

**ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND SEPARATE  
FINANCIAL INFORMATION  
(UNAUDITED)**

**30 SEPTEMBER 2017**

## **AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION**

To the Shareholders and Board of Directors of ASIA Capital Group Public Company Limited

I have reviewed the interim consolidated financial information of ASIA Capital Group Public Company Limited and its subsidiaries, and the interim separate financial information of ASIA Capital Group Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 September 2017, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

### **Scope of review**

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

**Boonlert Kamolchanokkul**

Certified Public Accountant (Thailand) No. 5339

Bangkok

14 November 2017

ASIA Capital Group Public Company Limited

Statement of Financial Position

As at 30 September 2017

	Notes	Consolidated <input type="checkbox"/>		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2017	2016	2017	2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		88,826	72,214	75,319	65,953
Short-term investments	7	42,580	181,887	14,014	59
Accounts receivable, net	8	40,551	30,934	-	-
Amounts due from related companies	23.3	-	-	763	1,756
Factoring receivables, net	9	46,434	32,550	-	-
Current portion of loans to employees, net	10	782	929	-	-
Short-term loans to related companies, net	23.4	-	-	83,500	248,000
Short-term loans to other companies, net	11.1	4,025,806	4,116,795	3,702,716	3,488,123
Other current assets	12	14,102	13,351	4,476	2,934
<b>Total current assets</b>		<b>4,259,081</b>	<b>4,448,660</b>	<b>3,880,788</b>	<b>3,806,825</b>
<b>Non-current assets</b>					
Loans to employees, net	10	183	431	-	-
Long-term loans to related companies, net	23.4	-	-	-	-
Long-term loans to other companies, net	11.2	200,260	-	200,260	-
Deferred tax asset	20	28,131	56,126	23,259	42,132
Investment in subsidiaries, net	13	-	-	641,317	648,789
Leasehold improvements and equipment, net	14	21,559	27,973	10,630	14,881
Intangible assets, net	14	2,297	2,442	817	1,094
Investment property	15	230,793	-	230,793	-
Other non-current assets		1,682	1,584	1,128	1,130
<b>Total non-current assets</b>		<b>484,905</b>	<b>88,556</b>	<b>1,108,204</b>	<b>708,026</b>
<b>Total assets</b>		<b>4,743,986</b>	<b>4,537,216</b>	<b>4,988,992</b>	<b>4,514,851</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

Date \_\_\_\_\_

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.

ASIA Capital Group Public Company Limited

Statement of Financial Position (Cont'd)

As at 30 September 2017

	Notes	Consolidated □ financial information		Separate financial information	
		Unaudited 30 September 2017 Baht'000	Audited 31 December 2016 Baht'000	Unaudited 30 September 2017 Baht'000	Audited 31 December 2016 Baht'000
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Account payables		38,310	21,381	16,569	15,249
Other payables		12,862	10,116	3,803	1,536
Amounts due to related companies	23.3	838	568	1,141	687
Short-term borrowing from related companies	23.5	195,000	450,000	602,000	575,000
Short-term borrowing from other companies, net	16	622,570	1,093,042	622,570	1,093,042
Current portion of financial lease liabilities	17	1,782	1,728	1,192	1,162
Current portion of debentures	19	702,031	-	702,031	-
Other current liabilities	18	38,522	59,342	8,626	9,374
<b>Total current liabilities</b>		<b>1,611,915</b>	<b>1,636,177</b>	<b>1,957,932</b>	<b>1,696,050</b>
<b>Non-current liabilities</b>					
Financial lease liabilities, net	17	3,736	5,019	3,112	3,949
Debentures	19	1,923,361	1,928,579	1,923,361	1,928,579
Employee benefits obligations		5,188	4,335	3,493	2,989
Other non-current liabilities		1,052	1,052	1,052	1,052
<b>Total non-current liabilities</b>		<b>1,933,337</b>	<b>1,938,985</b>	<b>1,931,018</b>	<b>1,936,569</b>
<b>Total liabilities</b>		<b>3,545,252</b>	<b>3,575,162</b>	<b>3,888,950</b>	<b>3,632,619</b>
<b>Equity</b>					
Share capital					
Authorised					
312,500,000 ordinary shares of Baht 0.50 each			156,250		156,250
390,672,338 ordinary shares of Baht 0.50 each		195,336		195,336	
Issued and paid-up share capital					
304,689,350 ordinary shares of Baht 0.50 each		-	152,345	-	152,345
312,366,154 ordinary shares of Baht 0.50 each		156,183	-	156,183	-
Premium on share capital		428,961	419,776	428,961	419,776
Retained earnings					
Appropriated - Legal reserve		12,500	12,500	12,500	12,500
Unappropriated		601,090	377,433	502,398	297,611
<b>Equity attributable to owners of the parent</b>		<b>1,198,734</b>	<b>962,054</b>	<b>1,100,042</b>	<b>882,232</b>
Non-controlling interests		-	-	-	-
<b>Total equity</b>		<b>1,198,734</b>	<b>962,054</b>	<b>1,100,042</b>	<b>882,232</b>
<b>Total liabilities and equity</b>		<b>4,743,986</b>	<b>4,537,216</b>	<b>4,988,992</b>	<b>4,514,851</b>

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.

**ASIA Capital Group Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 30 September 2017**

	Notes	Consolidated financial information		Separate financial information	
		30 September 2017 Baht'000	30 September 2016 (Restated) Baht'000	30 September 2017 Baht'000	30 September 2016 Baht'000
<b>Revenues</b>					
Interest income	4, 23.1	132,675	65,705	98,904	40,681
Interest expense	23.2	(49,669)	(26,470)	(50,397)	(26,973)
<b>Net interest income</b>		<b>83,006</b>	<b>39,235</b>	<b>48,507</b>	<b>13,708</b>
Service income		39,402	41,454	-	-
Cost of service		(24,468)	(29,684)	-	-
<b>Net service income</b>		<b>14,934</b>	<b>11,770</b>	<b>-</b>	<b>-</b>
Other income	4, 23.1	5,241	1,032	6,154	4,464
<b>Total operating income</b>		<b>103,181</b>	<b>52,037</b>	<b>54,661</b>	<b>18,172</b>
<b>Expenses</b>					
Administrative expenses		19,208	23,827	4,349	19,368
Management remunerations		2,167	1,748	2,167	1,748
Reversal loss on impairment of long-term loans to related parties and investment in subsidiaries		-	-	-	(23,928)
<b>Total expenses</b>		<b>21,375</b>	<b>25,575</b>	<b>6,516</b>	<b>(2,812)</b>
<b>Profit before finance costs and income tax</b>		<b>81,806</b>	<b>26,462</b>	<b>48,145</b>	<b>20,984</b>
Finance costs		60	53	42	27
<b>Profit before income tax</b>		<b>81,746</b>	<b>26,409</b>	<b>48,103</b>	<b>20,957</b>
Income tax		22,611	337	13,549	-
<b>Net profit for the period</b>		<b>59,135</b>	<b>26,072</b>	<b>34,554</b>	<b>20,957</b>
Total comprehensive income for the period		<b>59,135</b>	<b>26,072</b>	<b>34,554</b>	<b>20,957</b>
<b>Profit attributable to:</b>					
Shareholders of the parent		59,135	26,072	34,554	20,957
Non-controlling interests		-	-	-	-
		<b>59,135</b>	<b>26,072</b>	<b>34,554</b>	<b>20,957</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the parent		59,135	26,072	34,554	20,957
Non-controlling interests		-	-	-	-
		<b>59,135</b>	<b>26,072</b>	<b>34,554</b>	<b>20,957</b>
<b>Earning per share (Baht per share)</b>					
Basic earning per share	22	<u>0.19</u>	<u>0.10</u>	<u>0.11</u>	<u>0.08</u>
Diluted earning per share	22	<u>0.16</u>	<u>0.08</u>	<u>0.09</u>	<u>0.07</u>

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.

