

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019

Independent auditor's report on review of interim financial information

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

I have reviewed the accompanying consolidated and separate statements of financial position as at September 30, 2019, the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, and the related consolidated and separate statements of changes in shareholders' equity and of cash flows for the nine-month period ended September 30, 2019, and the condensed notes to interim financial statements ("interim financial information") of ASIA Capital Group Public Company Limited and its subsidiaries and of ASIA Capital Group Public Company Limited respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Basis for qualified opinion

As disclosed in Note 9.4 to the interim financial information, during the year 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 May 30, 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 August 20, 2018, the Company filed a lawsuit against loan receivable account and the customer at the Civil Court and the Court scheduled the date for hearing the evidence during July and August 2019. On July 25, 2019, the court called for the witness investigation whereby both sides' lawyer request additional witness investigation. Therefore the appointment of witnesses for further investigation will be made during September to November 2019. Presently this is under the witness investigation on the defendant. In addition, I had reviewed the working paper of the previous auditor, which had sent confirmation letters to the loan receivable account and the customer, and 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 289.56 million as at September 30, 2019, included in the interim consolidated and separate financial information. If I am able to review appropriate and sufficient evidence of this loan receivable account, I might be able to determine a cause of consideration of a necessary adjustment to the interim financial information.

Qualified conclusion

Except for the result of adjustment to the interim consolidated and separate financial information, I might have become aware of had it not been scope limitation by the above circumstances, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of Matter

I draw attention to Notes to Interim Financial Statements No. 2, the Company has current liabilities as at September 30, 2019, in the amount of Baht 2,597 million. The Company's ability to repay its debts as they become due depends on the ability to receive the repayment of short-term loans to other companies, ability to manage its investment properties and the ability to find source of fund in order to receive sufficient cash inflow to pay its debts. The management believes that the Company is able to manage its liquidity to pay the debts without affecting to the going concern of the Company. My conclusion is not modified in respect of these above matters.

Other Matter

The consolidated statement of financial position of ASIA Capital Group Public Company Limited and its subsidiaries and separate statement of financial position of ASIA Capital Group Public Company Limited as at December 31, 2018, presented herein as comparative information, were audited by another auditor, whose report dated February 27, 2019 expressed a qualified opinion on the adequacy of the allowance for short-term loans to other companies. The consolidated and separate statements of profit or loss and other comprehensive income (before restated) for the three-month and nine-month periods ended September 30, 2018 and the consolidated and separate statement of changes in shareholders' equity and of cash flows (before restated) for the nine-month period ended September 30, 2018, which have been presented herewith for comparative information, were also reviewed by the aforementioned auditor who, under his report dated November 14, 2018, provided the qualified conclusion on the adequacy of the allowance for short-term loans to other companies.

(Atipong Atipongsakul)

Certified Public Accountant

Registration No. 3500

ANS Audit Co., Ltd.

Bangkok, November 13, 2019

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Unit: Thousand Baht					
		Consolidated financial statements		Separate financial statements	
		Unaudited		Unaudited	
		Reviewed	Audited	Reviewed	Audited
Notes	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	
Assets					
Current assets					
Cash and cash equivalents	6	5,391	52,148	1,935	48,750
Short-term investments - net	7	75,541	208,522	6,510	154,301
Accounts receivable	8	32,245	36,874	-	-
Amounts due from related companies	5	-	-	2	110
Factoring receivables - net		6,723	7,042	-	-
Current portion of loans to employees		30	100	-	-
Short-term loans to other companies - net	9, 22	3,032,123	3,712,182	2,764,361	3,467,698
Current portion of long-term loans					
to other companies	9, 22	-	2,237	-	2,237
Other current assets	22	26,993	27,125	22,371	21,652
Total current assets		3,179,046	4,046,230	2,795,179	3,694,748
Non-current assets					
Loans to employees - net		-	10	-	-
Long-term loans to other companies - net	9, 22	-	130,489	-	130,489
Investment in subsidiaries - net	10	-	-	1,100,028	653,528
Long-term investment		121,071	245,000	121,071	245,000
Investment property - net	11	780,831	334,331	334,331	334,331
Leasehold improvements and equipment - net	12	18,787	20,776	10,493	11,891
Intangible assets - net	13	2,267	1,262	162	382
Deferred tax assets	14	24,556	7,396	18,540	7,053
Other non-current assets	22	3,981	2,581	1,149	1,220
Total non-current assets		951,493	741,845	1,585,774	1,383,894
Total assets		4,130,539	4,788,075	4,380,953	5,078,642

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		Unaudited		Unaudited	
		Reviewed	Audited	Reviewed	Audited
Notes		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Liabilities and Shareholders' Equity					
Current liabilities					
	Interest payables	30,122	38,403	30,122	38,403
	Other payables	13,388	18,902	1,633	4,722
5	Amounts due to related companies	-	-	496	276
5, 15, 22	Short-term borrowings - net	79,375	417,822	471,554	741,822
	Current portion of liabilities under financial lease agreements	1,564	2,207	1,564	1,736
16	Current portion of debentures	2,072,908	1,460,403	2,072,908	1,460,403
	Other current liabilities	24,945	27,764	19,201	20,441
	Total current liabilities	2,222,302	1,965,501	2,597,478	2,267,803
Non-current liabilities					
15	Long-term borrowings	3,000	-	3,000	-
	Liabilities under financial lease agreements - net	3,171	3,315	3,171	3,315
16	Debentures - net	594,462	1,591,959	594,462	1,591,959
	Non-current provisions for employee benefits	7,935	5,329	3,360	2,147
	Non-current liabilities	1,052	1,052	1,052	1,052
	Total non-current liabilities	609,620	1,601,655	605,045	1,598,473
	Total liabilities	2,831,922	3,567,156	3,202,523	3,866,276

