

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)
30 SEPTEMBER 2018**

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

To the Shareholders and the 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 2018, and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separated 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

Except for the matter explained in the next paragraph, 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.

Basis of qualified conclusion

As disclosed in Note 10 to the interim financial information, during the nine-month period ended 30 September 2018, a customer of a short-term loan receivable account discovered a fraud incident in its purchasing and inventory processes. The customer asked to defer its payment to suppliers and started an investigation. Since the loan receivable account assigned its right to claim payments from this customer to the Company, the Company was also deferred for the payment. On 30 May 2018, the Company issued a legal notice to the customer and the loan receivable account demanding payment. The Company didn't receive any responses to the notices, either to deny or accept the payments from both parties. On 20 August 2018, the Company filed a lawsuit against loan receivable account and the customer at the Civil Court. In addition, I sent confirmation letters to the loan receivable account and the customer, and I received a reply from the customer that indicated a significant difference to the debt balance. As the Company is in the process of litigation and the difference in debt balance amounts cannot be verified and concluded, I am not able to use other review procedures to obtain appropriate and sufficient evidence to conclude the effect on the Company's loan collectability, which may be necessary when considering an allowance for doubtful account for the outstanding balance of Baht 289 million as at 30 September 2018 included the interim consolidated and separate financial information. If I am able to review appropriate and sufficient evidence of this loan receivable account, I might be able to determine a cause of consideration of a necessary adjustment to the interim financial information.

Qualified conclusion

Except for the result of adjustment to the interim consolidated and separate financial information, I might have become aware of had it not been scope limitation by the above circumstances, 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 2018

ASIA Capital Group Public Company Limited

Statement of Financial Position

As at 30 September 2018

	Notes	Consolidated <input type="checkbox"/>		Separate	
		financial information		financial information	
		(As restated)		(As restated)	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		212,544	107,438	204,005	81,594
Short-term investments	6	1,006,352	254,535	612,304	49
Trade accounts receivable, net	7	41,723	39,614	-	-
Amounts due from related companies	24 iii)	-	-	432	1,070
Factoring receivables, net	8	38,079	45,562	-	-
Current portion of loans to employees	9	129	682	-	-
Short-term loans to related companies, net	24 iv)	-	-	-	77,000
Short-term loans to other companies, net	10	3,699,179	3,792,911	3,492,554	3,570,631
Other current assets	11	25,204	36,738	13,895	25,745
Total current assets		5,023,210	4,277,480	4,323,190	3,756,089
Non-current assets					
Loans to employees, net	9	30	148	-	-
Long-term investments	12	245,000	220,000	245,000	220,000
Investment property	13	334,331	230,793	334,331	230,793
Deferred tax assets	14	5,349	18,097	2,992	12,038
Investments in subsidiaries, net	15	-	-	653,528	667,842
Leasehold improvements and equipment, net	16	18,907	19,812	9,229	10,246
Intangible assets, net	16	1,493	2,033	476	724
Other non-current assets		1,856	1,681	1,127	1,127
Total non-current assets		606,966	492,564	1,246,683	1,142,770
Total assets		5,630,176	4,770,044	5,569,873	4,898,859

Director _____ Director _____

Date _____

The notes to the financial information on pages 10 to 30 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 2018

	Notes	Consolidated <input type="checkbox"/>		Separate	
		financial information		financial information	
		(As restated)		(As restated)	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Interest payables		47,112	28,383	47,112	28,383
Other payables		20,328	15,896	8,483	5,119
Amounts due to related companies	24 iii)	150	-	47	187
Short-term borrowing from related companies	24 v)	-	-	-	297,000
Short-term borrowing from other companies, net	17	300,000	44,901	300,000	44,901
Current portion of debentures	18	3,995,639	1,936,371	3,995,639	1,936,371
Current portion of financial lease liabilities	19	1,861	1,801	1,237	1,203
Other current liabilities	20	58,408	42,006	21,765	11,130
Total current liabilities		4,423,498	2,069,358	4,374,283	2,324,294
Non-current liabilities					
Financial lease liabilities, net	19	1,875	3,279	1,875	2,807
Debentures	18	-	1,455,141	-	1,455,141
Employee benefits obligations		6,734	5,650	3,757	3,292
Other non-current liabilities		1,052	1,052	1,052	1,052
Total non-current liabilities		9,661	1,465,122	6,684	1,462,292
Total liabilities		4,433,159	3,534,480	4,380,967	3,786,586
Equity					
Share capital					
Authorised					
390,672,338 ordinary shares of Baht 0.5 each		195,336	195,336	195,336	195,336
Issued and paid-up share capital					
316,406,985 ordinary shares, fully paid-up of Baht 0.5 each (2017: 315,806,679 ordinary shares, fully paid-up of Baht 0.5 each)		158,204	157,904	158,204	157,904
Premium on share capital		445,087	444,369	445,087	444,369
Retained earnings					
Appropriated-Legal reserve		19,534	19,534	19,534	19,534
Unappropriated		574,192	613,757	566,081	490,466
Other components of equity		-	-	-	-
Equity attributable to owners of the parent		1,197,017	1,235,564	1,188,906	1,112,273
Non-controlling interests		-	-	-	-
Total equity		1,197,017	1,235,564	1,188,906	1,112,273
Total liabilities and equity		5,630,176	4,770,044	5,569,873	4,898,859

The notes to the financial information on pages 10 to 30 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 2018