**ASIA Capital Group Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the nine-month period ended 30 September 2017**

	Notes	Consolidated financial information		Separate financial information	
		30 September 2017 Baht'000	30 September 2016 (Restated) Baht'000	30 September 2017 Baht'000	30 September 2016 Baht'000
<b>Revenues</b>					
Interest income	4, 23.1	436,068	147,293	308,592	85,726
Interest expense	23.2	(144,444)	(54,581)	(146,605)	(56,078)
<b>Net interest income</b>		<b>291,624</b>	<b>92,712</b>	<b>161,987</b>	<b>29,648</b>
Service income		117,438	107,375	-	-
Cost of service		(77,597)	(75,795)	-	-
<b>Net service income</b>		<b>39,841</b>	<b>31,580</b>	<b>-</b>	<b>-</b>
Dividend	23.1	-	-	104,125	-
Other income	4, 23.1	7,796	4,289	13,090	12,578
<b>Total operating income</b>		<b>339,261</b>	<b>128,581</b>	<b>279,202</b>	<b>42,226</b>
<b>Expenses</b>					
Administrative expenses		61,252	58,936	48,873	41,014
Management remunerations		6,543	5,768	6,543	5,768
(Reversal) loss on impairment of long-term loans to related parties and investment in subsidiaries		-	-	-	(40,643)
<b>Total expenses</b>		<b>67,795</b>	<b>64,704</b>	<b>55,416</b>	<b>6,139</b>
<b>Profit before finance costs and income tax</b>		<b>271,466</b>	<b>63,877</b>	<b>223,786</b>	<b>36,087</b>
Finance costs		187	111	126	27
<b>Profit before income tax</b>		<b>271,279</b>	<b>63,766</b>	<b>223,660</b>	<b>36,060</b>
Income tax		47,622	337	18,873	-
<b>Net profit for the period</b>		<b>223,657</b>	<b>63,429</b>	<b>204,787</b>	<b>36,060</b>
Total comprehensive income for the period		<b>223,657</b>	<b>63,429</b>	<b>204,787</b>	<b>36,060</b>
<b>Profit attributable to:</b>					
Shareholders of the parent		223,657	63,406	204,787	36,060
Non-controlling interests		-	23	-	-
		<b>223,657</b>	<b>63,429</b>	<b>204,787</b>	<b>36,060</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the parent		223,657	63,406	204,787	36,060
Non-controlling interests		-	23	-	-
		<b>223,657</b>	<b>63,429</b>	<b>204,787</b>	<b>36,060</b>
<b>Earning per share (Baht per share)</b>					
Basic earning per share	22	<u>0.73</u>	<u>0.25</u>	<u>0.67</u>	<u>0.14</u>
Diluted earning per share	22	<u>0.66</u>	<u>0.22</u>	<u>0.59</u>	<u>0.13</u>

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.

ASIA Capital Group Public Company Limited  
Statement of Changes in Equity (Unaudited)  
For the nine-month period ended 30 September 2017

	Consolidated financial information						
	Attributable to owners of the parent						
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total owners of the parent (Restated)	Non-controlling interests	Total equity (Restated)
			Appropriated	Unappropriated (Restated)			
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	
Opening balance as at 1 January 2016	125,000	337,742	12,500	202,488	677,730	(23)	677,707
Total comprehensive income for the period	-	-	-	63,406	63,406	23	63,429
Ending balance as at 30 September 2016	125,000	337,742	12,500	265,894	741,136	-	741,136

	Note	Consolidated financial information						
		Attributable to owners of the parent						
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total owners of the parent	Non-controlling interests	Total equity
				Appropriated	Unappropriated			
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000		
Opening balance as at 1 January 2017		152,345	419,776	12,500	377,433	962,054	-	962,054
Warrants	21	3,838	9,185	-	-	13,023	-	13,023
Total comprehensive income for the period		-	-	-	223,657	223,657	-	223,657
Ending balance as at 30 September 2017		156,183	428,961	12,500	601,090	1,198,734	-	1,198,734

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.

**ASIA Capital Group Public Company Limited**  
**Statement of Changes in Equity (Unaudited) (Cont'd)**  
**For the nine-month period ended 30 September 2017**

	Separate financial information				
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Total equity Baht'000
			Appropriated	Unappropriated	
			Baht'000	Baht'000	
<b>Opening balance as at 1 January 2016</b>	125,000	337,742	12,500	200,695	675,937
Total comprehensive income for the period	-	-	-	36,060	36,060
<b>Closing balance as at 30 September 2016</b>	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>236,755</u>	<u>711,997</u>

	Note	Separate financial information				
		Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Total equity Baht'000
				Appropriated	Unappropriated	
				Baht'000	Baht'000	
<b>Opening balance as at 1 January 2017</b>		152,345	419,776	12,500	297,611	882,232
Warrants	21	3,838	9,185	-	-	13,023
Total comprehensive income for the period		-	-	-	204,787	204,787
<b>Closing balance as at 30 September 2017</b>		<u>156,183</u>	<u>428,961</u>	<u>12,500</u>	<u>502,398</u>	<u>1,100,042</u>

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.



**ASIA Capital Group Public Company Limited**  
**Statements of Cash Flows (Unaudited)**  
**For the nine-month period ended 30 September 2017**

