

**ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

# Independent Auditor's Report

To the shareholders of ASIA Capital Group Public Company Limited

## My opinion

In my opinion, the consolidated financial statements of ASIA Capital Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

## Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p><b>Value of loans to other companies</b></p> <p>As at 31 December 2017, loans to other companies had a net book value of Baht 3,831 million and Baht 3,583 million, representing 79 percent and 72 percent of the total assets of the Group and the Company, respectively. Refer to note 2.8 Accounting policy and note 13 Loans to other companies for full details.</p> <p>The Group operates a loan business, which is divided into corporate loans and retail loans, consisting of bills of exchange and loan agreements. These loans are mainly short-term and are presented as short-term loans in the financial statements.</p> <p>According to the Group's policies on loan granting, the Group considers the value of collateral, the borrower's financial position and the borrower's financial ability to repay, based on information available at the time the loans are granted.</p> <p>I focused my effort on considering the allowance for doubtful accounts. This is because the setting up of the allowance for doubtful accounts is based on the value of the loan collateral, which has to cover the loan amount and management's assessment on the borrower's ability to repay the loan. The Group engages appraisers to assess the value of collateral. However, there may be uncertainty about the future value of the assets used as collateral.</p>	<p>I have understood the key controls and tested certain controls relating to the loan granting process.</p> <p>I've examined samples of related loans to other companies by inspecting loan agreements, loan repayments received from borrowers, and collateral agreements.</p> <p>In relation to setting up the allowance for doubtful debts for loans, I considered default loan receivable and asked management about the allowance for doubtful debt estimation criteria used for the above receivables. I checked with the recent collateral asset appraisal reports from the independent appraiser, and assessed that the value based on the appraisal report reasonably covers the loan amounts. I also performed an independence check against the land price which was appraised by the Department of Lands and announced by the Treasury Department. I also selected and visited a construction site which was part of the collateral.</p> <p>From the above procedures, I found that the available evidence of collateral covers the amount of loan to other companies.</p>

### Other information

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

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Boonlert Kamolchanokkul**  
Certified Public Accountant (Thailand) No. 5339  
Bangkok  
28 February 2018



**ASIA Capital Group Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2017**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	107,438	72,214	81,594	65,953
Short-term investments	9	254,535	181,887	49	59
Accounts receivable, net	10	39,614	30,934	-	-
Amounts due from related companies	34 iii)	-	-	1,070	1,756
Factoring receivables, net	11	45,562	32,550	-	-
Current portion of loans to employees	12	682	929	-	-
Short-term loans to related companies, net	34 iv)	-	-	77,000	248,000
Short-term loans to other companies, net	13	3,831,001	4,116,795	3,582,563	3,488,123
Other current assets	15	36,738	13,351	25,745	2,934
<b>Total current assets</b>		<b>4,315,570</b>	<b>4,448,660</b>	<b>3,768,021</b>	<b>3,806,825</b>
<b>Non-current assets</b>					
Loans to employees, net	12	148	431	-	-
Long-term loan to related companies, net	34 iv)	-	-	-	-
Long-term investment	21	220,000	-	220,000	-
Investment Property	17	230,793	-	230,793	-
Deferred tax asset	25	18,097	56,126	12,038	42,132
Investment in subsidiaries, net	14	-	-	667,842	648,789
Leasehold improvements and equipment, net	16	19,812	27,973	10,246	14,881
Intangible assets, net	18	2,033	2,442	724	1,094
Other non-current assets	19	1,681	1,584	1,127	1,130
<b>Total non-current assets</b>		<b>492,564</b>	<b>88,556</b>	<b>1,142,770</b>	<b>708,026</b>
<b>Total assets</b>		<b>4,808,134</b>	<b>4,537,216</b>	<b>4,910,791</b>	<b>4,514,851</b>

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

Date \_\_\_\_\_

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.

**ASIA Capital Group Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2017**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Account payables		27,750	21,381	27,750	15,249
Other payables		13,596	10,116	2,819	1,536
Amounts due to related companies	34 iii)	-	568	187	687
Short-term borrowings from related companies	34 v)	-	450,000	297,000	575,000
Short-term borrowings from other companies	21	44,901	1,093,042	44,901	1,093,042
Current portion of debentures	24	1,936,371	-	1,936,371	-
Current portion of financial lease liabilities	22	1,801	1,728	1,203	1,162
Other current liabilities	23	71,097	59,342	14,063	9,374
<b>Total current liabilities</b>		<b>2,095,516</b>	<b>1,636,177</b>	<b>2,324,294</b>	<b>1,696,050</b>
<b>Non-current liabilities</b>					
Financial lease liabilities, net	22	3,279	5,019	2,807	3,949
Debentures	24	1,455,141	1,928,579	1,455,141	1,928,579
Employee benefits obligations	26	5,650	4,335	3,292	2,989
Other non-current liabilities		1,052	1,052	1,052	1,052
<b>Total non-current liabilities</b>		<b>1,465,122</b>	<b>1,938,985</b>	<b>1,462,292</b>	<b>1,936,569</b>
<b>Total liabilities</b>		<b>3,560,638</b>	<b>3,575,162</b>	<b>3,786,586</b>	<b>3,632,619</b>
<b>Equity</b>					
Share capital	28				
Authorised, issued and paid-up share capital					
312,500,000 ordinary shares of Baht 0.5 each			156,250		156,250
390,672,338 ordinary shares of Baht 0.5 each		195,336		195,336	
Issued and paid-up share capital					
304,689,350 ordinary shares of Baht 0.5 each		-	152,345	-	152,345
315,806,679 ordinary shares of Baht 0.5 each		157,904	-	157,904	-
Premium on share capital		444,369	419,776	444,369	419,776
Retained earnings					
Appropriated - Legal reserve	27	19,534	12,500	19,534	12,500
Unappropriated		625,689	377,433	502,398	297,611
Other components of equity		-	-	-	-
<b>Equity attributable to owners of the parent</b>		<b>1,247,496</b>	<b>962,054</b>	<b>1,124,205</b>	<b>882,232</b>
Non-controlling interests		-	-	-	-
<b>Total equity</b>		<b>1,247,496</b>	<b>962,054</b>	<b>1,124,205</b>	<b>882,232</b>
<b>Total liabilities and equity</b>		<b>4,808,134</b>	<b>4,537,216</b>	<b>4,910,791</b>	<b>4,514,851</b>

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.



**ASIA Capital Group Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2017**

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Interest income		596,990	271,090	437,543	167,234
Interest expense		(253,649)	(127,268)	(256,222)	(129,163)
<b>Net interest income</b>		<b>343,341</b>	<b>143,822</b>	<b>181,321</b>	<b>38,071</b>
Service income		160,142	146,904	-	-
Cost of services		(82,584)	(98,751)	-	-
<b>Net service income</b>		<b>77,558</b>	<b>48,153</b>	<b>-</b>	<b>-</b>
Dividend income		-	-	104,125	-
Other income	29, 34 i)	9,857	3,155	15,678	17,866
<b>Total operating income</b>		<b>430,756</b>	<b>195,130</b>	<b>301,124</b>	<b>55,937</b>
<b>Other operating expenses</b>					
Administrative expenses		98,856	68,858	48,602	44,785
Management remunerations	34 ii)	9,584	7,790	9,584	7,790
<b>Total other operating expenses</b>		<b>108,440</b>	<b>76,648</b>	<b>58,186</b>	<b>52,575</b>
Reversal on impairment loss from loans to and investment in subsidiaries		-	-	947	(50,466)
<b>Profit before financial costs and income tax</b>		<b>322,316</b>	<b>118,482</b>	<b>241,991</b>	<b>53,828</b>
Financial costs		243	169	166	61
<b>Profit before income tax</b>		<b>322,073</b>	<b>118,313</b>	<b>241,825</b>	<b>53,767</b>
Tax expense (income)	31	(66,657)	56,037	(30,076)	43,692
<b>Net profit for the year</b>		<b>255,416</b>	<b>174,350</b>	<b>211,749</b>	<b>97,459</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of post-employment benefit obligations	26	(158)	2,320	90	1,017
Income tax relating to item that will be reclassified subsequently to profit or loss	25	32	(464)	(18)	(203)
Total comprehensive income for the year, net of tax		(126)	1,856	72	814
Total comprehensive income		<b>255,290</b>	<b>176,206</b>	<b>211,821</b>	<b>98,273</b>

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.

**Statements of Comprehensive Income (Cont'd)**  
**For the year ended 31 December 2017**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Profit attributable to:</b>					
Shareholders of the parent		255,416	174,327	211,749	97,459
Non-controlling interests		-	23	-	-
		<u>255,416</u>	<u>174,350</u>	<u>211,749</u>	<u>97,459</u>
<b>Total comprehensive income (expense)</b>					
<b>attributable to:</b>					
Shareholders of the parent		255,290	176,183	211,821	98,273
Non-controlling interests		-	23	-	-
		<u>255,290</u>	<u>176,206</u>	<u>211,821</u>	<u>98,273</u>
<b>Earnings per share</b>	32				
<b>(expressed in Baht per share)</b>					
Basic earnings per share		<u>0.83</u>	<u>0.69</u>	<u>0.69</u>	<u>0.39</u>
Diluted earnings per share		<u>0.72</u>	<u>0.67</u>	<u>0.60</u>	<u>0.37</u>

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.