	Notes	Consolidated financial information		Separate financial information	
		30 September 2018 Baht'000	30 September 2017 Baht'000	30 September 2018 Baht'000	30 September 2017 Baht'000
Revenues					
Interest income	24 i)	97,478	132,675	71,701	98,904
Interest expense	24 ii)	(70,632)	(52,237)	(68,028)	(52,965)
Net interest income		26,846	80,438	3,673	45,939
Service income		37,884	39,402	-	-
Cost of service		(24,916)	(24,112)	-	-
Net service income		12,968	15,290	-	-
Other income	24 i)	1,233	5,241	1,947	6,154
Total operating income		41,047	100,969	5,620	52,093
Other operating expenses					
Administrative expenses		21,418	16,996	13,791	9,741
Management remunerations		5,329	2,167	3,714	2,167
Reversal loss on impairment of long-term loans to related parties and investment in subsidiaries		-	-	-	(7,960)
Total other operating expenses		26,747	19,163	17,505	3,948
Profit (loss) before finance costs and income tax		14,300	81,806	(11,885)	48,145
Finance costs		41	60	31	42
Profit (loss) before income tax		14,259	81,746	(11,916)	48,103
Income tax		6,937	22,611	(14)	13,549
Net profit (loss) for the period		7,322	59,135	(11,902)	34,554
Total comprehensive income (loss) for the period		7,322	59,135	(11,902)	34,554
Profit (loss) attributable to:					
Owners of the parent		7,322	59,135	(11,902)	34,554
Non-controlling interests		-	-	-	-
		7,322	59,135	(11,902)	34,554
Total comprehensive income (loss) attributable to:					
Owners of the parent		7,322	59,135	(11,902)	34,554
Non-controlling interests		-	-	-	-
		7,322	59,135	(11,902)	34,554
Earnings per share (Baht per share)					
Basic earnings per share	21	0.02	0.19	(0.04)	0.11
Diluted earnings per share	21	0.02	0.16	(0.04)	0.09

The notes to the financial information on pages 10 to 30 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 2018

	Notes	Consolidated financial information		Separate financial information	
		30 September 2018	30 September 2017	30 September 2018	30 September 2017
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Interest income	24 i)	312,513	436,068	251,357	308,592
Interest expense	24 ii)	(204,901)	(152,450)	(202,297)	(154,611)
Net interest income		107,612	283,618	49,060	153,981
Service income		115,803	117,438	-	-
Cost of service		(78,103)	(76,655)	-	-
Net service income		37,700	40,783	-	-
Dividend income	24 i)	-	-	142,099	104,125
Other income	24 i)	6,340	7,796	11,302	13,090
Total operating income		151,652	332,197	202,461	271,196
Other operating expenses					
Administrative expenses		64,033	54,188	39,873	32,995
Management remunerations		13,637	6,543	8,939	6,543
(Reversal) loss on impairment of long-term loans to related parties and investment in subsidiaries		-	-	(20,449)	7,872
Total other operating expenses		77,670	60,731	28,363	47,410
Profit before finance costs and income tax		73,982	271,466	174,098	223,786
Finance costs		138	187	102	126
Profit before income tax		73,844	271,279	173,996	223,660
Income tax		34,458	47,622	19,430	18,873
Net profit for the period		39,386	223,657	154,566	204,787
Total comprehensive income for the period		39,386	223,657	154,566	204,787
Profit attributable to:					
Owners of the parent		39,386	223,657	154,566	204,787
Non-controlling interests		-	-	-	-
		39,386	223,657	154,566	204,787
Total comprehensive income attributable to:					
Owners of the parent		39,386	223,657	154,566	204,787
Non-controlling interests		-	-	-	-
		39,386	223,657	154,566	204,787
Earnings per share (Baht per share)					
Basic earnings per share	21	<u>0.12</u>	<u>0.73</u>	<u>0.49</u>	<u>0.67</u>
Diluted earnings per share	21	<u>0.11</u>	<u>0.66</u>	<u>0.45</u>	<u>0.59</u>

The notes to the financial information on pages 10 to 30 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 2018

Consolidated financial information							
Attributable to owners of the parent							
Note	Issued and	Premium on share capital Baht'000	Retained earnings		Total owners of the parent Baht'000	Non-controlling interests Baht'000	Total equity Baht'000
	paid-up share capital Baht'000		Appropriated Baht'000	Unappropriated Baht'000			
Opening balance as at 1 January 2017	152,345	419,776	12,500	377,433	962,054	-	962,054
Warrants	22 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	<u>156,183</u>	<u>428,961</u>	<u>12,500</u>	<u>601,090</u>	<u>1,198,734</u>	<u>-</u>	<u>1,198,734</u>

Consolidated financial information							
Attributable to owners of the parent							
Notes	Issued and	Premium on share capital Baht'000	Retained earnings		Total owners of the parent Baht'000	Non-controlling interests Baht'000	Total equity Baht'000
	paid-up share capital Baht'000		Appropriated Baht'000	Unappropriated Baht'000			
Opening balance as at 1 January 2018 (As previously reported)	157,904	444,369	19,534	625,689	1,247,496	-	1,247,496
Retrospective adjustment due to new accounting policy	28 -	-	-	(11,932)	(11,932)	-	(11,932)
Opening balance as at 1 January 2018 (As restated)	157,904	444,369	19,534	613,757	1,235,564	-	1,235,564
Issuance of ordinary shares from warrants exercise	22 300	718	-	-	1,018	-	1,018
Dividends	23 -	-	-	(78,951)	(78,951)	-	(78,951)
Total comprehensive income for the period	-	-	-	39,386	39,386	-	39,386
Ending balance as at 30 September 2018	<u>158,204</u>	<u>445,087</u>	<u>19,534</u>	<u>574,192</u>	<u>1,197,017</u>	<u>-</u>	<u>1,197,017</u>

The notes to the financial information on pages 10 to 30 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 2018

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

Separate financial information					
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
	Baht'000	Baht'000	Appropriated Baht'000	Unappropriated Baht'000	Baht'000
Opening balance as at 1 January 2018 (As previously reported)	157,904	444,369	19,534	502,398	1,124,205
Retrospective adjustment due to new accounting policy	-	-	-	(11,932)	(11,932)
Opening balance as at 1 January 2018 (As restated)	157,904	444,369	19,534	490,466	1,112,273
Issuance of ordinary shares from warrants exercise	300	718	-	-	1,018
Dividends	-	-	-	(78,951)	(78,951)
Total comprehensive income for the period	-	-	-	154,566	154,566
Closing balance as at 30 September 2018	<u>158,204</u>	<u>445,087</u>	<u>19,534</u>	<u>566,081</u>	<u>1,188,906</u>

