholders’ rights and possess no action that may violate those rights including any action that can be considered in violation of the stakeholders’ rights should be prohibited. The Board of Directors has prepared Code of Conduct and Business Ethics as the Board recognizes the substantial benefits in compliance with the Principles of Corporate Governance and believed that the business is responsible for adhering to fairness and sustainable benefits of all stakeholders, including the society and the nation in the long run.

- **Human Rights and Treatment of Employees**

The Company has a corporate culture that supports and respects all employees and their inherently entitled human rights. We provide fair and equal treatment to all employees as we consider human resources as the key element of the business in creating value and increase productivity. It is our commitment to provide safe, healthy, and comfortable workplace environments to suit all employees as we recognize the importance of the staff’s health; thus, we have provided the exercise room and allocate time for exercise for the benefits of all employee’s health. In addition, we also provide annual leave, appropriate over-time and provident fund for employees. The Company also provides personnel training and development to all employees in order to increase professional work quality. We continuously look to improve and facilitate workplace change and innovation by encouraging employees to proactively provide solutions and ideas. Moreover, the Company has focused on training our employees to enhance our services to satisfy the needs and expectations of all our customers. Our employees are highly trained to deliver quality products and offer the opportunity for customers to try more products with proper service to win the customer’s satisfaction toward the decision-making process.

- **Responsibility to Customers**

The Company aims to develop products and services that are environmentally and people-friendly product. Our company recognizes the importance of the responsibility to customers, especially in terms of “ready-to-wear” clothing providing the diversity of product designs, sizes, models, colors, quality fabrics that are highly absorbent, soft, durable, comfortable, easy care and resistant to fading. We seeks to launch a new trendy product that promote and support a better quality of life for the consumers with our new exercise outfits to encourage the consumers to exercise for good health. Moreover, we strive to improve the quality of service by providing training to our employees on necessary product knowledge and quality service. We also emphasize to our employees the importance of giving the correct and adequate product information to the consumers by taking into account the satisfaction and interests of the consumers including the honesty and integrity in the workplace; being honest with the customers, the company and oneself is valued in every communication and transaction. We are also committed to protecting the privacy and confidentiality of all sensitive information about our customers whereas customer information is not disseminated in any way to outside parties for the benefit of the Company.

- **Participation in Social and Community Development**

The Company holds our principles of integrity in social and community development in order to develop and promote a strong economic, social and cultural promotion. We encourage the utilization of business processes to improve the quality of life under our willingness and available resources to lead to self-sufficiency and improving social quality; as a result to increase and strengthen the economy and society as a whole.

In 2018, we continued our commitment to participate in the activities of social and environmental development or CSR together with many local communities as follows:

1. To provide scholarships for the Children’s Day organized by Bang Khen Metropolitan Police Station.
2. To support the “The 2nd Customs Department Ruam Jai Volunteer” activity together with the Club of International Trade for Accuracy.
3. To provide budgetary support toward the project organized by Veterinary Medical Aquatic Animal Research Center, Faculty of Veterinary Science, Chulalongkorn University.
4. To continue the annual tradition of “Tae Kra Jad” donation festival at Phothi Phawana Songkhro Foundation, Bangkok.
5. To support the publishing of the books “General Knowledge about Firearms and Ammunitions” for academic benefits to the justice system with the Forensic Physician Association of Thailand.

- **Environmental Preservation**

The Company recognizes the importance of environmental resources; thus, encouraging the organization and its employees to worthily use the resources such as electricity and water by creating and instilling awareness on an energy conservation campaign and encouraging all employees to set air conditioning temperatures at 25 degrees Celsius and 27-28 degrees Celsius during lunch break; turn-off air conditioning 15-20 minutes before getting off work; turn off air conditioning and lights in the office and restrooms during lunch hour from 12:00 to 13:00 hours; turn off lights when not in use including setting computer sleep mode to save energy and reducing the organization cost in addition to save paper campaign by encouraging the use of both sides of paper and recycled paper to maximize the benefits and to achieve its objectives efficiently and effectively.

We will continue our commitment to improve the core business whilst innovate new business processes and models to foster continuous improvement in environmental preservation and improvement of the community. Simultaneously, we will continue our initiatives and partnerships to the social and environmental benefits to the public coupled with the aims to achieve the higher quality and sustainable growth.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES TO FINANCIAL REPORT

The Board of Directors of BGT Corporation Plc. is responsible for the financial statements of Company including the financial information that appears on the annual report 2018. The said financial statements for the year ended 31 December 2018 are prepared according to the generally accepted accounting standard with appropriate accounting policies and usual practices adopted, with utmost care and reasonable estimates with best projection where essential information is sufficiently disclosed in the notes attached thereto for the benefit of the Company, shareholders and investors. The mentioned financial statements have been audited and expressed an opinion in accordance with generally accepted auditing standards.

The Board of Directors has established and maintained an appropriate and efficient internal control system in order to provide a reasonable assurance that accounting records are accurate, complete and adequate for protection of assets of the Company, prevention of frauds and materially irregular transactions.

In this regard, the Board of Directors has appointed an Audit Committee, whose members are independent directors, to review the quality of the financial reporting, internal control system, connected transactions and report the review result to the Board of Directors.

The Board of Directors are of the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the financial statements of the Company for the year ended 31 December 2018 has shown the financial statement and operation result correctly, compliance with the generally accepted accounting standard, the laws and regulations applicable thereto.



.....
Dr.Nopdol Tumwattana
Chairman of the Board



.....
Mr.Goh Kok Cheng (Dickson)
President/CEO

BGT CORPORATION PUBLIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
BGT Corporation Public Company Limited

Opinion

I have audited the financial statements of BGT Corporation Public Company Limited, which comprise the statement of financial position in which the equity method is applied as at December 31, 2018, the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and I have audited the separate financial statements of BGT Corporation Public Company Limited, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position in which the equity method is applied of BGT Corporation Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended and the separate statement of financial position of BGT Corporation Public Company Limited as at December 31, 2018, and its financial performance and its 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 Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 our professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Value of inventory

The inventory of the Company is retail business of ready-to-wear apparels and related product accessories such as suitcase, wallet, cap, sport product and water recreation, etc. These products are the fashion group products that are continuously changing according to fashion trends and may be outdated. As at December 31, 2018, the inventory balance is Baht 208.88 million according to Note 9 in the notes to the financial statements. The management must exercise the judgment in determining the presentation at cost or net realizable value, whichever is lower, and determining appropriate allowance for declining in value of inventory for slow-moving or obsolete product in each group and the estimates are subject to judgment that may affect the value of inventory.

In addition, the inventory is scattered throughout the regions of Thailand. Thus, my observation of the inventory counting is limited in quantities compared to all shops and branches available while the Company has significant inventory value on the financial statements. As a result, the consideration of the internal control system reliability and evaluation of the inventory count report during the year whether it is sufficient to prevent the loss and existence

of the inventory is important to the volume of inventory. I have stated that the existence of the volume and value of inventory pose a significant risk that requires special attention in the audit.

Risk response by auditor

The audit approach of the value stated at cost or net realizable value of the inventory includes consideration of the reasonableness of the approach used by the management to calculate cost or net realizable value, whichever is lower, and the allowance for declining in value of inventory, the checking of accuracy, completeness and approval of the record of net realizable value, adjustment of the selling price. The allowance for the declining in value of inventory that occurred follows the defined policy without any omission or discrimination for the eligible product and has truly considered all shops and department stores. It is included the checking of the actual selling price and the adjustment of the selling price after the end of year compared to the cost.

Regarding the audit approach on the amount of inventory, I have audited the internal control and tested the computer software system of inventory that is scattered throughout the regions of Thailand. I have considered the internal control of the internal inventory count, planning, setting the count of the shops and department stores, checking the result of the inventory count report, finding the cause of the difference from counting and approval from the management in the adjustment of the difference of the value of inventory. I have participated in the inventory count observation at the end of the year at the warehouse of the head office, the Company's shops, and consigned branches at department stores. In addition, I have audited and monitored the cause of unusual transactions in the inventory report such as overspend product, find the cause of the effect on the value of inventory, and verify the adjustment transaction of the inventory value of the consigned group at department store back to the Company's product.

Related transactions with consignment business

The Company has related transactions with consignment business such as revenues account, cost, deferred tax assets and deferred tax liabilities and corporate income tax and income tax under the accounting principles.

The Company has consignment sale with department stores at the percentage of 23.22 of the revenues from sales. The accounting policy will recognize the revenue and costs when the department stores have sold and delivered to the final consumer. But under the tax basis, the Company has to recognize revenue and cost when delivering the products to the department store. Therefore, the revenue and costs recognition under the accounting and tax principles is materially different. Such transaction has caused the Company to adjust the values of revenues from sales and cost of sales that have been recognized by the tax principles to follow the accounting principles and record the value of inventory under the Company's ownership back correctly. In addition, such transaction affects the deferred tax assets and deferred tax liabilities. The calculation of corporate income tax and income tax by the accounting principles of the Company that has complexity and significant value. I have identified the related accounts to consignment business such as recognition of revenue, cost, income tax, deferred assets and deferred tax liabilities, are significant risks that require special attention in the audit. The Company has disclosed the accounting policy related to the recognition of revenue, cost, and income tax in Note 3.1, 3.16, 15 and 28 in the notes to the financial statements.

Risk response by auditor

Regarding my audit approach on such matter, I have audited the internal control system, tested computer system program, compared the reporting data that are related to revenues and costs occurred from the internal system and received information from external such as department stores. I have also audited the sales differences between the Company and the department stores, delivery and return of consignment, verified the money received from consignment, completeness of cut-off check, adjustment of revenues from sales account, consignment business cost both by the accounting and tax principles, verified the accuracy of the values of deferred tax assets and deferred tax liabilities of consignment goods and the calculation of corporate income tax and income tax under the accounting principles.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 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 financial statements.