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		Unaudited		Unaudited	
		Reviewed	Audited	Reviewed	Audited
Notes		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Shareholders' Equity					
Share capital					
Authorized share capital					
	390,672,338 ordinary shares, at Baht 0.5 each	195,336	195,336	195,336	195,336
Issued and fully paid-up					
	316,406,985 ordinary shares, at Baht 0.5 each		158,204		158,204
	316,411,160 ordinary shares, at Baht 0.5 each	17	158,206	158,206	
	Premiums on ordinary shares	17	445,110	445,110	445,087
Gain on dilution of investment					
	proportion in subsidiary	10	63,978	-	-
Retained earnings					
Appropriated					
	Legal reserve		19,534	19,534	19,534
	Unappropriated		528,447	555,580	589,541
Total shareholders' equity attributable to owners of parent			1,215,275	1,220,919	1,178,430
Non-controlling interests			83,342	-	-
Total shareholders' equity			1,298,617	1,220,919	1,178,430
Total liabilities and shareholders' equity			4,130,539	4,788,075	4,380,953

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		Unit: Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
22			(RESTATED)		(RESTATED)
Revenues					
	Interest income	45,074	91,729	40,244	68,570
	Interest expense	(47,092)	(64,883)	(48,423)	(64,897)
	Net interest income	(2,018)	26,846	(8,179)	3,673
	Service income	36,771	37,884	-	-
	Cost of services	(25,415)	(25,090)	-	-
	Net service income	11,356	12,794	-	-
	Dividend income	-	-	29,850	-
	Other income	341	1,233	539	1,947
	Total operating income	9,679	40,873	22,210	5,620
Other operating expenses					
	Administrative expenses	32,026	26,573	18,873	17,505
	Doubtful debt from loans to other companies	69,411	-	34,873	-
	(Reversal) on impairment loss from loans to related parties and investment in subsidiaries	-	-	-	-
	Total other operating expenses	101,437	26,573	53,746	17,505
	Profit (loss) before financial costs and income tax	(91,758)	14,300	(31,536)	(11,885)
	Financial costs	(62)	(41)	(60)	(31)
	Profit (loss) before income tax	(91,820)	14,259	(31,596)	(11,916)
	Tax (expenses) income	13,985	(16,876)	7,887	(9,925)
	Net loss for the period	(77,835)	(2,617)	(23,709)	(21,841)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
	Actuarial loss - net from tax	-	-	-	-
	Total comprehensive loss for the period	(77,835)	(2,617)	(23,709)	(21,841)
Profit (loss) attributable to					
	Equity holders of the Company	(78,725)	(2,617)	(23,709)	(21,841)
	Non-controlling interests	890	-	-	-
		(77,835)	(2,617)	(23,709)	(21,841)
Total comprehensive income (loss) attributable to					
	Equity holders of the Company	(78,725)	(2,617)	(23,709)	(21,841)
	Non-controlling interests	890	-	-	-
		(77,835)	(2,617)	(23,709)	(21,841)
Earnings per share (Baht per share)					
	Basic loss per share	(0.248)	(0.008)	(0.075)	(0.069)
	Diluted loss per share	(0.248)	(0.008)	(0.075)	(0.066)

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ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		Unit: Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
			(RESTATED)		(RESTATED)
Revenues	5, 20, 22				
Interest income		173,976	289,337	147,764	231,139
Interest expense		(153,008)	(181,725)	(156,253)	(182,079)
Net interest income		20,968	107,612	(8,489)	49,060
Service income		111,878	115,803	-	-
Cost of services		(75,807)	(78,626)	-	-
Net service income		36,071	37,177	-	-
Dividend income		2,500	-	36,350	142,099
Other income		10,309	6,340	9,783	11,302
Total operating income		69,848	151,129	37,644	202,461
Other operating expenses					
Administrative expenses		79,094	77,147	47,928	48,812
Doubtful debt from loans to other companies		69,411	-	34,873	-
(Reversal) on impairment loss from loans to related parties and investment in subsidiaries		-	-	-	(20,449)
Total other operating expenses		148,505	77,147	82,801	28,363
Profit (loss) before financial costs and income tax		(78,657)	73,982	(45,157)	174,098
Financial costs		(192)	(138)	(181)	(102)
Profit (loss) before income tax		(78,849)	73,844	(45,338)	173,996
Tax (expenses) income	14	12,532	(34,458)	11,465	(19,430)
Net profit (loss) for the period		(66,317)	39,386	(33,873)	154,566
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial loss - net from tax		(261)	-	(88)	-
Total comprehensive income (loss) for the period		(66,578)	39,386	(33,961)	154,566
Profit (loss) attributable to					
Equity holders of the Company		(69,448)	39,386	(33,873)	154,566
Non-controlling interests		3,131	-	-	-
		(66,317)	39,386	(33,873)	154,566
Total comprehensive income (loss) attributable to					
Equity holders of the Company		(69,647)	39,386	(33,961)	154,566
Non-controlling interests		3,069	-	-	-
		(66,578)	39,386	(33,961)	154,566
Earnings per share (Baht per share)	19				
Basic earnings (loss) per share		(0.219)	0.125	(0.107)	0.489
Diluted earnings (loss) per share		(0.219)	0.115	(0.107)	0.451

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		Unit: Thousand Baht								
		Unaudited but reviewed								
		Consolidated financial statements								
		Retained earnings					Total shareholders'		Non-controlling	Total
		Issued and Paid-Up	Premiums	Gain on dilution of	Appropriated			equity attributable to	interest	
Notes	Share Capital	on ordinary shares	in subsidiary	Legal Reserve	Unappropriated	owners of parent				
Balance as at January 1, 2019		158,204	445,087	-	19,534	598,094	1,220,919	-		1,220,919
Issuance of ordinary shares	17	2	23	-	-	-	25	-		25
Gain on dilution of investment proportion in subsidiary	10	-	-	63,978	-	-	63,978	-		63,978
Non-controlling interests increased		-	-	-	-	-	-	83,513		83,513
Dividend		-	-	-	-	-	-	(3,240)		(3,240)
Total comprehensive income (loss) for the period		-	-	-	-	(69,647)	(69,647)	3,069		(66,578)
Balance as at September 30, 2019		158,206	445,110	63,978	19,534	528,447	1,215,275	83,342		1,298,617
Balance as at January 1, 2018		157,904	444,369	-	19,534	613,757	1,235,564	-		1,235,564
Issuance of ordinary shares	17	300	718	-	-	-	1,018	-		1,018
Dividend	18	-	-	-	-	(78,951)	(78,951)	-		(78,951)
Total comprehensive income for the period		-	-	-	-	39,386	39,386	-		39,386
Balance as at September 30, 2018		158,204	445,087	-	19,534	574,192	1,197,017	-		1,197,017