The notes to the financial information on pages 10 to 30 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 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		30 September 2018 Baht'000	30 September 2017 Baht'000	30 September 2018 Baht'000	30 September 2017 Baht'000
Cash flows from operating activities					
Profit before income tax		73,844	271,279	173,996	223,660
Adjustment for:					
Depreciation and amortisation	16	4,178	5,424	1,439	1,525
Interest income		(312,513)	(436,068)	(251,357)	(308,592)
Dividend income	24 i)	-	-	(142,099)	(104,125)
Interest expenses		204,901	152,450	202,297	154,611
Interest expenses from finance lease		138	187	102	126
(Reversal) loss on impairment of investment in subsidiaries	15	-	-	(12,549)	7,472
Reversal of impairment of long-term loans to related company	24 iv)	-	-	(7,900)	-
Loss on write-off of withholding tax assets		(207)	-	-	-
(Gain) loss on disposal/impairment/write-off of assets		(1,735)	1,695	(6)	1,695
Allowance for doubtful account receivables		868	50	-	-
Gain on sales of short-term investment	6	(2,589)	(1,788)	(1,890)	(1,023)
(Gain) loss on change in fair value of short-term investment	6	(1,685)	162	(365)	-
Loss on investment in subsidiary	15	-	-	1,563	-
Employee benefits		1,084	855	466	504
Loss from operating activities before changes					
in operating assets and liabilities		(33,716)	(5,754)	(36,303)	(24,147)
(Increase) decrease in operating assets					
Trade accounts receivable		(2,976)	(9,666)	-	-
Amount due from related companies		-	-	565	872
Factoring receivables		9,099	(14,050)	-	-
Short-term loans to other companies		(159,613)	(179,561)	(46,194)	(431,561)
Other current assets		(516)	1,796	(1,868)	286
Loans to employees		708	518	-	-
Investment property		(13,538)	(15,793)	(13,538)	(15,793)
Other non-current assets		(175)	(98)	-	3
Increase (decrease) in operating liabilities					
Interest payable		-	(961)	-	(16,570)
Other payables		4,137	6,355	3,363	5,877
Amount due to related companies		-	-	48	-
Other current liabilities		26,366	(14,220)	10,895	(8,425)
Cash used in operation before interest and income tax					
received (paid)		(170,224)	(231,434)	(83,032)	(489,458)
Interest income received		474,206	265,244	285,701	178,421
Interest paid excluding finance lease contracts		(169,044)	(118,783)	(159,237)	(120,759)
Income tax paid		(25,997)	(10,295)	(11,042)	(1,828)
Net cash generated from (used in) operating activities		108,941	(95,268)	32,390	(433,624)

The notes to the financial information on pages 10 to 30 are an integral part of this interim financial information.

	Notes	Consolidated financial information		Separate financial information	
		30 September 2018	30 September 2017	30 September 2018	30 September 2017
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Cash (paid to) received from short-term investment	6	(747,543)	140,933	(610,000)	(12,933)
Cash paid for short-term loans to related parties	24 iv)	-	-	-	(2,000)
Cash received from short-term loan to related parties	24 iv)	-	-	77,000	98,500
Cash received from long-term loan to related parties	24 iv)	-	-	7,900	-
Purchase of building improvements, equipment and intangible assets		(2,436)	(1,927)	(174)	(59)
Proceeds from disposals of building improvement, equipment and intangible assets		1,736	1,367	6	1,367
Cash paid for long-term investment	12	(25,000)	-	(25,000)	-
Cash received from investment in subsidiaries	15	-	-	25,300	-
Dividend received	24 i)	-	-	142,099	104,125
Net cash (used in) provided by investing activities		<u>(773,243)</u>	<u>140,373</u>	<u>(382,869)</u>	<u>189,000</u>
Cash flows from financing activities					
Cash received from short-term borrowing from other companies	17	300,000	755,000	300,000	755,000
Cash paid for short-term borrowing from other companies	17	(45,000)	(1,230,000)	(45,000)	(1,230,000)
Cash received from the issuance of debentures	18	1,297,923	689,899	1,297,923	689,899
Cash paid for debenture	18	(704,100)	-	(704,100)	-
Cash received from short-term borrowings from related company	24 v)	90,000	60,000	205,000	449,000
Cash paid for short-term borrowings from related company	24 v)	(90,000)	(315,000)	(502,000)	(422,000)
Cash received from exercise of warrants	22	1,018	13,024	1,018	13,024
Cash paid for liabilities under finance leases	19	(1,482)	(1,416)	(1,000)	(933)
Cash paid for dividend		(78,951)	-	(78,951)	-
Net cash provided by (used in) financing activities		<u>769,408</u>	<u>(28,493)</u>	<u>472,890</u>	<u>253,990</u>
Net increase in cash and cash equivalents		105,106	16,612	122,411	9,366
Cash and cash equivalents at beginning of the period		<u>107,438</u>	<u>72,214</u>	<u>81,594</u>	<u>65,953</u>
Cash and cash equivalents at end of the period		<u><u>212,544</u></u>	<u><u>88,826</u></u>	<u><u>204,005</u></u>	<u><u>75,319</u></u>
Significant non-cash transactions					
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	13	90,000	215,000	90,000	215,000
Acquisition of assets which not been paid		297	-	-	-

The notes to the financial information on pages 10 to 30 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, Room no. 2401 - 2405, 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 2018.

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 2017.

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 2017.

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 are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Group:

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.

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.

Management has implemented the above revised standards and they do not have significant impact on the Group, except for disclosure.

