

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

Independent Auditor's Report

To the shareholders of ASIA Capital Group Public Company Limited

Qualified opinion

In my opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of my report, 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 2018, 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 2018;
- 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 qualified opinion

As disclosed in Note 14 to the financial statements, during the year ended 31 December 2018, a customer of a short-term loan receivable account discovered a fraud incident in its purchasing and inventory processes. The customer asked to defer its payment to suppliers and started an investigation. Since the loan receivable account assigned its right to claim payments from this customer to the Company, the Company was also deferred for the payment. On 30 May 2018, the Company issued a legal notice to the customer and the loan receivable account demanding payment. The Company didn't receive any responses to the notices, either to deny or accept the payments from both parties. On 20 August 2018, the Company filed a lawsuit against loan receivable account and the customer at the Civil Court and the Court schedules the date for hearing the evidence during July and August 2019. In addition, I sent confirmation letters to the loan receivable account and the customer, and I received a reply from the customer that indicated a significant difference to the debt balance and the difference in debt balance amounts cannot be verified. Moreover, the legal case is in the process of litigation and cannot be concluded. As these circumstances, I was unable to obtain sufficient appropriate audit evidence to assess the effect on the Company's loan collectability, which may be necessary when considering an allowance for doubtful account for the outstanding balance of Baht 289 million as at 31 December 2018 included the consolidated and separate financial statements. Consequently, I was unable to determine whether any adjustments to this amount was necessary.

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 qualified 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. Except for the matter described in the Basis for qualified opinion section, I have determined that there are no other key audit matters to communicate in my report.

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
27 February 2019

ASIA Capital Group Public Company Limited

Statements of Financial Position

As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		(As restated)		(As restated)	
		2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Assets					
Current assets					
Cash and cash equivalents	8	52,148	107,438	48,750	81,594
Short-term investments	10	208,522	254,535	154,301	49
Accounts receivable, net	11	36,874	39,614	-	-
Amounts due from related companies	36 iii)	-	-	110	1,070
Factoring receivables, net	12	7,042	45,562	-	-
Current portion of loans to employees	13	100	682	-	-
Short-term loans to related companies, net	36 iv)	-	-	-	77,000
Short-term loans to other companies, net	4, 14	3,844,908	3,811,372	3,600,424	3,589,092
Other current assets	4, 15	27,716	18,277	21,652	7,284
Total current assets		4,177,310	4,277,480	3,825,237	3,756,089
Non-current assets					
Loans to employees, net	13	10	148	-	-
Long-term investment	16	245,000	220,000	245,000	220,000
Investment Property	17	334,331	230,793	334,331	230,793
Deferred tax asset	18	7,396	18,097	7,053	12,038
Investment in subsidiaries, net	19	-	-	653,528	667,842
Leasehold improvements and equipment, net	20	20,776	19,812	11,891	10,246
Intangible assets, net	21	1,262	2,033	382	724
Other non-current assets	22	1,990	1,681	1,220	1,127
Total non-current assets		610,765	492,564	1,253,405	1,142,770
Total assets		4,788,075	4,770,044	5,078,642	4,898,859

Director _____ Director _____

Date _____

The notes to consolidated and the separate financial statements on pages 12 to 58 are an integral part of these financial statements.

ASIA Capital Group Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		(As restated)		(As restated)	
		2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Liabilities and equity					
Current liabilities					
Interest payables	4	38,403	28,383	38,403	28,383
Other payables	4	18,902	15,896	4,722	5,119
Amounts due to related companies	36 iii)	-	-	276	187
Short-term borrowings from related companies	36 v)	-	-	324,000	297,000
Short-term borrowings from other companies	23	417,822	44,901	417,822	44,901
Current portion of financial lease liabilities	24	2,207	1,801	1,736	1,203
Current portion of debentures	26	1,460,403	1,936,371	1,460,403	1,936,371
Other current liabilities	4, 25	27,764	42,006	20,441	11,130
Total current liabilities		1,965,501	2,069,358	2,267,803	2,324,294
Non-current liabilities					
Financial lease liabilities, net	24	3,315	3,279	3,315	2,807
Debentures	26	1,591,959	1,455,141	1,591,959	1,455,141
Employee benefits obligations	27	5,329	5,650	2,147	3,292
Other non-current liabilities		1,052	1,052	1,052	1,052
Total non-current liabilities		1,601,655	1,465,122	1,598,473	1,462,292
Total liabilities		3,567,156	3,534,480	3,866,276	3,786,586
Equity					
Share capital	29				
Authorised, issued and paid-up share capital					
390,672,338 ordinary shares of Baht 0.5 each		195,336	195,336	195,336	195,336
Issued and paid-up share capital					
316,406,985 ordinary shares of Baht 0.5 each					
(2017: 315,806,679 ordinary shares of Baht 0.5 each)		158,204	157,904	158,204	157,904
Premium on share capital		445,087	444,369	445,087	444,369
Retained earnings					
Appropriated - Legal reserve	28	19,534	19,534	19,534	19,534
Unappropriated	4	598,094	613,757	589,541	490,466
Equity attributable to owners of the parent		1,220,919	1,235,564	1,212,366	1,112,273
Non-controlling interests		-	-	-	-
Total equity		1,220,919	1,235,564	1,212,366	1,112,273
Total liabilities and equity		4,788,075	4,770,044	5,078,642	4,898,859

The notes to consolidated and the separate financial statements on pages 12 to 58 are an integral part of these financial statements.

ASIA Capital Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		(As restated)		(As restated)	
		2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Interest income	4, 36 i)	362,711	541,227	284,260	381,780
Interest expense	4, 36 ii)	(238,157)	(209,818)	(239,120)	(212,391)
Net interest income		124,554	331,409	45,140	169,389
Service income		155,279	160,142	-	-
Cost of services	4, 31	(103,768)	(103,351)	-	-
Net service income		51,511	56,791	-	-
Dividend income	36 i)	-	-	162,099	104,125
Other income	30, 36 i)	8,290	9,857	13,246	15,678
Total operating income		184,355	398,057	220,485	289,192
Other operating expenses					
Administrative expenses	4, 31	(97,139)	(87,673)	(59,550)	(58,186)
Reversal on impairment (loss) from loans to and investment in subsidiaries	31	-	-	20,449	(947)
Total other operating expenses		(97,139)	(87,673)	(39,101)	(59,133)
Profit before financial costs and income tax		87,216	310,384	181,384	230,059
Financial costs		(184)	(243)	(139)	(166)
Profit before income tax		87,032	310,141	181,245	229,893
Income tax	32	(25,157)	(66,657)	(4,632)	(30,076)
Net profit for the year	4	61,875	243,484	176,613	199,817
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	27	1,766	(158)	1,766	90
Income tax relating to item that will be reclassified subsequently to profit or loss	18	(353)	32	(353)	(18)
Total comprehensive income for the year, net of tax		1,413	(126)	1,413	72
Total comprehensive income	4	63,288	243,358	178,026	199,889

The notes to consolidated and the separate financial statements on pages 12 to 58 are an integral part of these financial statements.

Statements of Comprehensive Income (Cont'd)
For the year ended 31 December 2018

	Note	Consolidated financial statements		Separate financial statements	
		(As restated)		(As restated)	
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Profit attributable to:					
Owners of the parent		61,875	243,484	176,613	199,817
Non-controlling interests		-	-	-	-
		<u>61,875</u>	<u>243,484</u>	<u>176,613</u>	<u>199,817</u>
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		63,288	243,358	178,026	199,889
Non-controlling interests		-	-	-	-
		<u>63,288</u>	<u>243,358</u>	<u>178,026</u>	<u>199,889</u>
Earnings per share (Baht per share)					
	33				
Basic earnings per share		<u>0.20</u>	<u>0.79</u>	<u>0.56</u>	<u>0.65</u>
Diluted earnings per share		<u>0.18</u>	<u>0.69</u>	<u>0.52</u>	<u>0.57</u>

The notes to consolidated and the separate financial statements on pages 12 to 58 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 2018

Consolidated financial statements							
Attributable to owners of the parent							
Notes	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
			- Legal reserve Baht'000	Unappropriated Baht'000			
Opening balance as at 1 January 2017	152,345	419,776	12,500	377,433	962,054	-	962,054
Issuance of ordinary shares from warrants exercise	29	5,559	24,593	-	30,152	-	30,152
Total comprehensive income	4	-	-	7,034	236,324	-	243,358
Ending balance as at 31 December 2017	157,904	444,369	19,534	613,757	1,235,564	-	1,235,564

Consolidated financial statements							
Attributable to owners of the parent							
Notes	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
			- Legal reserve Baht'000	Unappropriated Baht'000			
Opening balance as at 1 January 2018	157,904	444,369	19,534	613,757	1,235,564	-	1,235,564
Issuance of ordinary shares from warrants exercise	29	300	718	-	1,018	-	1,018
Pay Dividend	35	-	-	(78,951)	(78,951)	-	(78,951)
Total comprehensive income	-	-	-	63,288	63,288	-	63,288
Ending balance as at 31 December 2018	158,204	445,087	19,534	598,094	1,220,919	-	1,220,919