	Notes	Consolidated financial information		Separate financial information	
		30 September 2017	30 September 2016 (Restated)	30 September 2017	30 September 2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from operating activities</b>					
Profit before income tax	4	271,279	63,766	223,660	36,060
Adjustment for:					
Depreciation and amortisation	14	5,424	4,893	1,525	969
Interest income		(436,068)	(147,293)	(308,592)	(85,726)
Dividend income		-	-	(104,125)	-
Interest expenses		144,444	54,581	146,605	56,078
Interest expenses from finance lease		187	111	126	27
(Reversal) loss on impairment of investment in subsidiaries	13	-	-	7,472	(34,443)
(Reversal) loss on impairment of long-term loans to related company	23.4	-	-	-	(6,200)
Loss on write-off of withholding tax assets		-	3,081	-	1,810
Loss on disposal/impairment/write-off of assets		1,695	259	1,695	426
Allowance for doubtful account receivables		50	-	-	-
Gain on sales of short-term investment and change in fair value	7	(1,626)	(883)	(1,023)	(736)
Underwriting fee		6,914	-	6,914	-
Employee benefits		855	1,180	504	538
Loss from operating activities before changes in operating assets and liabilities	4	(6,846)	(20,305)	(25,239)	(31,197)
(Increase) decrease in operating assets					
Accounts receivable		(9,666)	(17,132)	-	-
Short-term investments	7	140,933	687	(12,933)	200
Amount due from related companies		-	-	872	(287)
Factoring receivables		(14,050)	-	-	-
Short-term loans to other companies		(179,561)	(1,661,367)	(431,561)	(1,670,948)
Loans to employees		518	1,078	-	-
Other current assets		1,796	3,412	286	(135)
Other non-current assets		(98)	1,267	3	897
Investment property		(15,793)	0	(15,793)	0
Increase (decrease) in operating liabilities					
Accounts payable		(961)	1,537	(16,570)	-
Amount due to related companies		-	-	-	6,265
Other payables		6,355	(909)	5,877	(227)
Other current liabilities		(14,220)	3,657	(8,425)	2,426
Employee benefit paid		-	(1,478)	-	-
Cash used in operation before interest and income tax received (paid)		(91,593)	(1,689,553)	(503,483)	(1,693,006)
Interest income received	4	265,244	222,490	178,421	143,740
Interest paid excluding finance lease contracts		(117,691)	(47,267)	(119,667)	(48,798)
Income tax paid		(10,295)	(6,020)	(1,828)	(1,810)
Net cash generated from (used in) operating activities		45,665	(1,520,350)	(446,557)	(1,599,874)

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.

**ASIA Capital Group Public Company Limited**  
**Statements of Cash Flows (Unaudited) (Cont'd)**  
**For the nine-month period ended 30 September 2017**

	Consolidated		Separate	
	financial information		financial information	
	30 September 2017	30 September 2016 (Restated)	30 September 2017	30 September 2016
Notes	Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from investing activities</b>				
Short-term loans made to related parties	23.4	-	(2,000)	(14,200)
Short-term loan payments received from related parties	23.4	-	98,500	61,200
Cash received from long-term loan to related parties		-	-	6,200
Cash paid for investment in subsidiaries	13	-	-	(450)
Purchase of building improvements, equipment and intangible assets		(1,927)	(59)	(1,350)
Cash received from disposals of building improvement, equipment and intangible assets		1,367	1,367	729
Dividend received		-	104,125	-
Net cash (used in) provided by investing activities		(560)	201,933	52,129
<b>Cash flows from financing activities</b>				
Cash received from the issuance of debentures	19	694,700	694,700	704,100
Cash paid for underwriting expense - debentures		(4,801)	(4,801)	-
Cash received from short-term borrowings from related company		60,000	449,000	800,000
Cash paid for short-term borrowings from related company		(315,000)	(422,000)	(250,000)
Cash received from short-term borrowing from other companies		755,000	755,000	1,360,500
Cash paid for short-term borrowing from other companies		(1,230,000)	(1,230,000)	(1,062,000)
Cash received from issue of warrants		13,024	13,024	-
Cash paid for liabilities under finance leases		(1,416)	(933)	(133)
Net cash provided by (used in) financing activities		(28,493)	253,990	1,552,467
<b>Net increase in cash and cash equivalents</b>		16,612	9,366	4,722
Cash and cash equivalents at beginning of the period		72,214	65,953	29,563
Exchange loss on cash		-	-	-
<b>Cash and cash equivalents at end of the period</b>		<b>88,826</b>	<b>75,319</b>	<b>34,285</b>
<b>Significant non-cash transactions</b>				
Purchase vehicle under financial lease		-	-	2,384
Offset from loans to other companies and to related companies		-	68,000	-
Reclassification of short-term loan to other companies to long-term loan to other companies		182,312	182,312	-
Transfer of collateral for debt settlement		215,000	215,000	-

The notes to the financial information on pages 10 to 31 are an integral part of this interim financial information.

## **1 General information**

ASIA Capital Group Public Company Limited (the "Company") is a public company and resident in Thailand. The address of the Company's registered office is as follows:

349 SJ Infinite I Business Complex, 24th floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok.

The Company is registered as a listed company in the Market for Alternative Investment (MAI) in Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group are corporate and consumer lending, non-performing assets management, call center service and factoring business.

The interim consolidated and separate financial information was approved by the Board of Directors on 14 November 2017.

The interim consolidated and separate financial information has been reviewed, not audited.

## **2 Accounting policies**

### **2.1 Basis of preparation**

The interim consolidated financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 - Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim consolidated and separate financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2016 except as described in note 2.3.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

## 2 Accounting policies (Cont'd)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

#### 2.2.1 Revised financial reporting standards which are effective on or after 1 January 2017 which have significant changes and are relevant to the Group.

TAS 1 (revised 2016)	Presentation of financial statements
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TFRS 10 (revised 2016)	Consolidated financial statements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016). While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

#### 2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

## **2 Accounting policies (Cont'd)**

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

#### **2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards. (Cont'd)**

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale according to TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

### **2.3 New accounting policy**

#### **Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses. Land is not depreciated.

## **3 Estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

**4 Change in accounting policy**

The Group has restated prior year financial statements since it has reconsidered the policy of placement fee income recognition of Capital OK Co., Ltd., a subsidiary, to be more conservative. Service of the fee was fully rendered to customer and payment was fully collected. The placement fee income was recognised immediately after service rendered and has been changed to be recognised with interest income throughout the loan receivable agreement period. The effect of above policy and method give rise to an adjustment of related consolidated three-month and nine-month period figures. Therefore, to comply with stated placement fee recognition policy, the effect on the consolidated statements of comprehensive income for the three-month period and nine-month period ended 30 September 2016, consolidated statements of changes in equity, and consolidated statements of cash flows for the nine-month period ended 30 September 2016 are as follows;