2.2.2 New financial reporting standards which have been announced but not yet effective.

2.2.2.1 TFRS 15 Revenue from contracts with customers is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard.

TFRS 15	Revenue from contracts with customers
---------	---------------------------------------

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards which have been announced but not yet effective. (Cont'd)

2.2.2.1 TFRS 15 Revenue from contracts with customers is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard. (Cont'd)

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Group will first apply this standard for annual reporting periods beginning on or after 1 January 2019. Management is currently assessing the impact from initial application of this standard in detail and has identified the following areas that are likely to be affected:

- accounting for cost incurred in fulfilling a contract - certain costs which are currently expensed may need to be recognised as an asset under TFRS 15

2.2.2.2 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted those standards.

The Group of financial instruments reporting standards consist of the following standards:

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 above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards which have been announced but not yet effective. (Cont'd)

2.2.2.2 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted those standards. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
 - The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
 - The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

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 2017.

4 Segment information

	Consolidated financial information				
	Lending Baht'000	Call center services and financial businesses Baht'000	Others Baht'000	Elimination Baht'000	Total Baht'000
For the three-month period ended 30 September 2018					
Net interest income					
Third party revenue	26,846	-	-	-	26,846
Inter-segment revenue	-	-	-	-	-
Net service income	136	12,832	-	-	12,968
Other operating income	1,889	639	-	(1,295)	1,233
Other operating expenses	(18,841)	(9,205)	-	1,299	(26,747)
Operating profit	10,030	4,266	-	4	14,300
Financial costs	(31)	(10)	-	-	(41)
Profit before tax	9,999	4,256	-	4	14,259
Income tax expense	(5,789)	(1,148)	-	-	(6,937)
Net profit for the period	4,210	3,108	-	4	7,322
As at 30 September 2018					
Segment assets	6,281,750	118,827	-	(770,401)	5,630,176
Segment liabilities	4,516,420	15,801	-	(99,062)	4,433,159
	Consolidated financial information				
	Lending Baht'000	Call center services and financial businesses Baht'000	Others Baht'000	Elimination Baht'000	Total Baht'000
For the three-month period ended 30 September 2017					
Net interest income					
Third party revenue	80,438	-	-	-	80,438
Inter-segment revenue	(42)	(18)	60	-	-
Net service income	732	14,558	-	-	15,290
Other operating income	7,002	54	-	(1,815)	5,241
Other operating expenses	(8,334)	(4,646)	(38)	(6,145)	(19,163)
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
Income tax expense	(19,887)	(2,721)	(3)	-	(22,611)
Net profit (loss) for the period	59,868	7,208	19	(7,960)	59,135
As at 31 December 2017					
Segment assets	5,681,283	108,858	25,433	(1,045,530)	4,770,044
Segment liabilities	3,872,879	20,831	117	(359,347)	3,534,480

ASIA Capital Group Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2018

4 Segment information (Cont'd)

	Consolidated financial information				Total Baht'000
	Lending Baht'000	Call center services and financial businesses Baht'000	Others Baht'000	Elimination Baht'000	
For the nine-month period ended 30 September 2018					
Net interest income					
Third party revenue	107,501	4	107	-	107,612
Inter-segment revenue	18	(18)	-	-	-
Net service income	860	36,840	-	-	37,700
Other operating income	151,646	1,104	10	(146,420)	6,340
Other operating expenses	(36,846)	(26,144)	(109)	(14,571)	(77,670)
Operating profit (loss)	223,179	11,786	8	(160,991)	73,982
Financial costs	(102)	(36)	-	-	(138)
Profit (loss) before tax	223,077	11,750	8	(160,991)	73,844
Income tax expense	(29,714)	(4,721)	(23)	-	(34,458)
Net profit (loss) for the period	193,363	7,029	(15)	(160,991)	39,386
As at 30 September 2018					
Segment assets	6,281,750	118,827	-	(770,401)	5,630,176
Segment liabilities	4,516,420	15,801	-	(99,062)	4,433,159

	Consolidated financial information				Total Baht'000
	Lending Baht'000	Call center services and financial businesses Baht'000	Others Baht'000	Elimination Baht'000	
For the nine-month period ended 30 September 2017					
Net interest income					
Third party revenue	283,615	3	-	-	283,618
Inter-segment revenue	(129)	(55)	184	-	-
Net service income	1,086	39,697	-	-	40,783
Other operating income	119,704	185	27	(112,120)	7,796
Other operating expenses	(60,286)	(16,168)	(144)	15,867	(60,731)
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
Income tax expense	(42,917)	(4,692)	(13)	-	(47,622)
Net profit (loss) for the period	300,947	18,909	54	(96,253)	223,657
As at 31 December 2017					
Segment assets	5,681,283	108,858	25,433	(1,045,530)	4,770,044
Segment liabilities	3,872,879	20,831	117	(359,347)	3,534,480

5 Fair Value

5.1 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 recognised at fair value at 30 September 2018 and 31 December 2017.

	30 September 2018			
	Consolidated financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Trading investments - opened-end fund	-	1,006,352	-	1,006,352
Total assets	-	1,006,352	-	1,006,352
	31 December 2017			
	Consolidated financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Trading investments - opened-end fund	-	254,535	-	254,535
Total assets	-	254,535	-	254,535

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 recognised at fair value at 30 September 2018 and 31 December 2017.

	30 September 2018			
	Separate financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Trading investments - opened-end fund	-	612,304	-	612,304
Total assets	-	612,304	-	612,304
	31 December 2017			
	Separate financial information			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Trading investments - opened-end fund	-	49	-	49
Total assets	-	49	-	49

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

5.2 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 opened-end fund.

6 Short-term investments

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Fair value Baht'000	Fair value Baht'000	Fair value Baht'000	Fair value Baht'000
Trading investment - opened-end fund	1,006,352	254,535	612,304	49

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

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance per period/year	254,535	181,887	49	59
Additions	3,557,170	4,414,549	2,699,000	3,058,909
Disposal	(2,807,038)	(4,341,915)	(2,087,110)	(3,058,919)
Change in fair value	1,685	14	365	-
Ending balance per period/year	1,006,352	254,535	612,304	49

As at 30 September 2018, short-term investments in the consolidated and separate financial information represented trading investments in an opened-end fund in with a financial institution.