ASIA Capital Group Public Company Limited  
 Statements of Changes in Equity  
 For the year ended 31 December 2017

Consolidated financial statements							
Attributable to owners of the parent							
Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total equity Baht'000
			Appropriated - Legal reserve Baht'000	Unappropriated Baht'000			
<b>Opening balance as at 1 January 2016</b>	125,000	337,742	12,500	202,488	677,730	(23)	677,707
Warrants	27,345	82,034	-	-	109,379	-	109,379
Tax credited directly to equity	25	-	-	(1,238)	(1,238)	-	(1,238)
Total comprehensive income	-	-	-	176,183	176,183	23	176,206
<b>Ending balance as at 31 December 2016</b>	<b>152,345</b>	<b>419,776</b>	<b>12,500</b>	<b>377,433</b>	<b>962,054</b>	<b>-</b>	<b>962,054</b>

Consolidated financial statements							
Attributable to owners of the parent							
Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total equity Baht'000
			Appropriated - Legal reserve Baht'000	Unappropriated Baht'000			
<b>Opening balance as at 1 January 2017</b>	152,345	419,776	12,500	377,433	962,054	-	962,054
Warrants	28	5,559	-	-	30,152	-	30,152
Total comprehensive income	-	-	7,034	248,256	255,290	-	255,290
<b>Ending balance as at 31 December 2017</b>	<b>157,904</b>	<b>444,369</b>	<b>19,534</b>	<b>625,689</b>	<b>1,247,496</b>	<b>-</b>	<b>1,247,496</b>

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.

**ASIA Capital Group Public Company Limited**  
**Statements of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2017**

	Separate financial statements					Total equity Baht'000
	Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		
				- Legal reserve Baht'000	Unappropriated Baht'000	
<b>Opening balance as at 1 January 2016</b>		125,000	337,742	12,500	200,695	675,937
Warrants		27,345	82,034	-	-	109,379
Tax credited directly to equity	25	-	-	-	(1,357)	(1,357)
Total comprehensive income		-	-	-	98,273	98,273
<b>Closing balance as at 31 December 2016</b>		<u>152,345</u>	<u>419,776</u>	<u>12,500</u>	<u>297,611</u>	<u>882,232</u>

	Separate financial statements					Total equity Baht'000
	Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		
				- Legal reserve Baht'000	Unappropriated Baht'000	
<b>Opening balance as at 1 January 2017</b>		152,345	419,776	12,500	297,611	882,232
Warrants	28	5,559	24,593	-	-	30,152
Total comprehensive income		-	-	7,034	204,787	211,821
<b>Closing balance as at 31 December 2017</b>		<u>157,904</u>	<u>444,369</u>	<u>19,534</u>	<u>502,398</u>	<u>1,124,205</u>

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.

**ASIA Capital Group Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2017**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from operating activities</b>					
Profit before income tax		322,073	118,313	241,825	53,767
Adjustments for:					
Depreciation and amortisation	16, 18	7,666	6,663	2,006	1,390
Interest income		(596,990)	(271,090)	(437,543)	(167,234)
Interest expense		253,649	127,268	256,222	129,163
Interest expense from finance leases		243	169	166	61
Dividend income		-	-	(104,125)	-
Doubtful debt	10	-	50	-	-
Bad debt expense		431	-	-	-
Reversal on impairment loss on investment in subsidiaries	14	-	-	947	(34,466)
Reversal on loss on impairment of loan and interest to related company	34 iv)	-	-	400	(16,000)
Loss on impairment withholding tax		(2,698)	6,119	2,698	3,447
(Gain) loss on disposal/impairment/write-off assets	16, 18	1,590	(54)	1,695	422
Gain on sale of short-term investment		(3,040)	(1,672)	(1,558)	(1,369)
Gain on change in fair value	9	(14)	(168)	-	-
Employee benefits		1,157	1,061	392	571
Loss from operating activities before changes in operating assets and liabilities		(15,933)	(13,341)	(36,875)	(30,248)
(Increase) decrease in operating assets					
Accounts receivable	10	(9,111)	(12,892)	-	-
Factoring receivables	9	(12,854)	(33,628)	-	-
Short-term investments		(69,594)	(177,057)	1,568	1,458
Amounts due from related companies		-	-	523	(131)
Short-term loans to other companies	13	280,685	(3,193,570)	(46,181)	(3,223,569)
Loan to employees		678	1,334	-	-
Other current assets		471	1,688	(4,350)	(2,508)
Other non-current assets		(97)	1,431	3	1,047
Investment property	17	(15,793)	-	(15,793)	-
Increase (decrease) in operating liabilities					
Account payable		(6,133)	6,132	-	-
Amounts due to related companies		-	-	-	(26,257)
Other payables		3,479	410	1,283	(237)
Other current liabilities		(11,475)	55,416	(22,180)	6,898
Employee benefit paid		-	(1,478)	-	-
Cash used in operation before interest and income tax received (paid)		144,323	(3,365,555)	(122,002)	(3,273,547)
Interest income received		365,296	387,720	242,447	297,201
Dividend income received		-	-	104,125	-
Interest expense paid excluding finance leases		(216,290)	(104,577)	(218,796)	(106,543)
Income tax paid		(13,436)	(10,487)	(2,698)	(3,447)
Net cash (used in) provided by operating activities		279,893	(3,092,899)	3,076	(3,086,336)

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.

**ASIA Capital Group Public Company Limited**  
**Statements of Cash Flows (Cont'd)**  
**For the year ended 31 December 2017**

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from investing activities</b>					
Cash paid for short-term loans to related parties	34 iv)	-	-	(2,000)	(14,200)
Cash received from short-term loans to related parties	34 iv)	-	-	105,000	73,200
Cash paid for long-term loans to related parties	34 iv)	-	-	(900)	-
Cash received from long-term loans to related parties	34 iv)	-	-	500	16,000
Cash paid for investment in subsidiaries	14	-	-	(20,000)	(450)
Cash paid for long-term investment		(220,000)	-	(220,000)	-
Cash paid for purchase of leasehold improvements, equipment and intangible assets	16, 18	(2,896)	(4,190)	(64)	(2,426)
Cash received from disposal of leasehold improvement, equipment and intangible assets	16, 18	2,209	1,500	1,368	733
Net cash (used in) provided by investing activities		(220,687)	(2,690)	(136,096)	72,857
<b>Cash flows from financing activities</b>					
Cash received from the issuance of debentures	24	-	1,941,400	-	1,941,400
Cash paid for underwriting expense - debentures		-	(15,576)	-	(15,576)
Cash received from short-term borrowings from related companies	34 iv)	30,000	821,000	1,037,000	821,000
Cash paid for short-term borrowings from related companies	34 iv)	(480,000)	(371,000)	(1,315,000)	(446,000)
Cash received from short-term borrowings from other companies	21	755,000	2,079,500	755,000	2,079,500
Cash paid for short-term borrowings from other companies	21	(1,810,000)	(1,439,500)	(1,810,000)	(1,439,500)
Cash received from debenture		1,463,300	-	1,463,300	-
Cash paid for debenture underwriting fee		(10,524)	-	(10,524)	-
Cash paid for liabilities under finance lease		(1,910)	(1,037)	(1,267)	(334)
Cash received from warrants	28	30,152	109,379	30,152	109,379
Net cash provided by (used in) financing activities		(23,982)	3,124,166	148,661	3,049,869
<b>Net increase (decrease) in cash and cash equivalents</b>		35,224	28,577	15,641	36,390
Cash and cash equivalents at beginning of the year		72,214	43,637	65,953	29,563
<b>Cash and cash equivalents at end of the year</b>		107,438	72,214	81,594	65,953
<b>Non-cash transactions</b>					
Purchase of vehicle under finance lease		-	5,384	-	5,384
Remeasurements	26	(158)	2,320	-	1,017
ST loan to related - OK Cash		-	-	68,000	-
Transfer of collateral for debt settlement		215,000	-	215,000	-

The notes to consolidated and the separate financial statements on pages 13 to 57 are an integral part of these financial statements.

## **1 General information**

ASIA Capital Group Public Company Limited (“the Company”) is a public limited company, incorporated and domiciled 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 10900.

The Company is listed on 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 retail lending, non-performing assets management, call center services and factoring business.

The consolidated and separated financial statements were authorised for issue by the Board of Directors on 28 February 2018.

## **2 Accounting policies**

The principal accounting policies adopted in preparation of these consolidated and separate financial statements are set out below.

### **2.1 Basis of preparation**

The consolidated and the company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards (“TAS”) issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and separate financial statements have been prepared under the historical cost convention except certain transactions which are presented at fair value as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 to the financial statements.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in Thai language. In the event of conflicts or differences in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2 Accounting policies (Cont'd)

### 2.2 Financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards and interpretations are effective on 1 January 2017 which are relevant and have significant impact to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 19 (revised 2016)	Employee benefits
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.

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 early 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.

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 Accounting policies (Cont'd)**

### **2.3 Group Accounting - Investment in subsidiaries**

#### **(1) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's subsidiaries is set out in Note 14 to the financial statements.

#### **(2) Transactions and non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### **(3) Disposal of subsidiaries**

When the Group ceases to have control, it shall cease to consolidate its subsidiaries any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

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

### **2.4 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

### **2.5 Investments**

Investments other than investments in subsidiaries, are classified into the following four categories: (1) trading investments; (2) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- 1 Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- 2 Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments is subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

### **2.6 Trade accounts receivable**

Trade accounts receivable are carried at original invoice amount and subsequent measure at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are identified and recognised in profit or loss within administrative expenses.

### **2.7 Factoring receivable**

Factoring receivables are recognised on the transaction date.

Factoring receivables is initially recognised at the amount equal to e.g. 70% or 90% of bills and stated at the outstanding contract amount, net of unearned interest income less allowance for doubtful accounts. Unearned interest income is recognised over a period of contract using the effective interest method and is presented as interest income in statements of comprehensive income.

### **2.8 Loan receivables**

Loan receivables are comprised of receivables from loan agreement and bills of exchange. Loan receivables are recognised on the transaction date.

Loan receivables is generally stated at principal amounts outstanding after deducting unearned interest income, deferred fee income and allowance for doubtful accounts.

## 2 Accounting policies (Cont'd)

### 2.9 Investment property

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

Initial recognition of investment property is measured 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.

### 2.10 Leasehold improvements and equipment

Leasehold improvements and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its estimated useful life as follows:

Leasehold improvements	5 years
Computers	3 - 10 years
Furniture and fixture	5 years
Office equipment	5 years
Vehicles	5 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (losses)/gains - net' in profit or loss.