The notes to consolidated and the separate financial statements on pages 12 to 58 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 2018

	Notes	Separate financial statements				Total equity Baht'000
		Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		
				Appropriated - Legal reserve Baht'000	Unappropriated Baht'000	
Opening balance as at 1 January 2017		152,345	419,776	12,500	297,611	882,232
Issuance of ordinary shares from warrants exercise	29	5,559	24,593	-	-	30,152
Total comprehensive income	4	-	-	7,034	192,855	199,889
Closing balance as at 31 December 2017		<u>157,904</u>	<u>444,369</u>	<u>19,534</u>	<u>490,466</u>	<u>1,112,273</u>

	Notes	Separate financial statements				Total equity Baht'000
		Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		
				Appropriated - Legal reserve Baht'000	Unappropriated Baht'000	
Opening balance as at 1 January 2018		157,904	444,369	19,534	490,466	1,112,273
Issuance of ordinary shares from warrants exercise	29	300	718	-	-	1,018
Pay Dividend	35	-	-	-	(78,951)	(78,951)
Total comprehensive income		-	-	-	178,026	178,026
Closing balance as at 31 December 2018		<u>158,204</u>	<u>445,087</u>	<u>19,534</u>	<u>589,541</u>	<u>1,212,366</u>

The notes to consolidated and the separate financial statements on pages 12 to 58 are an integral part of these financial statements.

ASIA Capital Group Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		(As restated)		(As restated)	
		2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Cash flows from operating activities					
Profit before income tax	4	87,032	310,141	181,245	229,893
Adjustments for:					
Depreciation and amortisation	20, 21	5,631	7,666	1,932	2,006
Interest income	4	(362,711)	(541,227)	(284,260)	(381,780)
Interest expense	4	238,157	209,818	239,120	212,391
Interest expense from finance leases		184	243	139	166
Dividend income	36 i)	-	-	(162,099)	(104,125)
Bad debt expenses		264	431	-	-
Allowance for doubtful account receivables		372	-	-	-
(Reversal) on impairment loss on investment in subsidiaries	19	-	-	(12,549)	947
(Reversal) on loss on impairment of loan and interest to related company	36 iv)	-	-	(7,900)	400
Loss on impairment withholding tax		207	2,698	-	2,698
(Gain) loss on disposal/impairment/write-off assets		(23)	1,590	(6)	1,695
Gain on sale of short-term investment	10	(6,489)	(3,040)	(2,571)	(1,558)
Gain on change in fair value	10	(57)	(14)	(181)	-
Loss on investment in subsidiary	19	-	-	1,563	-
Employee benefits	27	1,445	1,157	621	392
Loss from operating activities before changes in operating assets and liabilities		(35,988)	(10,537)	(44,946)	(36,875)
(Increase) decrease in operating assets					
Accounts receivable		2,104	(9,111)	-	-
Amounts due from related companies		-	-	887	523
Factoring receivables		39,437	(12,854)	-	-
Loan to employees		762	678	-	-
Short-term loans to other companies		(152,711)	280,685	(114,448)	(46,181)
Other current assets		2,457	(4,925)	(2,769)	(4,350)
Other non-current assets		(309)	(97)	(93)	3
Increase (decrease) in operating liabilities					
Interest payable		-	(6,133)	-	-
Other payables		3,000	3,479	(397)	1,283
Amounts due to related companies		-	-	30	-
Other current liabilities		12,284	(11,475)	9,311	(22,180)
Cash (used in) provided by operation before interest and income tax received (paid)		(128,964)	229,710	(152,425)	(107,777)
Interest income received	4	372,676	303,004	297,450	180,155
Interest expense paid excluding finance leases	4	(217,326)	(153,998)	(218,232)	(156,504)
Income tax paid		(34,856)	(13,436)	(11,266)	(2,698)
Net cash (used in) provided by operating activities		(8,470)	365,280	(84,473)	(86,824)

The notes to consolidated and the separate financial statements on pages 12 to 58 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 2018

	Notes	Consolidated financial statements		Separate financial statements	
		(As restated)		(As restated)	
		2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Cash flows from investing activities					
Cash (paid to) received from short-term investment, net	10	52,559	(69,594)	(151,500)	1,568
Cash paid for short-term loans to related parties		-	-	-	(2,000)
Cash received from short-term loans to related parties	36 iv)	-	-	77,000	105,000
Cash paid for long-term loans to related parties		-	-	-	(900)
Cash received from long-term loans to related parties	36 iv)	-	-	7,900	500
Cash received for investment in subsidiaries	19	-	-	25,300	-
Cash paid for investment in subsidiaries		-	-	-	(20,000)
Cash paid for long-term investment	16	(25,000)	(220,000)	(25,000)	(220,000)
Cash paid for purchase of leasehold improvements, equipment and intangible assets		(3,298)	(2,896)	(714)	(64)
Cash received from disposal of leasehold improvement, equipment and intangible assets		25	2,209	6	1,368
Cash paid for investment property		(13,538)	(15,793)	(13,538)	(15,793)
Dividend received	36 i)	-	-	162,099	104,125
Net cash provided by (used in) investing activities		10,748	(306,074)	81,553	(46,196)
Cash flows from financing activities					
Cash received from short-term borrowings from related companies	36 iv)	90,000	30,000	544,000	1,037,000
Cash paid for short-term borrowings from related companies	36 iv)	(90,000)	(480,000)	(517,000)	(1,315,000)
Cash received from short-term borrowings from other companies	23	420,000	755,000	420,000	755,000
Cash paid for short-term borrowings from other companies	23	(45,000)	(1,810,000)	(45,000)	(1,810,000)
Cash received from the issuance of debentures	26	1,589,027	1,463,300	1,589,027	1,463,300
Cash paid for debenture	26	(1,941,400)	(10,524)	(1,941,400)	(10,524)
Cash paid for liabilities under finance lease	24	(2,079)	(1,667)	(1,480)	(1,101)
Cash paid for interest under finance lease		(184)	(243)	(139)	(166)
Cash received from exercise of warrants	29	1,018	30,152	1,018	30,152
Cash paid for dividend	35	(78,950)	-	(78,950)	-
Net cash (used in) provided by financing activities		(57,568)	(23,982)	(29,924)	148,661
Net (decrease) increase in cash and cash equivalents		(55,290)	35,224	(32,844)	15,641
Cash and cash equivalents at beginning of the year		107,438	72,214	81,594	65,953
Cash and cash equivalents at end of the year		52,148	107,438	48,750	81,594
Non-cash transactions					
Purchase of vehicle under finance lease	24	2,521	-	2,521	-
Offset from loans to other companies and to related companies		-	-	-	68,000
Transfer of collateral for debt settlement	17	90,000	215,000	90,000	215,000

The notes to consolidated and the separate financial statements on pages 12 to 58 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 27 February 2019.

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

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

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

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

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

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

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

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

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

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

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

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

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

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

Mandatory for financial years commencing on or after 1 January 2019. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2019 and that comparatives will not be restated.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards. (Cont'd)

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

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

The above new standards and interpretations will supersede the following standards:

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

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

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

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

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

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

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

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

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

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 19 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, net of unearned interest income, deferred fee income and allowance for doubtful accounts. Unearned interest income is recognised over a period of contract using effective interest method and is presented as interest income in statement of comprehensive income. Deferred fee income is recognised over a period of contract using effective interest method and is presented net of interest income in statement of comprehensive income.

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 and debentures

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 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 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest-bearing assets and liabilities. The Group policy is to maintain approximately loan to other companies and loan from other companies in fixed rate instruments. At the year end, interest rate of loans to other companies is fixed at 12 - 15% and interest rate of loans from other companies is fixed at 5.50 - 8.00% per annum.

3.1.2 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.

3.1.3 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.

3.1.4 Price risk

The Group is exposed to market price risk as the investor of financial instruments in short-term investments. The Group invests in high credit financial institutions and low risk.

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 2018 and 2017.

		Consolidated financial statements			
		2018			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Financial assets at fair value through profit or loss					
	Trading securities - opened - end fund (Note 10)	-	208,522	-	208,522
		Consolidated financial statements			
		2017			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Financial assets at fair value through profit or loss					
	Trading securities - opened - end fund (Note 10)	-	254,535	-	254,535
		Separate financial statements			
		2018			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Financial assets at fair value through profit or loss					
	Trading securities - opened - end fund (Note 10)	-	154,301	-	154,301
		Separate financial statements			
		2017			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Financial assets at fair value through profit or loss					
	Trading securities - opened - end fund (Note 10)	-	49	-	49

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 2018 and 2017.