As part of an audit in accordance with 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 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 Company'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 Company'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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

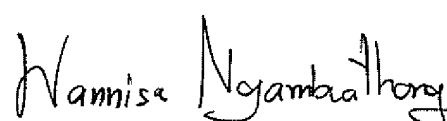
- Obtain appropriate and adequate audit evidence with respect to the Company's financial information in the associate to express an opinion on the financial statements in which investments in associates is presented by the equity method. I am responsible to define the direction, monitor and oversee and audit the business of the associate. I am solely responsible for my own opinion.

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 we 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 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 responsible for the audit resulting in this independent auditor's report is Miss Wannisa Ngambuathong.



(Miss Wannisa Ngambuathong)

Certified Public Accountant

Registration No. 6838

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 27, 2019

THE STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

ASSETS

		In Baht			
		Financial statements in which the equity method is applied		Separate	
				Financial Statements	
		Note	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018
Current assets					
Cash and cash equivalents	6	49,144,376.82	63,983,808.08	49,144,376.82	63,983,808.08
Temporary investments	7	52,415,563.57	31,047,038.87	52,415,563.57	31,047,038.87
Trade receivables - related parties	8	25,982,368.94	30,204,864.07	25,982,368.94	30,204,864.07
Other receivables					
Prepaid expenses		1,408,141.57	1,169,004.10	1,408,141.57	1,169,004.10
Inventories	9	191,303,683.26	241,107,557.28	191,303,683.26	241,107,557.28
Other current assets					
Vat of consignment		3,971,623.43	6,787,438.08	3,971,623.43	6,787,438.08
Deposit of goods		4,103,119.97	5,476,468.24	4,103,119.97	5,476,468.24
Other		4,513,683.84	3,662,808.48	4,513,683.84	3,662,808.48
Total current assets		332,842,561.40	383,438,987.20	332,842,561.40	383,438,987.20
Non-current assets					
Investment in associated	10	-	-	-	-
Long-term loans	11	8,394,048.00	-	8,394,048.00	-
Property, plant and equipment	12, 16, 18	175,472,150.86	190,320,445.28	175,472,150.86	190,320,445.28
Intangible assets	13	4,781,988.03	5,180,718.79	4,781,988.03	5,180,718.79
Other non-current assets					
Leasehold rights - shop area	14, 16, 18	24,438,011.56	30,897,486.76	24,438,011.56	30,897,486.76
Rental deposits		44,042,955.34	45,394,494.54	44,042,955.34	45,394,494.54
Deferred tax assets	15	17,462,994.63	15,743,672.03	17,462,994.63	15,743,672.03
Total non-current assets		274,592,148.42	287,536,817.40	274,592,148.42	287,536,817.40
Total assets		607,434,709.82	670,975,804.60	607,434,709.82	670,975,804.60

Notes to financial statements form an integral part of these statements.

THE STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Financial statements in which the equity method is applied		Separate	
				Financial Statements	
		Note	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	16	-	3,551,396.54	-	3,551,396.54
Trade payables - other parties		40,959,731.82	56,159,416.56	40,959,731.82	56,159,416.56
Other payables					
Accrued expenses		15,132,971.14	29,866,590.94	15,132,971.14	29,866,590.94
Accrued payables - fixed assets		828,541.63	2,157,635.61	828,541.63	2,157,635.61
Others		388,783.38	283,471.38	388,783.38	283,471.38
Current portion of finance lease					
obligations	17	2,908,727.42	2,771,384.46	2,908,727.42	2,771,384.46
Current portion of long-term					
liabilities	18	14,010,000.00	16,991,149.52	14,010,000.00	16,991,149.52
Income tax payable		-	-	-	-
Other current liabilities		1,231,457.49	982,335.92	1,231,457.49	982,335.92
Total current liabilities		75,460,212.88	112,763,380.93	75,460,212.88	112,763,380.93
Non-current liabilities					
Finance lease obligations		3,029,424.96	5,938,152.38	3,029,424.96	5,938,152.38
Long-term borrowing	17	14,260,000.00	28,270,000.00	14,260,000.00	28,270,000.00
Employee benefits obligations	18	11,675,286.00	10,253,089.00	11,675,286.00	10,253,089.00
Provisions for demolition costs	19	7,083,405.63	7,328,832.49	7,083,405.63	7,328,832.49
Other non-current liabilities	20	7,997,491.63	7,512,810.99	7,997,491.63	7,512,810.99
Total non-current liabilities		44,045,608.22	59,302,884.86	44,045,608.22	59,302,884.86
Total liabilities		119,505,821.10	172,066,265.79	119,505,821.10	172,066,265.79

Notes to financial statements form an integral part of these statements.

THE STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		In Baht			
		Financial statements in which the equity method is applied		Separate Financial Statements	
	Note	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Shareholders' equity					
Share capital	21				
Authorized share capital					
513,318,064 ordinary shares of Baht 0.50 each		<u>256,659,032.00</u>	<u>256,659,032.00</u>	<u>256,659,032.00</u>	<u>256,659,032.00</u>
Issued and paid-up share capital					
363,519,904 ordinary shares of Baht 0.50 each		181,759,952.00	181,759,952.00	181,759,952.00	181,759,952.00
Premium on share capital		73,980,713.10	73,980,713.10	73,980,713.10	73,980,713.10
Retained earnings					
Appropriated Legal reserve	23	20,620,355.90	20,620,355.90	20,620,355.90	20,620,355.90
Unappropriated		<u>211,567,867.72</u>	<u>222,548,517.81</u>	<u>211,567,867.72</u>	<u>222,548,517.81</u>
Total shareholders' equity		<u>487,928,888.72</u>	<u>498,909,538.81</u>	<u>487,928,888.72</u>	<u>498,909,538.81</u>
Total liabilities and shareholders' equity		<u>607,434,709.82</u>	<u>670,975,804.60</u>	<u>607,434,709.82</u>	<u>670,975,804.60</u>

Notes to financial statements form an integral part of these statements.

THE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	In Baht			
		Financial statements in which the equity method is applied		Separate Financial Statements	
		2018	2017	2018	2017
Revenues	5				
Revenues from sales		714,267,698.54	843,247,972.48	714,267,698.54	843,247,972.48
Other income					
Gain on exchange rate		712,558.69	3,568,420.28	712,558.69	3,568,420.28
Dividend		-	-	-	946,000.00
Other		1,244,354.68	1,031,948.58	1,244,354.68	1,031,948.58
Total Revenues		<u>716,224,611.91</u>	<u>847,848,341.34</u>	<u>716,224,611.91</u>	<u>848,794,341.34</u>
Expenses	5				
Cost of sales		385,428,590.47	443,815,008.67	385,428,590.47	443,815,008.67
Selling expenses		246,791,640.88	254,153,468.70	246,791,640.88	254,153,468.70
Administrative expenses		90,755,810.89	105,207,088.97	90,755,810.89	106,036,666.98
Finance costs		2,677,366.97	5,077,260.11	2,677,366.97	5,077,260.11
Total expenses		<u>725,653,409.21</u>	<u>808,252,826.45</u>	<u>725,653,409.21</u>	<u>809,082,404.46</u>
Share of profit (loss) from investments in an associated company		-	(1,300,140.67)	-	-
Profit (loss) before income tax expenses		<u>(9,428,797.30)</u>	<u>38,295,374.22</u>	<u>(9,428,797.30)</u>	<u>39,711,936.88</u>
Income tax (revenue) expenses	28	<u>(1,719,322.60)</u>	<u>8,995,378.01</u>	<u>(1,719,322.60)</u>	<u>8,995,378.01</u>
Total comprehensive income for the year		<u><u>(7,709,474.70)</u></u>	<u><u>29,299,996.21</u></u>	<u><u>(7,709,474.70)</u></u>	<u><u>30,716,558.87</u></u>

Notes to financial statements form an integral part of these statements.

THE STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	In Baht			
		Financial statements in which the equity method is applied		Separate Financial Statements	
		2018	2017	2018	2017
Profit (loss) attributable to :					
Shareholder's equity of parent company		(7,709,474.70)	29,299,996.21	(7,709,474.70)	30,716,558.87
Non-controlling interests		-	-	-	-
		<u>(7,709,474.70)</u>	<u>29,299,996.21</u>	<u>(7,709,474.70)</u>	<u>30,716,558.87</u>
Total comprehensive income attributable to :					
Shareholder's equity of parent company		(7,709,474.70)	29,299,996.21	(7,709,474.70)	30,716,558.87
Non-controlling interests		-	-	-	-
		<u>(7,709,474.70)</u>	<u>29,299,996.21</u>	<u>(7,709,474.70)</u>	<u>30,716,558.87</u>
Earnings per share	25				
Basic earnings per share					
(Baht per share)		<u>(0.02)</u>	<u>0.08</u>	<u>(0.02)</u>	<u>0.08</u>
Dilute earnings per share					
(Baht per share)		<u>(0.02)</u>	<u>0.08</u>	<u>(0.02)</u>	<u>0.08</u>

Notes to financial statements form an integral part of these statements.

THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	In Baht				
		Financial statements in which the equity method is applied				
		Share capital issued and paid up	Premium on share capital	Retained earnings	Unappropriated	Total shareholder's equity
				Appropriated- Legal reserve		
Balance as at January 1, 2017		180,641,902.00	71,580,706.97	19,084,527.96	199,118,962.88	470,426,099.81
Dividend	30	-	-	-	(4,334,613.34)	(4,334,613.34)
Total comprehensive income for the year		-	-	-	29,299,996.21	29,299,996.21
Increase in share capital from warrant conversion		1,118,050.00	2,400,006.13	-	-	3,518,056.13
Legal reserve	23	-	-	1,535,827.94	(1,535,827.94)	-
Balance as at December 31, 2017		181,759,952.00	73,980,713.10	20,620,355.90	222,548,517.81	498,909,538.81
Dividend	30	-	-	-	(3,271,175.39)	(3,271,175.39)
Total comprehensive income for the year		-	-	-	(7,709,474.70)	(7,709,474.70)
Balance as at December 31, 2018		181,759,952.00	73,980,713.10	20,620,355.90	211,567,867.72	487,928,888.72

THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	In Baht				
		Separate Financial Statements				Total shareholder's equity
		Share capital issued and paid up	Premium on share capital	Retained earnings Appropriated-Legal reserve	Unappropriated	
Balance as at January 1, 2017		180,641,902.00	71,580,706.97	19,084,527.96	197,702,400.22	469,009,537.15
Dividend	30	-	-	-	(4,334,613.34)	(4,334,613.34)
Total comprehensive income for the year		-	-	-	30,716,558.87	30,716,558.87
Increase in share capital from warrant conversion		1,118,050.00	2,400,006.13	-	-	3,518,056.13
Legal reserve	23	-	-	1,535,827.94	(1,535,827.94)	-
Balance as at December 31, 2017		181,759,952.00	73,980,713.10	20,620,355.90	222,548,517.81	498,909,538.81
Dividend	30	-	-	-	(3,271,175.39)	(3,271,175.39)
Total comprehensive income for the year		-	-	-	(7,709,474.70)	(7,709,474.70)
Balance as at December 31, 2018		181,759,952.00	73,980,713.10	20,620,355.90	211,567,867.72	487,928,888.72

Notes to financial statements form an integral part of these statements.

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	In Baht			
	Financial statements in which the equity method is applied		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the year	(7,709,474.70)	29,299,996.21	(7,709,474.70)	30,716,558.87
Adjustment to reconcile profit for the year to net cash provided by (used in) from operating activities				
Unrealized loss (gain) on change in value of the temporary investment	(247,820.01)	(30,602.32)	(247,820.01)	(30,602.32)
Realized loss (gain) on change in value of the temporary investment	(120,704.69)	-	(120,704.69)	-
Allowance for the decline in value of inventories increase (reversal)	16,502,288.26	(833,477.34)	16,502,288.26	(833,477.34)
Loss from the declining in capital of the associate	-	352,921.99	-	-
Share of (profit) loss from investment in an associated company	-	1,300,140.67	-	-
Loss from the impairment in the investment of the associate	-	-	-	1,182,500.00
Loss (gain) on sales of assets/loss from disposal	1,158,977.94	1,375,423.46	1,158,977.94	1,375,423.46
Depreciation and amortization	30,680,881.78	34,898,839.54	30,680,881.78	34,898,839.54
Unrealized loss (gain) on exchange rate	(50,169.67)	(180,244.00)	(50,169.67)	(180,244.00)
Employee benefits expenses	1,422,197.00	1,497,051.00	1,422,197.00	1,497,051.00
Demolition costs	114,033.38	235,883.96	114,033.38	235,883.96
Shared-based payment reserves	-	1,281,956.13	-	1,281,956.13
Dividends received	-	-	-	(946,000.00)
Interest income	(323,389.69)	(51,968.35)	(323,389.69)	(51,968.35)
Interest expenses	2,677,366.97	5,077,260.11	2,677,366.97	5,077,260.11
Current tax expenses	-	2,652,641.63	-	2,652,641.63
Income tax (revenue) expenses	(1,719,322.60)	6,342,736.38	(1,719,322.60)	6,342,736.38
Profit from operating before changes in operating assets and liabilities	42,384,863.97	83,218,559.07	42,384,863.97	83,218,559.07
(Increase) decrease in operating assets				
Trade receivables - related party	-	4,139.58	-	4,139.58
Trade receivables - other parties	4,222,495.13	3,353,741.79	4,222,495.13	3,353,741.79
Other receivables - prepaid expenses	(239,137.47)	820,956.26	(239,137.47)	820,956.26
Inventories	33,301,585.76	105,355,431.92	33,301,585.76	105,355,431.92
Other current assets	3,532,006.14	7,706,973.56	3,532,006.14	7,706,973.56
Other non-current assets - rental deposits	1,351,539.20	(2,719,503.74)	1,351,539.20	(2,719,503.74)

Notes to financial statements form an integral part of these statements.

THE STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	In Baht			
	Financial statements in which the equity method is applied		Separate Financial Statements	
	2018	2017	2018	2017
Increase (decrease) in operating liabilities				
Trade payables - related party	-	(1,788,676.88)	-	(1,788,676.88)
Trade payables - other parties	(15,058,563.07)	(27,526,522.25)	(15,058,563.07)	(27,526,522.25)
Other payables - accrued expenses	(14,709,226.32)	(2,915,283.26)	(14,709,226.32)	(2,915,283.26)
Other payables - fixed assets	(1,997,135.61)	(3,879,800.31)	(1,997,135.61)	(3,879,800.31)
Other payables - other	105,312.00	34,438.00	105,312.00	34,438.00
Other current liabilities	249,121.57	(274,514.87)	249,121.57	(274,514.87)
Cash paid for demolition costs	(811,105.00)	(545,771.80)	(811,105.00)	(545,771.80)
Other non-current liabilities - employee deposits	484,680.64	(62,972.91)	484,680.64	(62,972.91)
Cash paid for income tax	(6,643.65)	(14,752,469.99)	(6,643.65)	(14,752,469.99)
Net cash provided by (used in) operating activities	52,809,793.29	146,028,724.17	52,809,793.29	146,028,724.17
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	-	946,000.00	-	946,000.00
Interest received	136,314.76	51,968.35	136,314.76	51,968.35
Payment for acquisition in temporary investment	(41,000,000.00)	(31,000,000.00)	(41,000,000.00)	(31,000,000.00)
Proceeds from sales of temporary investment	20,000,000.00	-	20,000,000.00	-
Cash received from capital reduction in the associate company	-	3,547,500.00	-	3,547,500.00
Cash paid for long-term loans - other parties	(8,485,000.00)	-	(8,485,000.00)	-
Cash paid for purchase of property, plant and equipment	(9,249,056.44)	(17,848,616.28)	(9,249,056.44)	(17,848,616.28)
Cash received from sales of property, plant and equipment	45,290.65	664,785.05	45,290.65	664,785.05
Cash paid for intangible assets	-	(460,353.60)	-	(460,353.60)
Net cash provided by (used in) investing activities	(38,552,451.03)	(44,098,716.48)	(38,552,451.03)	(44,098,716.48)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for interest expenses	(2,511,667.61)	(4,988,215.00)	(2,511,667.61)	(4,988,215.00)
Bank overdraft and short-term loans from financial institutions increase (decrease)	(3,551,396.54)	(18,535,818.94)	(3,551,396.54)	(18,535,818.94)
Finance lease obligations (decrease)	(2,771,384.46)	(2,794,463.67)	(2,771,384.46)	(2,794,463.67)
Long-term borrowings (decrease)	(16,991,149.52)	(19,840,015.80)	(16,991,149.52)	(19,840,015.80)
Cash received from converting warrants	-	2,236,100.00	-	2,236,100.00
Dividend paid	(3,271,175.39)	(4,334,613.34)	(3,271,175.39)	(4,334,613.34)
Net cash provided by (used in) financial activities	(29,096,773.52)	(48,257,026.75)	(29,096,773.52)	(48,257,026.75)

Notes to financial statements form an integral part of these statements.



THE STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	In Baht			
	Financial statements in which the equity method is applied		Separate Financial Statements	
	2018	2017	2018	2017
INCREASE (DECREASE) IN CASH AND EQUIVALENTS - NET	(14,839,431.26)	53,672,980.94	(14,839,431.26)	53,672,980.94
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	63,983,808.08	10,310,827.14	63,983,808.08	10,310,827.14
CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR	<u>49,144,376.82</u>	<u>63,983,808.08</u>	<u>49,144,376.82</u>	<u>63,983,808.08</u>
SUPPLEMENT DISCLOSURES OF CASH FLOWS INFORMATION				
Increase in fianance lease obligation from purchase of vehicles	-	2,640,000.00	-	2,640,000.00
Increase of property, plant and equipment without payment in cash	668,041.63	1,997,135.61	668,041.63	1,997,135.61
Increase of goods in transit without payment in cash	-	5,102,267.07	-	5,102,267.07
Demolition costs - decoration :-				
- Property, plant and equipment	261,551.92	3,835,206.39	261,551.92	3,835,206.39
- Leasehold rights - shop area	-	364,853.35	-	364,853.35

Notes to financial statements form an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

BGT CORPORATION PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. GENERAL INFORMATION

(a) General matter

The Company was incorporated as a limited company under the Thai Civil and Commercial Code on March 31, 1988, and changed its status to a public limited company under the Public Limited Company Act on June 29, 2007. The Company's shares had been approved to be listed on the Market for Alternative Investment (MAI) on December 11, 2007.

The address of its registered office is at 188 Suwinthawong Road, Minburi, Bangkok.

(b) Nature of the Company's business

The Company operates in Thailand and its principal business activity is retail of ready-to-wear apparels and related accessories under the trademark of Body Glove.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENT

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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

2.2 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue

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

TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expense recognition

- Revenues from sales

Revenues from sales are recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenues from sales are presented by the value of goods which are delivered after deducting trade discounts in accordance with prices shown on the invoice exclusive of VAT.