### 2.11 Intangible assets

#### Computer software

Expenditure on acquired licenses and cost of computer software are capitalised and amortised using the straight-line method over their useful lives generally 5 years or over the contract period. Intangible assets are not revalued. The Company regularly reviews the carrying amount of intangible assets and adjusted if impairment is identified.

Expenditure which enhances or extends the performance computer software programmes beyond their original specifications is recognised as a capital improvement and added into the original cost of the software.

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

**2.12 Impairment of assets**

Leasehold improvements and equipment and other non-current assets that are not financial assets, including intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

**2.13 Leases - where a Group company is the lessee**

Leases which substantially transfer all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in finance lease liabilities under finance lease contract. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

**2.14 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date or it does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. If the borrowings do not meet the criteria as aforementioned, the borrowings are classified as non-current liabilities.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

**2.15 Employee benefits**

The Group operate various post-employment benefits schemes. The Group has both defined contribution and defined benefit plans.

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate pension fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

Under Labour Laws applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

**2.16 Provisions**

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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

### **2.17 Current and deferred income taxes**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that Group and its future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **2.18 Revenues and expenses recognition**

Revenues from financial advisor and investment consultant

- Monthly fee is recognised based on the performance of services under related contract. The Company will cease revenue recognition when receivables are continuously delinquent on payments for more than 3 months.
- Service fee on condition of contract is recognised on success of each step of contract.
- Service fee on completion is recognised when the service is completely rendered.

Interest income is recognised using effective interest method.

Placement fee income is recognised using effective interest method over the period of loan agreement which the Group is a lender.

Other incomes and expenses are recognised on accrual basis.

### **2.19 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

### **2.20 Segment reporting**

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

### 3 Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management by identifying, evaluating and hedging the overall financial risks.

##### 3.1.1 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are made to customers with an appropriate credit history.

##### 3.1.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

#### 3.2 Fair value estimation

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

		Consolidated financial statements			
		2017			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Financial assets at fair value through profit or loss</b>					
	Trading securities - Open fund	-	254,235	-	254,235
		Consolidated financial statements			
		2016			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Financial assets at fair value through profit or loss</b>					
	Trading securities - Open fund	-	181,887	-	181,887
		Separate financial statements			
		2017			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Financial assets at fair value through profit or loss</b>					
	Trading securities - Open fund	-	49	-	49
		Separate financial statements			
		2016			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Financial assets at fair value through profit or loss</b>					
	Trading securities - Open fund	-	59	-	59

### 3 Financial risk management

#### 3.2 Fair value estimation

The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2017 and 2016.

	Consolidated financial statements			
	2017			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
General investment - equity securities	-	-	220,000	220,000

	Consolidated financial statements			
	2016			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
General investment - equity securities	-	-	-	-

	Separate financial statements			
	2017			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
General investment - equity securities	-	-	220,000	220,000

	Separate financial statements			
	2016			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
General investment - equity securities	-	-	-	-

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the closing price by reference to the Stock Exchange of Thailand. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.



### **3 Financial risk management (Cont'd)**

#### **3.2 Fair value estimation (Cont'd)**

##### (c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

### **4 Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **4.1 Impairment on loans to other companies**

The Group considers an impairment of loans to other companies to reflect impairment of loans to other companies relating to estimated losses resulting from the inability to make required payments. The allowance on impairment is significantly impacted by the difference of estimated future cash flows and carrying value of specific loans, such assessment being based on consideration of historical collection experience, follow up, instances of default, consideration of market trends and/or collateral value.

#### **4.2 Leasehold improvements, equipment and intangible assets**

Management determines the estimated useful lives and residual values for building improvements, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete assets or assets that have been abandoned or sold.

#### **4.3 Retirement benefits**

The Group has committed to pay benefits to employees at retirement age. The present value of employee benefit liabilities recognised in the statement of financial position is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increase and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the interest rates of government bonds denominated in the currency in which the benefits will be paid.

### **5 Capital risk management**

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**6 Segment information**

The Group divides its business into three business lines which consist of lending, and call center and finance services.

- Lending service - to provide personal loans and loans for business and factoring.
- Call center services and financial services - to provide telecommunication service, financial advisory and investment banking services for debt restructuring, preparation and management of rehabilitation plan, fund raising, financial restructuring, seeking strategic alliance, purchase/sales and merger & acquisition while a subsidiary company engages into the business of being rehabilitation plan administrator under the Bankruptcy Act.

<b>Consolidated financial statements</b>					
	<b>Lending</b>	<b>Call center services and financial businesses</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the year ended 31 December 2017</b>					
Net interest income					
Third party revenue	343,334	7	-	-	343,341
Inter-segment revenue	(149)	(75)	224	-	-
Net service income	(342)	77,900	-	-	77,558
Other operating income	123,522	313	36	(114,014)	9,857
Other operating expenses	(59,006)	(43,553)	(190)	(5,691)	(108,440)
Operating profit (loss)	407,359	34,592	70	(119,705)	322,316
Financial costs	(166)	(77)	-	-	(243)
Profit (loss) before tax	407,193	34,515	70	(119,705)	322,073
Tax (expense) income	(59,938)	(6,704)	(15)	-	(66,657)
Net profit (loss) for the year	<u>347,255</u>	<u>27,811</u>	<u>55</u>	<u>(119,705)</u>	<u>255,416</u>
Segment assets	5,719,373	108,858	25,433	(1,045,530)	4,808,134
Segment liabilities	3,899,037	20,831	117	(359,347)	3,560,638
Capital expenditure	11,374	10,555	-	(84)	21,845
Depreciation and amortisation	3,345	3,708	-	613	7,666

<b>Consolidated financial statements</b>					
	<b>Lending</b>	<b>Call center services and financial businesses</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the year ended 31 December 2016</b>					
Net interest income					
Third party revenue	143,816	6	-	-	143,822
Inter-segment revenue	(66)	(184)	250	-	-
Net service income	(4,006)	52,159	-	-	48,153
Other operating income	18,396	272	15	(15,528)	3,155
Other operating expenses	(17,080)	(24,391)	(240)	(34,937)	(76,648)
Operating profit (loss)	141,060	27,862	25	(50,465)	118,482
Financial costs	(61)	(108)	-	-	(169)
Profit (loss) before tax	140,999	27,754	25	(50,465)	118,313
Tax income (expense)	54,130	1,912	(5)	-	56,037
Net profit (loss) for the year	<u>195,129</u>	<u>29,666</u>	<u>20</u>	<u>(50,465)</u>	<u>174,350</u>
Segment assets	5,501,390	57,705	1,364	(1,023,243)	4,537,216
Segment liabilities	3,940,245	17,831	105	(382,482)	3,575,699
Capital expenditure	18,455	11,432	-	528	30,415
Depreciation and amortisation	3,041	3,622	-	-	6,663

**7 Cash and cash equivalents**

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Cash on hand	25	15	6	3
Deposit held at call with banks	107,806	72,491	81,588	65,950
Total cash, and deposit with bank	107,831	72,506	81,594	65,953
<u>Less</u> Deposit at banks which subject to restrictions (Note 8)	(393)	(292)	-	-
Cash and cash equivalents	107,438	72,214	81,594	65,953

The interest rate of deposit held at call with banks is 0.25% per annum (2016: 0.29% per annum).

**8 Restricted deposit at bank**

The group has pledged deposit at bank totaling Baht 0.39 million (2016: Baht 0.29 million) as security against related office service agreements and rental agreements.

**9 Short-term investments**

	Consolidated financial statements		Separate financial statements	
	2017 Cost/ book value Baht'000	2016 Cost/ book value Baht'000	2017 Cost/ book value Baht'000	2016 Cost/ book value Baht'000
Trading investment - open fund	254,535	181,887	49	59

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Opening balance	181,887	2,990	59	148
Additions	4,414,549	2,557,185	3,058,909	2,227,070
Disposals	(4,341,915)	(2,378,456)	(3,058,919)	(2,227,159)
Change in fair value	14	168	-	-
Ending balance	254,535	181,887	49	59

As at 31 December 2017, short-term investments in the consolidated and separate financial statements represented trading investments in open fund with financial institutions.

**10 Account receivables, net**

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Undue and up to 30 days	34,482	29,619	-	-
Overdue 30 days but not over 180 days	599	1,765	-	-
Overdue 180 days but not over 1 year	1,712	-	-	-
Overdue more than 1 year	2,871	50	-	-
Total	39,664	13,614	-	-
<u>Less</u> Allowance for doubtful accounts	(50)	(50)	-	-
Account receivables, net	39,614	30,934		

**11 Factoring receivables, net**

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Factoring receivables	46,482	33,628	-	-
<u>Less</u> Deferred interest	(920)	(1,078)	-	-
	45,562	32,550	-	-

**12 Loans to employees, net**

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Minimum repayment under loans to employees	883	1,496	-	-
<u>Less</u> Deferred interest	(53)	(136)	-	-
	830	1,360	-	-
Current portion due within one year	682	929	-	-
Non-current portion due after one year	148	431	-	-
	830	1,360	-	-

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</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>
Bills of exchange	516,886	2,006,846	516,886	1,751,326
Short-term loans to other companies	3,314,115	2,109,949	3,065,677	1,736,797
<b>Total</b>	<b>3,831,001</b>	<b>4,116,795</b>	<b>3,582,563</b>	<b>3,488,123</b>

The interest rates on bills of exchange and short-term loans to other companies are 6% - 7% and 12% - 15% per annum respectively (31 December 2016: 6% - 12% per annum and 12% - 15% per annum respectively).