	<b>Consolidated financial information</b>		
	<b>Originally stated Baht'000</b>	<b>Restatement Baht'000</b>	<b>Restated Baht'000</b>
<b>Statements of comprehensive income</b>			
<b>for the three-month period ended 30 September 2016</b>			
Interest income	61,272	4,433	65,705
Net interest income	34,802	4,433	39,235
Other income	30,132	(29,100)	1,032
Total operating income	106,388	(24,667)	81,721
Profit (loss) before financial costs and income tax	51,129	(24,667)	26,462
Profit (loss) before income tax	51,076	(24,667)	26,409
Net profit (loss) for the period	50,739	(24,667)	26,072
Total comprehensive income (expense)	50,739	(24,667)	26,072
Profit (loss) attributable to - Shareholders of the parent	50,739	(24,667)	26,072
Total comprehensive income (expense) attributable to			
- Shareholders of the parent	50,739	(24,667)	26,072
Basic earnings (loss) per share	0.20	(0.10)	0.10
Diluted earnings (loss) per share	0.19	(0.11)	0.08
<b>Statements of comprehensive income</b>			
<b>for the nine-month period ended 30 September 2016</b>			
Interest income	142,000	5,293	147,293
Net interest income	87,419	5,293	92,712
Other income	40,439	(36,150)	4,289
Total operating income	235,233	(30,857)	204,376
Profit (loss) before financial costs and income tax	94,734	(30,857)	63,877
Profit (loss) before income tax	94,623	(30,857)	63,766
Net profit (loss) for the period	94,286	(30,857)	63,429
Total comprehensive income (expense)	94,286	(30,857)	63,429
Profit (loss) attributable to - Shareholders of the parent	94,263	(30,857)	63,406
Total comprehensive income (expense) attributable to			
- Shareholders of the parent	94,263	(30,857)	63,406
Basic earnings (loss) per share	0.38	(0.13)	0.25
Diluted earnings (loss) per share	0.33	(0.11)	0.22
<b>Statements of Changes in Equity</b>			
<b>for the nine-month period ended 30 September 2016</b>			
Retained earnings - Unappropriated	94,263	(30,857)	63,406
Total shareholders of the parent	94,263	(30,857)	63,406
<b>Statements of Cash Flows</b>			
<b>for the nine-month period ended 30 September 2016</b>			
Cash flows from operating activities	94,623	(30,857)	63,766
(Profit) loss from operating activities before changes in operating assets and liabilities	15,845	(36,150)	(20,305)
Cash used in operation before interest and incognita received (paid)	(1,653,403)	(36,150)	(1,689,553)
Interest income received	186,340	36,150	222,490

**5 Segment information**

	<b>Consolidated financial information</b>				<b>Total Baht'000</b>
	<b>Lending Baht'000</b>	<b>Call center services and financial businesses Baht'000</b>	<b>Others Baht'000</b>	<b>Elimination Baht'000</b>	
<b>For the three-month period ended 30 September 2017</b>					
Net interest income					
Third party revenue	83,006	-	-	-	83,006
Inter-segment revenue	(42)	(18)	60	-	-
Net service income	732	14,202	-	-	14,934
Other income	7,002	54	-	(1,815)	5,241
Other operating expenses	(10,902)	(4,290)	(38)	(6,145)	(21,375)
Operating profit (loss)	79,796	9,948	22	(7,960)	81,806
Financial costs	(41)	(19)	-	-	(60)
Profit (loss) before tax	79,755	9,929	22	(7,960)	81,746
Tax expense	(19,887)	(2,721)	(3)	-	(22,611)
Net profit (loss) for the period	59,868	7,208	19	(7,960)	59,135
<b>As at the year ended 30 September 2017</b>					
Segment assets	5,773,482	77,653	25,405	(1,132,554)	4,743,986
Segment liabilities	4,004,993	18,331	93	(478,165)	3,545,252

	<b>Consolidated financial information</b>				<b>Total Baht'000</b>
	<b>Lending Baht'000</b>	<b>Call center services and financial businesses Baht'000</b>	<b>Others Baht'000</b>	<b>Elimination Baht'000</b>	
<b>For the three-month period ended 30 September 2016</b>					
Revenues					
Net interest income					
Third party revenue	39,235	-	-	-	39,235
Inter-segment revenue	(13)	(50)	63	-	-
Net service income	(3,937)	15,707	-	-	11,770
Other income	4,806	18	3	(3,795)	1,032
Other operating expenses	(863)	(4,536)	(43)	(20,133)	(25,575)
Operating profit (loss)	39,228	11,139	23	(23,928)	26,462
Financial costs	(27)	(26)	-	-	(53)
Profit (loss) before tax	39,201	11,113	23	(23,928)	26,409
Tax expense	(335)	-	(2)	-	(337)
Net profit (loss) for the period	38,866	11,113	21	(23,928)	26,072
<b>As at the year ended 31 December 2016</b>					
Segment assets	5,501,390	57,705	1,364	(1,023,243)	4,537,216
Segment liabilities	3,940,245	17,294	105	(382,482)	3,575,162

**ASIA Capital Group Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the nine-month period ended 30 September 2017**

**5 Segment information (Cont'd)**

	<b>Consolidated financial information</b>				<b>Total Baht'000</b>
	<b>Lending Baht'000</b>	<b>Call center services and financial businesses Baht'000</b>	<b>Others Baht'000</b>	<b>Elimination Baht'000</b>	
<b>For the nine-month period ended 30 September 2017</b>					
Net interest income					
Third party revenue	291,621	3	-	-	291,624
Inter-segment revenue	(129)	(55)	184	-	-
Net service income	1,086	38,755	-	-	39,841
Other income	119,704	185	27	(112,120)	7,796
Other operating expenses	(68,292)	(15,226)	(144)	15,867	(67,795)
Operating profit (loss)	343,990	23,662	67	(96,253)	271,466
Financial costs	(126)	(61)	-	-	(187)
Profit (loss) before tax	343,864	23,601	67	(96,253)	271,279
Tax expense	(42,917)	(4,692)	(13)	-	(47,622)
Net profit (loss) for the period	300,947	18,909	54	(96,253)	223,657
<b>As at the year ended 30 September 2017</b>					
Segment assets	5,773,482	77,653	25,405	(1,132,554)	4,743,986
Segment liabilities	4,004,993	18,331	93	(478,165)	3,545,252

	<b>Consolidated financial information</b>				<b>Total Baht'000</b>
	<b>Lending Baht'000</b>	<b>Call center services and financial businesses Baht'000</b>	<b>Others Baht'000</b>	<b>Elimination Baht'000</b>	
<b>For the nine-month period ended 30 September 2016</b>					
Net interest income					
Third party revenue	92,708	3	1	-	92,712
Inter-segment revenue	(30)	(157)	187	-	-
Net service income	(4,227)	35,807	-	-	31,580
Other income	15,787	224	11	(11,733)	4,289
Other operating expenses	(16,384)	(19,214)	(196)	(28,910)	(64,704)
Operating profit (loss)	87,854	16,663	3	(40,643)	63,877
Financial costs	(27)	(84)	-	-	(111)
Profit (loss) before tax	87,827	16,579	3	(40,643)	63,766
Tax expense	(335)	-	(2)	-	(337)
Net profit (loss) for the period	87,492	16,579	1	(40,643)	63,429
<b>As at year ended 31 December 2016</b>					
Segment assets	5,501,390	57,705	1,364	(1,023,243)	4,537,216
Segment liabilities	3,940,245	17,294	105	(382,482)	3,575,162



## 6 Fair Value

### 6.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (Level 1) Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (Level 2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- (Level 3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured and recognise at fair value at 30 September 2017 and 31 December 2016.

	30 September 2017			
	Consolidated financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
Trading investments - open fund	-	42,580	-	42,580
<b>Total assets</b>	-	42,580	-	42,580
	31 December 2016			
	Consolidated financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
Trading investments - open fund	-	181,887	-	181,887
<b>Total assets</b>	-	181,887	-	181,887

There were no transfers between Levels 1 and 2 during the period.

The following table presents the Company's financial assets and liabilities that are measured and recognise at fair value at 30 September 2017 and 31 December 2016.