- Interest income

Interest income is recognized as income on the accrual basis based on the effective rate method.

- Dividends

Dividends are recognized as income when having the rights to receive the dividends.

- Other income and other expenses

Other income and other expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and highly liquid short-term investment with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade accounts receivable and allowance for doubtful accounts

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

3.4 Inventories

Inventories are valued at the lower of cost (weighted average method) or net realizable value. Allowance for the decline in value of inventories is provided for slow-moving and obsolete stocks.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

3.5 Investments

- Current Investment

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of comprehensive income and recorded as gains or losses in the statement of comprehensive income when those securities are sold.

The fair value of unit trusts is calculated from the net asset value of the fund.

- Investments in associates

Associates are all entities over which the Company has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are initially recognized at cost and are accounted for using the equity method.

Investments in associates are stated at cost net from allowance on impairment (if any) in the separate financial statements.

3.6 Property, plant equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

	Year
Building and building improvement	20
Furniture, fixture and office equipment	5
Vehicles	5 and 8
Demolition costs - decoration on rental area	6 and 17

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.7 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

	Year
Trademark	27
Computer software	5

3.8 Long-term leases - leasehold right

Leasehold right is stated at cost after deducted accumulated amortization. Amortization is calculated by the straight-line method in accordance with the rental contract term of 6-29 years.

3.9 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.10 Related party transactions

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, subsidiaries and fellow subsidiaries 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.

3.11 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a systematic basis over the lease term.

3.12 Financial leases

The Company record assets under finance leases as assets and liabilities at the amounts equal to the fair value of the leased assets at the inception of the lease or the present value of the minimum lease payments, whichever is lower. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease agreements. The interest charge is recorded to the different periods over the entire lease term based on the remaining balance of payable under financial lease agreement in each period.

3.13 Foreign currencies

Transactions in foreign currencies are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currency outstanding at the statement of financial position date are translated into Baht at the rates ruling on the statement of financial position date.

Exchange gains and losses are included in determining earnings.

3.14 Impairment of assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.15 Employee benefits

- Short-term employment benefits

The Company recognize salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

- Post-employment benefits (Defined contribution plans)

The Company and 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's contributions are recognized as expenses when incurred.

- Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

3.16 Income tax expenses (income)

- Income tax

Income tax comprises current income tax and deferred tax.

- Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (year 2017 and 2016 : 20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. And less certain transactions which are exemption or allowable from income tax.

- Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiary expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company offsets deferred tax asset and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

3.17 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

Diluted earnings per share is computed by dividing profit (loss) for the year by the aggregate amount of the weighted average number of ordinary shares issued during the year and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares.

3.18 Share-based payment

The Company share-based compensation plans, under which the Company receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

1. Including any market performance conditions;
2. Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
3. Excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognized the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees undertakings in the Company is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period.

4. SIGNIFICANT ACCOUNTING JUDGEMENTAND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgment and estimates regarding matters that are inherently uncertain. These judgment, disclosures and actual results could differ from these estimates. Significant judgment and estimates are as follows:

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Property, plant and equipment intangible assets, depreciation and amortization

In determining depreciation of plant, equipment and calculation for amortization cost of intangible assets, the management is required to make estimates of the useful lives and residual values of the plant, equipment and intangible assets to review the estimated useful lives and residual values when there are any changes.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits (Defined benefit plans)

The obligation under the defined benefit plan is estimated based on actuarial principles. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Provisions for demolition costs

Provisions are used for demolition costs in decoration on rental area. The estimates are based on the present value of estimated actual average demolition costs according to the historical data by recording as part of the assets and amortized over their estimated useful lives. However, the actual demolition costs may differ from the estimated amount.

Cost of share-based payment transactions

The estimating the cost of share-based payment transactions it requires the determination of the fair value of the options granted under the transactions which involves appropriate assumptions, including but not limited to the expected life of the share options, share price volatility and dividend yield.

5. RELATED PARTY TRANSACTIONS

During the year, the Company had significant business transactions with related persons and related companies (related by ways of common shareholders and/or common directors). These transactions follow the trade terms and rules agreed between the Company and those companies in the normal course of business.

Details of the relationship between the Company and its related parties and companies are as follows:

5.1 Associate

- BGT Technology Co., Ltd.

According to the Extraordinary Meeting of Shareholders' No. 1/2018 of the associated company date July 17, 2018, it has a resolution to approve the company dissolution as the Company has no intention to continue its business. The meeting has a resolution to appoint Mr. Pongsathon Hirunsi and Mr. Goh Kok Cheng,(Dickson) as liquidators. On September 4, 2018, the liquidators have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.

5.2 Related companies through common directors and/or related through the key management personnel

- Great Management Co., Ltd.

Significant transactions with related companies for the years ended December 31, 2018 and 2017 are as follows:

	In Million Baht				
	Financial statements in which the equity method is applied		Separate Financial Statements		
	For the year ended December 31,		For the year ended December 31,		Pricing policy
	2018	2017	2018	2017	
Transactions with associate :					
Purchase of goods (returned)	-	0.25	-	0.25	At cost plus margin
Purchase of assets	-	0.58	-	0.58	At the price agreed upon by both parties
Dividends received	-	-	-	0.95	As announced
Other income	-	0.17	-	0.17	At the price agreed upon by both parties
Transaction with related companies :					
Expenses					
- Great management Co., Ltd.	1.44	1.44	1.44	1.44	At the rate specified in the agreements

Management benefit expenses

Management benefit expenses represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are persons who are defined under the Securities and Exchange Act.

Management benefit expenses for the year ended December 31, 2018 and 2017, as follows:

In Million Baht

Financial statements in which the equity method is applied/
Separate Financial Statements

For the year ended December 31,

Management

Management benefit expenses

Short-term employee benefits

Post-employment benefits

Total

2018

2017

20.40

27.82

0.72

0.93

21.12

28.75

6. CASH AND CASH EQUIVALENTS

This account consisted of:

In Baht

Financial statements in which the equity method is applied/
Separate Financial Statements

As at December 31, 2018

As at December 31, 2017

Cash on hand

3,708,120.00

4,140,640.80

Cash at bank - current accounts

18,083,022.46

10,289,066.55

Cash at bank - savings accounts

26,930,364.60

49,199,706.59

Fixed deposit - 3 months

422,869.76

354,394.14

Total

49,144,376.82

63,983,808.08

Savings accounts carry interest at the floating rates which are set by the bank.

7. TEMPORARY INVESTMENTS

This account consisted of:

In Baht

Financial statements in which the equity method is applied/
Separate Financial Statements

As at December 31, 2018

As at December 31, 2017

Temporary investment :

Trading securities - investment units (At cost)

52,136,937.18

31,016,232.49

Add: Unrealized gain on change in value of securities

278,626.39

30,806.38

Total temporary investments

52,415,563.57

31,047,038.87

8. TRADE RECEIVABLES - OTHER PARTIES

As at December 31, 2018 and 2017, the Company has the outstanding balance of trade receivables - other parties aging are as follows:

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Not overdue	25,883,976.98	29,875,718.39
Overdue		
Less than 3 months	98,391.96	329,145.68
3 months to 6 months	-	-
6 months to 12 months	-	-
Over 12 months	-	-
Total	25,982,368.94	30,204,864.07

9. INVENTORIES

This account consisted of:

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Finished goods	208,881,446.61	237,775,883.35
Goods In transit	2,277,010.57	5,102,267.07
<u>Less</u> Allowance for the decline in value of obsolete inventories	(20,043,949.34)	(3,541,661.08)
Net	191,114,507.84	234,234,222.27
Raw materials and supplies	189,175.42	1,771,067.94
Total	191,303,683.26	241,107,557.28

The change in the allowance for the decline in value of inventories for the year ended December 31, 2018 is as follows:

	In Baht
	Financial statements in which the equity method is applied/ Separate Financial Statements
Balance as at December 31, 2017	3,541,661.08
Increasing (Decreasing) during the year	16,502,288.26
Balance as at December 31, 2018	20,043,949.34

10. INVESTMENT IN ASSOCIATE

As at December 31, 2018 and 2017, investment in associate the details is as follows:

Company name	In Baht		Percentage of shareholding		In Baht			
	Paid-up capital				Financial statements in which the equity method is applied		Separate Financial Statements	
					Equity method		Cost method	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
BGT Technology Co., Ltd.	5,000,000.00	20,000,000.00	23.65	23.65	-	-	1,182,500.00	1,182,500.00
Less Allowance for impairment in the investment					-	-	(1,182,500.00)	(1,182,500.00)
Net					-	-	-	-

Company name	Nature of business	Details of the relationship	In Baht	
			Dividend	
			Separate Financial Statements	
			As at December 31, 2018	As at December 31, 2017
BGT Technology Co., Ltd.	To distribute electronic device accessories and other devices.	Associate	-	946,000.00

Share of profit (loss) of associate for the years ended December 31, 2018 and 2017 is as follows:

	In Baht	
	Financial statements in which the equity method is applied	
	2018	2017
BGT Technology Co., Ltd.		
Share of profit (loss) of associate	-	(1,300,140.67)

Summarized financial information in respect of BGT Technology Co., Ltd. of the material associate:

	In Baht	
	As at December 31, 2018	As at December 31, 2017
Current assets	647,365.75	2,074,023.09
Non-current assets	-	-
Current liabilities	422,000.00	1,374,071.32
Non-current liabilities	-	9,300.00
Net asset of associate	225,365.75	690,651.77
Revenues	1,951.53	545,044.38
Profit (loss) for the year	(811,920.76)	(7,023,590.47)
Other comprehensive income (loss) for the year	-	-
Comprehensive income (loss) for the year	(811,920.76)	(7,023,590.47)

Reconciliation of the above summarized financial information to the carrying amount of the interest in BGT Technology Co., Ltd. recognized in the financial statements in which the equity method is applied;

	In Baht	
	Financial statements in which the equity method is applied	
	2018	2017
Net assets of the associate	225,365.75	690,651.77
Proportion of the interest in associate (%)	23.65	23.65
Net asset value (Proportion of the interest)	53,299.00	163,339.14
Other adjustments - others	(53,299.00)	(163,339.14)
Carrying amount of the interest in associate	-	-

Unrecognized share of loss of an associate :-

	In Baht	
	Financial statements in which the equity method is applied	
	2018	2017
The unrecognized share of loss of an associate for the year	192,019.26	360,938.47
Cumulative share of loss of an associate	552,957.73	360,938.47

According to the Extraordinary Meeting of Shareholders' No. 1/2018 of the associated company date July 17, 2018, it has a resolution to approve the company dissolution as the Company has no intention to continue its business. The meeting has a resolution to appoint Mr. Pongsathon Hirunsi and Mr. Goh Kok Cheng,(Dickson) as liquidators. On September 4, 2018, the liquidators have submitted the dissolution registration with the Ministry of Commerce and is in the process of liquidation.