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</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>
Opening balance	4,116,795	1,039,079	3,488,123	394,455
Additions	2,905,849	4,049,142	2,946,565	4,088,991
Repayments	(3,619,722)	(1,207,149)	(3,224,721)	(1,152,099)
Interest income recognised during the year	330,657	228,761	275,174	149,814
Interest receivable	97,422	6,962	97,422	6,962
<b>Ending balance</b>	<b>3,831,001</b>	<b>4,116,795</b>	<b>3,582,563</b>	<b>3,488,123</b>

**Bills of exchange**

The bills of exchange with extended repayment can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</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>
Undue	55,049	786,581	55,049	786,581
Extensions	461,837	1,220,265	461,837	946,745
<b>Total</b>	<b>516,886</b>	<b>2,006,846</b>	<b>516,886</b>	<b>1,751,326</b>

The Group had outstanding short-term loans in a form of bills of exchange provided to 5 companies (2016: 12 companies) at face value totalling of Baht 516 million and netted loans of Baht 516.89 million. The short-term loans were given during 2017, which will be matured within one to six months and with the interest rate charge at 6% - 15% per annum. The Group have 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 shares of those borrowing companies and also guaranteed by some directors and shareholders of the borrowers.

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

**Loan agreements**

The loan agreements with extended repayment can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>
Undue	680,171	1,612,765	680,171	1,612,765
Extensions	2,633,944	497,184	2,385,506	124,032
<b>Total</b>	<b>3,314,115</b>	<b>2,109,949</b>	<b>3,065,677</b>	<b>1,736,797</b>

The Group had outstanding short-term loans in form of loan agreements at face value provided to 11 companies and 2 persons totaling face value of Baht 3,369 million and net loan of Baht 3,314 million. The short-term loans were given since December 2016 which will be matured within 3 months until 1 year and with the interest rate charge at 12% - 15% per annum. The Group have 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.

During 2017, some parts of loans were agreed for repayment extensions for another 3 to 6 months. This is permitted under related conditions in the loan agreements in which the lenders have their right to request for the loan extension for another 1 time.

**14 Investment in subsidiaries, net**

List of subsidiaries 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>2017</b>	<b>2016</b>
<b>Subsidiaries</b>					
Global Service Center Co., Ltd.	Thailand	Call center service	Shareholder	99.99	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory	Shareholder	99.99	99.99
Capital OK Co., Ltd.	Thailand	Consumers Finance	Shareholder	99.99	99.99
OK Cash Co., Ltd.	Thailand	Collection services	Shareholder	99.99	99.99
ACAP (Asia) Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder	99.99	99.99
Aurum Capital Advisory Pte. Ltd.	Singapore	Investment Banking	Shareholder	63.97	63.97

14 Investment in subsidiaries, net (Cont'd)

The followings are details of the movements in investment in subsidiaries.

	2017					
	Separate financial statements					
	Paid-up capital Baht'000	Cost method		Net Baht'000	Investment proportion	
		Cost Baht'000	Allowance for impairment Baht'000		Amount at par Baht'000	Percentage of holding
Global Service Center Co., Ltd.	80,000	80,000	(10,000)	70,000	80,000	99.99
ACAP Consulting Co., Ltd.	1,000	1,000	(1,000)	-	1,000	99.99
Capital OK Co., Ltd.	412,500	509,926	-	509,926	412,500	99.99
OK Cash Co., Ltd.	62,050	62,602	-	62,602	62,050	99.99
ACAP (Asia) Asset Management Co., Ltd.	25,000	26,863	(1,549)	25,314	25,000	99.99
Aurum Capital Advisory Pte, Ltd.	14,274	10,892	(10,892)	-	-	63.97
		691,283	(23,441)	667,842	589,550	
	2016					
	Separate financial statements					
	Paid-up capital Baht'000	Cost method		Net Baht'000	Investment proportion	
		Cost Baht'000	Allowance for impairment Baht'000		Amount at par Baht'000	Percentage of holding
Global Service Center Co., Ltd.	60,000	60,000	(10,000)	50,000	60,000	99.99
ACAP Consulting Co., Ltd.	1,000	1,000	(1,000)	-	1,000	99.99
Capital OK Co., Ltd.	412,500	509,926	-	509,926	412,500	99.99
OK Cash Co., Ltd.	62,050	62,602	-	62,602	62,050	99.99
ACAP (Asia) Asset Management Co., Ltd.	25,000	26,863	(602)	26,261	25,000	99.99
Aurum Capital Advisory Pte, Ltd.	14,274	10,892	(10,892)	-	-	63.97
		671,283	(22,494)	648,789	560,550	

The movement in investment in subsidiaries are as follows:

	Separate financial statements Baht'000
<b>For the year ended 31 December 2017</b>	
Beginning net book balance	648,789
Addition paid-up capital on investment in Global Service Center Co., Ltd. during the year	20,000
Additional allowance for impairment on investment in ACAP (ASIA) Asset Management Co., Ltd. during the year	(947)
Closing net book balance	667,842

On 29 November 2017, ACAP (Asia) Asset Management Co., Ltd., a 99.99% owned subsidiary, registered for liquidation with the Ministry of Commerce. The company recognised loss from liquidation of Baht 0.95 million.

15 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Revenue department receivable	13,689	9,496	6,566	1,931
Prepaid expenses	21,828	3,621	19,158	1,003
Others	1,221	234	21	-
	<u>36,738</u>	<u>13,351</u>	<u>25,745</u>	<u>2,934</u>

16 Leasehold improvements and equipment, net

	Consolidated financial statements					
	Leasehold improvements Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	Total Baht'000
<b>At 1 January 2016</b>						
Cost	10,324	108,886	11,614	22,093	13,176	166,093
<u>Less</u> Accumulated depreciation	(3,005)	(105,346)	(7,418)	(19,969)	(4,383)	(140,121)
Net book amount	<u>7,319</u>	<u>3,540</u>	<u>4,196</u>	<u>2,124</u>	<u>8,793</u>	<u>25,972</u>
<b>For the year ended 31 December 2016</b>						
Opening net book amount	7,319	3,540	4,196	2,124	8,793	25,972
Additions	-	1,069	400	406	7,319	9,194
Disposals/write offs, net	-	-	-	-	(1,446)	(1,446)
Depreciation charge	(1,826)	(1,536)	(718)	(911)	(756)	(5,747)
Closing net book amount	<u>5,493</u>	<u>3,073</u>	<u>3,878</u>	<u>1,619</u>	<u>13,910</u>	<u>27,973</u>
<b>At 31 December 2016</b>						
Cost	9,693	106,454	12,014	22,499	16,692	167,352
<u>Less</u> Accumulated depreciation	(4,200)	(103,381)	(8,136)	(20,880)	(2,782)	(139,379)
Net book amount	<u>5,493</u>	<u>3,073</u>	<u>3,878</u>	<u>1,619</u>	<u>13,910</u>	<u>27,973</u>
<b>For the year ended 31 December 2017</b>						
Opening net book amount	5,493	3,073	3,878	1,619	13,910	27,973
Additions	-	1,941	46	279	-	2,266
Disposals/write offs, net	-	(591)	-	(65)	(3,060)	(3,716)
Depreciation charge	(1,724)	(1,717)	(738)	(899)	(1,633)	(6,711)
Closing net book amount	<u>3,769</u>	<u>2,706</u>	<u>3,186</u>	<u>934</u>	<u>9,217</u>	<u>19,812</u>
<b>At 31 December 2017</b>						
Cost	9,693	77,086	12,060	16,418	11,460	126,717
<u>Less</u> Accumulated depreciation	(5,924)	(74,380)	(8,874)	(15,484)	(2,243)	(106,905)
Net book amount	<u>3,769</u>	<u>2,706</u>	<u>3,186</u>	<u>934</u>	<u>9,217</u>	<u>19,812</u>



16 Leasehold improvements and equipment, net (Cont'd)

	Separate financial statements					Total Baht'000
	Leasehold improvements Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	
<b>At 1 January 2016</b>						
Cost	1,683	9,269	5,579	3,200	10,535	30,266
<u>Less</u> Accumulated depreciation	(652)	(9,152)	(1,826)	(3,069)	(6,321)	(21,020)
Net book amount	1,031	117	3,753	131	4,214	9,246
<b>For the year ended 31 December 2016</b>						
Opening net book amount	1,031	117	3,753	131	4,214	9,246
Additions	-	25	400	66	7,319	7,810
Disposals	-	-	-	-	(1,155)	(1,155)
Depreciation charge	(105)	(31)	(585)	(41)	(258)	(1,020)
Closing net book amount	926	111	3,568	156	10,120	14,881
<b>At 31 December 2016</b>						
Cost	1,052	9,016	5,979	3,266	14,968	34,281
<u>Less</u> Accumulated depreciation	(126)	(8,905)	(2,411)	(3,110)	(4,848)	(19,400)
Net book amount	926	111	3,568	156	10,120	14,881
<b>For the year ended 31 December 2017</b>						
Opening net book amount	926	111	3,568	156	10,120	14,881
Additions	-	-	22	39	-	61
Disposals	-	-	-	-	(3,060)	(3,060)
Depreciation charge	(107)	(29)	(571)	(51)	(878)	(1,636)
Closing net book amount	819	82	3,019	144	6,182	10,246
<b>At 31 December 2017</b>						
Cost	1,052	9,016	6,001	3,305	7,319	26,693
<u>Less</u> Accumulated depreciation	(233)	(8,934)	(2,982)	(3,161)	(1,137)	(16,447)
Net book amount	819	82	3,019	144	6,182	10,246

17 Investment property

	Consolidated financial statements		Separate financial statements	
	Land Baht'000	Total Baht'000	Land Baht'000	Total Baht'000
<b>For the period ended 31 December 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 31 December 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 period ended 31 December 2017 to settle the loan amounting to Baht 215 million.