		Consolidated and Separate financial statements			
		2018			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
	General investment - equity securities (Note 16)	-	-	245,500	245,500
		Consolidated and Separate financial statements			
		2017			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
	General investment - equity securities (Note 16)	-	-	220,000	220,000
		Consolidated and Separate financial statements			
		2018			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities					
	Debenture non-current portion due after one year (Note 26)	-	1,590,962	-	1,590,962
		Consolidated and Separate financial statements			
		2017			
		Level 1	Level 2	Level 3	Total
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities					
	Debenture non-current portion due after one year (Note 26)	-	1,459,012	-	1,459,012

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.

Valuation processes

Valuation techniques used to derive Level 2 fair values

Trading securities presented as short-term investments, comprise of investment in a opened-end fund. The fair value of investments is measured by using last bid price at the close of business on the statement of financial position date by reference to the Association of Investment Management Companies.

Debenture non-current portion due after one year is measured by using the market yield of debenture published in the Thai Bond Market Association at the end of the date in the statement of financial position.

Valuation techniques used to derive Level 3 fair values

As the Group has a general investment in company which the Group's shareholding was insignificant, the Group has no controlling and decision making power in the invested company resulting in difficulty in obtaining the information to support the fair value valuation practice. These investment is not in the stock exchange and do not have any market prices which can be used as fair value. The Group also do not have any plan for selling these investment, so the Group did not assess the fair value for the general investment. Therefore, the Group cannot disclose the fair value of the general investment and have stated these investment at cost net allowance for Impairment (if any).

4 Change in presentation and new accounting policy

Change in presentation

The Group reclassified selling and administrative expenses to cost of services for Baht 20.77 million in order to appropriately reflect the nature of expenses to the Group's business. Comparative figures have been reclassified to conform with the current year presentation. Moreover, the Group reclassified prepaid commission expenses for Baht 18.46 million and unearned front-end fee income for Baht 26.16 million to be presented with short-term loans to other companies, and reclassified commission expenses from interest expenses to be net presented with interest income for Baht 43.83 million to present in accordance with the principle of direct cost of financial instruments.

New accounting policy

As the Group has adopt a new accounting policy which ceases to recognise overdue interest income from defaulted debt, which overdue by more than 6 months starting from 1 July 2018. Therefore, the Group has made a retrospective adjustment to reflect the new accounting policy. This retrospective adjustment is not effect to consolidate and separate financial statements as at 1 January 2017.

ASIA Capital Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

4 Change in presentation and new accounting policy (Cont'd)

The effect of changes in presentation and adjustment to the statements of financial position as at 31 December 2017, statements of comprehensive income and statements of cash flows for the year ended 31 December 2017 are as follows;

	Consolidated financial statements				Separate financial statements			
	As previously reported Baht'000	Adjustment Baht'000	Reclassify Baht'000	As restated Baht'000	As previously reported Baht'000	Adjustment Baht'000	Reclassify Baht'000	As restated Baht'000
Statement of Financial Position								
as at 31 December 2017								
Short-term loans to related companies, net	3,831,001	(11,932)	(7,697)	3,811,372	3,582,563	(11,932)	18,461	3,589,092
Other current assets	36,738	-	(18,461)	18,277	25,745	-	(18,461)	7,284
Interest payables	27,750	-	633	28,383	27,750	-	633	28,383
Other payables	13,596	-	2,300	15,896	2,819	-	2,300	5,119
Other current liabilities	71,097	-	(29,091)	42,006	14,063	-	(2,933)	11,130
Retained earnings - unappropriated	625,689	(11,932)	-	613,757	502,398	(11,932)	-	490,466
Statement of Comprehensive income								
for the year ended 31 December 2017								
Interest income	596,990	(11,932)	(43,831)	541,227	437,543	(11,932)	(43,831)	381,780
Interest expense	(253,649)	-	43,831	(209,818)	(256,222)	-	43,831	(212,391)
Cost of services	(82,584)	-	(20,767)	(103,351)	-	-	-	-
Administrative expenses	(98,856)	-	20,767	(78,089)	(48,602)	-	-	(48,602)
Net profit for the year	255,416	(11,932)	-	243,484	211,749	(11,932)	-	199,817
Total comprehensive income	255,290	(11,932)	-	243,358	211,821	(11,932)	-	199,889
Basic earnings per share	0.83	(0.04)	-	0.79	0.69	(0.04)	-	0.65
Diluted earnings per share	0.72	(0.03)	-	0.69	0.60	(0.03)	-	0.57
For the year ended 31 December 2017								
Profit before income tax	322,073	(11,932)	-	310,141	241,825	(11,932)	-	229,893
Adjustment - Interest income	(596,990)	11,932	43,831	(541,227)	(437,543)	11,932	43,831	(381,780)
Adjustment - Interest expense	253,649	-	(43,831)	209,818	256,222	-	(43,831)	212,391
Operating activities - Interest income received	365,296	-	(62,292)	303,004	242,447	-	(62,292)	180,155
Operating activities - Interest expense paid excluding finance leases	(216,290)	-	62,292	(153,998)	(218,796)	-	62,292	(156,504)

5 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.

5.1 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.

5.2 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.

5.3 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.

5.4 Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit loss. Management uses judgement to establish reserves for estimated loss for each outstanding debtor. The allowances for doubtful accounts are determined through analysis of debt aging, collection experience, future expectations of accounts receivable payments and taking into account of change in the current economic environment. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable loss and adjustments to the allowances may therefore be required in the future.

6 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.

7 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 and financial advisory.
- Others - to provide other service

Consolidated financial statements					
	Lending	Call center services and financial businesses	Others	Elimination	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
For the year ended 31 December 2018					
Net interest income					
Third party revenue	124,439	8	107	-	124,554
Inter-segment revenue	18	(18)	-	-	-
Net service income	1,163	50,348	-	-	51,511
Other operating income	174,017	1,385	10	(167,122)	8,290
Other operating expenses	(48,987)	(34,179)	(109)	(13,864)	(97,139)
Operating profit (loss)	250,650	17,544	8	(180,986)	87,216
Financial costs	(140)	(44)	-	-	(184)
Profit (loss) before tax	250,510	17,500	8	(180,986)	87,032
Tax (expense) income	(19,077)	(6,057)	(23)	-	(25,157)
Net profit (loss) for the year	231,433	11,443	(15)	(180,986)	61,875
Segment assets	5,829,241	106,160	-	(1,117,901)	4,817,500
Segment liabilities	4,034,674	18,308	-	(456,401)	3,596,581
Capital expenditure	4,997	828	-	-	5,825
Depreciation and amortisation	2,142	3,506	-	(17)	5,631

Consolidated financial statements					
	Lending	Call center services and financial businesses	Others	Elimination	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
For the year ended 31 December 2017					
Net interest income					
Third party revenue	331,402	7	-	-	331,409
Inter-segment revenue	(149)	(75)	224	-	-
Net service income	(342)	57,133	-	-	56,791
Other operating income	123,522	313	36	(114,014)	9,857
Other operating expenses	(59,006)	(22,786)	(190)	(5,691)	(87,673)
Operating profit (loss)	395,427	34,592	70	(119,705)	310,384
Financial costs	(166)	(77)	-	-	(243)
Profit (loss) before tax	395,261	34,515	70	(119,705)	310,141
Tax (expense) income	(59,938)	(6,704)	(15)	-	(66,657)
Net profit (loss) for the year	335,323	27,811	55	(119,705)	243,484
Segment assets	5,681,283	108,858	25,433	(1,045,530)	4,770,044
Segment liabilities	3,872,879	20,831	117	(359,347)	3,534,480
Capital expenditure	11,374	10,555	-	(84)	21,845
Depreciation and amortisation	3,345	3,708	-	613	7,666

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Cash on hand	21	25	6	6
Deposit held at call with banks	52,419	107,806	48,744	81,588
Total cash, and deposit with bank	52,440	107,831	48,750	81,594
<u>Less</u> Deposit at banks which subject to restrictions (Note 9)	(292)	(393)	-	-
	<u>52,148</u>	<u>107,438</u>	<u>48,750</u>	<u>81,594</u>

The interest rate of deposit held at call with banks is 0.125% per annum (2017: 0.25% per annum).

9 Restricted deposit at bank

The group has pledged deposit at bank totaling Baht 0.29 million (2017: Baht 0.39 million) as security against related office service agreements and rental agreements.

10 Short-term investments

	Consolidated financial statements		Separate financial statements	
	2018 fair value Baht'000	2017 fair value Baht'000	2018 fair value Baht'000	2017 fair value Baht'000
Trading investment - opened - end fund	208,522	254,535	154,301	49

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Opening balance	254,535	181,887	49	59
Additions	4,126,640	4,414,549	3,190,000	3,058,909
Disposals	(4,172,710)	(4,341,915)	(3,035,929)	(3,058,919)
Change in fair value	57	14	181	-
Ending balance	<u>208,522</u>	<u>254,535</u>	<u>154,301</u>	<u>49</u>

As at 31 December 2018, short-term investments in the consolidated and separate financial statements represented trading investments in open fund with financial institutions.