According to the minutes of the Extraordinary Shareholders' Meeting No. 1/2017 dated February 14, 2017, the associate has a significant resolution as follows:

1. To decrease the registered capital from Baht 20 million for Baht 15 million by reducing the number of shares. The outstanding registered capital is Baht 5 million which is 50,000 ordinary shares at Baht 100 per share. The Company has decreased in registered capital with the Ministry of Commerce on March 24, 2017 and the repayment to the shareholders is scheduled on March 27, 2017

2. To pay dividend from the retained earnings of the associate at Baht 20 per share at the total amount of Baht 4 million which has been approved from the minutes of the Annual General Meeting of Shareholders' for the year 2017 dated April 26, 2017.

11. LONG-TERM LOANS - OTHER PARTIES

As at December 31, 2018 and 2017, the Company has long-term loans - other parties are as follows.

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Long-term loans to other parties	8,394,048.00	-
<u>Less</u> Current portion	-	-
Net	8,394,048.00	-

As at December 31, 2018 and 2017, the Company has long-term loans are as follows.

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Long-term loans, at the beginning of the year	-	-
<u>Add</u> Additional loan during the year	8,485,000.00	-
<u>Less</u> Receive during the year	-	-
Long-term loans, at the end of the year	8,485,000.00	-
Unrealized gain (loss) on exchange rate	(90,952.00)	-
<u>Total</u> Long-term loans	<u>8,394,048.00</u>	<u>-</u>

The long-term loans is the loan with a foreign company in USD with 18 months agreement period. The interest rate is carried according to the market rate referred to the commercial bank rate. Such loan repayment is due in fully amount and has no guarantee.

On January 23, 2019, the Company entered into an addendum to the agreement with the borrower. If the borrower does not repay the principal with the stipulated interest rate, the borrower agrees the Company to offset the debt with accrued royalties under the License Agreement to which the Company owes the borrower.

12. PROPERTY, PLANT AND EQUIPMENT

This account consisted of:

	In Baht				
	Financial statements in which the equity method is applied/ Separate Financial Statements				
	Land	Building and building improvement	Furniture, fixture and office equipment	Vehicles	Total
<u>At cost</u>					
Balance as at January 1, 2018	46,871,955.00	101,631,987.98	212,207,352.93	26,676,969.44	387,388,265.35
Acquisitions	-	-	10,138,649.99	40,000.00	10,178,649.99
Disposals and write-off	-	-	(23,262,268.96)	-	(23,262,268.96)
Transfer in (out)	-	-	-	-	-
Balance as at December 31, 2018	<u>46,871,955.00</u>	<u>101,631,987.98</u>	<u>199,083,733.96</u>	<u>26,716,969.44</u>	<u>374,304,646.38</u>
<u>Accumulated depreciation</u>					
Balance as at January 1, 2018	-	(25,778,814.78)	(162,871,200.59)	(8,417,804.70)	(197,067,820.07)
Depreciation for the year	-	(5,081,598.84)	(15,169,143.09)	(3,571,933.89)	(23,822,675.82)
Accumulated depreciation on disposals and write-off	-	-	22,058,000.37	-	22,058,000.37
Transfer in (out)	-	-	-	-	-
Balance as at December 31, 2018	<u>-</u>	<u>(30,860,413.62)</u>	<u>(155,982,343.31)</u>	<u>(11,989,738.59)</u>	<u>(198,832,495.52)</u>
<u>Net book Value</u>					
Balance as at December 31, 2018	<u>46,871,955.00</u>	<u>70,771,574.36</u>	<u>43,101,390.65</u>	<u>14,727,230.85</u>	<u>175,472,150.86</u>
Balance as at December 31, 2017	<u>46,871,955.00</u>	<u>75,853,173.20</u>	<u>49,336,152.34</u>	<u>18,259,164.74</u>	<u>190,320,445.28</u>

In Baht

	Financial statements in which the equity method is applied/ Separate Financial Statements				
	Land	Building and building improvement	Furniture, fixture and office equipment	Vehicles	Total
<u>At cost</u>					
Balance as at January 1, 2017	46,871,955.00	104,586,484.64	197,390,707.77	26,430,663.55	375,279,810.96
Acquisitions	-	3,849,066.20	18,625,586.19	3,846,305.89	26,320,958.28
Disposals and write-off	-	(282,975.52)	(10,329,528.37)	(3,600,000.00)	(14,212,503.89)
Transfer in (out)	-	(6,520,587.34)	6,520,587.34	-	-
Balance as at December 31, 2017	46,871,955.00	101,631,987.98	212,207,352.93	26,676,969.44	387,388,265.35
<u>Accumulated depreciation</u>					
Balance as at January 1, 2017	-	(21,318,435.20)	(152,932,272.91)	(6,946,234.72)	(181,196,942.83)
Depreciation for the year	-	(5,484,410.55)	(19,107,192.09)	(3,451,569.98)	(28,043,172.62)
Accumulated depreciation on disposals and write-off	-	96,303.20	10,095,992.18	1,980,000.00	12,172,295.38
Transfer in (out)	-	927,727.77	(927,727.77)	-	-
Balance as at December 31, 2017	-	(25,778,814.78)	(162,871,200.59)	(8,417,804.70)	(197,067,820.07)
<u>Net book Value</u>					
Balance as at December 31, 2017	46,871,955.00	75,853,173.20	49,336,152.34	18,259,164.74	190,320,445.28
Balance as at December 31, 2016	46,871,955.00	83,268,049.44	44,458,434.86	19,484,428.83	194,082,868.13

As at December 31, 2018 and 2017, the Company have the gross carrying amount of any fully depreciated property, plant and equipment that is still in use of Baht 122.47 million and Baht 131.18 million, respectively.

Land and building are mortgaged to secure credit facilities of several financial institutions as discussed in Note 16 and 18.

In Baht

	Financial statements in which the equity method is applied/ Separate Financial Statements	
	2018	2017
Depreciation for the year	23,822,675.82	28,043,172.62
Loss from disused of asset / loss from disposal	1,204,264.59	340,754.69
Loss (gain) on sales of asset	45,286.65	(1,034,668.77)

As at December 31, 2018 and 2017, the Company has the assets under finance lease agreements in the original cost and its accumulated depreciation as follows:

In Baht

	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Cost of finance lease assets	18,494,000.00	18,494,000.00
<u>Less</u> Accumulated depreciation	(8,320,216.67)	(5,551,016.78)
Net book value	10,173,783.33	12,942,983.22

13. INTANGIBLE ASSETS

This account consisted of:

	In Baht		
	Financial statements in which the equity method is applied/Separate		
	Financial Statements		
	Trademark	Computer Software	Total
<u>At cost</u>			
Balance as at January 1, 2018	17,363,700.00	7,292,960.37	24,656,660.37
Acquisitions	-	-	-
Amortization	-	-	-
Transfer in (out)	-	-	-
Balance as at December 31, 2018	17,363,700.00	7,292,960.37	24,656,660.37
<u>Accumulated amortization</u>			
Balance as at January 1, 2018	(13,364,622.99)	(6,111,318.59)	(19,475,941.58)
Amortization for the year	(238,750.92)	(159,979.84)	(398,730.76)
Amortization for write-off	-	-	-
Transfer in (out)	-	-	-
Balance as at December 31, 2018	(13,603,373.91)	(6,271,298.43)	(19,874,672.34)
<u>Net book value</u>			
Balance as at December 31, 2017	3,760,326.09	1,021,661.94	4,781,988.03
Balance as at December 31, 2018	3,999,077.01	1,181,641.78	5,180,718.79

	In Baht		
	Financial statements in which the equity method is applied/Separate		
	Financial Statements		
	Trademark	Computer Software	Total
<u>At cost</u>			
Balance as at January 1, 2017	17,363,700.00	6,832,606.77	24,196,306.77
Acquisitions	-	460,353.60	460,353.60
Amortization	-	-	-
Transfer in (out)	-	-	-
Balance as at December 31, 2017	17,363,700.00	7,292,960.37	24,656,660.37
<u>Accumulated amortization</u>			
Balance as at January 1, 2017	(13,125,872.07)	(5,932,415.79)	(19,058,287.86)
Amortization for the year	(238,750.92)	(178,902.80)	(417,653.72)
Amortization for write-off	-	-	-
Transfer in (out)	-	-	-
Balance as at December 31, 2017	(13,364,622.99)	(6,111,318.59)	(19,475,941.58)
<u>Net book value</u>			
Balance as at December 31, 2017	3,999,077.01	1,181,641.78	5,180,718.79
Balance as at December 31, 2016	4,237,827.93	900,190.98	5,138,018.91

Financial statements in which the equity method is applied/Separate Financial Statements

	2018	2017
Amortization for the year	398,730.76	417,653.72

14. LEASEHOLD RIGHTS - SHOP AREA

This account consisted of:

In Baht

Financial statements in which the equity method is applied/Separate Financial Statements

At cost

Balance as at January 1, 2018	93,711,033.20
Increase	-
Transfer in (out)	-
Decrease	-
Balance as at December 31, 2018	93,711,033.20

Accumulated depreciation

Balance as at January 1, 2018	(62,813,546.44)
Increase	(6,459,475.20)
Decrease	-
Balance as at December 31, 2018	(69,273,021.64)

Net book value

Balance as at December 31, 2018	24,438,011.56
Balance as at December 31, 2017	30,897,486.76

Leasehold rights - shop area are mortgaged to secure credit facilities of several financial institutions, as discussed in Note 16 and 18.