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

Unit: Thousand Baht						
Unaudited but reviewed						
Separate financial statements						
Retained earnings						
		Issued and Paid-Up	Premiums	Appropriated		
	Notes	Share Capital	on ordinary shares	Legal Reserve	Unappropriated	Total
Balance as at January 1, 2019		158,204	445,087	19,534	589,541	1,212,366
Issuance of ordinary shares	17	2	23	-	-	25
Total comprehensive loss for the period		-	-	-	(33,961)	(33,961)
Balance as at September 30, 2019		<u>158,206</u>	<u>445,110</u>	<u>19,534</u>	<u>555,580</u>	<u>1,178,430</u>
Balance as at January 1, 2018		157,904	444,369	19,534	490,466	1,112,273
Issuance of ordinary shares	17	300	718	-	-	1,018
Dividend	18	-	-	-	(78,951)	(78,951)
Total comprehensive income for the period		-	-	-	154,566	154,566
Balance as at September 30, 2018		<u>158,204</u>	<u>445,087</u>	<u>19,534</u>	<u>566,081</u>	<u>1,188,906</u>

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Unit: Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(RESTATED)		(RESTATED)
Cash Flows from Operating Activities:				
Profit (loss) before income tax	(78,849)	73,844	(45,338)	173,996
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	4,581	4,178	1,571	1,439
Interest income	(173,976)	(289,337)	(147,764)	(231,139)
Interest expense	153,008	181,725	156,253	182,079
Interest expense from finance leases	192	138	181	102
Doubtful accounts	69,411	868	34,873	-
Dividend income	(2,500)	-	(36,350)	(142,099)
Reversal on impairment loss on investment in subsidiaries	-	-	-	(12,549)
Reversal on loss on impairment of loan and interest to related company	-	-	-	(7,900)
Loss on write-off of withholding tax assets	-	(207)	-	-
(Gain) loss on disposal of fixed asset	464	(1,735)	469	(6)
Gain on disposal of short-term investment	(1,586)	(2,589)	(676)	(1,890)
Unrealized (gain) loss on change in fair value of short-term investment	237	(1,685)	(7)	(365)
Loss on investment in subsidiary	-	-	-	1,563
Loss on sales long-term investment	10,117	-	10,117	-
Provisions for employee benefits	2,279	1,084	1,104	466
Loss from operating activities before changes in operating assets and liabilities	(16,622)	(33,716)	(25,567)	(36,303)
Changes in operating assets (increase) decrease				
Trade receivables	4,629	(2,976)	-	-
Amounts due from related companies	-	-	108	565
Loans to other companies	401,215	(159,613)	435,894	(46,194)
Factoring receivables	319	9,099	-	-
Other-current assets	4,621	(516)	3,720	(1,868)
Loan to employees	80	708	-	-
Investment property	-	(13,538)	-	(13,538)
Other-current assets	4,461	(175)	71	-
Changes in operating liabilities increase (decrease)				
Other payable	(5,514)	4,137	(3,089)	3,363
Amount due to related companies	-	-	220	48
Other current payable	(2,745)	26,366	(1,240)	10,895
Cash provided by operating activities	390,444	(170,224)	410,117	(83,032)
Interest received	69,635	474,206	66,559	285,701
Interest paid	(154,920)	(169,044)	(158,154)	(159,237)
Income tax paid	(11,197)	(25,997)	(649)	(11,042)
Net cash from operating activities	293,962	108,941	317,873	32,390

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Unit: Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(RESTATED)		(RESTATED)
Cash Flows from Investing Activities:				
Cash (paid to) received from short-term investment	134,330	(747,543)	148,474	(610,000)
Cash paid for long-term investment	-	(25,000)	-	(25,000)
Cash received from investment in subsidiaries	-	-	-	25,300
Dividend received	2,500	-	12,260	142,099
Cash received from short-term loans to related parties	-	-	-	77,000
Cash received from long-term loans to related parties	-	-	-	7,900
Cash paid for purchase of leasehold improvement, equipment and intangible assets	(3,650)	(2,436)	-	(174)
Cash received from sale of leasehold improvement, equipment and intangible assets	2,539	1,736	2,528	6
Net cash from (used in) investing activities	135,719	(773,243)	163,262	(382,869)
Cash Flows from Financing Activities:				
Cash received for short-term borrowings from others	348,812	300,000	348,812	300,000
Cash paid for short-term borrowings from others	(575,000)	(45,000)	(575,000)	(45,000)
Cash received from short-term borrowings from related parties	-	90,000	398,000	205,000
Cash paid for short-term borrowings from related parties	-	(90,000)	(305,731)	(502,000)
Cash received from long-term borrowings from others	3,000	-	3,000	-
Proceeds from issuance of debentures	300,910	1,297,923	300,910	1,297,923
Redemption of debentures	(694,700)	(704,100)	(694,700)	(704,100)
Cash paid for liabilities under finance lease	(3,737)	(1,482)	(3,266)	(1,000)
Cash received from exercise of warrants	25	1,018	25	1,018
Dividend paid	-	(78,951)	-	(78,951)
Cash received from share capital increase	147,492	-	-	-
Non-controlling interests increase (decrease)	(3,240)	-	-	-
Net cash from (used in) financing activities	(476,438)	769,408	(527,950)	472,890
Net cash and cash equivalents increase (decrease)	(46,757)	105,106	(46,815)	122,411
Cash and cash equivalents at the beginning of the period	52,148	107,438	48,750	81,594
Cash and cash equivalents at the end of the period	5,391	212,544	1,935	204,005
Supplemental Disclosures of Cash Flows Information				
Transfer of collateral for debt settlement	446,500	90,000	446,500	90,000
Purchase equipment and intangible assets that have not been paid in cash	70	297	-	-
Purchase of vehicle under finance lease	2,950	-	2,950	-
Tranfered long-term investment to repayment short-term borrowings from others	113,812	-	113,812	-
Dividend received offset by short-term borrowings from related party	-	-	24,090	-

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
(UNAUDITED BUT REVIEWED)

1. GENERAL INFORMATION

Asia Capital Group Public Company Limited (the "Company") registered as a juristic person under the Civil and Commercial Code of Thailand and was established in 1998. In 2003 the Company became a Public Company Limited and the Company's shares are listed on the Market for Alternative Investment (MAI) on December 14, 2005.