11 Account receivables, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Accrued income	17,909	26,626	-	-
Undue	14,337	7,856	-	-
Overdue up to 30 days	902	-	-	-
Overdue 30 days but not over 90 days	139	300	-	-
Overdue 90 days but not over 180 days	-	299	-	-
Overdue 180 days but not over 1 year	-	1,712	-	-
Overdue more than 1 year	3,416	2,871	-	-
Total	36,874	39,664	-	-
<u>Less</u> Allowance for doubtful accounts	-	(50)	-	-
Account receivables, net	36,874	39,614	-	-

12 Factoring receivables, net

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Factoring receivables	7,045	46,482	-	-
<u>Less</u> Deferred interest	(3)	(920)	-	-
	7,042	45,562	-	-

13 Loans to employees, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Minimum repayment under loans to employees	384	883	-	-
<u>Less</u> Deferred interest	(274)	(53)	-	-
	110	830	-	-
Current portion due within one year	100	682	-	-
Non-current portion due after one year	10	148	-	-
	110	830	-	-

14 Short-term loans to other companies, net

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Bills of exchange	752,739	516,886	712,755	516,886
Short-term loans to other companies	3,092,169	3,294,486	2,887,669	3,072,206
Total	3,844,908	3,811,372	3,600,424	3,589,092

The interest rates on bills of exchange and short-term loans to other companies are 6 - 8% and 12 - 15% per annum, respectively (31 December 2017: 6% - 14.50% and 12% - 15% per annum, respectively).

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Balance at the beginning of the year	3,811,372	4,069,141	3,589,092	3,488,123
Additions during the year	2,348,428	2,885,859	2,145,483	3,004,065
Repayments during the year	(2,544,617)	(3,619,722)	(2,291,167)	(3,224,721)
Interest income recognised during the year	251,480	429,643	173,174	275,174
Commission expense recognised during the year	(33,879)	(39,039)	(28,282)	(39,039)
Interest receivable	12,124	85,490	12,124	85,490
Balance at the end of the year	3,844,908	3,811,372	3,600,424	3,589,092

Bills of exchange

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Undue	47,222	55,049	47,222	55,049
Extensions	705,517	461,837	665,533	461,837
Total	752,739	516,886	712,755	516,886

The Group had outstanding short-term loans in a form of bills of exchange provided to 5 companies (2017: 5 companies) netted loans of Baht 753 million (2017: Baht 517million). The short-term loans will be matured within one to six months and with the interest rate charge at 6% - 8% 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 include of public and limited companies, leasehold rights and also guaranteed by some directors and shareholders of the borrowers. As at 31 December 2018, value of collaterals was Baht 832 million, including shares value amounting to Baht 433 million and discounted cash flow of lease rights amounting to Baht 399 million.

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

Loan agreements

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Undue	765,522	680,171	553,117	680,171
Extensions	2,326,647	2,614,315	2,334,552	2,392,035
Total	3,092,169	3,294,486	2,887,669	3,072,206

The Group had outstanding short-term loans in form of loan agreements at face value provided to 11 companies and 3 persons (2017: 11 companies and 2 persons) net loan of Baht 3,092 million (2017: Baht 3,294 million). The short-term loans 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. As at 31 December 2018, value of collaterals was Baht 6,135 million, including fair value of land amounting to Baht 5,280 million and shares of the borrowing companies amounting to Baht 855 million.

During 2018, some parts of loans were agreed for repayment extensions for another 1 to 12 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.

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

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

In addition, if the Group had followed this accounting guideline, the amount of interest income from short-term loans to other companies recognised in the consolidated and separate financial statements for the year ended 31 December 2018 would be reduced by Baht 14.85 million (31 December 2017: Baht 5.70 million). Management believes that such interest income will fully be recoverable because the collateral value is much higher than the principal and interest recognised to date.

A loan receivable account has a short-term loan from Asia Capital Group PLC. with a credit limit of Baht 800 million to be used for purchase of raw materials for delivery and distribution to a loan receivable's customer. The loan receivable account assigned its right to claim over the payment from this customer to the Company under the tri-party memorandum to solely transfer the right to the Company for repayment under the loan agreement. The customer gave its consent and complied with the contract. However, when the payment was matured in the second quarter of 2018, the customer did not transfer the payment to the Company under the transferred right agreement. On 30 May 2018, the Company issued a legal notice to the loan receivable account as the borrower and the customer as the assignee to make the payments to the Company. Nevertheless, both parties has not responded and made no payment. The outstanding balance of short-term loan as at 31 December 2018 was Baht 289,557,377.

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

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

When the Company had not receive the payment from the loan receivable account and the customer, the Company has followed up but both of them have ignored and have not made any payments in any way. The Company have not yet received any response either to deny or accept the payment from both parties. On 20 August 2018, the Company has already filed a lawsuit against loan receivable account and the customer to the Civil Court. The Court has appointed for conciliation or settlement of issue with both parties on 26 November 2018. Both of parties could not reach a negotiation and conciliation on the Court, therefore the Court schedules the date for hearing the evidence during July and August 2019. Moreover, the Company has received a legal opinion from the third party professional law firm which concluded that transfer of rights to the Company for repayment is definitely complete and legitimate. The Company has a right to claim for full payment from the customer of loan receivable account without any excuse.

15 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Revenue department receivable	22,406	13,689	20,773	6,566
Prepaid expenses	3,533	3,367	873	697
Others	1,777	1,221	6	21
	<u>27,716</u>	<u>18,277</u>	<u>21,652</u>	<u>7,284</u>

16 Long-term investments

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
General investment - equity securities				
Opening net book amount	220,000	-	220,000	-
Addition	25,000	220,000	25,000	220,000
Ending net book amount	<u>245,000</u>	<u>220,000</u>	<u>245,000</u>	<u>220,000</u>

The Group hold 10% of the registered share capital of a company in order to invest in the same business sector.

17 Investment property

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Opening net book amount	230,793	-	230,793	-
Subsequent expenditure recognised as an asset	13,538	15,793	13,538	15,793
Increase from collateral for debt settlement	90,000	215,000	90,000	215,000
Closing net book amount	<u>334,331</u>	<u>230,793</u>	<u>334,331</u>	<u>230,793</u>
As at 31 December				
Cost	<u>334,331</u>	<u>230,793</u>	<u>334,331</u>	<u>230,793</u>
Net book amount	<u>334,331</u>	<u>230,793</u>	<u>334,331</u>	<u>230,793</u>
Fair value	<u>478,476</u>	<u>356,596</u>	<u>478,476</u>	<u>356,596</u>

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 2018 to settle the loan amounting to Baht 90 million (2017: Baht 215 million).

18 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	6,026	16,594	4,445	11,333
Deferred tax assets to be recovered after more than 12 months	1,370	1,503	2,608	705
	<u>7,396</u>	<u>18,097</u>	<u>7,053</u>	<u>12,038</u>
Deferred tax liability:				
Deferred tax liability to be recovered within 12 months	-	-	-	-
Deferred tax liability to be recovered after more than 12 months	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets, net	<u>7,396</u>	<u>18,097</u>	<u>7,053</u>	<u>12,038</u>

The movement of the deferred income taxes is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
At 1 January	18,097	56,126	12,038	42,132
Charged/(credited) to profit or loss (Note 32)	(10,348)	(38,061)	(4,632)	(30,076)
Tax credit relation to components of other comprehensive income	(353)	32	(353)	(18)
At 31 December	<u>7,396</u>	<u>18,097</u>	<u>7,053</u>	<u>12,038</u>

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
Deferred tax assets						
At 1 January 2018	6,185	4,698	1,130	5,232	852	18,097
Charged/(credited) to profit or loss	(1,807)	(4,698)	289	(3,651)	(481)	(10,348)
Credited to other comprehensive income	-	-	(353)	-	-	(353)
At 31 December 2018	<u>4,378</u>	<u>-</u>	<u>1,066</u>	<u>1,581</u>	<u>371</u>	<u>7,396</u>

	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
Deferred tax assets						
At 1 January 2017	39,562	6,698	(835)	9,531	1,170	56,126
Charged/(credited) to profit or loss	(33,377)	(2,000)	1,933	(4,299)	(318)	(38,061)
Credited to other comprehensive income	-	-	32	-	-	32
At 31 December 2017	<u>6,185</u>	<u>4,698</u>	<u>1,130</u>	<u>5,232</u>	<u>852</u>	<u>18,097</u>

18 Deferred income taxes (Cont'd)

	Separate financial statements				Total Baht'000
	Tax losses Baht'000	Allowance for impairment of asset Baht'000	Provision for employee benefit Baht'000	Other Baht'000	
Deferred tax assets					
At 1 January 2018	6,185	4,688	658	507	12,038
Charged to profit or loss	(1,807)	(2,510)	124	(439)	(4,632)
Credited to other comprehensive income	-	-	(353)	-	(353)
At 31 December 2018	4,378	2,178	429	68	7,053