18 Intangible assets, net

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Computer software Baht'000</b>	<b>Computer software Baht'000</b>
<b>At 31 December 2015</b>		
Cost	243,586	5,921
<u>Less</u> Accumulated amortisation	(240,608)	(4,457)
Net book amount	<u>2,978</u>	<u>1,464</u>
<b>For the year ended 31 December 2016</b>		
Opening net book amount	2,978	1,464
Additions	380	-
Amortisation charge	(916)	(370)
Closing net book amount	<u>2,442</u>	<u>1,094</u>
<b>At 31 December 2016</b>		
Cost	243,966	5,921
<u>Less</u> Accumulated amortisation	(241,524)	(4,827)
Net book amount	<u>2,442</u>	<u>1,094</u>
<b>For the year ended 31 December 2017</b>		
Opening net book amount	2,442	1,094
Additions	628	-
Disposals	(82)	-
Amortisation charge	(955)	(370)
Closing net book amount	<u>2,033</u>	<u>724</u>
<b>At 31 December 2017</b>		
Cost	223,075	1,094
<u>Less</u> Accumulated amortisation	(221,042)	(370)
Net book amount	<u>2,033</u>	<u>724</u>

19 Other non-current assets

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>
Deposits from office lease	1,280	1,284	1,127	1,130
Deposit at banks which subject to restrictions (Note 8)	393	292	-	-
Others	8	8	-	-
	<u>1,681</u>	<u>1,584</u>	<u>1,127</u>	<u>1,130</u>

20 Long-term investments

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Opening net book amount	-	-	-	-
General investment - equity securities	220,000	-	220,000	-
Ending net book amount	220,000	-	220,000	-

21 Short-term borrowing from other companies

	Consolidated financial statements and Separate financial statements			
	31 December 2017			
	Interest rate per annum (percent)	Remaining period to maturity		Total Baht
At call Baht		Within 1 year Baht		
Debt issued - bills of exchange	5 - 6	-	44,901	44,901

The Group have unsecured short-term borrowings in form of bills of exchange borrowed from 4 persons totalling face value of Baht 45 million and net borrowing of Baht 44.9 million. The short-term loans were given during May to July 2017, which will be matured within 6 to 9 months and with the interest rate charge at 5% - 6% per annum. The Group have paid some interest at the first drawn down date and will pay some parts at the maturity date.

The movement in bills of exchange can be analysed as follows:

	Consolidated financial statements and Separate financial statements	
	2017 Baht'000	2016 Baht'000
Opening balance	1,093,042	451,201
Additions	755,000	2,079,500
Prepaid interest	(15,700)	(31,748)
Repayments	(1,810,000)	(1,439,500)
Financial cost recognised	22,559	33,589
Ending balance	44,901	1,093,042

22 Finance lease liabilities, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Minimum lease payments obligation under long-term lease liabilities (lease of vehicles)	5,392	7,302	4,267	5,534
<u>Less</u> Deferred interest	(312)	(555)	(257)	(423)
	5,080	6,747	4,010	(5,111)
Current portion due within one year	1,801	1,728	1,203	1,162
Non-current portion due after one year	3,279	5,019	2,807	3,949
	5,080	6,747	4,010	5,111

**ASIA Capital Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**23 Other current liabilities**

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Interest payable	633	2,278	633	2,278
Provision for contingent liabilities	-	3,610	-	3,610
Unearned commission income	26,158	47,654	-	-
Others	44,306	5,800	13,430	3,486
<b>Total</b>	<b>71,097</b>	<b>59,342</b>	<b>14,063</b>	<b>9,374</b>

**24 Debentures**

Series	Maturity date	No. of units	Par value	Interest rate	Consolidated and Separate financial information Carrying amount	
					31 December 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	-
3/2017 (ACAP190A)	Redeemed on 6 October 2019 (2years)	768,600	1,000	6.00%	768,600	-
Total					3,404,700	1,941,400
Less Deferred debenture issuing costs					(13,188)	(12,821)
Debentures, net					3,391,512	1,928,579

	Consolidated and Separate financial information Carrying amount	
	31 December 2017 Baht'000	31 December 2016 Baht'000
<b>Current</b>		
Not later than one year - net	1,936,371	-
<b>Non-current</b>		
Later than one year - net	1,455,141	1,928,579
<b>Total</b>	<b>3,391,512</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 consolidated financial information. On 31 December 2017, The Company maintains debt to equity ratio at 2.97 (30 December 2016: 3.72) and EBITDA to interest at 2.91 (30 December 2016: 2.26).

Distribution of Company's debenture is offered to institutions and/or major investors.

**25 Deferred income taxes**

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	16,594	23,080	11,333	15,604
Deferred tax assets to be recovered after more than 12 months	1,503	33,079	705	26,528
	<u>18,097</u>	<u>56,159</u>	<u>12,038</u>	<u>42,132</u>
<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	-	-	-	-
	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>-</u>
<b>Deferred tax assets, net</b>	<u>18,097</u>	<u>56,126</u>	<u>12,038</u>	<u>42,132</u>

The gross movement and the deferred tax liabilities account is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
At 1 January	56,126	-	42,132	-
Charged/(credited) to profit or loss	(38,061)	57,828	(30,076)	43,692
Tax credit relation to components of other comprehensive income	32	(464)	(18)	(203)
Tax credit relation directly to equity	-	(1,238)	-	(1,357)
At 31 December	<u>18,097</u>	<u>56,126</u>	<u>12,038</u>	<u>42,132</u>

25 Deferred income taxes (Cont'd)

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

Consolidated financial statements						
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	
<b>Deferred tax assets</b>						
At 1 January 2017	39,562	6,698	(835)	9,531	1,203	56,159
Charged/(credited) to profit or loss	(33,377)	(2,000)	1,933	(4,299)	(351)	(38,094)
Credited to other comprehensive income	-	-	32	-	-	32
At 31 December 2017	6,185	4,698	1,130	5,232	852	18,097
Consolidated financial statements						
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	
<b>Deferred tax assets</b>						
At 1 January 2016	-	-	-	-	-	-
Charged to profit or loss	39,562	6,698	867	9,531	1,203	57,861
Credited to other comprehensive income	-	-	(464)	-	-	(464)
Credited directly to equity	-	-	(1,238)	-	-	(1,238)
At 31 December 2016	39,562	6,698	(835)	9,531	1,203	56,159
Separate financial statements						
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	
<b>Deferred tax assets</b>						
At 1 January 2017	35,653	6,688	(962)	-	753	42,132
Charged to profit or loss	(29,468)	(2,000)	1,638	-	(246)	(30,076)
Credited to other comprehensive income	-	-	(18)	-	-	18
At 31 December 2017	6,185	4,688	658	-	507	12,038
Separate financial statements						
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 2016	-	-	-	-	-	-
Charged to profit or loss	35,653	6,688	598	753	43,692	
Credited to other comprehensive income	-	-	(203)	-	(203)	
Credited directly to equity	-	-	(1,357)	-	(1,357)	
At 31 December 2016	35,653	6,688	(962)	753	42,132	

25 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	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	(33)	(33)	-	-
Charged to profit or loss	33	33	-	-
At 31 December 2017	-	-	-	-

26 Employee benefits obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
<u>Statement of financial position</u>				
Employee benefits	5,650	4,335	3,292	2,989
	5,650	4,335	3,292	2,989
<u>Profit or loss</u>				
Employee benefits	1,157	1,061	392	571
	1,157	1,061	392	571

The movement in the defined benefits obligations over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
At 1 January	4,335	7,072	2,989	3,435
Current service cost	995	892	292	453
Interest cost	162	243	101	118
Remeasurements	158	(2,320)	(90)	(1,017)
	5,650	5,887	3,292	2,989
<u>Less</u> Benefits paid	-	(1,478)	-	-
Reversals from employees	-	(74)	-	-
At 31 December	5,650	4,335	3,292	2,989

The amounts recognised in the statement of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Current service cost	995	892	291	453
Interest cost	162	243	101	118
Reversals from employees resignation	-	(74)	-	-
Total	1,157	1,061	392	571

26 Employee benefits obligations (Cont'd)

The principal actuarial assumptions used are as follows:

	Consolidated financial statements and Separate financial statements	
	2017	2016
Discount rate	3.36%	3.58%
Salary increase rate	5%	5%
Average turnover rate	0% - 30%	0% - 10%
Pre-retirement mortality rate	100% of mortality rate Year 2017	80% of mortality rate Year 2008
Retirement age	60 years old	60 years old

Sensitivity analysis

	Increase (decrease) in provision on employee benefit			
	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Discount rate				
Increase 1%	(520)	(380)	(197)	(197)
Decrease 1%	608	440	221	222
Salary income rate				
Increase 1%	592	426	216	215
Decrease 1%	(518)	(376)	(195)	(195)
Resignation rate				
Increase 1%	(364)	(243)	(105)	(96)
Decrease 1%	414	275	117	107

Maturity profile of defined benefit obligation

	Consolidated financial statements		Separate financial statements	
	2017 Years	2016 Years	2017 Years	2016 Years
Duration of the defined benefit obligation	15	15	12	12

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Maturity analysis of benefits expected to be paid				
Benefits expected to be paid more than 12 months	26,281	19,962	9,373	9,369



**27 Legal reserve**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>
At 1 January	12,500	12,500	12,500	12,500
Appropriation during the year	7,034	-	7,034	-
At 31 December	<u>19,534</u>	<u>12,500</u>	<u>19,534</u>	<u>12,500</u>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered share capital. The legal reserve is non-distributable.

**28 Share capital**

	<b>Authorised shares</b>		<b>Issued and paid-up shares</b>	<b>Premium</b>
	<b>Number of shares Shares</b>	<b>Par value Baht</b>	<b>Baht</b>	<b>Baht</b>
At 1 January 2016	125,000,000	1	125,000,000	125,000,000
Change in par value	250,000,000	0.5	125,000,000	-
Increase in capital	62,500,000	0.5	31,250,000	-
Warrants	-	-	27,344,675	82,034,025
At 31 December 2016	312,500,000		156,250,000	419,776,346
Increase in capital	78,172,338	0.5	39,086,169	-
Warrants	-	-	5,558,664	24,593,084
At 31 December 2017	<u>390,672,338</u>		<u>195,336,169</u>	<u>444,369,430</u>

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.