7 Trade account receivables, net

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Accrued income	20,450	26,626	-	-
Undue	17,347	7,856	-	-
Overdue up to 30 days	-	-	-	-
Overdue 30 days but not over 180 days	337	599	-	-
Overdue 180 days but not over 1 year	574	1,712	-	-
Overdue more than 1 year	3,413	2,871	-	-
Total	42,121	39,664	-	-
<u>Less</u> Allowance for doubtful accounts	(398)	(50)	-	-
Trade account receivables, net	41,723	39,614	-	-

8 Factoring receivables, net

As at 30 September 2018 and 31 December 2017, Factoring receivables have average period of less than 1 year to due date. The detail is as below:

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Factoring receivables	37,383	46,482	-	-
<u>Less</u> Deferred interest	-	(920)	-	-
<u>Add</u> Interest receivable	696	-	-	-
	38,079	45,562	-	-

9 Loans to employees, net

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Minimum repayment under loans to employees	175	883	-	-
<u>Less</u> Deferred interest	(16)	(53)	-	-
	<u>159</u>	<u>830</u>	<u>-</u>	<u>-</u>
Current portion due within one year	129	682	-	-
Non-current portion due after one year	30	148	-	-
	<u>159</u>	<u>830</u>	<u>-</u>	<u>-</u>

10 Short-term loans to other companies, net

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Bill of exchange	684,935	516,886	644,951	516,886
Short-term loans to other companies	3,014,244	3,276,025	2,847,603	3,053,745
	<u>3,699,179</u>	<u>3,792,911</u>	<u>3,492,554</u>	<u>3,570,631</u>

The interest rates on bills of exchange and short-term loans to other companies are 6% - 7.5% per annum and 12%-15% per annum, respectively (31 December 2017: 6% - 7% per annum and 12% - 15% per annum, respectively).

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

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Balance at the beginning of the period/year	3,804,843	4,069,141	3,582,563	3,488,123
Addition during the period/year	2,175,529	2,828,359	1,997,342	2,946,565
Repayment during the period/year	(2,464,705)	(3,619,722)	(2,214,705)	(3,224,721)
Interest income recognised during the period/year	179,309	429,643	123,151	275,174
Interest receivable	4,203	85,490	4,203	85,490
Balance at the end of the period/year	<u>3,699,179</u>	<u>3,792,911</u>	<u>3,492,554</u>	<u>3,570,631</u>

As at 30 September 2018, the Group had outstanding short-term loans in form of bill of exchange and loan agreements net deferred interest totaling of Baht 685 million and Baht 3,014 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 2018, some of loans were agreed for repayment extensions for another 1 to 12 months.

10 Short-term loans to other companies, net (Cont'd)

As at 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline, whereby recognition of interest income is to cease for receivable balance which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Group has policy to cease recognising interest income which are overdue more than 6 months.

As at 30 September 2018, the Group had outstanding short-term loans to other companies which overdue over than 3 installments which interest income is still being recognised in the interim consolidated and separate financial information amounting to Baht 915 million (31 December 2017: Baht 915 million).

In addition, if the Group had followed this accounting guideline, the amount of interest income from short-term loans to other companies recognised in the interim consolidated and separate financial information for the nine-month period ended 30 September 2018 would be reduced by Baht 14.85 million (30 September 2017: Baht 5.70 million). Management believes that such interest income will fully be recoverable because the collateral value is much higher than the principal and interest recognised to date.

A loan receivable account has a short-term loan from Asia Capital Group PLC. (the Company) with a credit limit of Baht 800 million to be used for purchase of raw materials for delivery and distribution to a loan receivable's customer. The loan receivable account assigned its right to claim over the payment from this customer to the Company under the tri-party memorandum to solely transfer the right to the Company for repayment under the loan agreement. The customer gave its consent and complied with the contract. However, when the payment was matured in the second quarter of 2018, the customer did not transfer the payment to the Company under the transferred right agreement. On 30 May 2018, the Company issued a legal notice to the loan receivable account as the borrower and the customer as the assignee to make the payments to the Company. Nevertheless, both parties has not responded and made no payment. The outstanding balance of short-term loan as at 30 September 2018 was Baht 289,557,377.

In this case, the customer has appointed its agent who is their employee to purchase raw materials from the loan receivable account and they also have their employee to accept the delivery of goods as well as to issue a goods receipt note to the loan receivable account. Although the customer claimed that they did not receive the goods due to their internal fraud, they could not refuse their obligation to pay to the Company, who is an external innocent party, or even in the case where the customer has paid for the goods to other creditors, because the agreement states that the customer has to pay to the Company only. Therefore, they have no right under the consent to refuse the payment to the Company in anyway.

When the Company had not receive the payment from the loan receivable account and the customer, the Company has followed up but both of them have ignored and have not made any payments in any way. The Company have not yet received any response either to deny or accept the payment from both parties. On 20 August 2018, the Company has already filed a lawsuit against loan receivable account and the customer to the Civil Court. The Court has appointed for conciliation or settlement of issue with both parties on 26 November 2018. However, the customer of loan receivable account has not yet filed a statement to defence the case and still has not expressed the sign of debt solution yet. Moreover, the company has received a legal opinion from the third party professional law firm which concluded that transfer of rights to the Company for repayment is definitely complete and legitimate. The Company has a right to claim for full payment from the customer of loan receivable account without any excuse.

11 Other current assets

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Revenue department receivable	9,288	13,689	7,712	6,566
Prepaid expenses	14,967	21,828	6,177	19,158
Others	949	1,221	6	21
	<u>25,204</u>	<u>36,738</u>	<u>13,895</u>	<u>25,745</u>

12 Long-term investments

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
General investment - equity securities	245,000	220,000	245,000	220,000

The movement of long-term investments can be analysed as follows:

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Opening net book amount	220,000	-	220,000	-
Addition	25,000	220,000	25,000	220,000
Ending net book amount	245,000	220,000	245,000	220,000

13 Investment property

	Consolidated and Separate financial information	
	Land and building Baht'000	Total Baht'000
For the nine-month period ended 30 September 2018		
Opening net book amount	230,793	230,793
Increase from collateral for debt settlement	103,538	103,538
Closing net book amount	334,331	334,331
As at 30 September 2018		
Cost	334,331	334,331
Net book amount	334,331	334,331
Fair value	478,476	478,476

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 nine-month period ended 30 September 2018 to settle the loan amounting to Baht 90 million.