15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2018 and 2017 are summarized as follows:

In Baht

Financial statements in which the equity method is applied /
Separate Financial Statements

	Balance as at Dec. 31, 17	Revenue (expenses) during the year In profit or loss	In other comprehensive income	Balance as at Dec. 31, 18
Deferred tax assets:				
Allowance for the decline in value of inventories	708,332.22	3,300,457.69	-	4,008,789.91
Consignment	12,984,722.01	(5,033,519.33)	-	7,951,202.68
Employee benefits obligation	2,050,617.80	284,439.40	-	2,335,057.20
Tax deficit	-	3,167,944.84	-	3,167,944.84
Total	15,743,672.03	1,719,322.60	-	17,462,994.63

In Baht

Financial statements in which the equity method is applied/
Separate Financial Statements

	Balance as at Dec. 31, 16	Revenue (expenses) during the year		Balance as at Dec. 31, 17
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for the decline in value of inventories	875,027.68	(166,695.46)	-	708,332.22
Consignment	19,460,173.13	(6,475,451.12)	-	12,984,722.01
Employee benefits obligation	1,751,207.60	299,410.20	-	2,050,617.80
Total	<u>22,086,408.41</u>	<u>(6,342,736.38)</u>	<u>-</u>	<u>15,743,672.03</u>

16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

In Baht

Financial statements in which the equity method is applied/Separate Financial Statements

	As at December 31, 2018	As at December 31, 2017
Trust Receipt	-	3,551,396.54
Total	<u>-</u>	<u>3,551,396.54</u>

As at December 31, 2018 and 2017, the Company has bank overdraft from several local commercial banks with a total credit line of Baht 90 million and Baht 70 million, respectively, carrying interest MOR per annum. This loan is guaranteed by land with construction and some leasehold right the company.

As at December 31, 2018 and 2017, the Company has short-term loan from several local commercial banks with a total credit line of Baht 155 million and Baht 125 million, respectively, carrying interest at the Market rate and the loans are guaranteed by land with construction and some leasehold right the company.

17. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

As at December 31, 2018 and 2017, the Company have liabilities under financial lease agreement as leasing of vehicles. The payment details are as follows:

Financial statements in which the equity method is applied/

Separate Financial Statements (In Baht)

	As at December 31, 2018			As at December 31, 2017		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year	2,908,727.42	214,452.58	3,123,180.00	2,771,384.46	351,795.54	3,123,180.00
After one year but within five years	3,029,424.96	101,782.04	3,131,207.00	5,938,152.38	316,234.62	6,254,387.00
Total	<u>5,938,152.38</u>	<u>316,234.62</u>	<u>6,254,387.00</u>	<u>8,709,536.84</u>	<u>668,030.16</u>	<u>9,377,567.00</u>

Under the terms of the lease agreement referred to above, the Company shall have the right to purchase the assets upon the expiry of the lease agreement and the Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under financial lease agreement for the portion due within one year were shown under “current liabilities” in the statements of financial position.

18. LONG-TERM BORROWINGS

As at December 31, 2018 and 2017 the Company has long-term borrowings are as follows:

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Loans from local banks	28,270,000.00	45,261,149.52
<u>Less</u> Current portion	<u>(14,010,000.00)</u>	<u>(16,991,149.52)</u>
Net	<u>14,260,000.00</u>	<u>28,270,000.00</u>

As at December 31, 2018 and 2017, the Company has long-term borrowing are as follows:

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Long term borrowings, at the beginning of the year	45,261,149.52	65,101,165.32
<u>Add</u> Additional loan during the year	<u>-</u>	<u>-</u>
<u>Less</u> Repayment during the year	<u>(16,991,149.52)</u>	<u>(19,840,015.80)</u>
Long-term borrowings, at the end of the year	<u>28,270,000.00</u>	<u>45,261,149.52</u>

The above borrowings are guaranteed by mortgage of land with construction and some leasehold right the company.

As at December 31, 2018, the Company has 2 credit lines of long-term borrowing with 1 local financial institutions. Each credit line has the details as follows:

Credit Line	Credit Line (Million Baht)	(Million Baht) As at 31 Dec. 18	Interest Rate per annum	Monthly installment (Million Baht)	Payment term
1	23.20	0.21	MLR	0.24	Year 2011 to 2019
2	120.00	28.06	MLR-1.00% the first 2 years and MLR-0.5%	1.15	Year 2012 to 2021
	<u>143.20</u>	<u>28.27</u>		<u>1.39</u>	

As at December 31, 2017, the Company has 3 credit lines of long-term borrowing with 2 local financial institutions. Each credit line has the details as follows:

Credit Line	Credit Line (Million Baht)	(Million Baht) As at 31 Dec. 17	Interest Rate per annum	Monthly installment (Million Baht)	Payment term
1	23.20	3.11	MLR	0.24	Year 2011 to 2019
2	20.00	0.29	MLR-0.25%	0.22	Year 2010 to 2018
3	120.00	41.86	MLR-1.00%	1.15	Year 2012 to 2021
			the first 2 years and MLR-0.5%		
	<u>163.20</u>	<u>45.26</u>		<u>1.61</u>	

Under the long-term borrowing agreements, the Company shall have to comply with certain conditions and restrictions as specified in the agreement.

19. EMPLOYEE BENEFIT OBLIGATIONS

19.1 Employee benefit obligations for the year ended December 31, 2018 and 2017 are shown as follows:

The statements of financial position

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Defined benefit obligations, at the beginning of the year	10,253,089.00	8,756,038.00
Current Service costs and interest	1,422,197.00	1,497,051.00
Employee benefit obligations paid	-	-
Defined benefit obligations, at the end of the year	<u>11,675,286.00</u>	<u>10,253,089.00</u>

Expense recognized in the statements of comprehensive income

For the year ended December 31, 2018 and 2017

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	2018	2017
The statement of comprehensive income		
Recognized in profit or loss		
Current service costs		
Selling expenses	376,482.00	290,035.00
Administrative expenses	751,515.00	955,788.00
Interest on obligation	294,200.00	251,228.00
Total	<u>1,422,197.00</u>	<u>1,497,051.00</u>

19.2 Principal actuarial assumptions at the reporting date

For the years ended December 31, 2018 and 2017

Percentage

Financial statements in which the equity method is applied / Separate Financial Statements

Discount rate	2.87
Salary increase rate	4
Employee turnover rate	0 - 40.00
Mortality rate	From Thai Mortality Ordinary Tables of 2008

19.3 Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 and 2017 are summarized below:

Million Baht

Financial statements in which the equity method is applied /
Separate Financial Statements

	As at December 31, 2018		As at December 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Discount Rate	(0.83)	0.94	(0.74)	0.84
Salary increase rate	1.28	(1.13)	1.04	(0.92)
Turnover rate	(0.88)	0.19	(0.79)	0.16

19.4 Employee benefits obligations

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company will recognize the increase in the employee benefits obligations approximately Baht 3.26 million, resulting in the decrease in profit approximately Baht 2.61 million.

20. PROVISIONS FOR DEMOLITION COSTS

In Baht

Financial statements in which the equity method is applied/
Separate Financial Statements

	As at December 31, 2018	As at December 31, 2017
Provisions for demolition costs, beginning of the year	7,328,832.49	3,329,049.83
Decreasing provisions for demolition cost paid	(811,105.00)	(545,771.80)
Addition during the year	565,678.14	4,545,554.46
Provisions for demolition costs, end of the year	7,083,405.63	7,328,832.49

Provisions for demolition costs are the estimated cost for demolition in decoration on rental area.

21. SHARE CAPITAL

At the shareholders' meeting on April 29, 2015, the resolution are as follows:

21.1 It was approved to reduce the registered capital by eliminating the shares that are not offered for sale Baht 3,530 divided into ordinary shares 7,060 shares at par value Baht 0.50 from the previous authorized capital Baht 179,759,982 into new authorized capital of Baht 179,756,452 divided into 359,512,904 ordinary shares at par value Baht 0.50.

21.2 It was approved to increase the registered capital of the company for Baht 76,902,580 divided into 153,805,160 ordinary shares at par value Baht 0.50 per share from the previous authorized capital Baht 179,756,452 to new registered capital Baht 256,659,032 divided into 513,318,064 ordinary shares at par value Baht 0.50.