	Separate financial statements				Total Baht'000
	Tax losses Baht'000	Allowance for impairment of asset Baht'000	Provision for employee benefit Baht'000	Other Baht'000	
Deferred tax assets					
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

19 Investment in subsidiaries, net

List of subsidiaries is as follows:

Company's name	Country of establishment	Type of business	Nature of relationship	Percentage of investment	
				2018	2017
Subsidiaries					
Global Service Center Public Company Limited (Formerly named as Global Service Center Company Limited)	Thailand	Call center service	Direct shareholding	99.99	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory	Direct shareholding	99.99	99.99
Capital OK Co., Ltd.	Thailand	Consumers Finance	Direct shareholding	99.99	99.99
OK Cash Co., Ltd.	Thailand	Collection services	Direct shareholding	99.99	99.99
ACAP (Asia) Asset Management Co., Ltd.	Thailand	Liquidated	Direct shareholding	-	99.99
Aurum Capital Advisory Pte. Ltd.	Singapore	Investment Banking	Direct shareholding	63.97	63.97

ASIA Capital Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

19 Investment in subsidiaries, net (Cont'd)

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

	2018					
	Separate financial statements					
	Paid-up capital Baht'000	Cost method			Investment proportion	
Cost Baht'000		Allowance for impairment Baht'000	Net Baht'000	Amount at par Baht'000	Percentage of holding	
Global Service Center Public Company Limited	80,000	80,000	-	80,000	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
Aurum Capital Advisory Pte, Ltd.	14,274	10,892	(10,892)	-	-	63.97
		<u>664,420</u>	<u>(10,892)</u>	<u>653,528</u>	<u>555,550</u>	
	2017					
	Separate financial statements					
	Paid-up capital Baht'000	Cost method			Investment proportion	
Cost Baht'000		Allowance for impairment Baht'000	Net Baht'000	Amount at par Baht'000	Percentage of holding	
Global Service Center Public Company Limited	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
		<u>691,283</u>	<u>(23,441)</u>	<u>667,842</u>	<u>580,550</u>	

The movements in investments in subsidiaries are as follows:

	Separate financial information Baht'000
For the year ended 31 December 2018	
Beginning net book balance	667,842
Cash received from dissolution of ACAP (ASIA) Asset Management Co., Ltd.	(25,300)
Loss on investment in ACAP (ASIA) Asset Management Co., Ltd.	(1,563)
Reversal of allowance for impairment on investment in Global Service Center Public Company Limited	10,000
Reversal of allowance for impairment on investment in ACAP Consulting Co., Ltd.	1,000
Reversal of allowance for impairment on investment in ACAP (ASIA) Asset Management Co., Ltd.	1,549
Closing net book balance	<u>653,528</u>

During the year ended 31 December 2018, the Company's management had reversed an allowance for impairment on investment in Global Service Center Public Company Limited and ACAP consulting Co., Ltd. due to improvement in the above companies' performance, and ACAP (ASIA) Asset management Co., Ltd. due to dissolution, amounting to Baht 10 million, Baht 1 million and Baht 1.55 million, respectively.

On 24 May 2018, the Company received the capital return and retained earnings (deficits) from ACAP (ASIA) Asset Management Co., Ltd., amounting to Baht 25.30 million and loss on investment amounting to Baht 1.56 million, as they distributed the net asset back to shareholder in liquidation process.

20 Leasehold improvements and equipment, net

	Consolidated financial statements					Total Baht'000
	Leasehold improvements Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	
At 1 January 2017						
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>
For the year ended 31 December 2017						
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>
At 31 December 2017						
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>
For the year ended 31 December 2018						
Opening net book amount	3,769	2,706	3,186	934	9,217	19,812
Additions	314	411	14	244	4,700	5,683
Disposals/write offs, net	-	(1)	-	-	-	(1)
Depreciation charge	(1,530)	(773)	(551)	(375)	(1,489)	(4,718)
Closing net book amount	<u>2,553</u>	<u>2,343</u>	<u>2,649</u>	<u>803</u>	<u>12,428</u>	<u>20,776</u>
At 31 December 2018						
Cost	10,007	76,611	12,074	16,648	13,743	129,083
<u>Less</u> Accumulated depreciation	(7,454)	(74,268)	(9,425)	(15,845)	(1,315)	(108,307)
Net book amount	<u>2,553</u>	<u>2,343</u>	<u>2,649</u>	<u>803</u>	<u>12,428</u>	<u>20,776</u>

20 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	
At 1 January 2017						
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	<u>926</u>	<u>111</u>	<u>3,568</u>	<u>156</u>	<u>10,120</u>	<u>14,881</u>
For the year ended 31 December 2017						
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	<u>819</u>	<u>82</u>	<u>3,019</u>	<u>144</u>	<u>6,182</u>	<u>10,246</u>
At 31 December 2017						
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	<u>819</u>	<u>82</u>	<u>3,019</u>	<u>144</u>	<u>6,182</u>	<u>10,246</u>
For the year ended 31 December 2018						
Opening net book amount	819	82	3,019	144	6,182	10,246
Additions	-	134	12	9	3,050	3,205
Disposals	-	-	-	-	-	-
Depreciation charge	(105)	(44)	(474)	(52)	(885)	(1,560)
Closing net book amount	<u>714</u>	<u>172</u>	<u>2,557</u>	<u>101</u>	<u>8,347</u>	<u>11,891</u>
At 31 December 2018						
Cost	1,052	8,954	6,013	3,314	10,369	29,702
<u>Less</u> Accumulated depreciation	(338)	(8,782)	(3,456)	(3,213)	(2,022)	(17,811)
Net book amount	<u>714</u>	<u>172</u>	<u>2,557</u>	<u>101</u>	<u>8,347</u>	<u>11,891</u>

21 Intangible assets, net

	Consolidated financial statements	Separate financial statements
	Computer software Baht'000	Computer software Baht'000
At 1 January 2017		
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>
For the year ended 31 December 2017		
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>
At 31 December 2017		
Cost	223,075	5,921
<u>Less</u> Accumulated amortisation	(221,042)	(5,197)
Net book amount	<u>2,033</u>	<u>724</u>
For the year ended 31 December 2018		
Opening net book amount	2,033	724
Additions	142	30
Amortisation charge	(913)	(372)
Closing net book amount	<u>1,262</u>	<u>382</u>
At 31 December 2018		
Cost	223,324	5,951
<u>Less</u> Accumulated amortisation	(222,062)	(5,569)
Net book amount	<u>1,262</u>	<u>382</u>

22 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Deposits from office lease	1,674	1,280	1,220	1,127
Deposit at banks which subject to restrictions (Note 9)	292	393	-	-
Others	24	8	-	-
	<u>1,990</u>	<u>1,681</u>	<u>1,220</u>	<u>1,127</u>

23 Short-term borrowing from other companies

	Consolidated financial statements and Separate financial statements			
	31 December 2018			
	Interest rate per annum (percent)	Remaining period to maturity		
At call Baht		Within 1 year Baht	Total Baht	
Debt issued - bills of exchange	5.5 – 8	-	417,822	417,822

The Group have unsecured short-term borrowings in form of bills of exchange borrowed from 2 companies 1 persons net borrowing of Baht 417.82 million. The short-term loans were given during June to October 2018, which will be matured within 6 to 9 months and with the interest rate charge at 5.5% - 8% 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	
	2018 Baht'000	2017 Baht'000
Opening balance	44,901	1,093,042
Additions during the year	420,000	755,000
Prepaid interest	(4,114)	(15,700)
Repayments during the year	(45,000)	(1,810,000)
Financial cost recognised during the year	2,035	22,559
Ending balance	417,822	44,901

24 Finance lease liabilities, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Minimum lease payments obligation under lease liabilities (lease of vehicles)	5,884	5,392	5,402	4,267
<u>Less</u> Deferred interest	(362)	(312)	(351)	(257)
	5,522	5,080	5,051	4,010
Current portion due within one year	2,207	1,801	1,736	1,203
Non-current portion due after one year but not later-than five years	3,315	3,279	3,315	2,807
	5,522	5,080	5,051	4,010

Movements of liabilities under finance lease agreements for the year ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Opening balance	5,080	6,747	4,010	5,111
Additions	2,521	-	2,521	-
Repayment-cash out flows	(2,079)	(1,667)	(1,480)	(1,101)
Closing balance	5,522	5,080	5,051	4,010

25 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Other payable	18,261	22,611	18,390	6,757
Revenue department payable	9,503	19,395	2,051	4,373
	<u>27,764</u>	<u>42,006</u>	<u>20,441</u>	<u>11,130</u>

26 Debentures

	Consolidated and Separate financial statements	
	2018 Baht'000	2017 Baht'000
Debentures		
- Current portion due within one year	1,460,403	1,936,371
- Non-current portion due after one year	1,591,959	1,455,141
Total	<u>3,052,362</u>	<u>3,391,512</u>

The movements of senior unsecured debentures which included current portion for the year ended 31 December 2018 and 2017 are as follows:

	Consolidated and Separate financial statements	
	2018 Baht'000	2017 Baht'000
Opening balance	3,391,512	1,928,579
Additions of debentures during the year	1,589,027	1,463,300
Repayments during the year	(1,941,400)	(10,524)
Issuing costs recognised during the year	13,223	10,157
Debentures, net	<u>3,052,362</u>	<u>3,391,512</u>

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

The Company is required to comply with the specific covenants which are to maintain debt to equity ratio not over 6:1 on the date on each quarterly consolidated financial information and dividend pay-out ratio not over 60% of net profit from financial statements. On 31 December 2018, the Company maintains debt to equity ratio at 2.95 (31 December 2017: 2.86) and dividend pay-out ratio at 32.4% of net profit (31 December 2017: not required).