The Company's registered address is 349 SJ Infinite I Business Complex, 24th floor, Room no. 2401 - 2405, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok 10900.

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

2. GOING CONCERN

The Company has current liabilities as at September 30, 2019, in the amount of Baht 2,597 million. The Company's ability to repay its debts as they become due depends on the ability to receive the repayment of short-term loans to other companies, ability to manage its investment properties and the ability to find source of fund in order to receive sufficient cash inflow to pay its debts. The management believes that the Company is able to manage its liquidity to pay the debts without affecting to the going concern of the Company.

3. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018), Interim Financial Reporting.

The interim financial statements consist of primary financial information (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity, and statement of cash flows). The Company has chosen to present the interim financial statements in a format consistent with the annual financial statements, in compliance with Thai Accounting Standard No. 1, Presentation of Financial Statements. The notes to the interim financial statements are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial statements have been prepared in the Thai language and expressed in Thai Baht. Such interim financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the interim financial statements has been provided by translating from the Thai version of the interim financial statements.

The interim financial statements have been prepared to provide information additional to that included in the financial statements for the year ended December 31, 2018. They focus on new activities, events and circumstances to avoid

repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2018.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2018.

The consolidated financial statements include the financial statements of ASIA Capital Group Public Company Limited and its subsidiaries (together referred to as the “Group”) as follows:

Company’s name	Nature of relationships	Incorporation	% Equity interest owned by the Company	
			September 30, 2019	December 31, 2018
Subsidiaries directly held by the Company				
Global Service Center PLC. (GSC)	Call center service	Thailand	64.00	99.99
ACAPConsulting Co., Ltd.	Legal advisory	Thailand	99.99	99.99
CapitalOK Co., Ltd.	Consumers Finance	Thailand	99.99	99.99
OK Cash Co., Ltd.	Collection services	Thailand	99.99	99.99
C.Image Digital Co., Ltd	Sale of land with buildings and other real estate	Thailand	99.99	-
Aurum Capital Advisory Pte. Ltd.	Investment Banking	Singapore	63.97	63.97

New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiary have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and

providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiary' financial statements. However, the new standard involves changes to key principles, which are summarized below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

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

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

(b) Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

The set of IFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TRIC 16 Hedges of a Net Investment in a Foreign Operation

TRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiary is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiary is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers. However, such change in accounting policy has no material impacts on the Company's and its subsidiary's financial statements.

5. TRANSACTIONS WITH RELATED PARTIES

The Company had significant business transactions with related parties for the three-month and nine-month periods ended September 30, as follows:

	Unit: Thousand Baht				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2019	2018	2019	2018	
Transactions between the Company and related parties for the three-month periods ended September 30,					
Dividend income	-	-	29,850	-	As declared by subsidiaries
Other income - Management fee	-	-	510	1,200	Mutually agreed
Interest expense	-	504	1,331	519	0.8 – 5.5% per annum
Transactions between the Company and related parties for the nine-month periods ended September 30,					
Interest income	-	-	-	110	1% per annum
Dividend income	-	-	33,850	142,099	As declared by subsidiaries
Other income- Management fee	-	-	510	4,000	Mutually agreed
Interest expense	-	2,428	3,245	2,784	0.8 – 5.5% per annum

Significant balances with related parties can be summarized as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Trade receivables related parties	-	-	2	110
Trade payables related parties	-	-	496	276
Short-term borrowings - net				
Promissory note	-	-	392,179	324,000

The Company has movements on short-term loan to related parties for the nine-month period ended September 30, as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans to				
a related company				
Beginning balance at the period	-	-	-	77,000
Decrease during the period	-	-	-	(77,000)
Ending balance at the period	-	-	-	-

The short-term loan to a related party is a promissory note due at call without collateral. The loan bears interest at 1% per annum.

The Company has movements on long-term loan to related parties for the nine-month period ended September 30, as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term loans to				
a related company				
Beginning balance at the period	-	-	-	7,900
Decrease during the period	-	-	-	(7,900)
Ending balance at the period	-	-	-	-

The Company has movements of short-term loans from related parties for the nine-month period ended September 30, as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans from related companies				
Advances and Promissory note				
Beginning balance at the period	-	-	324,000	297,000
Increase during the period	-	-	398,000	205,000
Decrease during the period	-	-	(329,821)	(502,000)
Ending balance at the period	-	-	392,179	-

The short-term loans from related parties represent advances and promissory note which are due at call and have no collateral. The loans bear interest at 0.80% - 5.00% per annum (The third quarter of 2018: 1.00%-5.50 % per annum).