21.3 It was approved to allocate capital share increase 153,805,160 shares at par value Baht 0.50 per share to support the capital increase general mandate as follows:

1. Allocate ordinary shares increase 143,805,160 shares at the par value Baht 0.50 per share to support the general mandate as follows:
 - (a) Allocate ordinary shares increase not over 107,853,870 shares at the par value Baht 0.50 per share to offer to the existing shareholders by the stake of shareholding.
 - (b) Allocate ordinary share increase not over 35,951,290 shares at the par value Baht 0.50 per share to support the private placement.
2. Allocate ordinary shares increase 10,000,000 shares at the par value Baht 0.50 per share to support the exercise of ESOP warrants (including employees who hold director position) in accordance with the ESOP scheme.

The Company has registered with the Department of Business Development, Ministry of Commerce on May 11-12, 2015.

The unpaid registered ordinary shares that were reserved for the exercise of warrants to purchase ordinary shares are mentioned in Note 22 to the financial statements.

Reconciliation in the number of ordinary shares

	Shares	
	As at December 31, 2018	As at December 31, 2017
<u>Registered ordinary shares</u>		
Number of ordinary shares at the beginning of the year	513,318,064	513,318,064
Increase (decrease)	-	-
Number of ordinary shares at the end of the year	513,318,064	513,318,064
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at the beginning of the year	363,519,904	361,283,804
Increase (decrease)	-	-
Increase in the number of ordinary shares due to reserve for exercise of warrants	-	2,236,100
Number of ordinary shares at the end of the year	363,519,904	363,519,904

22. WARRANTS

On April 29, 2015 the annual general shareholders meeting 2015 has approved the issuance BGT-ESOP W1 of 10,000,000 units to the management and/or staff with the details as follows:

Type	Non-transferable warrants for the purchase of ordinary shares in the Company (BGT-ESOP W1) with name of bearer. A transfer of the BGT-ESOP W1 is permitted upon employees' decease or transfer from arrangers to employees.
Offering amount	Up to 10,000,000 units of warrants.
Offering price	Baht 0 per unit.
Total value of offering	Baht 0.
Term	Up to three (3) year from the issuing date of BGT-ESOP W1.
Number of reserved shares	10,000,000 ordinary shares, representing 2.78 percent of the total issued shares of the Company of 359,512,904 shares.
Exercise ratio	One (1) unit of BGT-ESOP W1: One (1) ordinary share (the exercise ratio may be subsequently changed according to the conditions for adjustment).
Exercise price	Baht 1 per share (the exercise price may be subsequently changed according to the conditions for adjustment).
Offering period	The Warrants will be issued within one year from the date on which the shareholders' meeting approves issuance of BGT-ESOP W1.
Allocation method	To allocate BGT-ESOP W1 to employees of the Company and arranger.
Exercise Period	<p>After the issuing date of BGT-ESOP W1, each warrant holder may exercise BGT-ESOP W1 on the last business day of July throughout the term of BGT-ESOP W1(Exercise Date), subject to the following conditions:</p> <ul style="list-style-type: none"> Up to 30 percent of all BGT-ESOP W1 allocated are exercisable on the Exercise Date after the issuing date, but not later than 12 months from the date on which BGT-ESOP W1 are issued (First Exercise Date). Up to 30 percent of all BGT-ESOP W1 allocated are exercisable on the Exercise Date following the First Exercise Date (2nd Exercise Date). After 24 months from the issuing date of BGT-ESOP W1, the remainder of BGT-ESOP W1 are exercisable on the Exercise Date following the 2nd Exercise Date without restrictions until the expiration of BGT-ESOP W1. The last Exercise Date shall fall on the date falling 3 years from the issuing date of BGT-ESOP W1. If the last Exercise Date falls on non-business day, such last Exercise Date shall move to the last business day preceding the last Exercise Date. BGT-ESOP W1 which are not exercised in any Exercise Period can be carried forward to the next Exercise Period until the end of the term of BGT-ESOP W1. All unexercised BGT-ESOP W1 shall be deemed to have been cancelled and cease to be effective.

Movements of the Company's warrants during the year are as follows:

Units

Warrant	Number of warrants outstanding as at December 31, 2017	Number of warrants exercised during the year	Number of warrants expired during the year	Number of warrants outstanding as at December 31, 2018
BGT-ESOP W1	5,993,000	-	5,993,000	-

As at December 31, 2018, the exercise of warrants is finished.

23. APPROPRIATED - LEGAL RESERVE

In accordance with the provisions of the Public Limited Company Act, the Company has to set aside a minimum of 5% of its net profit of each year after deduction of deficit (if any) until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

24. SHARED-BASED PAYMENT

Details of fair value measurement

The fair value of the BGT-ESOP W1 warrants is measured by the Black Scholes model with average fair value at grant date at Baht 0.5733 per warrant.

The inputs used in the measurement of the fair values of BGT-ESOP W1 warrants were as follows:

Share price at grant date (Baht)	1.51
Exercise price (Baht)	1.00
Expected volatility (%)	26.41
(expected volatility is estimated by past 3 years record of at average share price volatility)	
Expected dividends (%)	1.09
Risk-free interest rate (%)	1.84
Termination rate (%)	3 - 10

The issuance of warrants (BGT-ESOP W1) was recognized as benefits expense to the directors and employees in the statement of comprehensive income for the year ended December 31, 2018 and 2017 at the amount of Baht 0 and Baht 1.28 million, respectively.

25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

Diluted earnings per share is computed by dividing profit (loss) for the year by the aggregate amount of the weighted average number of ordinary shares issued during the year and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares.

For the year ended December 31, 2018 and 2017 consisted of:

	Financial statements in which the equity method is applied		Separate Financial Statements	
	2018	2017	2018	2017
Net profit (loss) for the year				
Net profit (loss) for the year (Baht)	(7,709,474.70)	29,299,996.21	(7,709,474.70)	30,716,558.87
Weighted average number of ordinary shares (shares)	363,519,904	362,221,128	363,519,904	362,221,128
Weighted average number of ordinary shares under warrants (shares)	-	5,993,000	-	5,993,000
Weighted average number of ordinary shares assumed to be issued at fair value (shares)	-	(3,424,571)	-	(3,424,571)
Weighted average number of ordinary shares plus effect of assumed conversion (shares)	363,519,904	364,789,557	363,519,904	364,789,557
Basic earnings per share (Baht per share)				
Net profit for the year	(0.02)	0.08	(0.02)	0.08
Diluted earnings per share (Baht per share)				
Net profit for the year	(0.02)	0.08	(0.02)	0.08

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 and assess its performance to the company's operating segment.

The one main operating segment of the Company is retail business of ready-to-wear apparels and related accessories under the trademark of Body Glove. And the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

27. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2018 and 2017 are as follows:

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	2018	2017
Changes in inventories of finished goods	28,894,436.74	102,617,119.32
Purchase of finished goods	313,071,186.26	312,557,101.22
Raw material used	2,443,794.00	1,235,301.72
Royalty fee	26,331,691.16	30,408,279.97
Employee benefits expenses	127,269,949.76	130,630,009.76
Depreciation and amortization expenses	30,680,881.78	34,898,839.54
Rental and service expenses	113,374,641.76	110,508,297.29

28. INCOME TAX (REVENUE) EXPENSES

28.1 Major components of tax (revenue) expenses

For the years ended December 31, 2018 and 2017 consisted of:

	In Baht	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	2018	2017
Income tax (revenue) expenses shown in profit or loss :		
Current tax expense :		
Income tax expenses for the year	-	2,652,641.63
Deferred tax (revenue) expenses :		
Changes in temporary differences relating to the original recognition and reversal	(1,719,322.60)	6,342,736.38
Total	(1,719,322.60)	8,995,378.01

28.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which are summarized as follows:

	In Baht			
	Financial statements in which the equity method is applied		Separate Financial Statements	
	2018	2017	2018	2017
Accounting profit (loss) for the year	(9,428,797.30)	38,295,374.22	(9,428,797.30)	39,711,936.88
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	(1,885,759.50)	7,659,074.84	(1,885,759.50)	7,942,387.38
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	166,436.90	1,336,303.17	166,436.90	1,242,190.63
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	-	(189,200.00)
Total reconciliation items	166,436.90	1,336,303.17	166,436.90	1,052,990.63
Total tax expense (income)	(1,719,322.60)	8,995,378.01	(1,719,322.60)	8,995,378.01

28.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate
For the years ended December 31, 2018 and 2017 are summarized as follows:

	Financial statements in which the equity method is applied			
	2018		2017	
	Tax amount In (Baht)	Tax rate (%)	Tax amount In (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(9,428,797.30)		38,295,374.22	
Tax expense (income) at the applicable tax rate	(1,885,759.50)	(20.00)	7,659,074.84	20.00
Reconciliation items	166,436.90	1.77	1,336,303.17	3.49
Tax expense (income) at the average effective tax rate	(1,719,322.60)	(18.23)	8,995,378.01	23.49
	Separate Financial Statements			
	2018		2017	
	Tax amount In (Baht)	Tax rate (%)	Tax amount In (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(9,428,797.30)		39,711,936.88	
Tax expense (income) at the applicable tax rate	(1,885,759.50)	(20.00)	7,942,387.38	20.00
Reconciliation items	166,436.90	1.77	1,052,990.63	2.65
Tax expense (income) at the average effective tax rate	(1,719,322.60)	(18.23)	8,995,378.01	22.65

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	In Baht		
	Financial statements in which the equity method is applied/ Separated financial statements		
	Cash flows	Non-cash	Balance as at December 31, 2018
	Balance as at January 1, 2018	Increase (decrease)* Increase	
Short-term borrowings from financial institutions	3,551,396.54	(3,551,396.54)	-
Long-term borrowings from financial institutions	45,261,149.52	(16,991,149.52)	28,270,000.00
Liabilities under financial lease agreements	8,709,536.84	(2,771,384.46)	5,938,152.38
Total	57,522,082.90	(23,313,930.52)	34,208,152.38

	In Baht		
	Financial statements in which the equity method is applied/ Separated financial statements		
	Cash flows	Non-cash	Balance as at December 31, 2017
	Balance as at January 1, 2017	Increase (decrease)* Increase	
Short-term borrowings from financial institutions	22,087,215.48	(18,535,818.94)	3,551,396.54
Long-term borrowings from financial institutions	65,101,165.32	(19,840,015.80)	45,261,149.52
Liabilities under financial lease agreements	8,864,000.51	(2,794,463.67)	8,709,536.84
Total	96,052,381.31	(41,170,298.41)	57,522,082.90

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

30. DIVIDEND PAYMENT

At the ordinary shareholders' meeting on April 27, 2018 the shareholders have approved to pay dividend at Baht 0.009 per share totaling Baht 3.27 million which was paid on May 22, 2018.