On 16 October 2018, the Company held the Bondholders' Meeting No. 2/2018. The Meeting resolved to approve the amendment of Terms and Conditions about rights and responsibilities of bond issuer. The amendment was to cancel the maintenance of the interest coverage ratio (EBITDA to Interest for all 5 debentures named No. 1/2017 (ACAP193A), No. 2/2017 (ACAP196A), No. 3/2017 (ACAP190A), No. 1/2018 (ACAP202A) and No. 2/2018 (ACAP207A)).

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

27 Employee benefits obligations

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
<u>Statement of financial position</u>				
Employee benefits	5,329	5,650	2,147	3,292
	<u>5,329</u>	<u>5,650</u>	<u>2,147</u>	<u>3,292</u>
<u>Profit or loss</u>				
Employee benefits	1,445	1,157	621	392
	<u>1,445</u>	<u>1,157</u>	<u>621</u>	<u>392</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
At 1 January	5,650	4,335	3,292	2,989
Current service cost	1,255	995	510	292
Interest cost	190	162	111	101
Remeasurements	(1,766)	158	(1,766)	(90)
	<u>5,329</u>	<u>5,650</u>	<u>2,147</u>	<u>3,292</u>
<u>Less</u> Benefits paid reversals from employees	-	-	-	-
At 31 December	<u>5,329</u>	<u>5,650</u>	<u>2,147</u>	<u>3,292</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Current service cost	1,255	995	510	291
Interest cost	190	162	111	101
Total	<u>1,445</u>	<u>1,157</u>	<u>621</u>	<u>392</u>

27 Employee benefits obligations (Cont'd)

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.80% - 3.36%	3.36%	2.80%	3.36%
Salary increase rate	5% - 6%	5%	6%	5%
Average turnover rate	0% - 34.38%	0% - 30%	2.87% - 34.38%	0% - 30%
Pre-retirement mortality rate	10% of mortality rate year 2017	10% of mortality rate year 2017	10% of mortality rate year 2017	10% of mortality rate year 2017
Pre-retirement disability	5% of mortality rate year 2017	5% of mortality rate year 2017	5% of mortality rate year 2017	5% of mortality rate year 2017

Sensitivity analysis

	Increase (decrease) in provision on employee benefit			
	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Discount rate				
Increase 1%	(670)	(520)	(255)	(197)
Decrease 1%	791	608	297	221
Salary income rate				
Increase 1%	764	592	285	216
Decrease 1%	(662)	(518)	(250)	(195)
Average turn over rate				
Increase 20% of assumptions/Increase 1%	(582)	(364)	(222)	(105)
Decrease 20% of assumptions/Decrease 1%	698	414	254	117

Maturity profile of defined benefit obligation

	Consolidated financial statements		Separate financial statements	
	2018 Years	2017 Years	2018 Years	2017 Years
Duration of the defined benefit obligation	15	15	12	12

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Maturity analysis of benefits expected to be paid				
Benefits expected to be paid within 1 year	30	-	-	-
Benefits expected to be paid within 2 - 4 years	242	3,215	-	2,915
Benefits expected to be paid within 5 - 10 years	7,284	1,343	5,783	651
Benefits expected to be paid within 10 years	28,323	21,723	10,088	5,807

28 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
At 1 January	19,534	12,500	19,534	12,500
Appropriation during the year	-	7,034	-	7,034
At 31 December	<u>19,534</u>	<u>19,534</u>	<u>19,534</u>	<u>19,534</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.

29 Share capital

	Authorised shares		Issued and paid-up shares	Premium
	Number of shares Shares	Par value Baht	Baht	Baht
At 1 January 2017	312,500,000		156,250,000	419,776,346
Increase in capital	78,172,338	0.5	39,086,169	-
Warrants	-		-	24,593,084
At 31 December 2017	390,672,338		195,336,169	444,369,430
Increase in capital	-		-	-
Warrants	-		300,153	718,266
At 31 December 2018	<u>390,672,338</u>		<u>195,336,169</u>	<u>445,087,696</u>

As at 31 December 2018, the Company has paid-up share capital from warrant (ACAP-W1) exercised on 15 June and 31 July 2018 for 128,417 shares and 471,889 shares, respectively at the price Baht 1.6965 per share, totalling to Baht 1.02 million which comprising of Baht 235,945 and Baht 64,208 par value, and Baht 564,615 and Baht 153,651 premium on share capital. There is no exercise of warrant (ACAP-W2), so the Company's unexercised warrant (ACAP-W2) is 73,548,557 shares (of Baht 0.5 par value). The warrant (ACAP-W2) will be expired on 28 May 2019.

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) exercised on 15 June and 15 December 2017 for 7,676,804 shares and 816,800 shares, respectively at the price Baht 1.6965 per share, totalling to Baht 14.41 million which comprising of Baht 3,838,402 and Baht 408,401 par value, and Baht 9,185,296 and Baht 977,304 premium on share capital, respectively. Moreover, the paid-up share capital in from the warrant (ACAP-W2) exercised on 15 December 2017 for 2,623,725 shares, accounting into Baht 15.74 million at the price Baht 6 per share which comprising of Baht 1,311,863 par value and Baht 14,430,488 premium on share capital. The total value of warrant exercise in 2018 is accounting to Baht 30.15 million. As at 31 December 2018, 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). The warrant (ACAP-W1) will be expired on 31 July 2018.

30 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Gain on sale of investment	6,489	3,040	2,571	1,558
Management fee income	-	-	4,600	9,805
Other income	1,801	6,817	6,075	4,315
Total	8,290	9,857	13,246	15,678

31 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	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Personnel expenses	138,156	127,258	24,644	24,749
Depreciation and amortisation charges	5,631	7,666	1,932	2,006
Rental expenses	7,649	7,249	4,769	4,665
Repair and maintenance expenses	2,455	2,677	203	206
Tax expense	12,569	10,057	10,306	8,098
Other operating expenses	34,447	36,117	17,696	18,462
Reversal on impairment (loss) from loans to and investment in subsidiaries	-	-	(20,449)	947
	200,907	191,024	39,101	59,133

32 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Current tax	14,809	28,596	-	-
Deferred income tax (Note 18)	10,348	38,061	4,632	30,076
	25,157	66,657	4,632	30,076

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	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Profit before tax	87,032	310,141	181,245	229,893
Tax calculated at a tax rate of 20% (2017: 20%)	17,406	62,028	36,250	45,979
Tax effect of:				
Income not subject to tax	(4)	(18)	(32,420)	(20,976)
Reversal of expenses not deductible for tax purpose	6,823	4,717	802	5,073
Additional deductible expense	(39)	(70)	-	-
Adjustments in respect of prior year	971	-	-	-
Tax charge	25,157	66,657	4,632	30,076

The weighted average applicable tax rate of the Group and the Company was 29% and 3%, respectively (2017: 20% and 12%, respectively).

33 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.

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.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net profit attributable to ordinary shareholders (Baht'000)	61,875	243,484	176,613	199,817
Weighted average number of ordinary shares issued during the year (Shares)	316,076	308,212	316,076	308,212
Basic earnings per share (Baht per shares)	0.20	0.79	0.56	0.65
Weighted average number of ordinary shares issued during the year (Shares)	316,076	308,212	316,076	308,212
Adjust: warrants	20,382	44,818	20,382	44,818
Weighted average number of ordinary shares diluted earnings per share (Shares)	336,458	353,030	336,458	353,030
Diluted earnings per share (Baht per shares)	0.18	0.69	0.52	0.57

34 Provident fund

The Group and the Company paid to provident fund for the year ended 31 December 2018 in the amount of Baht 1.3 million and Baht 0.5 million, respectively (2017: Baht 0.8 million and Baht 0.5 million, respectively).