14 Deferred income taxes

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

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	3,690	16,594	62	11,333
Deferred tax assets to be recovered after more than 12 months	1,659	1,503	2,930	705
Deferred tax assets, net	5,349	18,097	2,992	12,038

14 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	Front end fee Baht'000	Other Baht'000	Total Baht'000
Deferred tax assets						
At 1 January 2018	6,185	4,698	1,130	5,232	852	18,097
(Credited) charged to profit or loss	(6,185)	(4,619)	217	(1,684)	(477)	(12,748)
At 30 September 2018	-	79	1,347	3,548	375	5,349
	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	
Deferred tax assets						
At 1 January 2018	6,185	4,688	658	507	12,038	
(Credited) charged to profit or loss	(6,185)	(2,510)	93	(444)	(9,046)	
At 30 September 2018	-	2,178	751	63	2,992	

15 Investments in subsidiaries, net

List of subsidiaries as at 30 September 2018 is as follows:

Company's name	Country of establishment	Type of business	Nature of relationship	Percentage of investment
Subsidiaries				
Global Service Center Public Company Limited (Formerly named as Global Service Center Company Limited)	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	Liquidated	Direct shareholding	99.99
Aurum Capital Advisory Pte. Ltd.	Singapore	Investment banking	Direct shareholding	63.97

15 Investments in subsidiaries, net (Cont'd)

The movements in investments in subsidiaries are as follows:

	Separate financial information Baht'000
For the nine-month period ended 30 September 2018	
Beginning net book balance	667,842
Dissolution of ACAP (ASIA) Asset Management Co., Ltd.	(26,863)
Reversal of allowance for impairment on investment in Global Service Center Public Company Limited	10,000
Reversal of allowance for impairment on investment in ACAP Consulting Co., Ltd.	1,000
Reversal of allowance for impairment on investment in ACAP (ASIA) Asset Management Co., Ltd.	1,549
Closing net book balance	<u>653,528</u>

During the nine-month period ended 30 September 2018, the Company's management had reversed an allowance for impairment on investment in Global Service Center Public Company Limited and ACAP consulting Co., Ltd. due to improvement in the above companies' performance, and ACAP (ASIA) Asset management Co., Ltd. due to dissolution, amounting to Baht 10 million, Baht 1 million and Baht 1.55 million, respectively.

On 24 May 2018, the Company received the capital return and retained earnings (deficits) from ACAP (ASIA) Asset Management Co., Ltd., amounting to Baht 26.86 million, as they distributed the net asset back to shareholder in liquidation process.

16 Leasehold improvements and equipment and intangible assets, net

	Consolidated financial information		Separate financial information	
	Leasehold improvements and equipment Baht'000	Intangible assets Baht'000	Leasehold improvements and equipment Baht'000	Intangible assets Baht'000
For the nine-month period ended 30 September 2018				
Opening net book amount	19,812	2,033	10,246	724
Additions	2,592	142	143	31
Disposals	(1)	-	-	-
Depreciation charge and amortisation	(3,496)	(682)	(1,160)	(279)
Ending net book amount	<u>18,907</u>	<u>1,493</u>	<u>9,229</u>	<u>476</u>

17 Short-term borrowing from other companies

	Consolidated and Separate financial information			Total Baht
	30 September 2018			
	Interest rate per annum (percent)	Remaining period to maturity		
	At call Baht	Within 1 year Baht		
Debt issued - bills of exchange	5.5	-	300,000	300,000

17 Short-term borrowing from other companies (Cont'd)

	Consolidated and Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000
Opening balance	44,901	1,093,042
Additions during the period/year	300,000	755,000
Prepaid interest	-	(15,700)
Repayments during the period/year	(45,000)	(1,810,000)
Financial cost recognised during the period/year	99	22,559
Ending balance	<u>300,000</u>	<u>44,901</u>

As at 30 September 2018, the Group have unsecured short-term borrowings in form of bills of exchange borrowed from a company totalling face value of Baht 300 million. The short-term loans has the interest rate charge at 5.5% per annum.

18 Debentures

	Consolidated and Separate financial statements	
	30 September 2018 Baht'000	31 December 2017 Baht'000
Debentures		
- Current portion due within one year	1,930,519	1,936,371
- Non-current portion due after one year which reclassified to current liability	2,065,120	1,455,141
Total	<u>3,995,639</u>	<u>3,391,512</u>

The movements of senior unsecured debentures which included current portion for the nine-month period ended 30 September 2018 and for the year ended 31 December 2017 are as follows:

	Consolidated and Separate financial statements	
	30 September 2018 Baht'000	31 December 2017 Baht'000
Opening balance	3,391,512	1,928,579
Additions of debentures during the period/year	1,297,923	1,452,776
Repayments during the period/year	(704,100)	-
Issuing costs recognised during the period/year	10,304	10,157
Debentures, net	<u>3,995,639</u>	<u>3,391,512</u>

Debentures were charged interest rate of 5.50% - 6.50% per annum in accordance with condition of each debenture (2017: 5.50% - 6.00% per annum) and have been paid interest on a quarterly basis and paid principal at maturity date.

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 2018, the Company maintains debt to equity ratio at 3.71 (31 December 2017: 2.88) and earnings before interest and tax at 1.65 (30 September 2017: 2.91).

As at 30 September 2018, the Company could not comply with requirement to maintains earnings before interest and tax to interest expense. Therefore, the non-current portion of debentures was reclassified to current liability due with in one year. Later on 16 October 2018, the Company held the Bondholder's meeting to approve for cancel the maintenance of the EBITDA to interest ratio as disclosure in Note 27.