	30 September 2017			
	Separate financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
Trading investments - open fund	-	14,014	-	14,014
<b>Total assets</b>	-	14,014	-	14,014
	31 December 2016			
	Separate financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
Trading investments - open fund	-	59	-	59
<b>Total assets</b>	-	59	-	59

There were no transfers between Levels 1 and 2 during the period.

### 6.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading investments in open fund are fair valued using a published price, which derived from net asset value (NAV) calculation for investment units of the open fund.

**7 Short-term investments**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>Fair value Baht'000</b>	<b>Fair value Baht'000</b>	<b>Fair value Baht'000</b>	<b>Fair value Baht'000</b>
Trading investment - Open fund	42,580	181,887	14,014	59

The movement in short-term investments can be analysed as follows:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening balance per period/year	181,887	2,990	59	148
Additions	2,504,321	2,557,185	1,986,900	2,227,070
Disposal	(2,645,254)	(2,378,456)	(1,973,968)	(2,227,159)
Change in fair value	1,626	168	1,023	-
Ending balance per period/year	42,580	181,887	14,014	59

As at 30 September 2017, short-term investments in the consolidated and separate financial information represented trading investments in an open fund in with a financial institution.

**8 Account receivables, net**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Undue and up to 30 days	34,895	29,169	-	-
Overdue 30 days but not over 180 days	3,515	1,765	-	-
Overdue 180 days but not over 1 year	2,167	-	-	-
Overdue more than 1 year	77	50	-	-
Total	40,654	30,984	-	-
<u>Less</u> Allowance for doubtful accounts	(103)	(50)	-	-
Trade account receivables, net	40,551	30,934	-	-

**9 Factoring receivables, net**

As at 30 September 2017 and 31 December 2016, Factoring receivables have average period of less than 1 year to due date. The detail is as below:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Factoring receivables	47,679	33,628	-	-
<u>Less</u> Deferred interest	(1,245)	(1,078)	-	-
	46,434	32,550	-	-

**10 Loans to employees, net**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
Minimum repayment under loans to employees	1,043	1,496	-	-
<u>Less</u> Deferred interest	(78)	(136)	-	-
	<u>965</u>	<u>1,360</u>	<u>-</u>	<u>-</u>
Current portion due within one year	782	929	-	-
Non-current portion due after one year	183	431	-	-
	<u>965</u>	<u>1,360</u>	<u>-</u>	<u>-</u>

**11 Loans to other companies, net**

**11.1 Short-term loans to other companies, net**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
Bill of exchange	1,342,261	2,006,846	1,267,445	1,751,326
Short-term loans to other companies	2,683,545	2,109,949	2,435,271	1,736,797
Total	<u>4,025,806</u>	<u>4,116,795</u>	<u>3,702,716</u>	<u>3,488,123</u>

The interest rates on bills of exchange and short-term loans to other companies are 6% - 15% per annum and 12% - 15% per annum, respectively (31 December 2016: 6% - 12% per annum and 12% - 15% per annum, respectively).

The movement of short-term loans to other companies can be analysed as follows:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
Balance at the beginning of the period/year	4,109,833	1,039,079	3,481,161	394,455
Addition during the period/year	1,886,067	4,049,142	1,893,577	4,088,991
Repayment during the period/year	(2,072,453)	(1,207,149)	(1,752,454)	(1,152,099)
Reclassification of short-term loan to other companies to long-term loan to other companies	(182,312)	-	(182,312)	-
Interest income recognised during the period/year	228,167	228,761	206,240	149,814
Interest receivable	56,504	6,962	56,504	6,962
Balance at the end of the period/year	<u>4,025,806</u>	<u>4,116,795</u>	<u>3,702,716</u>	<u>3,488,123</u>

The Group had outstanding short-term loans in form of bill of exchange and loan agreements net deferred interest totaling of Baht 1,342 million and Baht 2,684 million, respectively. The Group has received some interest at the first drawn down date and will receive some parts at the repayment date. The short-term loans are secured by certain plots of land, shares of those borrowing companies and also guaranteed by some directors and shareholders of the borrowers.

For the nine-month period ended 30 September 2017, some of loans were agreed for repayment extensions for another 1 to 6 months.

**11 Loans to other companies, net (Cont'd)**

**11.2 Long-term loans to other companies, net**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
Long-term loans to other companies	200,260	-	200,260	-
	<u>200,260</u>	<u>-</u>	<u>200,260</u>	<u>-</u>

The interest rates on long-term loans to other companies are 12% per annum. The loan agreement period is 1 year and can be extended for 6 months.

The movement of long-term loans to other companies can be analysed as follows:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
Balance at the beginning of the period/year	182,312	-	182,312	-
Addition during the period/year	-	-	-	-
Unearned interest income	-	-	-	-
Repayment during the period/year	-	-	-	-
Interest income recognised during the period/year	17,688	-	17,688	-
Interest receivable	260	-	260	-
Balance at the end of the period/year	<u>200,260</u>	<u>-</u>	<u>200,260</u>	<u>-</u>

The Group had outstanding long-term loans in form of loan agreements net deferred interest totaling of Baht 200 million. The Group has received some interest at the first drawn down. The long-term loans are secured by certain plots of land, shares of those borrowing companies and also guaranteed by some directors and shareholders of the borrowers.

**12 Other current asset**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
Revenue department receivable	11,462	9,496	3,734	1,931
others	2,640	3,855	742	1,003
	<u>14,102</u>	<u>13,351</u>	<u>4,476</u>	<u>2,934</u>

**13 Investments in subsidiaries, net**

List of subsidiaries as at 30 September 2017 is as follows:

<b>Company's name</b>	<b>Country of establishment</b>	<b>Type of business</b>	<b>Nature of relationship</b>	<b>Percentage of investment</b>
<b>Subsidiaries</b>				
Global Service Center Co., Ltd.	Thailand	Call center service	Direct shareholding	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory	Direct shareholding	99.99
Capital OK Co., Ltd.	Thailand	Lending	Direct shareholding	99.99
OK Cash Co., Ltd.	Thailand	Lending	Direct shareholding	99.99
ACAP (ASIA) Asset Management Co., Ltd.	Thailand	Non-performing assets management	Direct shareholding	99.99
Aurum Capital Advisory Pte. Ltd.	Singapore	Investment banking	Direct shareholding	63.97

The movements in investments in subsidiaries are as follows:

	<b>Separate financial information Baht'000</b>
<b>For the nine-month period ended 30 September 2017</b>	
Beginning net book balance	648,789
Additional of allowance for impairment on investment in ACAP (ASIA) Asset Management Co., Ltd.	(949)
Additional of allowance for impairment on investment in Capital OK Co., Ltd.	(6,523)
Closing net book balance	<u>641,317</u>

During the nine-month period ended 30 September 2017, the Company's management had set an allowance for impairment on investment in ACAP (ASIA) Asset Management Co., Ltd. and Capital OK Co., Ltd. amounting to Baht 0.95 million and Baht 6.52 million, respectively.