As at 31 December 2017, the Company has paid - up share capital from warrant (ACAP-W1) exercise on 15 June and 15 December 2017 for 7,676,804 shares and 816,800 shares, respectively and from capital from warrant of Baht 13.02 million which consisted of baht 3.484 million par value (ACAP-W2) exercise on 15 December 2017 for 2,623,725 shares, accounting in total for Baht 30.15 million which consisted of Baht 5.56 million par value and Baht 24.59 million premium on share capital. Therefore, the Company currently has unexercised warrant (ACAP-W1 and ACAP-W2) for 605,906 shares and 73,548,557 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 and ACAP-W2, respectively).

**ASIA Capital Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**29 Other income**

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Gain on sale of investment	3,040	1,672	1,558	1,369
Management fee income	-	-	9,805	15,527
Other income	6,817	1,483	4,315	970
<b>Total</b>	<b>9,857</b>	<b>3,155</b>	<b>15,678</b>	<b>17,866</b>

**30 Expenses by nature**

Certain items, included in arriving at operating profit (loss), have been classified by nature as follow:

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Personnel expenses	54,085	25,599	24,749	22,277
Depreciation and amortisation charges	6,558	5,106	2,006	1,390
Rental expenses	7,249	7,161	4,665	4,300
Repair and maintenance expenses	2,677	2,925	206	409
Tax expense	10,057	12,168	8,098	9,562
Other operating expenses	27,814	23,689	18,462	14,637
	<b>108,440</b>	<b>76,648</b>	<b>58,186</b>	<b>52,575</b>

**31 Income tax expense**

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Current tax	28,596	1,791	-	-
Deferred income tax (Note 23)	38,061	(56,126)	30,076	(42,132)
	<b>66,657</b>	<b>(54,335)</b>	<b>30,076</b>	<b>(42,132)</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Profit before tax	322,073	118,313	241,825	53,767
Tax calculated at a tax rate of 20% (2015: 20%)	64,415	23,663	48,365	10,753
Tax effect of:				
Income not subject to tax	(5,159)	(37)	(20,976)	-
Reversal of expenses not deductible for tax purpose	2,190	(8,835)	2,043	(8,366)
Additional deductible expense	5,211	(7,033)	644	(6,479)
Unrealised gain from intercompany transaction	-	10,355	-	(38,040)
Utilisation of previously unrecognised tax losses	-	(72,448)	-	-
<b>Tax charge</b>	<b>66,657</b>	<b>(54,335)</b>	<b>30,076</b>	<b>(42,132)</b>

The weighted average applicable tax rate of the Group and the Company was 20% and 12%, respectively (2016: 27% and 78%, respectively).

**32 Earnings per share**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net profit attributable to ordinary shareholders (Baht'000)	255,416	174,350	211,749	97,459
Weighted average number of ordinary shares issued during the year (Shares)	308,212	251,943	308,212	251,943
Basic earnings per share (Baht per shares )	0.83	0.68	0.69	0.39

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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net profit attributable to ordinary shareholders (Baht'000)	255,416	174,350	211,749	97,459
Weighted average number of ordinary shares issued during the year (Shares)	308,212	251,943	308,212	251,943
Adjust: warrants	44,818	7,810	44,818	7,810
Weighted average number of ordinary shares diluted earnings per share	353,030	290,139	353,030	290,139
Diluted earnings per share (Baht)	0.72	0.60	0.60	0.34

**33 Provident fund**

The Group and the Company paid to provident fund for the year ended 31 December 2017 in the amount of Baht 0.8 million and Baht 0.5 million, respectively (2016: Baht 0.7 million and Baht 0.5 million, respectively).

**34 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 member, who hold 16.92% of total registered share capital.

Pricing policy

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

Relationship of related parties is as follows:

<b>Company Name</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/mutual management
Thai Luxe Enterprises Public Co., Ltd.	Related party	Shareholder
Sukjaroenkraisri family	Related person	Important management and major shareholders

**i) Income for the years ended 31 December**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>	<b>2017 Baht'000</b>	<b>2016 Baht'000</b>
<b>Other income</b>				
Interest income				
- ACAP Consulting Co., Ltd.	-	-	75	91
- Global Service Center Co., Ltd.	-	-	-	94
- OK Cash Co., Ltd.	-	-	1,567	3,504
Management fee income				
- ACAP Consulting Co., Ltd.	-	-	250	1,929
- Capital OK Co., Ltd.	-	-	3,900	2,399
- Global Service Center Co., Ltd.	-	-	2,000	7,398
- OK Cash Co., Ltd.	-	-	3,600	3,680
- ACAP (Asia) Asset Management Co., Ltd.	-	-	55	122
	<b>-</b>	<b>-</b>	<b>11,447</b>	<b>19,217</b>

Pricing policy for interest income is determined for each loan agreement as disclosed in Note 34 iv).

34 Related party transactions (Cont'd)

ii) Expenses for the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
<b>Interest expense</b>				
<b><u>Subsidiaries</u></b>				
- Capital OK Co., Ltd.	-	-	2,348	1,645
- ACAP (Asia) Asset Management Co., Ltd.	-	-	224	250
<b><u>Related party</u></b>				
- Thai Luxe Enterprises Public Co., Ltd.	17,697	22,017	17,697	22,017
- Sukjaroenkraisri family	120	160	120	160
	<u>17,817</u>	<u>22,177</u>	<u>20,389</u>	<u>24,072</u>

**Management remunerations**

Management remunerations of the Group and the Company for the year ended 31 December 2017 is amounting to Baht 9.6 million (31 December 2016: Baht 7.5 million). The stated remunerations are short-term remunerations which are salary, bonus, and other benefits.

iii) Outstanding balances arising from sales/purchases of services as at 31 December

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Amounts due from related companies				
- ACAP Consulting Co., Ltd.	-	-	7	355
- Global Service Center Co., Ltd.	-	-	337	535
- Capital OK Co., Ltd.	-	-	330	321
- OK Cash Co., Ltd.	-	-	396	540
- ACAP (Asia) Asset Management Co., Ltd.	-	-	-	5
	-	-	<u>1,070</u>	<u>1,756</u>
Amounts due to related companies				
- Capital Ok Co., Ltd.	-	-	187	98
- ACAP (Asia) Asset Management Co., Ltd.	-	-	-	21
- Thai Luxe Enterprises Public Co., Ltd.	-	568	-	568
	-	<u>568</u>	<u>187</u>	<u>687</u>

34 Related party transactions (Cont'd)

iv) Loans to related companies

	Separate financial statements			
	Short-term loans			
	Opening balance Baht'000	Additions during the period Baht'000	Repayments during the period Baht'000	Ending balance Baht'000
<b>For the year ended 31 December 2017</b>				
OK Cash Co., Ltd.	248,000	2,000	(173,000)	77,000
Total	248,000	2,000	(173,000)	77,000

For the year ended 31 December 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.

	Separate financial statements			
	Short-term loans			
	Opening balance Baht'000	Additions during the period Baht'000	Repayments during the period Baht'000	Ending balance Baht'000
<b>For the year ended 31 December 2016</b>				
OK Cash Co., Ltd.	307,000	14,200	(73,200)	248,000
Total	307,000	14,200	(73,200)	248,000

	Separate financial statements			
	Long-term			
	Opening balance Baht'000	Addition Baht'000	Repayments Baht'000	Ending balance Baht'000
<b>For the year ended 31 December 2017</b>				
ACAP Consulting Co., Ltd.	7,500	(900)	(500)	7,900
<u>Less</u> Allowance for impairment	(7,500)	900	500	(7,900)
	-	-	-	-

	Separate financial statements			
	Long-term loans			
	Opening balance Baht'000		Repayments Baht'000	Ending balance Baht'000
<b>For the year ended 31 December 2016</b>				
ACAP Consulting Co., Ltd.	11,000		(3,500)	7,500
<u>Less</u> Allowance for impairment	(11,000)		3,500	(7,500)
	-		-	-
Global Service Center Co. Ltd.	12,500		(12,500)	-
<u>Less</u> Allowance for impairment	(12,500)		12,500	-
	-		-	-
Total	-		-	-

During the year 2017, the Company had received the repayment from ACAP Consulting Co., Ltd. amounting to Baht 0.5 million (2016: From ACAP Consulting Co., Ltd. Baht 3.5 million and from Global Service Center Co., Ltd. Baht 12.5 million).