Management compensation

Management compensation for the nine-month periods ended September 30, consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term benefits	13,896	13,637	7,778	8,939
Post-employment benefits	634	541	493	407
Total management compensation	14,530	14,178	8,271	9,346

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Cash on hand	16	21	6	6
Cash at banks - current accounts	118	119	-	-
Cash at banks - saving accounts	5,257	52,008	1,929	48,744
Total cash and cash equivalents	5,391	52,148	1,935	48,750

7. SHORT-TERM INVESTMENTS - NET

Short-term investments consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements			
	September 30, 2019		December 31, 2018	
	Cost price	Fair value Level 2	Cost price	Fair value Level 2
Investments in trading security				
Open-end fund-debt securities - at cost	75,304	75,541	208,465	208,522
<u>Add unrealized gain on</u>				
investment revaluation	237	-	57	-
Total short-term investments - net	75,541	75,541	208,522	208,522

	Unit: Thousand Baht			
	Separate financial statements			
	September 30, 2019		December 31, 2018	
	Cost price	Fair value Level 2	Cost price	Fair value Level 2
Investments in trading security				
Open-end fund- debt securities - at cost	6,503	6,510	154,120	154,301
<u>Add</u> unrealized gain on				
investment revaluation	7	-	181	-
Total short-term investments - net	6,510	6,510	154,301	154,301

8. TRADE RECEIVABLES

Trade receivables consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Trade receivables				
Trade receivables	17,133	18,965	-	-
Accrued income	15,112	17,909	-	-
Total trade receivables	32,245	36,874	-	-

The Company has trade receivables classified by age analysis as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Trade receivables				
Current	15,489	14,337	-	-
Over due				
Not over 3 months	-	1,212	-	-
Over 3-6 months	-	-	-	-
Over 6-12 months	-	-	-	-
Over 12 months	1,644	3,416	-	-
Total trade receivables	17,133	18,965	-	-

The receivables overdue for 12 months represent four receivables which are under installment payment terms. The Management expects to be able to collect the full amount of such outstanding balances.

9. SHORT-TERM LOANS TO OTHER COMPANIES/ LONG-TERM LOANS TO OTHER COMPANIES - NET

Short-term loans to other companies/long-term loans to other companies consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Short-term loans to other companies				
Bills of exchange	653,201	752,739	583,201	712,755
<u>Less</u> Allowance for doubtful accounts	(69,411)	-	(34,873)	
Bills of exchange - net	583,790	752,739	548,328	712,755
Short-term loans to other companies	2,448,333	2,959,443	2,216,033	2,754,943
Total short-term loans to other companies - net	3,032,123	3,712,182	2,764,361	3,467,698
Long-term loans to other companies				
Current portion of long-term loans to other companies	-	2,237	-	2,237
Long-term loans to other companies	-	130,489	-	130,489
Total long-term loans to other companies	-	132,726	-	132,726
Total short-term/long-term to other companies - net	3,032,123	3,844,908	2,764,361	3,600,424

Bills of exchange and short-term / long-term loans to other companies have the interest rate charge at 6.00 - 8.00% per annum and 12.00 - 15.00% per annum respectively. (December 31, 2018: at 6.00 - 8.00% per annum and 12.00 - 15.00% per annum respectively.)

The movement in term loans to other companies are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	(9 months period)	(12 months period)	(9 months period)	(12 months period)
Beginning balance of the period	3,844,908	3,811,372	3,600,424	3,589,092
Additions during the period	218,680	2,348,428	129,000	2,145,483
Repayments during the period	(1,066,394)	(2,544,617)	(1,011,394)	(2,291,167)
Allowance for doubtful accounts during the period	(69,411)	-	(34,873)	-
Interest income recognised during the period	85,545	251,480	57,507	173,174
Commission expense recognised during the period	(20,948)	(33,879)	(16,046)	(28,282)
Interest receivable	39,743	12,124	39,743	12,124

Ending balance of the period	3,032,123	3,844,908	2,764,361	3,600,424
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9.1 As at September 30, 2019, the Group has outstanding term loans to other companies in a form of bills of exchange and loan agreements netted of interest of Baht 583.79 million and Baht 2,448.33 million, respectively. The Group have received some interest at the first drawn down date and will receive some parts at the repayment date. The loans are secured by certain shares of those borrowing companies including of public and limited companies, mortgage of land, leasehold rights and also guaranteed by some directors and shareholders of the borrowers.

During nine-month period ended September 30, 2019, some parts of loans have been extended for repayment loans for another 1 to 12 months.

9.2 On April 30, 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 recognizing interest income which are overdue more than 6 months for the loan receivables and cease recognizing interest income for defaulted bill of exchange receivables.

9.3 As at September 30, 2019, the Group had outstanding short-term loans to other companies which overdue over than 6 installments which interest income isn't being recognized in the interim consolidated and separate financial information amounting to Baht 1,433 million (December 31, 2018: Baht 915 million). The collateral values of short-term loans which cease recognizing interest income as at September 30, 2019, are totaling of Baht 2,876 million (December 31, 2018: Baht 1,802 million).

9.4 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 May 30, 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 September 30, 2019 was Baht 289,557,377.

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

When the Company had not receive the payment from the loan receivable account and the customer, the Company has followed up but both of them have ignored and have not made any payments in any way. The Company have not yet received any response either to deny or accept the payment from both parties. On August 20, 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 November 26, 2018. Both parties could not reach a negotiation and conciliation on the Court, therefore the Court scheduled the date for hearing the evidence during July and August 2019. On July 25, 2019, the court called for the witness investigation whereby both sides' lawyer request additional witness investigation. Therefore the appointment of witnesses for further investigation will be made during September to November 2019. Presently this is under witness investigation on the defendant. 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.

10. INVESTMENTS IN SUBSIDIARIES- NET

Investments in subsidiaries as presented in separate financial statements can be summarized as follows:

	Separate financial statements							
	Unit: Thousand Baht							
	Paid-up capital (Thousand Baht)		Equity interest and voting right of the Company (%)		Cost Method		Dividend income	
							For the nine-month period ended September 30,	
September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	2019	2018	
Global Service Center PLC. (GSC)*	125,000	80,000	64.00	99.99	80,000	80,000	9,760	-
ACAP Consulting Co., Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	-	-
Capital OK Co., Ltd.	412,500	412,500	99.99	99.99	509,926	509,926	24,090	42,075
OK Cash Co., Ltd.	62,050	62,050	99.99	99.99	62,602	62,602	-	100,024
C.ImageDigital Co., Ltd**	50,000	-	99.99	-	446,500	-	-	-
Aurum Capital Advisory Pte. Ltd.	14,274	14,274	63.97	63.97	10,892	10,892	-	-
Total					1,110,920	664,420	33,850	142,099
<u>Less Allowance for loss on impairment of investment</u>					(10,892)	(10,892)	-	-
Total investment in subsidiaries - net					1,100,028	653,528	33,850	142,099

* During the period ended September 30, 2019, Global Service Center PLC. (GSC), a subsidiary of the Company has offered its new common shares to the benefactors and to the public by issuing 90 million shares at the price of Baht 1.70 per share. The subsidiary registered the increased share capital with the Ministry of Commerce on March 8, 2019. The shares of the subsidiary were trading on MAI on March 13, 2019, resulting the shareholding proportion of the Company decreasing from 99.99% to 64.00%.