35 Dividends

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

36 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 15.18% 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:

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

i) Income for the years ended 31 December

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Interest income				
<u>Subsidiaries</u>				
- ACAP Consulting Co., Ltd.	-	-	18	75
- OK Cash Co., Ltd.	-	-	92	1,567
	-	-	110	1,642
Dividend income				
<u>Subsidiaries</u>				
- Capital OK Co., Ltd.	-	-	42,075	103,125
- OK Cash Co., Ltd.	-	-	100,024	-
- ACAP (Asia) Asset Management Co., Ltd.	-	-	-	1,000
- Global Service Center PCL.	-	-	20,000	-
	-	-	162,099	104,125
Other income - Management fee income				
<u>Subsidiaries</u>				
- ACAP Consulting Co., Ltd.	-	-	-	250
- Global Service Center PCL.	-	-	-	2,000
- Capital OK Co., Ltd.	-	-	3,100	3,900
- OK Cash Co., Ltd.	-	-	1,500	3,600
- ACAP (Asia) Asset Management Co., Ltd.	-	-	-	55
	-	-	4,600	9,805

Pricing policy for interest income is determined for each loan agreement as disclosed in Note 36 iv).

36 Related party transactions (Cont'd)

ii) Expenses for the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Finance costs				
Subsidiaries				
- Capital OK Co., Ltd.	-	-	963	2,348
- ACAP (Asia) Asset Management Co., Ltd.	-	-	-	224
Related parties			2,428	
- Thai Luxe Enterprises Public Co., Ltd.	2,428	17,697		17,697
- Sukjaroenkraisri family	-	120	-	120
	<u>2,428</u>	<u>17,817</u>	<u>3,391</u>	<u>20,389</u>

Management remunerations

Management remunerations of the Group and the Company, short-term remuneration which are salary, bonus and other benefits, for the year ended 31 December 2018 is amounting to Baht 17.78 million and Baht 11.69 million respectively (2017: Baht 9.58 million and Baht 9.58 million respectively). And post-employment benefit is amounting to Baht 4.25 million and Baht 1.95 million, respectively (2017: Baht 5.00 million and Baht 3.18 million respectively).

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Amounts due from related companies				
Subsidiaries				
- ACAP Consulting Co., Ltd.	-	-	-	7
- Global Service Center PCL.	-	-	2	337
- Capital OK Co., Ltd.	-	-	54	330
- OK Cash Co., Ltd.	-	-	54	396
	<u>-</u>	<u>-</u>	<u>110</u>	<u>1,070</u>
Amounts due to related companies				
Subsidiaries				
- Capital Ok Co., Ltd.	-	-	240	187
- Global Service Center PCL.	-	-	36	-
	<u>-</u>	<u>-</u>	<u>276</u>	<u>187</u>

36 Related party transactions (Cont'd)

iv) Loans to related companies

Short-term

For the year ended 31 December 2018, the Company had short-term loans to subsidiaries as

	Separate financial statements			
	Short-term loans			
	Opening balance Baht'000	Additions during the year Baht'000	Repayments during the year Baht'000	Ending balance Baht'000
For the year ended 31 December 2018				
OK Cash Co., Ltd.	77,000	-	(77,000)	-
Total	77,000	-	(77,000)	-

During the year ended 31 December 2018, the Company had received cash repayment of unsecured loan agreement in a form of a promissory note due at call, which bear interest rate at 0.8 - 1.0% per annum from OK Cash Co., Ltd.

Long-term

For the year ended 31 December 2018, the Company had long-term loans to subsidiaries as

	Separate financial statements			
	Long-term			
	Opening balance Baht'000	Addition Baht'000	Repayments Baht'000	Ending balance Baht'000
For the year ended 31 December 2018				
ACAP Consulting Co., Ltd.	7,900	-	(7,900)	-
<u>Less</u> Allowance for impairment	(7,900)	-	7,900	-
	-	-	-	-

v) Loans from related companies

	Consolidated financial statements			
	Opening balance Baht'000	Additions Baht'000	Repayments Baht'000	Ending balance Baht'000
For the year ended 31 December 2018				
<u>Related party</u>				
- Thai Luxe Enterprise PCL.	-	90,000	(90,000)	-
	-	90,000	(90,000)	-

36 Related party transactions (Cont'd)

v) Loans from related companies (Cont'd)

	Separate financial statements			Ending balance Baht'000
	Opening balance Baht'000	Additions Baht'000	Repayments Baht'000	
For the year ended 31 December 2018				
Subsidiaries				
Capital OK Co., Ltd.	273,000	454,000	(403,000)	324,000
ACAP (Asia) Asset Management Co., Ltd.	24,000	-	(24,000)	-
Related party				
Thai Luxe Enterprise PCL.	-	90,000	(90,000)	-
	<u>297,000</u>	<u>544,000</u>	<u>(517,000)</u>	<u>324,000</u>

vi) Purchase of asset from related person

During the year 2018, a subsidiaries of the Group had purchase vehicle from major shareholders of the Group amounting to Baht 1.65 million.

37 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	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Within 1 year	9,551	8,942	4,670	4,152
More than 1 year but less than 5 years	8,289	2,912	7,402	-
Total	<u>17,840</u>	<u>11,854</u>	<u>12,072</u>	<u>4,152</u>

38 Subsequent event

On 15 February 2019, the Company has issued unsubordinated and unsecured debentures with total maximum Baht 600,000,000 (600,000 maximum unit with Baht 1,000 per unit). The interest rate is 6.5% and matured period is next two years on 15 February 2021. 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 dividend pay-out ratio not over than 60% of net profit of each accounting period of consolidated financial statements.

On 4 February 2019, the Board of Directors Meeting No.1/2019 of a subsidiary approved an additional dividend in respect of year 2018 of Baht 0.025 per share amounting to a total of Baht 4 million after the Board of Directors approved an interim dividend payment on 7 November 2018 of Baht 0.125 per share amounting to a total of Baht 20 million. This must be approved by the Annual General Meeting of Shareholders of the subsidiary for year 2019 on 20 February 2019.

39 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, short-term and long-term investments, trade and other receivables, loans, interest payables, trade and other payables, borrowing, debentures and financial lease liability.

39.1) 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			
	2018			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	Total Baht'000
Financial assets				
Cash and cash equivalents	52,129	-	19	52,148
Short-term investments	-	-	208,522	208,522
Account receivables	-	-	36,874	36,874
Factoring receivables	-	7,042	-	7,042
Loan to employees	-	110	-	110
Short-term loan to other companies	-	3,844,908	-	3,844,908
Long-term investment	-	-	245,000	245,000
Total financial assets	52,129	3,852,060	490,415	4,394,604
Financial liabilities				
Interest payables	-	-	38,403	38,403
Trade and other payables	-	-	48,327	48,327
Short-term borrowing from other companies	-	417,822	-	417,822
Debentures	-	3,052,362	-	3,052,362
Finance lease liabilities	-	5,522	-	5,522
Total financial liabilities	-	3,475,706	86,730	3,562,436
Descriptions	Consolidated financial statements			
	2017			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	Total Baht'000
Financial assets				
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	-	3,811,372	-	3,811,372
Long-term investment	-	-	220,000	220,000
Total financial assets	106,908	3,857,764	514,679	4,479,351
Financial liabilities				
Interest payable	-	-	28,383	28,383
Trade and other payables	-	-	15,896	15,896
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	-	3,441,493	44,279	3,485,772

39 Financial instruments (Cont'd)

39.1 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			
	2018			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	Total Baht'000
Financial assets				
Cash and cash equivalents	48,746	-	4	48,750
Short-term investments	-	-	154,301	154,301
Amount due from related companies	-	110	-	110
Short-term loan to other companies	-	3,600,424	-	3,600,424
Long-term investment	-	-	245,000	245,000
Total financial assets	48,746	3,600,534	399,305	4,048,585
Financial liabilities				
Interest payable	-	-	38,403	38,403
Trade and other payables	-	-	34,147	34,147
Amount due to related companies	-	-	276	276
Short-term borrowing from related companies	-	324,000	-	324,000
Short-term borrowing from other companies	-	417,822	-	417,822
Debentures	-	3,052,362	-	3,052,362
Finance lease liabilities	-	5,051	-	5,051
Total financial liabilities	-	3,799,235	72,826	3,872,061
Descriptions	Separate financial statements			
	2017			
	Floating interest rate Baht'000	Fixed interest rate Baht'000	No interest rate Baht'000	Total Baht'000
Financial assets				
Cash and cash equivalents	81,588	-	6	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	-	3,589,092	-	3,589,092
Long-term investment	-	-	220,000	220,000
Total financial assets	81,588	3,667,162	220,055	3,968,805
Financial liabilities				
Interest payable	-	-	28,383	28,383
Trade and other payables	-	-	5,119	5,119
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	33,689	3,771,112