**14 Leasehold improvements and equipment and intangible assets, net**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>Leasehold improvements and equipment Baht'000</b>	<b>Intangible assets Baht'000</b>	<b>Leasehold improvements and equipment Baht'000</b>	<b>Intangible assets Baht'000</b>
<b>For the nine-month period ended 30 September 2017</b>				
Opening net book amount	27,973	2,442	14,881	1,094
Additions	1,387	540	59	-
Disposals	(3,062)	-	(3,062)	-
Depreciation charge and amortisation	(4,739)	(685)	(1,248)	(277)
Ending net book amount	<u>21,559</u>	<u>2,297</u>	<u>10,630</u>	<u>817</u>

15 Investment property

	Consolidated financial information		Separate financial information	
	Land Baht'000	Total Baht'000	Land Baht'000	Total Baht'000
<b>For the period ended 30 September 2017</b>				
Opening net book amount	-	-	-	-
Subsequent expenditure recognised as an asset	15,793	15,793	15,793	15,793
Transferred in	215,000	215,000	215,000	215,000
Closing net book amount	230,793	230,793	230,793	230,793
<b>As at 30 September 2017</b>				
Cost	230,793	230,793	230,793	230,793
Net book amount	230,793	230,793	230,793	230,793
Fair value	356,596	356,596	356,596	356,596

The fair value of investment properties are based on Market approach using selling price obtained from an appraiser of the asset with similar physical characteristic. The fair values are within level 2 of the fair value hierarchy.

The Group received the investment property from transfer of collateral for debt settlement by a short-term loan borrower during three-month period ended 30 September 2017 to settle the loan amounting to Baht 215 million.

16 Short-term borrowing from other companies

	Consolidated and Separate financial information			
	30 September 2017			
	Interest rate per annum (percent)	Remaining period to maturity		Total Baht
At call Baht		Within 1 year Baht		
Debt issued - bills of exchange	4.5 - 7.5	-	622,570	622,570
<b>Consolidated and Separate financial information</b>				
		<b>30 September 2017</b>	<b>31 December 2016</b>	
		<b>Baht'000</b>	<b>Baht'000</b>	
Opening balance		1,093,042	451,201	
Additions during the period/year		739,165	2,047,752	
Repayments during the period/year		(1,230,000)	(1,439,500)	
Financial cost recognised during the period/year		20,363	33,589	
Ending balance		622,570	1,093,042	

As at 30 September 2017, the Group had issued unsecured bills of exchange to third parties totalling net deferred interest totalling to Baht 623 million. These bills of exchange are subject to 4.5% - 7.5% interest rate per annum.

**ASIA Capital Group Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the nine-month period ended 30 September 2017**

**17 Liabilities under financial lease contracts, net**

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Minimum lease payments obligation under lease liabilities (lease of vehicles)	5,886	7,302	4,601	5,534
<u>Less</u> Deferred interest	(368)	(555)	(297)	(423)
	<u>5,518</u>	<u>6,747</u>	<u>4,304</u>	<u>5,111</u>
Current portion due within one year	1,782	1,728	1,192	1,162
Non-current portion due after one year	3,736	5,019	3,112	3,949
	<u>5,518</u>	<u>6,747</u>	<u>4,304</u>	<u>5,111</u>

**18 Other current liabilities**

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Interest payable	1,075	2,278	1,075	2,278
Provision for contingent liabilities may be arisen	3,610	3,610	3,610	3,610
Unearned placement fee income	21,500	47,654	-	-
Others	12,337	5,800	3,941	3,486
	<u>38,522</u>	<u>59,342</u>	<u>8,626</u>	<u>9,374</u>

**19 Debentures**

Series	Maturity date	No. of units	Par value	Interest rate	Consolidated and Separate financial in formation Carrying amount	
					30 September 2017 Baht '000	31 December 2016 Baht '000
1/2016 (ACAP184A)	Redeemed on 1 April 2018 (2 years)	157,000	1,000	5.4% (1 April 2016 - 30 June 2016) and 5.6% (1 July 2016 - 1 April 2018)	157,000	157,000
2/2016 (ACAP186A)	Redeemed on 29 June 2018 (2 years)	547,100	1,000	5.60%	547,100	547,100
3/2016 (ACAP180A)	Redeemed on 14 October 2018 (2 years)	1,237,300	1,000	5.60%	1,237,300	1,237,300
1/2017 (ACAP193A)	Redeemed on 10 March 2019 (2 years)	454,200	1,000	5.50%	454,200	-
2/2017 (ACAP196A)	Redeemed on 30 June 2019 (2years)	240,500	1,000	5.50%	240,500	-
Total					2,636,100	1,941,400
<u>Less</u> Deferred debenture issuing costs					(10,708)	(12,821)
Debentures, net					<u>2,625,392</u>	<u>1,928,579</u>

**19 Debentures (Cont'd)**

	<b>Consolidated and Separate financial information</b>	
	<b>Carrying amount</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
<b>Current</b>		
Not later than one year - net	702,031	-
<b>Non-current</b>		
Later than one year - net	1,923,361	1,928,579
<b>Total</b>	<b>2,625,392</b>	<b>1,928,579</b>

The Company is required to comply with the specific covenants which are to maintain debt to equity ratio not over 6:1 and EBITDA to interest ratio not less than 2:1 on the date on each quarterly consolidated financial information. On 30 September 2017, The Company maintains debt to equity ratio at 2.97 (30 December 2016: 3.72) and earnings before interest and tax at 2.91 (30 December 2016: 2.26).

Distribution of Company's debenture is offered to institution and/or major investor.

**20 Deferred income taxes**

The analysis of deferred tax assets and deferred tax liability is as follows:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>	<b>30 September 2017 Baht'000</b>	<b>31 December 2016 Baht'000</b>
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	28,267	23,080	23,880	15,604
Deferred tax assets to be recovered after more than 12 months	(136)	33,079	(621)	26,528
	<b>28,131</b>	<b>56,159</b>	<b>23,259</b>	<b>42,132</b>
<b>Deferred tax liability:</b>				
Deferred tax liability to be recovered within 12 months	-	(33)	-	-
Deferred tax liability to be recovered after more than 12 months	-	-	-	-
	-	(33)	-	-
<b>Deferred tax assets, net</b>	<b>28,131</b>	<b>56,126</b>	<b>23,259</b>	<b>42,132</b>



20 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows:

	Consolidated financial information				
	Tax losses Baht'000	Allowance for impairment of asset Baht'000	Provision for employee benefit Baht'000	Other Baht'000	Total Baht'000
<b>Deferred tax assets</b>					
At 1 January 2017	39,562	6,698	(835)	10,735	56,160
Charged to profit or loss	(23,978)	885	328	(5,264)	(28,029)
At 30 September 2017	15,584	7,583	(507)	5,471	28,131
	Separate financial information				
	Tax losses Baht'000	Allowance for impairment of asset Baht'000	Provision for employee benefit Baht'000	Other Baht'000	Total Baht'000
<b>Deferred tax assets</b>					
At 1 January 2017	35,653	6,688	(962)	753	42,132
Charged to profit or loss	(20,068)	885	304	6	(18,873)
At 30 September 2017	15,585	7,573	(658)	759	23,259
	Consolidated financial information		Separate financial information		
	Short-term investment Baht'000	Total Baht'000	Short-term investment Baht'000	Total Baht'000	
<b>Deferred tax liabilities</b>					
At 1 January 2017	-	-	-	-	
Charged to profit or loss	(33)	(33)	-	-	
At 30 September 2017	(33)	(33)	-	-	