34 Related party transactions (Cont'd)

v) Loans from related companies

<b>Consolidated financial statements</b>				
	<b>Opening balance Baht'000</b>	<b>Additions Baht'000</b>	<b>Repayments Baht'000</b>	<b>Ending balance Baht'000</b>
<b>For the year ended 31 December 2017</b>				
<b><u>Related party</u></b>				
- Thai Luxe Enterprise PCL.	450,000	30,000	(480,000)	-
<b><u>Related person</u></b>				
- Sukjaroenkraisri family	-	30,000	(30,000)	-
	<u>450,000</u>	<u>60,000</u>	<u>(510,000)</u>	<u>-</u>
<b>Separate financial statements</b>				
	<b>Opening balance Baht'000</b>	<b>Additions Baht'000</b>	<b>Repayments Baht'000</b>	<b>Ending balance Baht'000</b>
<b>For the year ended 31 December 2017</b>				
<b><u>Subsidiaries</u></b>				
Capital OK Co., Ltd.	100,000	1,037,000	(864,000)	273,000
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	(480,000)	-
<b><u>Related person</u></b>				
Sukjaroenkraisri family	-	30,000	(30,000)	-
	<u>575,000</u>	<u>1,097,000</u>	<u>(1,375,000)</u>	<u>297,000</u>
<b>Consolidated financial statements</b>				
	<b>Opening balance Baht'000</b>	<b>Additions Baht'000</b>	<b>Repayments Baht'000</b>	<b>Ending balance Baht'000</b>
<b>For the year ended 31 December 2016</b>				
<b><u>Related party</u></b>				
- Thai Luxe Enterprise PCL.	-	800,000	(350,000)	450,000
<b><u>Related person</u></b>				
- Sukjaroenkraisri family	-	21,000	(21,000)	-
	<u>-</u>	<u>821,000</u>	<u>(371,000)</u>	<u>450,000</u>
<b>Separate financial statements</b>				
	<b>Opening balance Baht'000</b>	<b>Additions Baht'000</b>	<b>Repayments Baht'000</b>	<b>Ending balance Baht'000</b>
<b>For the year ended 31 December 2016</b>				
<b><u>Subsidiaries</u></b>				
Capital OK Co., Ltd.	175,000	-	(75,000)	100,000
ACAP (Asia) Asset Management Co., Ltd.	25,000	-	-	25,000
<b><u>Related party</u></b>				
Thai Luxe Enterprise PCL.	-	800,000	(350,000)	450,000
<b><u>Related person</u></b>				
Sukjaroenkraisri family	-	21,000	(21,000)	-
	<u>200,000</u>	<u>821,000</u>	<u>(446,000)</u>	<u>575,000</u>

**35 Commitments**

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Within 1 year	8,942	9,173	4,152	4,959
More than 1 year but less than 5 years	2,912	3,148	-	2,998
Total	11,854	12,321	4,152	7,957

**36 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.

**37 Subsequent event**

On 9 February 2018, the Company has issued unsubordinated and unsecured debentures with total maximum 1,000,000,000 Baht (1,000,000 maximum unit with 1,000 Baht per unit). The interest rate is 6.0% and matured period is next two years on 7 February 2020. Distribution of debenture is offered to institution and/or major investor defined by the Securities and Exchange Commission, Thailand. 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 statement.



**38 Financial instruments**

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, investments, trade and other receivables, loans, trade and other payables and financial lease liability.

**38.1) Market risk**

Interest rate risk

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows:

Descriptions	Consolidated financial statements			
	2017			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	Total Baht'000
<b>Financial assets</b>				
Cash and cash equivalents	106,908	-	530	107,438
Short-term investments	-	-	254,535	254,535
Account receivables	-	-	39,614	39,614
Factoring receivables	-	45,562	-	45,562
Loan to employees	-	830	-	830
Short-term loan to related companies	-	-	-	-
Short-term loan to other companies	-	3,831,001	-	3,831,001
Long-term investment	-	-	220,000	220,000
Total financial assets	<u>106,908</u>	<u>3,877,393</u>	<u>514,679</u>	<u>4,498,980</u>
<b>Financial liabilities</b>				
Trade and other payables	-	-	41,346	41,346
Short-term borrowing from other companies	-	44,901	-	44,901
Debentures	-	3,391,512	-	3,391,512
Finance lease liabilities	-	5,080	-	5,080
Total financial liabilities	<u>-</u>	<u>3,441,493</u>	<u>41,346</u>	<u>3,482,839</u>

38 Financial instruments (Cont'd)

38.1 Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December, financial assets classified by types of interest rate are as follows: (Cont'd)

Descriptions	Consolidated financial statements			
	2016			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	Total Baht'000
<b><u>Financial assets</u></b>				
Cash and cash equivalents	71,696	-	518	72,214
Short-term investments	-	-	181,887	181,887
Account receivables	-	-	30,934	30,934
Factoring receivables	-	32,550	-	32,550
Loan to employees	-	1,360	-	1,360
Short-term loan to other companies	-	4,116,795	-	4,116,795
Total financial assets	71,696	4,150,705	213,339	4,435,740
<b><u>Financial liabilities</u></b>				
Trade and other payables	-	-	31,497	31,497
Short-term borrowing from other companies	-	1,093,042	-	1,093,042
Debentures	-	1,928,579	-	1,928,579
Finance lease liabilities	-	6,747	-	6,747
Total financial liabilities	-	3,028,368	31,497	3,059,865

38 Financial instruments (Cont'd)

38.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December, financial assets classified by types of interest rate are as follows: (Cont'd)

Descriptions	Separate financial statements			Total Baht'000
	2017			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	
<b>Financial assets</b>				
Cash and cash equivalents	81,594	-	-	81,594
Short-term investments	49	-	-	49
Amount due from related companies	-	1,070	-	1,070
Short-term loan to related companies	-	77,000	-	77,000
Short-term loan to other companies	-	3,582,563	-	3,582,563
Long-term investment	-	-	220,000	220,000
Total financial assets	81,643	3,660,633	220,000	3,962,276
<b>Financial liabilities</b>				
Trade and other payables	-	-	30,569	30,569
Amount due to related companies	-	-	187	187
Short-term borrowing from related companies	-	297,000	-	297,000
Short-term borrowing from other companies	-	44,901	-	44,901
Debentures	-	3,391,512	-	3,391,512
Finance lease liabilities	-	4,010	-	4,010
Total financial liabilities	-	3,737,423	30,569	3,768,179

38 Financial instruments (Cont'd)

38.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December, financial assets classified by types of interest rate are as follows: (Cont'd)

Descriptions	Separate financial statements			Total Baht'000
	2016			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	
<b><u>Financial assets</u></b>				
Cash and cash equivalents	65,950	-	3	65,953
Short-term investments	59	-	-	59
Amount due from related companies	-	1,756	-	1,757
Short-term loan to related companies	-	248,000	-	248,000
Short-term loan to other companies	-	3,488,123	-	3,488,123
Total financial assets	<u>66,009</u>	<u>3,737,879</u>	<u>3</u>	<u>3,803,891</u>
<b><u>Financial liabilities</u></b>				
Trade and other payables	-	-	16,785	16,785
Amount due to related companies	-	-	687	687
Short-term borrowing from related companies	-	575,000	-	575,000
Short-term borrowing from other companies	-	1,093,042	-	1,093,042
Debentures	-	1,928,579	-	1,928,579
Finance lease liabilities	-	5,111	-	5,111
Total financial liabilities	<u>-</u>	<u>3,601,732</u>	<u>17,472</u>	<u>3,619,204</u>

**ASIA Capital Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**38 Financial instruments (Cont'd)**

**38.1) Market risk (Cont'd)**

Interest rate risk (Cont'd)

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Consolidated financial statements								
2017								
Descriptions	Fixed interest repricing or maturity date				Over 5 years Baht'000	Floating interest rate Baht'000	No Interest rate Baht'000	Total Baht'000
	At call Baht'000	0 - 3 months Baht'000	3 - 12 months Baht'000	1 - 5 years Baht'000				
<b>Financial assets</b>								
Cash and cash equivalents	-	-	-	-	-	106,908	530	107,438
Short-term investments	-	-	-	-	-	-	254,535	254,535
Account receivables	-	-	-	-	-	-	39,614	39,614
Factoring receivables	-	45,562	-	-	-	-	-	45,562
Loan to employees	-	-	-	830	-	-	-	830
Short-term loan to other companies	-	-	3,831,001	-	-	-	-	3,831,001
Long-term investment	-	-	-	-	-	-	220,000	220,000
<b>Total financial assets</b>	<b>-</b>	<b>45,562</b>	<b>3,831,001</b>	<b>830</b>	<b>-</b>	<b>106,908</b>	<b>514,679</b>	<b>4,498,980</b>
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	-	-	-	41,346	41,346
Short-term borrowing from other companies	-	-	44,901	-	-	-	-	44,901
Debentures	-	-	-	3,391,512	-	-	-	3,391,512
Finance lease liabilities	-	-	-	5,080	-	-	-	5,080
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>44,901</b>	<b>3,396,592</b>	<b>-</b>	<b>-</b>	<b>41,346</b>	<b>3,482,839</b>
Consolidated financial statements								
2016								
Descriptions	Fixed interest repricing or maturity date				Over 5 years Baht'000	Floating interest rate Baht'000	No Interest rate Baht'000	Total Baht'000
	At call Baht'000	0 - 3 months Baht'000	3 - 12 months Baht'000	1 - 5 years Baht'000				
<b>Financial assets</b>								
Cash and cash equivalents	-	-	-	-	-	71,696	518	72,214
Short-term investments	-	-	-	-	-	-	181,887	181,887
Account receivables	-	-	-	-	-	-	30,934	30,934
Factoring receivables	-	32,550	-	-	-	-	-	32,550
Loan to employees	-	1,360	-	-	-	-	-	1,360
Short-term loan to other companies	-	2,000,875	373,152	1,742,768	-	-	-	4,116,795
Long-term investment	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>2,034,785</b>	<b>373,152</b>	<b>1,742,768</b>	<b>-</b>	<b>71,696</b>	<b>213,339</b>	<b>4,435,740</b>
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	-	-	-	31,497	31,497
Short-term borrowing from other companies	-	-	1,093,042	-	-	-	-	1,093,042
Debentures	-	-	-	1,928,579	-	-	-	1,928,579
Finance lease liabilities	-	-	-	6,747	-	-	-	6,747
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,093,042</b>	<b>1,935,326</b>	<b>-</b>	<b>-</b>	<b>31,497</b>	<b>3,059,865</b>

**ASIA Capital Group Public Company Limited**  
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**38 Financial instruments (Cont'd)**

**38.1) Market risk (Cont'd)**

Interest rate risk (Cont'd)