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

19 Liabilities under financial lease contracts, net

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Minimum lease payments obligation under lease liabilities (lease of vehicles)	3,910	5,392	3,267	4,267
<u>Less</u> Deferred interest	(174)	(312)	(155)	(257)
	<u>3,736</u>	<u>5,080</u>	<u>3,112</u>	<u>4,010</u>
Current portion due within one year	1,861	1,801	1,237	1,203
Non-current portion due after one year	1,875	3,279	1,875	2,807
	<u>3,736</u>	<u>5,080</u>	<u>3,112</u>	<u>4,010</u>

20 Other current liabilities

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Other payable	50,260	22,611	18,391	6,757
Revenue department payable	8,148	19,395	3,374	4,373
	<u>58,408</u>	<u>42,006</u>	<u>21,765</u>	<u>11,130</u>

21 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.

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	
	2018	2017	2018	2017
Net profit (loss) attributable to ordinary shareholders (Baht'000)	7,322	59,135	(11,902)	34,554
Weighted average number of ordinary shares issued during the period (Shares)	316,253,152	312,366,170	316,253,152	312,366,170
Basic earnings per share (Baht per shares)	0.02	0.19	(0.04)	0.11
Weighted average number of ordinary shares issued during the period (Shares)	316,253,152	312,366,170	316,253,152	312,366,170
Adjust: warrants	11,207,606	60,054,742	11,207,606	60,054,742
Weighted average number of ordinary shares diluted earnings per share	327,460,758	372,420,912	327,460,758	372,420,912
Diluted earnings per share (Baht per shares)	0.02	0.16	(0.04)	0.09

21 Earnings per share (Cont'd)

For the nine-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
Net profit attributable to ordinary shareholders (Baht'000)	39,386	223,657	154,566	204,787
Weighted average number of ordinary shares issued during the period (Shares)	315,964,677	307,726,334	315,964,677	307,726,334
Basic earnings per share (Baht per shares)	0.12	0.73	0.49	0.67
Weighted average number of ordinary shares issued during the period (Shares)	315,964,677	307,726,334	315,964,677	307,726,334
Adjust: warrants	26,778,894	29,326,745	26,778,894	29,326,745
Weighted average number of ordinary shares diluted earnings per share	342,743,571	337,053,079	342,743,571	337,053,079
Diluted earnings per share (Baht per shares)	0.11	0.66	0.45	0.59

22 Share capital

	Authorised shares		Issued and paid-up shares	Premium	
	Number of shares Shares	Par value Baht	Baht	Baht	
At 1 January 2018	390,672,338	0.5	195,336,169	157,903,339	444,369,430
Warrants	-	-	-	300,153	718,266
At 30 September 2018	390,672,338		195,336,169	158,203,492	445,087,696
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	9,185,296
At 30 September 2017	390,672,338		195,336,169	156,183,077	428,961,642

On 31 July 2018, a warrant of the Company (ACAP-W1) was matured. On the same date a person who has rights exercised the rights to purchase ordinary shares amount 471,889 shares at the price Baht 1.6965 per share. The total amount of exercised rights were Baht 800,560 which consisted of Baht 235,945 par value and Baht 564,615 premium on share capital.

On 15 June 2018, a person who has rights, on warrant of the Company (ACAP-W1), exercised the rights to purchase ordinary shares amount 128,417 shares at the price Baht 1.6965 per share. The total amount of exercised rights were Baht 217,859 which consisted of Baht 64,208 par value and Baht 153,651 premium on share capital.

On 15 June 2017, a person who has rights, on warrant of the Company (ACAP-W1), exercised the rights to purchase ordinary shares amount 7,676,804 shares at the price Baht 1.6965 per share. The total amount of exercised rights were Baht 13,023,698 which consisted of Baht 3,838,402 par value and Baht 9,185,296 premium on share capital.

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 warrant's holders can exercise at 15 June and 15 December throughout the term of warrant.

23 Dividends

A dividend that related to the year 2017 amounting to Baht 78.95 million was paid on 18 May 2018.

24 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 15.56% of total paid-up 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;

<u>Company name and Person</u>	<u>Relationship</u>
Global Service Center Public Company Limited (Formerly named as Global Service Center Company Limited)	Subsidiary
ACAP Consulting Co., Ltd.	Subsidiary
Capital OK Co., Ltd.	Subsidiary
OK Cash Co., Ltd.	Subsidiary
ACAP (Asia) Asset Management Co., Ltd.	Subsidiary (Liquidated)
Aurum Capital Advisory Pte. Ltd.	Subsidiary
Thai Luxe Enterprises Public Company Limited	The Company's major shareholder
Sukjaroenkraisri family	The Company's major shareholder
Bangkok Global Law Office Co., Ltd	Held by director of the Company

The following significant transactions were carried out with related parties:

i) Revenues

	<u>Consolidated</u>		<u>Separate</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>
For the three-month period ended				
30 September				
Interest income				
<u>Subsidiaries</u>				
- ACAP Consulting Co., Ltd.	-	-	-	18
- OK Cash Co., Ltd.	-	-	-	372
	-	-	-	390
Other income - Management fee income				
<u>Subsidiaries</u>				
- Capital OK Co., Ltd.	-	-	900	900
- OK Cash Co., Ltd.	-	-	300	900
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	-	15
	-	-	1,200	1,815