At the ordinary shareholders' meeting on April 28, 2017 the shareholders have approved to pay dividend at Baht 0.012 per share totaling Baht 4.33 million which was paid on May 24, 2017.

31. OPERATION, TRADEMARK LICENSE AND SUB-LICENSE AGREEMENTS

On May 3, 2007, the Company entered into an agreement with a foreign company to operate its local product retail and distribution business as specified in the agreement with the permission of the license and sub-license in using the trademark "BODY GLOVE" and the hand device. The said agreement has term of 99 years by automatic renewal for 9 successive time at 10 years per time with a final term of 9 years. The said agreement shall be effective commencing July 1, 2007. Under the agreement, the Company has to pay the following fees :

- 1) Royalty fee at the specified rate with the minimum fee as specified in the agreement;
- 2) Advertising contribution at the rate specified in the agreement;

- 3) Initial upfront fee as specified in the agreement (pay within 120 days following the signing date of the addendum);
- 4) Upfront fee as specified in the agreement (pay in quarterly installments commencing April 2009 to January 2012)

However, on September 12, 2007, the Company had been informed by the above foreign company that currently the Company does not require to set up the advertising fund as specified in the agreement until it receives a given notice 90 days in advance from the said foreign company.

32. PROVIDENT FUND

On June 15, 2007, the Company has joined an employee provident fund scheme with a local fund. The employee shall contribute at the rate of 2% - 3% of the gross salary and the Company contributes at the same rate.

The Company's contributions to the fund for the years ended December 31, 2018 and 2017 amounted to Baht 1.48 million and Baht 1.11 million, respectively.

33. OPERATING LEASE AGREEMENTS

As at December 31, 2018, the Company had commitments under various operating lease agreements as follows:

- Lease agreements on shop areas and services for the period of 1 - 28 years with the expiration date ranging from 2018 - 2024.
- Accommodation lease agreement with a related party for a period of 3 years commencing January 2018.

Future rental and service payments under the above operating leases are as follows:

Lease agreements	Period			(Baht Million)
	Not later than one year	Over one year but not over 5 years	Over five years	
Shop area and services	76.26	54.37	0.45	
Accommodation	1.44	1.44	-	

Rental and service expenses for the years ended December 31, 2018 and 2017 were Baht 113.37 million and Baht 110.51 million, respectively.

34. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018, the Company had contingent liabilities to a bank for the letters of guarantee amounting to Baht 0.38 million, which are guaranteed by fixed deposit - 3

35. FINANCIAL INSTRUMENTS

35.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 3.

35.2 Financial risk management for financial instruments

The Company manages its financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company does not hold or issue any derivative financial instruments.

35.3 Credit risk

The Company is exposed to credit risk primarily relating to trade accounts receivable and other accounts receivable. The management of the Company manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

35.4 Interest rate risk

The Company is exposed to interest rate risk that relates primarily to deposit at financial institution bank overdrafts, financial lease agreement, long-term borrowing to related companies and loans from financial institutions. Since most of the Company's financial assets and financial liabilities carry floating interest rates or have fixed interest rates, which are close to the market rates, the interest rate risk is low.

As at December 2018 and 2017, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

Financial statements in which the equity method is applied/ Separate Financial Statements (In Baht)				
As at December 31, 2018				
	Floating interest rate	Fixed interest rate	Interest - free	Total
Financial assets				
Cash at bank - savings accounts	26,930,364.60	-	-	26,930,364.60
- current accounts	-	-	18,083,022.46	18,083,022.46
- fixed deposit	422,869.76	-	-	422,869.76
Temporary investments	52,415,563.57	-	-	52,415,563.57
Trade receivables	-	-	25,982,368.94	25,982,368.94
Long-term loans	-	8,394,048.00	-	8,394,048.00
Financial liabilities				
Trade payable	-	-	40,959,731.82	40,959,731.82
Liabilities under financial lease agreements	-	5,938,152.38	-	5,938,152.38
Long-term borrowings	28,270,000.00	-	-	28,270,000.00

Financial statements in which the equity method is applied/ Separate Financial Statements (In Baht)				
As at December 31, 2017				
	Floating interest rate	Fixed interest rate	Interest - free	Total
Financial assets				
Cash at bank - savings accounts	45,244,915.08	-	-	45,244,915.08
- current accounts	-	-	14,243,858.06	14,243,858.06
- fixed deposit	354,394.14	-	-	354,394.14
Temporary investments	31,047,038.87	-	-	31,047,038.87
Trade receivables	-	-	30,204,864.07	30,204,864.07
Financial liabilities				
Trust receipt	3,551,396.54	-	-	3,551,396.54
Trade payables	-	-	56,159,416.56	56,159,416.56
Liabilities under financial lease agreements	-	8,709,536.84	-	8,709,536.84
Long-term borrowings	45,261,149.52	-	-	45,261,149.52

35.5 Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from transactions in foreign currencies and foreign currency assets and liabilities, which it has not entered into hedging contracts.

As at December 31, 2018 and 2017, the Company's foreign currency assets and liabilities were as follows:

	Million USD	
	Financial statements in which the equity method is applied/ Separate Financial Statements	
	2018	2017
The value of foreign currency assets	0.26	-
The value of foreign currency liabilities	0.35	0.24

35.6 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

35.7 Fair value

The fair values of significant financial assets and financial liabilities do not differ from their carrying values.

36. FAIR VALUE OF FINANCIAL INSTRUMENT

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

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

As at December 31, 2018, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Financial statements in which the equity method is applied/ Separate Financial Statements (In Baht)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	52,415,563.57	-	52,415,563.57
total	-	52,415,563.57	-	52,415,563.57

As at December 31, 2017, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Financial statements in which the equity method is applied/ Separate Financial Statements (In Baht)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	31,047,038.87	-	31,047,038.87
total	-	31,047,038.87	-	31,047,038.87

Valuation techniques on fair value and inputs for Level 2 valuations

(a) The fair value of investments in non-listed investment units on the Stock Exchange of Thailand, is calculated by using the net assets value per unit as announced by the fund managers.

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

37. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities

TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

38. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statement have been approved by Company's Board of Director on February 27, 2019.

REMUNERATION OF THE AUDITOR

During the fiscal year ending December 31st, 2018, the Company paid the remuneration to Company's Auditor, in the amount of Baht 1,151,653.- which consisted of audit fee of Baht 1,025,000.00 and other related expenses such as traveling and miscellaneous expenses of Baht 126,653.- In addition to the said remuneration, the Company had no other obligation to pay to the Auditor, the Audit Firm of the Certified Public Accountant and individual or business relating to the Auditor or the Audit Firm of the Auditor.

COMPANY PROFILE

Name	: BGT Corporation Public Company Limited
Type of Business	: The main business lines in readymade clothing and accessories for retail industry, i.e., backpacks, shoulder bag, traveling bag, wallet, pencil case, cap, socks, etc., under the trademark of “Body Glove” and distinctively recognized “Hand Device” black on yellow background.
Head Office Address	: No. 188 Suwinthawong Road, Minburi, Minburi, Bangkok 10510.
Registration No.	: 0107550000106
Homepage	: www.bodyglove.co.th
Telephone	: 66 (0) 2540-2888
Fax	: 66 (0) 2540-1953
Capital as of December 31st, 2018	
Authorized Capital	: Baht 256,659,032.00 (Share Capital 513,318,064 shares, par value Baht 0.50)
Paid up Capital	: Baht 181,759,952.00 (Share Capital 363,519,904 shares, par value Baht 0.50)

References

(a) Registrar

Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Dindaeng, Bangkok 10400
Telephone: 66 (0) 2009-9999 Fax: 66 (0) 2009-9991

(b) Auditors

- | | |
|-----------------------------------|---|
| 1. Ms. Wannisa Ngambuatong | Certified Public Accountant No. 6838 or |
| 2. Ms. Sulalit Ardsawang | Certified Public Accountant No. 7517 or |
| 3. Mr. Pojana Asawasontichai | Certified Public Accountant No. 4891 or |
| 4. Mr. Thanawut Piboonsawat | Certified Public Accountant No. 6699 or |
| 5. Ms. Thanyaphorn Tangthanopajai | Certified Public Accountant No. 9169 or |

Another auditor who is approved by the Securities and Exchange Commission who would be assigned by Dharmniti Auditing Co.,Ltd.

Dharmniti Auditing Co.,Ltd.
178 Dharmniti Building, 6th - 7th Floor, Soi Permsap (Prachachuen 20)
Prachachuen Road, Bangsue, Bangkok 10800
Tel. (662) 596-0500 Fax. (662) 596-0567
Email : center@daa.co.th <http://www.daa.co.th>

Remark:

Investors are able to learn more information from the Company’s annual registration statement (Form 56-1) at www.sec.or.th or the Company’s website: www.bodyglove.co.th.



BGT
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