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Separate financial statements								
2017								
Descriptions	Fixed interest repricing or maturity date				Over 5 years Baht'000	Floating interest rate Baht'000	No Interest rate Baht'000	Total Baht'000
	At call Baht'000	0 - 3 months Baht'000	3 - 12 months Baht'000	1 - 5 years Baht'000				
<b>Financial assets</b>								
Cash and cash equivalents	-	-	-	-	-	81,594	-	81,594
Short-term investments	-	-	-	-	-	49	-	49
Amount due from related companies	-	1,070	-	-	-	-	-	1,070
Short-term loan to related companies	77,000	-	-	-	-	-	-	77,000
Short-term loan to other companies	-	-	3,582,563	-	-	-	-	3,582,563
Long-term investment	-	-	-	-	-	-	220,000	220,000
<b>Total financial assets</b>	<b>77,000</b>	<b>1,070</b>	<b>3,585,563</b>	<b>-</b>	<b>-</b>	<b>81,643</b>	<b>220,000</b>	<b>3,962,276</b>
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	-	-	-	30,569	30,569
Amount due to related companies	-	-	-	-	-	-	187	187
Short-term borrowing from related companies	297,000	-	-	-	-	-	-	297,000
Short-term borrowing from other companies	-	-	44,901	-	-	-	-	44,901
Debentures	-	-	-	-	3,391,512	-	-	3,391,512
Finance lease liabilities	-	-	-	-	4,010	-	-	4,010
<b>Total financial liabilities</b>	<b>270,000</b>	<b>-</b>	<b>44,901</b>	<b>-</b>	<b>3,395,522</b>	<b>-</b>	<b>30,756</b>	<b>3,768,179</b>
Separate financial statements								
2016								
Descriptions	Fixed interest repricing or maturity date				Over 5 years Baht'000	Floating interest rate Baht'000	No Interest rate Baht'000	Total Baht'000
	At call Baht'000	0 - 3 months Baht'000	3 - 12 months Baht'000	1 - 5 years Baht'000				
<b>Financial assets</b>								
Cash and cash equivalents	-	-	-	-	-	65,950	3	65,953
Short-term investments	-	-	-	-	-	59	-	59
Amount due from related companies	-	1,756	-	-	-	-	-	1,756
Short-term loan to related companies	248,000	-	-	-	-	-	-	248,000
Short-term loan to other companies	-	1,745,355	-	1,742,768	-	-	-	3,488,123
Long-term investment	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>248,000</b>	<b>1,747,111</b>	<b>-</b>	<b>1,742,768</b>	<b>-</b>	<b>66,009</b>	<b>3</b>	<b>3,803,891</b>
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	-	-	-	16,785	16,785
Amount due to related companies	-	-	-	-	-	-	687	687
Short-term borrowing from related companies	125,000	450,000	-	-	-	-	-	575,000
Short-term borrowing from other companies	-	-	1,093,042	-	-	-	-	1,093,042
Debentures	-	-	-	1,928,579	-	-	-	1,928,579
Finance lease liabilities	-	-	-	5,111	-	-	-	5,111
<b>Total financial liabilities</b>	<b>125,000</b>	<b>450,000</b>	<b>1,093,042</b>	<b>1,933,690</b>	<b>-</b>	<b>-</b>	<b>17,472</b>	<b>3,619,204</b>

38 Financial instruments (Cont'd)

38.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

The average balances of the financial assets and liabilities of the Group generating revenues and expenses, calculated based on the average outstanding balances during the year of financial assets and liabilities, and the average interest rate and dividend for the year ended 31 December, can be summarised as follows:

Descriptions	Consolidated financial statements					
	2017			2016		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<b>Financial assets</b>						
Cash and cash equivalents	79.09	0.07	0.08	75.87	0.07	0.09
Short-term investments	219.10	3.46	1.58	126.78	1.69	1.33
Account receivables	25.77	-	-	15.89	-	-
Factoring receivables	42.78	6.45	15.09	12.28	1.53	12.44
Loan to employees	1.08	0.15	13.69	2.03	0.30	14.84
Short-term loan to other companies	3,898.04	473.68	12.15	2,173.10	217.85	10.02
Long-term investment	18.33	-	-	-	-	-
Total financial assets	<u>4,281.27</u>	<u>483.81</u>		<u>2,405.68</u>	<u>221.44</u>	
<b>Financial liabilities</b>						
Trade and other payables	31.14	-	-	37.28	-	-
Short-term borrowing from other companies	663.21	35.29	5.32	1,172.56	61.49	5.24
Debentures	2,643.45	146.67	5.55	746.22	37.16	4.98
Finance lease liabilities	5.88	0.24	4.13	3.26	0.17	5.18
Total financial liabilities	<u>3,343.67</u>	<u>182.21</u>		<u>1,959.31</u>	<u>98.81</u>	

38 Financial instruments (Cont'd)

38.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Descriptions	Separate financial statements					
	2017			2016		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<b>Financial assets</b>						
Cash and cash equivalents	68.10	0.05	0.07	65.54	0.06	0.09
Short-term investments	97.18	1.56	1.60	84.67	1.37	1.62
Amount due from related companies	1.54	-	-	26.70	-	-
Short-term loan to related companies	146.96	1.64	1.12	290.75	3.69	1.27
Short-term loan to other companies	3,592.89	435.85	12.13	1,778.05	163.49	9.19
Long-term investment	18.33	-	-	-	-	-
Total financial assets	<u>3,925.00</u>	<u>439.10</u>		<u>2,245.71</u>	<u>168.61</u>	
<b>Financial liabilities</b>						
Trade and other payables	6.23	-	-	23.34	-	-
Amount due to related companies	22.49	-	-	22.58	-	-
Short-term borrowing from related companies	477.86	20.27	4.24	487.50	24.07	4.94
Short-term borrowing from other companies	663.21	35.29	5.32	1,172.56	61.49	5.24
Debentures	2,643.45	146.67	5.55	746.22	37.16	4.98
Finance lease liabilities	4.55	0.17	3.62	1.37	0.06	4.43
Total financial liabilities	<u>3,817.79</u>	<u>202.40</u>		<u>2,453.57</u>	<u>122.78</u>	



38 Financial instruments (Cont'd)

38.2) Liquidity risk

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2017 and 2016 are as follows:

Descriptions	Consolidated financial statements			Total Baht'000
	Counting from 31 December 2017			
	At call Baht'000	Less than 1 year Baht'000	More than 1 year Baht'000	
<b>Financial assets</b>				
Cash and cash equivalents	107,438	-	-	107,438
Short-term investments	254,535	-	-	254,535
Account receivables	-	33,868	5,746	39,614
Factoring receivables	-	45,562	-	45,562
Loan to employees	-	682	148	830
Short-term loan to other companies	-	3,831,001	-	3,831,001
Long-term investment	-	-	220,000	220,000
Total financial assets	361,973	3,911,113	259,614	4,498,980
<b>Financial liabilities</b>				
Trade and other payables	-	41,346	-	41,346
Short-term borrowing from other companies	-	44,901	-	44,901
Debentures	-	1,936,371	1,455,141	3,391,512
Finance lease liabilities	-	1,801	3,279	5,080
Total financial liabilities	-	2,024,419	1,458,420	3,482,839

38 Financial instruments (Cont'd)

38.2) Liquidity risk (Cont'd)

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2017 and 2016 are as follows: (Cont'd)

Descriptions	Consolidated financial statements			
	Counting from 31 December 2016			
	At call Baht'000	Less than 1 year Baht'000	More than 1 year Baht'000	Total Baht'000
<b>Financial assets</b>				
Cash and cash equivalents	72,214	-	-	72,214
Short-term investments	181,887	-	-	181,887
Account receivables	-	30,934	-	30,934
Factoring receivables	-	32,550	-	32,550
Loan to employees	-	929	431	1,360
Short-term loan to other companies	-	4,116,795	-	4,116,795
Total financial assets	254,101	4,181,208	431	4,435,740
<b>Financial liabilities</b>				
Trade and other payables	-	31,497	-	31,497
Short-term borrowing from other companies	-	1,093,042	-	1,093,042
Debentures	-	-	1,928,579	1,928,579
Finance lease liabilities	-	1,728	5,019	6,747
Total financial liabilities	-	1,126,267	1,933,598	3,059,865

38 Financial instruments (Cont'd)

38.2) Liquidity risk (Cont'd)

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2017 and 2016 are as follows: (Cont'd)

Descriptions	Separate financial statements			
	Counting from 31 December 2017			
	At call Baht'000	Less than 1 year Baht'000	More than 1 year Baht'000	Total Baht'000
<b>Financial assets</b>				
Cash and cash equivalents	81,594	-	-	81,594
Short-term investments	49	-	-	49
Account receivables	-	-	-	-
Amount due from related companies	-	1,070	-	1,070
Factoring receivables	-	-	-	-
Loan to employees	-	-	-	-
Short-term loan to related companies	77,000	-	-	77,000
Short-term loan to other companies	-	3,582,563	-	3,582,563
Long-term investment	-	-	220,000	220,000
Total financial assets	158,643	3,583,633	220,000	3,962,276

**Financial liabilities**

Trade and other payables	-	30,569	-	30,569
Amount due to related companies	-	187	-	187
Short-term borrowing from related companies	297,000	-	-	297,000
Short-term borrowing from other companies	-	44,901	-	44,901
Debentures	-	1,936,371	1,455,141	3,391,512
Finance lease liabilities	-	1,203	2,807	4,010
Total financial liabilities	297,000	2,013,231	1,457,948	3,768,179

Descriptions	Separate financial statements			
	Counting from 31 December 2017			
	At call Baht'000	Less than 1 year Baht'000	More than 1 year Baht'000	Total Baht'000
<b>Financial assets</b>				
Cash and cash equivalents	65,953	-	-	65,953
Short-term investments	59	-	-	59
Amount due from related companies	-	1,756	-	1,756
Short-term loan to related companies	248,000	-	-	248,000
Short-term loan to other companies	-	3,488,123	-	3,488,123
Total financial assets	314,012	3,489,879	-	3,803,891
<b>Financial liabilities</b>				
Trade and other payables	-	16,785	-	16,785
Amount due to related companies	-	687	-	687
Short-term borrowing from related companies	575,000	-	-	575,000
Short-term borrowing from other companies	-	1,093,042	-	1,093,042
Debentures	-	-	1,928,579	1,928,579
Finance lease liabilities	-	1,162	3,949	5,111
Total financial liabilities	575,000	1,111,676	1,932,528	3,619,204