24 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

i) Revenues

	Consolidated financial information		Separate financial information	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
For the nine-month period ended 30 September				
Interest income				
Subsidiaries				
- ACAP Consulting Co., Ltd.	-	-	18	55
- OK Cash Co., Ltd.	-	-	92	1,362
	-	-	110	1,417
Dividend income				
Subsidiaries				
- Capital OK Co., Ltd.	-	-	42,075	103,125
- OK Cash Co., Ltd.	-	-	100,024	-
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	-	1,000
	-	-	142,099	104,125
Other income - Management fee income				
Subsidiaries				
- ACAP Consulting Co., Ltd.	-	-	-	250
- Global Service Center Public Company Limited	-	-	-	2,000
- Capital OK Co., Ltd.	-	-	2,700	3,000
- OK Cash Co., Ltd.	-	-	1,300	2,700
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	-	45
	-	-	4,000	7,995

ii) Expenses

	Consolidated financial information		Separate financial information	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
For the three-month period ended 30 September				
Interest expense				
Subsidiaries				
- Capital OK Co., Ltd.	-	-	15	-
Related parties				
- Thai Luxe Enterprises PCL	504	3,873	504	3,873
	504	3,873	519	3,873
For the nine-month period ended 30 September				
Interest expense				
Subsidiaries				
- Capital OK Co., Ltd.	-	-	356	1,977
- ACAP (ASIA) Asset Management Co., Ltd.	-	-	-	184
Related parties				
- Thai Luxe Enterprises PCL	2,428	15,598	2,428	15,598
- Related person (Shareholder)	-	120	-	120
	2,428	15,718	2,784	17,879

24 Related party transactions (Cont'd)

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

Management remunerations

Management remunerations of the Group and the Company for the nine-month period ended 30 September 2018 is amounting to Baht 13.6 million and Baht 8.9 million (30 September 2017: Baht 6.5 million and Baht 6.5 million). The stated remunerations are short-term remunerations which are salary, bonus, and other benefits.

iii) Outstanding balances arising from sales / purchases of services

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Amounts due from related companies				
<u>Subsidiaries</u>				
- ACAP Consulting Co., Ltd.	-	-	-	7
- Global Service Center Public Company Limited	-	-	4	337
- Capital OK Co., Ltd.	-	-	321	330
- OK Cash Co., Ltd.	-	-	107	396
	-	-	432	1,070
Amounts due to related companies				
<u>Subsidiaries</u>				
- Capital OK Co., Ltd.	-	-	15	187
- Global Service Center Public Company Limited	-	-	32	-
<u>Related parties</u>				
- Bangkok Global Law Office Co., Ltd.	150	-	-	-
	150	-	47	187

iv) Loans to related parties

Short-term

For the nine-month period ended 30 September 2018, the Company had short-term loans to subsidiaries as follows:

	Separate financial information			
	Short-term loans			
	Opening balance Baht'000	Additions Baht'000	Repayments Baht'000	Ending balance Baht'000
OK Cash Co., Ltd.	77,000	-	(77,000)	-
	77,000	-	(77,000)	-

During the nine-month period ended 30 September 2018, the Company had received cash repayment of unsecured loan agreement in a form of a promissory note due at call, which bear interest rate at 1% per annum from OK Cash Co., Ltd.

24 Related party transactions (Cont'd)

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

iv) Loans to related parties (Cont'd)

Long-term

For the nine-month period ended 30 September 2018, the Company had long-term loans to subsidiaries as follows:

	Separate financial information			
	Long-term loans			
	Opening balance Baht'000	Addition Baht'000	Repayments Baht'000	Ending balance Baht'000
ACAP Consulting Co., Ltd.	7,900	-	(7,900)	-
<u>Less</u> Allowance for impairment	(7,900)	-	7,900	-
	-	-	-	-

v) Short-term borrowings from related party

During the nine-month period ended 30 September 2018, the Company had borrowings from related parties as follows:

Counterparty	Consolidated financial information			
	Opening balance Baht'000	Additions Baht'000	Repayments Baht'000	Ending balance Baht'000
Related party				
- Thai Luxe Enterprises Public Company Limited	-	90,000	(90,000)	-
	-	90,000	(90,000)	-
Separate financial information				
Counterparty	Opening balance Baht'000	Additions Baht'000	Repayments Baht'000	Ending Balance Baht'000
Subsidiaries				
- Capital OK Co., Ltd.	273,000	115,000	(388,000)	-
- ACAP (Asia) Asset Management Co., Ltd.	24,000	-	(24,000)	-
Related party				
- Thai Luxe Enterprises Public Company Limited	-	90,000	(90,000)	-
	297,000	205,000	(502,000)	-

All short-term borrowings are unsecured promissory notes due at call which bear interest rate at 1% - 5.5% per annum.

25 Commitments

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

	Consolidated financial information		Separate financial information	
	30 September 2018 Baht'000	31 December 2017 Baht'000	30 September 2018 Baht'000	31 December 2017 Baht'000
Within 1 year	9,830	8,942	4,836	4,152
More than 1 year but less than 5 years	11,571	2,912	8,435	-
Total	21,401	11,854	13,271	4,152

26 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. Therefore, 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.

27 Subsequent event

On 16 October 2018, the Company made payment for the mature debenture No. 3/2016 (ACAP18OA) in the amount of Baht 1,237.3 million.

On 16 October 2018, the Company held the Bondholders' Meeting No. 2/2018. The Meeting resolved to approve the amendment of Terms and Conditions about rights and responsibilities of bond issuer. The amendment was to cancel the maintenance of the interest coverage ratio (EBITDA to Interest for all 5 debentures named No. 1/2017 (ACAP193A), No. 2/2017 (ACAP196A), No. 3/2017 (ACAP19OA), No. 1/2018 (ACAP202A) and No. 2/2018 (ACAP207A)).

28 New accounting policy

As the Group has adopted a new accounting policy which ceases to recognise overdue interest income from defaulted debt, which overdue by more than 6 months starting from 1 July 2018. Therefore, the Group has made a retrospective adjustment to reflect the new accounting policy. The effects of the above to the statement of financial position as at 31 December 2017 in the interim consolidated and separate financial information are as follows :

	Consolidated financial information			Separate financial information		
	As previously reported Baht'000	Adjustment Baht'000	As restated Baht'000	As previously reported Baht'000	Adjustment Baht'000	As restated Baht'000
Statement of Financial Position as at 31 December 2017						
Short-term loans to related companies, net	3,804,843	(11,932)	3,792,911	3,582,563	(11,932)	3,570,631
Retained earnings - unappropriated	625,689	(11,932)	613,757	502,398	(11,932)	490,466