21 Share capital

	Authorised shares		Issued and paid-up shares	Premium	
	Number of shares Shares	Par value Baht	Baht	Baht	
At 1 January 2017	312,500,000	0.5	156,250,000	152,344,675	419,776,346
Increase in capital	78,172,338	0.5	39,086,169	-	-
Warrants	-	-	-	3,838,402	9,185,315
At 31 September 2017	390,672,338		195,336,169	156,183,077	428,961,661

On 10 April 2017, the Company issued new ordinary shares of Baht 39,086,169 (78,172,338 shares, of Baht 0.5 par value) from the existing registered capital of Baht 156,250,000 (312,500,000 shares, of Baht 0.5 par value) to Baht 195,336,169 (390,672,338 shares, of Baht 0.5 par value). The Company registered the increased share capital with the Ministry of Commerce on 10 April 2017. On 29 May 2017, the Company allots shares to reserve for the exercise by way of rights to purchase ordinary shares of the Company (ACAP-W2) to existing shareholders at the ratio of 4 existing share to 1 unit of warrant. The term of warrant is for a period of two years by way of the rights issue at the ratio of 1 unit of warrant to 1 new ordinary share at the offering price of Baht 6 per share. Rights to purchase ordinary shares (ACAP-W2) can be exercised for the first time on 15 December 2017 and shareholders can exercise at 15 June and 15 December throughout the term of warrant.

On 30 September 2017, the Company has paid - up share capital from warrant (ACAP-W1) exercise on 15 June 2017 for 7,676,804 shares, accounting for Baht 13.02 million which consisted of Baht 3.84 million par value and Baht 9.18 million premium on share capital. Therefore, the Company currently has unexercised warrant for 1,298,757 shares (of Baht 0.5 par value) which can be exercised by shareholders at 15 June and 15 December throughout the term of warrant (ACAP-W1).

**22 Earnings per share**

Basic earnings per share is calculated by dividing the net profit (loss) attributable to equity holders by the weighted average number of ordinary shares issued during the period.

For the three-month period ended 30 September	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders (Baht'000)	59,135	26,072	34,554	20,957
Weighted average number of ordinary shares issued during the period (Thousand shares)	312,366	250,000	312,366	250,000
Basic earnings per share (Baht per shares )	0.19	0.10	0.11	0.08
For the nine-month period ended 30 September	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders (Baht'000)	223,657	63,406	204,787	36,060
Weighted average number of ordinary shares issued during the period (Thousand shares)	307,726	250,000	307,726	250,000
Basic earnings per share (Baht per shares )	0.73	0.25	0.67	0.14

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares from warrants. The convertible debt is assumed to have been converted from warrants. For the warrants a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding warrants.

For the three-month period ended 30 September	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders (Baht'000)	59,135	26,072	34,554	20,957
Weighted average number of ordinary shares issued during the period (Thousand shares)	312,366	250,000	312,366	250,000
Adjust: warrants	60,055	64,473	60,055	64,473
Weighted average number of ordinary shares diluted earnings per share (Thousand shares)	372,421	314,473	372,421	314,473
Diluted earnings per share (Baht per share)	0.16	0.08	0.09	0.07
For the nine-month period ended 30 September	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders (Baht'000)	223,657	63,406	204,787	36,060
Weighted average number of ordinary shares issued during the period (Thousand shares)	307,726	250,000	307,726	250,000
Adjust: warrants	29,327	32,850	29,327	32,850
Weighted average number of ordinary shares diluted earnings per share (Thousand shares)	337,053	282,850	337,053	282,850
Diluted earnings per share (Baht per shares)	0.66	0.22	0.59	0.13

## 23 Related party transactions

The Company is located in Thailand and registered as a listed company at the Market for Alternative Investment (MAI). Major shareholders of the Company are Ms. Sugunya Sukjaroenkraisri and her family, who hold 17.35% of total registered share capital.

### Pricing policy

Interest income/expense incurred from borrowings, cost of services and administrative expenses are charged at the agreed rate as per contracts.

Relationship of related parties is as follows;

<b>Company name and Person</b>	<b>Relationship</b>	<b>Cause of relationship</b>
Global Service Center Co., Ltd.	Subsidiary	Shareholder/mutual management
ACAP Consulting Co., Ltd.	Subsidiary	Shareholder/mutual management
Capital OK Co., Ltd.	Subsidiary	Shareholder/mutual management
OK Cash Co., Ltd.	Subsidiary	Shareholder/mutual management
ACAP (Asia) Asset Management Co., Ltd.	Subsidiary	Shareholder/mutual management
Aurum Capital Advisory Pte. Ltd.	Subsidiary	Shareholder
Thai Luxe Enterprises Public Co., Ltd.	Related party	Shareholder
Sukjaroenkraisri family	Related person	Important management and major shareholders

The following significant transactions were carried out with related parties:

### 23.1 Revenues

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the three-month period ended 30 September</b>				
<b>Interest income</b>				
<b><u>Subsidiaries</u></b>				
- ACAP Consulting Co., Ltd.	-	-	18	22
- Global Service Center Co., Ltd.	-	-	-	27
- OK Cash Co., Ltd.	-	-	372	736
	-	-	390	785
<b>Other income</b>				
<b><u>Subsidiaries</u></b>				
Management fee income				
- ACAP Consulting Co., Ltd.	-	-	-	480
- Global Service Center Co., Ltd.	-	-	-	1,600
- Capital OK Co., Ltd.	-	-	900	800
- OK Cash Co., Ltd.	-	-	900	900
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	15	15
	-	-	1,815	3,795

**23 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**23.1 Revenues (Cont'd)**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>
<b>For the nine-month period ended 30 September</b>				
<b>Interest income</b>				
<b><u>Subsidiaries</u></b>				
- ACAP Consulting Co., Ltd.	-	-	55	71
- Global Service Center Co., Ltd.	-	-	-	86
- OK Cash Co., Ltd.	-	-	1,362	2,852
	-	-	<u>1,417</u>	<u>3,009</u>
<b>Dividend income</b>				
<b><u>Subsidiaries</u></b>				
- Capital OK Co., Ltd.	-	-	103,125	-
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	1,000	-
	-	-	<u>104,125</u>	<u>-</u>
<b>Other income</b>				
<b><u>Subsidiaries</u></b>				
Management fee income				
- ACAP Consulting Co., Ltd.	-	-	250	1,449
- Global Service Center Co., Ltd.	-	-	2,000	5,898
- Capital OK Co., Ltd.	-	-	3,000	1,499
- OK Cash Co., Ltd.	-	-	2,700	2,780
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	45	107
	-	-	<u>7,995</u>	<u>11,733</u>