The effect on changing the proportion of investments in Global Service Center PLC. (GSC) amount of Baht 63.98 million is shown in the shareholders' equity.

** On September 18, 2019, C. Image Digital Co., Ltd. (a short-term loan receivable) entered into a memorandum of consent to transfer its shares to settle the debt with the Company. The shareholders of C. Image Digital Co., Ltd. agreed to transfer all the shares of C. Image Digital Co., Ltd. to the Company to settle all its outstanding debt (Booked value of Baht 446.50 million). The shareholders list and the authorized directors of this company have been changed with the Ministry of Commerce on September 19, 2019.

Financial statement of C. Image Digital Co., Ltd. prepared by the Management of the Company at September 19, 2019, are as follows:

	Unit: Thousand Baht
Asset	
Inventory (Land and building)	442,506
Total Asset	<u>442,506</u>
Liabilities and Shareholders' Equity	
Short-term borrowings- ACAP	446,500
Authorized share capital	50,000
Deficit	(53,994)
Total Liabilities and Shareholders' Equity	<u>442,506</u>

The agreement was deemed as a transfer of collateral for debt settlement from the short-term loan receivable to settle the loan amounting of Baht 446.50 million. The land and buildings in the financial statements of C. Image Digital Co., Ltd. have the fair values assessed by Golden Land Appraisal Co., Ltd. on May 5, 2017 in the amount of Baht 632.46 million. The Company's lawyer has performed the legal due-diligence on C. Image Digital Co., Ltd. and found that the company does not have any liabilities on the date which the Company hold all the shares of the company.

In the consolidated financial statements, these land and buildings are recorded as investment properties (Note 11).

11. INVESTMENT PROPERTIES - NET

Investment properties as at September 30, 2019, consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
For nine-month period ended September 30, 2019		
Opening net book value	334,331	334,331
Increase from debt settlement (Note 10)	446,500	-
Closing net book amount	780,831	334,331
Net book value as at September 30, 2019		
Cost	780,831	334,331
Net book value	780,831	334,331
Fair value	1,110,936	478,476

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

12. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment as at September 30, 2019, consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2019	20,776	11,891
Acquisitions during the period (Cost)	4,965	2,950
Depreciation for the period	(3,951)	(1,351)
Disposal during the period (Book Value)	(3,003)	(2,997)
Net book value as at September 30, 2019	18,787	10,493

Depreciation for the nine-month periods ended September 30, 2019 and 2018 amounted to Baht 3.95 million and Baht 3.50 million, respectively for the consolidated financial statements, and amounted to Baht 1.35 million and Baht 1.16 million for the separate financial statements, respectively.

As at September 30, 2019 and December 31, 2018, the Group's leasehold improvement and equipment, which have been fully depreciated but still in use, amounted to Baht 98.55 million and Baht 96.35 million, respectively.

13. INTANGIBLE ASSETS – NET

Intangible assets as at September 30, 2019, consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2019	1,262	382
Acquisitions during the period (Cost)	1,635	-
Amortization for the period	(630)	(220)
Disposal during the period (Book Value)	-	-
Net book value as at September 30, 2019	2,267	162

14. DEFERRED TAX ASSETS

Movements in deferred tax assets during the period were as follows:

	Unit: Thousand Baht			
	Consolidated financial statement			
	Movements increase (decrease)			
	As at	Other		As at
January 1, 2019	Profit or loss	comprehensive income	September 30, 2019	
Deferred tax assets				
Tax losses	4,378	4,340	-	8,718
Allowance for doubtful- Short-term loans to other companies	-	13,882	-	13,882
Provision foremployeebenefit	1,066	456	65	1,587
Front-end fee	1,581	(1,581)	-	-
Other	371	(2)	-	369
Total deferred tax assets	7,396	17,095	65	24,556

	Unit: Thousand Baht			
	Separate financial statements			
	Movements increase			
	As at		Other	As at
	January 1, 2019	Profit or loss	comprehensive income	September 30, 2019
Deferred tax assets				
Tax losses	4,378	4,253	-	8,631
Allowance for doubtful-Short-term loans to other companies	-	6,975	-	6,975
Allowance for impairment of assets	2,178	-	-	2,178
Provision foremployeebenefit	429	221	22	672
Other	68	16	-	84
Total deferred tax assets	7,053	11,465	22	18,540

Income tax expenses for the nine-month periods ended September 30, were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax expenses	4,563	24,068	-	10,384
Deferred income tax expenses	(17,095)	10,390	(11,465)	9,046
Tax expenses (income)	(12,532)	34,458	(11,465)	19,430

The Company and certain subsidiaries use the income tax rate of 20% for the calculation of corporate income tax for the nine-month periods ended September 30, 2019 and 2018.

A subsidiary applied the progressive income tax rates according to the Royal Decree issued under the Revenue Code granting corporate income tax reductions and exemptions (No. 530) B.E. 2554 for small and medium enterprises.