ASIA Capital Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

39 Financial instruments (Cont'd)

39.1) 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								
2018								
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				
Financial assets								
Cash and cash equivalents	-	-	-	-	-	52,129	19	52,148
Short-term investments	-	-	-	-	-	-	208,522	208,522
Account receivables	-	-	-	-	-	-	36,874	36,874
Factoring receivables	-	7,042	-	-	-	-	-	7,042
Loan to employees	-	-	100	10	-	-	-	110
Short-term loan to other companies	-	39,984	3,804,924	-	-	-	-	3,844,908
Long-term investment	-	-	-	-	-	-	245,000	245,000
Total financial assets	-	47,026	3,805,024	10	-	52,129	490,415	4,394,604
Financial liabilities								
Interest payable	-	-	-	-	-	-	38,403	38,403
Trade and other payables	-	-	-	-	-	-	48,327	48,327
Short-term borrowing from other companies	-	-	417,822	-	-	-	-	417,822
Debentures	-	-	1,460,403	1,591,959	-	-	-	3,052,362
Finance lease liabilities	-	-	2,207	3,315	-	-	-	5,522
Total financial liabilities	-	-	1,880,432	1,595,274	-	-	86,730	3,562,436
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				
Financial assets								
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	-	-	682	148	-	-	-	830
Short-term loan to other companies	-	-	3,811,372	-	-	-	-	3,811,372
Long-term investment	-	-	-	-	-	-	220,000	220,000
Total financial assets	-	45,562	3,812,054	148	-	106,908	514,679	4,479,351
Financial liabilities								
Interest payable	-	-	-	-	-	-	28,383	28,383
Trade and other payables	-	-	-	-	-	-	15,896	15,896
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	-	-	1,983,073	1,458,420	-	-	44,279	3,485,772

ASIA Capital Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

39 Financial instruments (Cont'd)

39.1) 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								
2018								
Descriptions	Fixed interest repricing or maturity date					Floating interest rate	No interest rate	Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years			
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Financial assets								
Cash and cash equivalents	-	-	-	-	-	48,746	4	48,750
Short-term investments	-	-	-	-	-	-	154,301	154,301
Amount due from related companies	-	-	-	-	-	-	110	110
Short-term loan to other companies	-	-	3,600,424	-	-	-	-	3,600,424
Long-term investment	-	-	-	-	-	-	245,000	245,000
Total financial assets	-	-	3,600,424	-	-	48,746	399,415	4,048,585
Financial liabilities								
Interest payable	-	-	-	-	-	-	38,403	38,403
Trade and other payables	-	-	-	-	-	-	34,147	34,147
Amount due to related companies	-	-	-	-	-	-	276	276
Short-term borrowing from related companies	324,000	-	-	-	-	-	-	324,000
Short-term borrowing from other companies	-	-	417,822	-	-	-	-	417,822
Debentures	-	-	1,460,403	1,591,959	-	-	-	3,052,362
Finance lease liabilities	-	-	1,736	3,315	-	-	-	5,051
Total financial liabilities	324,000	-	1,879,961	1,595,274	-	-	72,826	3,872,061
Separate financial statements								
2017								
Descriptions	Fixed interest repricing or maturity date					Floating interest rate	No interest rate	Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years			
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Financial assets								
Cash and cash equivalents	-	-	-	-	-	81,588	6	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	-	-	3,589,092	-	-	-	-	3,589,092
Long-term investment	-	-	-	-	-	-	220,000	220,000
Total financial assets	77,000	1,070	3,589,092	-	-	81,588	220,055	3,968,805
Financial liabilities								
Interest payable	-	-	-	-	-	-	28,383	28,383
Trade and other payables	-	-	-	-	-	-	5,119	5,119
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	-	1,982,475	1,457,948	-	-	33,689	3,771,112

39 Financial instruments (Cont'd)

39.1 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					
	2018			2017		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Financial assets						
Cash and cash equivalents	105.47	0.07	0.06	79.09	0.07	0.08
Short-term investments	579.12	5.11	0.88	219.10	3.46	1.58
Account receivables	25.88	-	-	25.77	-	-
Factoring receivables	34.45	8.44	24.51	42.78	6.45	15.09
Loan to employees	0.42	-	-	1.08	0.15	13.69
Short-term loan to other companies	3,767.55	339.76	9.02	3,897.05	461.75	11.85
Long-term investment	238.75	-	-	18.33	-	-
Total financial assets	<u>4,751.64</u>	<u>353.38</u>		<u>4,280.28</u>	<u>471.88</u>	
Financial liabilities						
Trade and other payables	46.10	-	-	31.14	-	-
Short-term borrowing from other companies	331.96	15.17	4.57	663.21	35.29	5.32
Debentures	3,480.56	206.17	5.92	2,643.45	146.67	5.55
Finance lease liabilities	4.57	0.18	4.02	5.88	0.24	4.13
Total financial liabilities	<u>3,863.19</u>	<u>221.50</u>		<u>3,343.67</u>	<u>182.21</u>	

39 Financial instruments (Cont'd)

39.1 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					
	2018			2017		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Financial assets						
Cash and cash equivalents	78.24	0.05	0.06	68.10	0.05	0.07
Short-term investments	229.27	1.19	0.52	97.18	1.56	1.60
Amount due from related companies	0.35	-	-	1.54	-	-
Short-term loan to related companies	6.29	0.11	1.75	146.96	1.64	1.12
Short-term loan to other companies	3,614.37	312.39	8.64	3,591.90	423.92	11.80
Long-term investment	238.75	-	-	18.33	-	-
Total financial assets	<u>4,167.27</u>	<u>313.74</u>		<u>3,924.01</u>	<u>427.17</u>	
Financial liabilities						
Trade and other payables	20.59	-	-	6.23	-	-
Amount due to related companies	0.47	-	-	22.49	-	-
Short-term borrowing from related companies	158.25	3.39	2.14	477.86	20.27	4.24
Short-term borrowing from other companies	331.96	15.17	4.57	663.21	35.29	5.32
Debentures	3,480.56	206.15	5.92	2,643.45	146.67	5.55
Finance lease liabilities	3.82	0.14	3.65	4.55	0.17	3.65
Total financial liabilities	<u>3,995.65</u>	<u>224.85</u>		<u>3,817.79</u>	<u>202.40</u>	

39 Financial instruments (Cont'd)

39.2) Liquidity risk

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2018 and 2017 are as follows:

Descriptions	Consolidated financial statements			
	Counting from 31 December 2018			
	At call Baht'000	Less than 1 year Baht'000	More than 1 year Baht'000	Total Baht'000
Financial assets				
Cash and cash equivalents	52,148	-	-	52,148
Short-term investments	208,522	-	-	208,522
Account receivables	-	33,458	3,416	36,874
Factoring receivables	-	7,042	-	7,042
Loan to employees	-	100	10	110
Short-term loan to other companies	-	3,844,908	-	3,844,908
Long-term investment	-	-	245,000	245,000
Total financial assets	260,670	3,885,508	248,426	4,394,604
Financial liabilities				
Interest payables	-	38,403	-	38,403
Trade and other payables	-	48,327	-	48,327
Short-term borrowing from other companies	-	417,822	-	417,822
Debentures	-	1,460,403	1,591,959	3,052,362
Finance lease liabilities	-	2,207	3,315	5,522
Total financial liabilities	-	1,967,162	1,595,274	3,562,436
Descriptions	Consolidated 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
Financial assets				
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	-	3,811,372	-	3,811,372
Long-term investment	-	-	220,000	220,000
Total financial assets	361,973	3,891,484	225,894	4,479,351
Financial liabilities				
Interest payable	-	28,383	-	28,383
Trade and other payables	-	15,896	-	15,896
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	-	2,037,352	1,458,420	3,485,772

39 Financial instruments (Cont'd)

39.2) Liquidity risk (Cont'd)

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2018 and 2017 are as follows: (Cont'd)

Descriptions	Separate financial statements			
	Counting from 31 December 2018			
	At call Baht'000	Less than 1 year Baht'000	More than 1 year Baht'000	Total Baht'000
Financial assets				
Cash and cash equivalents	48,750	-	-	48,750
Short-term investments	154,301	-	-	154,301
Amount due from related companies	-	110	-	110
Short-term loan to other companies	-	3,600,424	-	3,600,424
Long-term investment	-	-	245,000	245,000
Total financial assets	203,051	3,600,534	245,000	4,048,585
Financial liabilities				
Interest payable	-	38,403	-	38,403
Trade and other payables	-	34,147	-	34,147
Amount due to related companies	-	276	-	276
Short-term borrowing from related companies	324,000	-	-	324,000
Short-term borrowing from other companies	-	417,822	-	417,822
Debentures	-	1,460,403	1,591,959	3,052,362
Finance lease liabilities	-	1,736	3,315	5,051
Total financial liabilities	324,000	1,952,787	1,595,274	3,872,061
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
Financial assets				
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	-	3,589,092	-	3,589,092
Long-term investment	-	-	220,000	220,000
Total financial assets	158,643	3,590,162	220,000	3,968,805
Financial liabilities				
Interest payable	-	28,383	-	28,383
Trade and other payables	-	5,119	-	5,119
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	2,016,164	1,457,948	3,771,112