**23 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**23.2 Expenses**

	Consolidated financial information		Separate financial information	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
<b>For the three-month period ended 30 September</b>				
<b>Finance costs</b>				
<b><u>Subsidiaries</u></b>				
- Capital OK Co., Ltd.	-	-	-	440
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	-	63
<b><u>Related parties</u></b>				
- Thai Luxe Enterprises PCL	3,873	7,673	3,873	7,673
	<u>3,873</u>	<u>7,673</u>	<u>3,873</u>	<u>8,176</u>
<b>For the nine-month period ended 30 June</b>				
<b>Finance costs</b>				
<b><u>Subsidiaries</u></b>				
- Capital OK Co., Ltd.	-	-	1,977	1,310
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	184	187
<b><u>Related parties</u></b>				
- Thai Luxe Enterprises PCL	15,598	15,298	15,598	15,298
<b><u>Related person</u></b>				
- Sukjaroenkraisri family	120	160	120	160
	<u>15,718</u>	<u>15,458</u>	<u>17,879</u>	<u>16,955</u>

**Management remunerations**

Management remunerations of the Group and the Company for the nine-month period ended 30 September 2017 is amounting to Baht 6.5 million (30 September 2016 : Baht 5.8 million). The stated remunerations are short-term remunerations which are salary, bonus, and other benefits.

**23.3 Outstanding balances arising from sales / purchases of services**

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Amounts due from related companies				
- ACAP Consulting Co., Ltd.	-	-	6	355
- Global Service Center Co., Ltd.	-	-	-	535
- Capital OK Co., Ltd.	-	-	321	321
- OK Cash Co., Ltd.	-	-	431	540
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	5	5
	<u>-</u>	<u>-</u>	<u>763</u>	<u>1,756</u>
Amounts due to related companies				
- Capital OK Co., Ltd.	-	-	284	98
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	19	21
-Thai Luxe Enterprises Public Co., Ltd	838	568	838	568
	<u>838</u>	<u>568</u>	<u>1,141</u>	<u>687</u>

**23 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**23.4 Loans to related parties**

Short-term

For the nine-month period ended 30 September 2017, the Company had short-term loans to subsidiaries as follows:

	<b>Separate financial information</b>			<b>Ending balance Baht'000</b>
	<b>Short-term loans</b>			
	<b>Opening balance Baht'000</b>	<b>Additions during the period Baht'000</b>	<b>Repayments during the period Baht'000</b>	
OK Cash Co., Ltd.	248,000	2,000	(166,500)	83,500
	<u>248,000</u>	<u>2,000</u>	<u>(166,500)</u>	<u>83,500</u>

During the nine-month period ended 30 September 2017, the Company had entered into an unsecured loan agreement with OK Cash Co., Ltd. by issuing a promissory note due at call, which bear interest rate at 1% per annum and the interest is due every 30 day after the drawn down date.

Long-term

For the nine-month period ended 30 September 2017, the Company had long-term loans to subsidiaries as follows:

	<b>Separate financial information</b>			<b>Ending balance Baht'000</b>
	<b>Long-term loans</b>			
	<b>Opening balance Baht'000</b>	<b>Addition during the period Baht'000</b>	<b>Repayments during the period Baht'000</b>	
ACAP Consulting Co., Ltd.	7,500	200	(500)	7,200
<u>Less</u> Allowance for impairment	(7,500)	(200)	500	(7,200)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**23 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**23.5 Short-term borrowings from related party**

During the nine-month period ended 30 September 2017, the Company had borrowings from related parties as follows:

<b>Consolidated financial information</b>				
	<b>Opening balance</b>	<b>Additions</b>	<b>Repayments</b>	<b>Ending balance</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b><u>Related party</u></b>				
- Thai Luxe Enterprise PCL.	450,000	30,000	(285,000)	195,000
<b><u>Related person</u></b>				
- Sukjaroenkraisri family	-	30,000	(30,000)	-
	<b>450,000</b>	<b>60,000</b>	<b>(315,000)</b>	<b>195,000</b>
<b>Separate financial information</b>				
<b>Counterparty</b>	<b>Opening balance</b>	<b>Additions during the period</b>	<b>Repayments</b>	<b>Ending Balance</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b><u>Subsidiaries</u></b>				
Capital OK Co., Ltd.	100,000	389,000	(106,000)	383,000
ACAP (Asia) Asset Management Co., Ltd.	25,000	-	(1,000)	24,000
<b><u>Related party</u></b>				
Thai Luxe Enterprise PCL.	450,000	30,000	(285,000)	195,000
<b><u>Related person</u></b>				
Sukjaroenkraisri family	-	30,000	(30,000)	-
	<b>575,000</b>	<b>449,000</b>	<b>(422,000)</b>	<b>602,000</b>

At 30 September 2017 all short-term borrowings are unsecured promissory notes due at call which bear interest rate at 1% - 5.87% per annum.

**24 Commitments**

There were commitments from operating lease agreements of office building, warehouses and equipment including other service agreements as follows:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Within 1 year	9,389	9,174	4,916	4,959
More than 1 year but less than 5 years	1,805	3,148	1,105	2,998
<b>Total</b>	<b>11,194</b>	<b>12,322</b>	<b>6,021</b>	<b>7,957</b>

## **25 Contingent liabilities**

As at 29 April 2015, the Company was litigated by a supplier for default in the service contract and for several compensation of Baht 1.3 million. The Court of First Instance dismissed the court case but the Court of Appeal ruled in favour of supplier and ordered the Company to pay the claimed amount. However, the Company appealed to the supreme court on 8 May 2017 in order to call off appeal court's prior lawful order and the case is underway. Management assesses related facts and believes that the case has no ground and will not result in any liability to the Company.

As at 14 November 2016, the Company was litigated for revocation in a legal action about land trading and registration as collateral by a third party who claimed that he/she has committed in land trading agreement before the land was later sold and mortgaged with the Company. The plaintiff claimed for compensation of Baht 322 million. The Company demanded the Court to dismiss the case. The Court will take evidence from plaintiff and defendant on 18 December 2017. Management assesses related facts and believes that the case has no ground and will not result in any liability to the Company. However, on 21 July 2017, the Plaintiffs filled petitions to withdraw the complaint to the Court. The Court granted the withdrawal.

## **26 Subsequent event**

On 6 October 2017, Asia Capital Group Public Company Limited issued unsubordinated and unsecured debentures with amount of Baht 768,600,000 (Baht 1,000 per unit). Distribution of debenture is offered to institution and/or major investor. The fixed interest rate is 6.0%. The period of debentures is 2 years and matured date is on 6 October 2019. There are required financial ratio which is debt to equity ratio not over than 6:1 and EBITDA to interest not less than 2:1 as at the end of each accounting period of consolidated financial statements.

On 1 November 2017, Board of Director of ACAP (ASIA) Asset Management Co., Ltd., a subsidiary, approved the cease of the subsidiary's operation and appointment of liquidator. The agenda would be presented to an Extraordinary Meeting No.1/2560 on 23 November 2017 for an approval.

On 1 November 2017, Board of Director of Global Service Center Co., Ltd., a subsidiary, approved the registration for capital increase of the subsidiary for Baht 20 million. The agenda would be presented to an Extraordinary Meeting No.1/2560 on 24 November 2017 for an approval.