15. **SHORT-TERM BORROWINGS/LONG-TERM BORROWINGS- NET**

Short-term borrowings/long-term borrowings consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	September 30, 2019	December 31, 2018
Short-term borrowings		
Bill of exchange	80,000	420,000
Promissory note	-	-
Less Deferred interest	(625)	(2,178)
Total short-term borrowings	79,375	417,822
Long-term borrowings		
Promissory note	3,000	-
Total long-term borrowings	3,000	-
Total short-term borrowings/long-term borrowings - net	82,375	417,822

	Unit: Thousand Baht	
	Separate financial statements	
	September 30, 2019	December 31, 2018
Short-term borrowings		
Bill of exchange	80,000	420,000
Promissory note		
Promissory note – related parties (Note 5)	392,179	324,000
Less Deferred interest	(625)	(2,178)
Total short-term borrowings	471,554	741,822
Long-term borrowings		
Promissory note	3,000	-
Total long-term borrowings	3,000	-
Total short-term borrowings/long-term borrowings - net	474,554	741,822

Movements in the short-term borrowings during the nine-month period ended September 30, are summarized below:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Balance at beginning of the period	417,822	44,901	741,822	341,901
Additions during the period	351,812	390,000	749,812	505,000
Prepaid interest	(3,465)	-	(3,465)	-
Repayments during the period	(688,812)	(135,000)	(1,018,633)	(547,000)
Financial cost recognized during the period	5,018	99	5,018	99
Balance at end of the period	82,375	300,000	474,554	300,000

As at September 30, 2019, the Company has borrowings in form of bills of exchange borrowed from a company with the interest rate charge at 8.0% per annum and guaranteed by a directors of the Company and the Group has borrowings in form promissory note from persons with the interest rate charge at 6.75% per annum.

16. DEBENTURES – NET

The movement and outstanding balance of the debentures as at September 30, 2019 and December 31, 2018 are as follows:

	Unit: Thousand Baht	
	Consolidated and Separate financial statements	
	September 30, 2019 (9 months period)	December 31, 2018 (12 months period)
Balance at the beginning of the period	3,065,300	3,404,700
Issuance of debentures during the period	304,700	1,602,000
Redemption during the period	(694,700)	(1,941,400)
	2,675,300	3,065,300
<u>Less</u> Deferred expenses for issuing debentures	(7,930)	(12,938)
	2,667,370	3,052,362
<u>Less</u> Current portion of debentures	(2,072,908)	(1,460,403)
Balance at the end of the period	594,462	1,591,959

Debentures were charged interest rate of 5.50% - 6.50% per annum in accordance with condition of each debenture (2018: 5.50% - 6.50% 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. As at September 30, 2019, the Company maintains debt to equity ratio at 2.18 (December 31, 2018: 2.92).

On October 16, 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.

17. SHARE CAPITAL

	Authorised shares		Issued and paid-up shares		Premium
	Number of shares	Par value	Thousand Baht	Thousand Baht	Thousand Baht
	Thousand Shares	Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at January 1, 2019	390,672	0.	195,330	158,204	445,087
Warrants	-	.	-	2	23
As at September 30, 2019	<u>390,672</u>		<u>195,330</u>	<u>158,206</u>	<u>445,110</u>
As at January 1, 2018	390,672	0.	195,330	157,904	444,369
Warrants	-	.	-	300	718
As at September 30, 2018	<u>390,672</u>		<u>195,330</u>	<u>158,204</u>	<u>445,087</u>

On May 28, 2019, a person who has rights, on warrant of the Company (ACAP-W2), exercised the rights to purchase ordinary shares of 4,175 shares at the price of Baht 6 per share. The total amount of exercised rights were Baht 25,050 which consisted of Baht 2,088 par value and Baht 22,962 premium on share capital. There is no exercise of warrant (ACAP-W2) for 73,544,382 shares, the warrant is delisting on May 29, 2019.

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

On June 15, 2018, a person who has rights, on warrant of the Company (ACAP-W1), exercised the rights to purchase ordinary shares of 128,417 shares at the price of Baht 1.6965 per share. The total amount of exercised

rights were Baht 217,859 which consisted of Baht 64,208 par value and Baht 153,651 premium on share capital.

18. DIVIDEND

The Annual General Meeting of Shareholders for the year 2018 on April 24, 2018 has resolved to pay a dividend from a net profit for the year 2017, amounting to Baht 78.95 million at the rate of Baht 0.25 per share. Dividends were paid to shareholders on May 18, 2018.

19. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share and diluted earnings (loss) per share for the three-month and nine-month period ended September 30, are calculated as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For three-month period ended September 30,				
Net loss attributable to shareholders of the parent (Thousand Baht)	(78,725)	(2,617)	(23,709)	(21,841)
Number of ordinary share outstanding at beginning of period (Thousand shares)	316,407	315,807	316,407	315,807
Effect of conversion warrants to shares capital	2	446	2	446
Weighted average number of ordinary shares outstanding during the period (basic shares)	316,409	316,253	316,409	316,253
Basic earnings (loss) per share (Baht)	(0.248)	(0.008)	(0.075)	(0.069)
Number of ordinary share outstanding	316,409	316,253	316,409	316,253
Effect of warrants to be exercised	-	11,208	-	11,208
Weighted average number of ordinary shares outstanding during the period (diluted)	316,409	327,461	316,409	327,461
Diluted earnings (loss) per share (Baht)	(0.248)	(0.008)	(0.075)	(0.066)

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For nine-month period ended September 30,				
Net profit (loss) attributable to shareholders of the parent (Thousand Baht)	(69,648)	39,386	(33,873)	154,566
Number of ordinary share outstanding at beginning of period (Thousand shares)	316,407	315,807	316,407	315,807
Effect of conversion warrants to shares capital	2	158	2	158
Weighted average number of ordinary shares outstanding during the period (basic shares)	316,409	315,965	316,409	315,965
Basic earnings (loss) per share (Baht)	(0.219)	0.125	(0.107)	0.489
Number of ordinary share outstanding	316,409	315,965	316,409	315,965
Effect of warrants to be exercised	-	26,779	-	26,779
Weighted average number of ordinary shares outstanding during the period (diluted)	316,409	342,744	316,409	342,744
Diluted earnings (loss) per share (Baht)	(0.219)	0.115	(0.107)	0.451

20. BUSINESS SEGMENTS INFORMATION

The Group's business segment information are divided into lending and factoring, call center services and financial businesses, and other. The Group's business segment information for nine-month period ended September 30, are as follows:

Unit: Thousand Baht												
Consolidated financial statements												
For nine-month period ended September 30,												
	Lending and factoring		Call center services and financial businesses		Others		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	168,967	276,289	111,851	115,663	-	107	280,818	392,059	5,036	13,081	285,854	405,140
Segment profit	10,544	79,052	36,967	38,125	-	107	47,511	117,284	9,528	27,505	57,039	144,789
Dividend income	36,350	142,099	-	-	-	-	36,350	142,099	(33,850)	(142,099)	2,500	-
Other income	9,894	32,772	2,844	7,794	-	10	12,738	40,576	(2,429)	(34,236)	10,309	6,340
Administrative expenses	(122,327)	(47,151)	(26,997)	(26,145)	-	(109)	(149,324)	(73,405)	819	(3,742)	(148,505)	(77,147)
Finance costs	(181)	(102)	(11)	(55)	-	-	(192)	(157)	-	19	(192)	(138)
Tax (expenses)income	15,577	(29,889)	(1,550)	(4,721)	-	(23)	14,027	(34,633)	(1,495)	175	12,532	(34,458)
Profit (loss) for the period	(50,143)	176,781	11,253	14,998	-	(15)	(38,890)	191,764	(27,427)	(152,378)	(66,317)	39,386
Operating assets asat September 30, consisted of:												
Leasehold improvement and equipment	12,109	11,092	6,728	7,881	-	-	18,837	18,973	(50)	(66)	18,787	18,907
Other	5,058,137	6,302,509	243,433	110,946	442,506	-	5,744,070	6,413,455	(1,632,324)	(802,186)	4,111,752	5,611,269
Total operating assets	5,070,246	6,313,601	250,161	118,827	442,506	-	5,762,913	6,432,428	(1,632,374)	(802,252)	4,130,539	5,630,176

21. COMMITMENTS AND CONTINGENCIES LIABILITIES

As at September 30, 2019 and December 31, 2018, the Group have obligations under leased office space, factories, and service charges. The remaining rental and service charges of existing contracts to be paid in the future are as follows:

	Unit: Thousand baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Due within 1year	10,620	9,551	4,907	4,670
Due over 1year not exceeding 5years	5,834	8,289	5,386	7,402
Total	16,454	17,840	10,293	12,072

22. RECLASSIFICATION AND ADJUSTMENT

The Company has adjusted the statement of profit or loss and other comprehensive income for the three-months and nine-months ended September 30, 2018 to be in line with the adjustment made in the year 2018 and reclassified certain accounts in the statement of financial position as at December 31, 2018 and the statement of profit or loss and other comprehensive income for the three-months and nine-months period ended September 30, 2018 to conform to the presentation in the current period as follows:

Unit: Thousand Baht

	Consolidated financial statements				Separate financial statements			
	Before adjustment and reclassification	Adjustment	Reclassification	After adjustment and reclassification	Before adjustment and reclassification	Adjustment	Reclassification	After adjustment and reclassification
Statement of financial position as at December 31, 2018								
Other current assets	27,716	-	(591)	27,125	-	-	-	-
Other non-current assets	1,990	-	591	2,581	-	-	-	-
Short-term loans to other companies	3,844,908	-	(132,726)	3,712,182	3,600,424	-	(132,726)	3,467,698
Current portion of long-term loans to other companies	-	-	2,237	2,237	-	-	2,237	2,237
Long-term loans to other companies - net	-	-	130,489	130,489	-	-	130,489	130,489
Short-term borrowings from related companies	-	-	-	-	324,000	-	(324,000)	-
Short-term borrowings from other companies	417,822	-	(417,822)	-	417,822	-	(417,822)	-
Short-term borrowings - net	-	-	417,822	417,822	-	-	741,822	741,822
Statement of profit or loss and other comprehensive income for the three-months period ended September 30, 2018								
Interest income	97,478	-	(5,749)	91,729	71,701	-	(3,131)	68,570
Interest expense	(70,632)	-	5,749	(64,883)	(68,028)	-	3,131	(64,897)
Cost of services	(24,916)	-	(174)	(25,090)	-	-	-	-
Administrative expenses	(21,418)	-	(5,155)	(26,573)	(13,791)	-	(3,714)	(17,505)
Management compensation	(5,329)	-	5,329	-	(3,714)	-	3,714	-
Income tax expenses	(6,937)	(9,939)	-	(16,876)	14	(9,939)	-	(9,925)
Profit (loss) for the period	7,322	(9,939)	-	(2,617)	(11,902)	(9,939)	-	(21,841)
Other comprehensive income (loss)	7,322	(9,939)	-	(2,617)	(11,902)	(9,939)	-	(21,841)
Earnings (loss) per share (Baht per share):								
Basic earnings (loss) per share	0.023	(0.031)	-	(0.008)	(0.038)	(0.031)	-	(0.069)
Diluted earnings (loss) per shares	0.022	(0.030)	-	(0.008)	(0.036)	(0.030)	-	(0.066)

Unit: Thousand Baht

	Consolidated financial statements				Separate financial statements			
	Before adjustment and reclassification	Adjustment	Reclassification	After adjustment and reclassification	Before adjustment and reclassification	Adjustment	Reclassification	After adjustment and reclassification
Statement of profit or loss and other comprehensive income for the nine-months period ended September 30, 2018								
Interest income	312,513	-	(23,176)	289,337	251,357	-	(20,218)	231,139
Interest expense	(204,901)	-	23,176	(181,725)	(202,297)	-	20,218	(182,079)
Cost of services	(78,103)	-	(523)	(78,626)	-	-	-	-
Administrative expenses	(64,033)	-	(13,114)	(77,147)	(39,873)	-	(8,939)	(48,812)
Management compensation	(13,637)	-	13,637	-	(8,939)	-	8,939	-

23. EVENTS AFTER THE REPORTING PERIOD

In accordance with the resolution of the Debenture holders' meeting No. 1/2019, on October 4, 2019, the holders approved to change the terms and conditions governing the rights and obligations of the issuer and debenture holder by extending the due date of the ACAP190A amounting of Baht 768.60 million for 366 days from October 6, 2019 to October 6, 2020, with the increase interest rate from 6.00 % per annum to 7.50 % per annum and approved the debenture issuers to early redeem in full or partial amount before October 6, 2020.

24. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's Board of Directors on November 13, 2019.