

Independent Auditor's Report

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

Qualified opinion

I have audited the consolidated and separate financial statements of Asia Capital Group Public Company Limited and its subsidiaries, and of Asia Capital Group Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2019, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the consolidated financial statements and separate financial statement referred to above present fairly, in all material respects, the consolidated and separate financial position of the Asia Capital Group Public Company Limited and its subsidiaries, and of Asia Capital Group Public Company Limited, respectively, as at December 31, 2019, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for qualified opinion

1. As disclosed in Note 11.3 to the financial statement, during the year ended December 31, 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 to August 2019. On November 15, 2019 the court called for the witness investigation whereby defendants' attorney request additional witness investigation. Therefore the appointment of witnesses for further investigation will be made during December to March 2020. In addition, I had sent confirmation letters to the loan receivable account and the customer, and received a reply from the customer that indicated that the amount is not correct 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 304.47 million as at December 31, 2019, included the consolidated and separate financial statements. Consequently, I was unable to determine whether any adjustments to this amount was necessary.

2. As disclosed in Note 11.4 to the financial statement, the Company has a defaulted debtor in amount of Baht 491.43 million. Such debtor has the leasehold right as the collateral in which the owner of land for the leasehold rights approves the subsidiary of the Company becoming a contract party and carrying out the project instead. The debtor of said loan sued the Company and the owner of land for the leasehold rights to the Southern Bangkok Civil Court. The dispute is being considered by the court. The management of the Company currently, in the process of the leasehold right registration and amendment the counter party of the said new lease contract and the process has not been completed. Thus the Company is not yet able to assess the value of leasehold right using the income approach by the independent appraiser in order to determine the allowance for doubtful account. Therefore I was unable to evaluate the net book value of the said loan.

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

Material Uncertainty Related to Going Concern

I draw attention to Note to Financial Statements No. 2. The Group has current liabilities as at December 31, 2019 in the amount of Baht 2,820 million, which is significantly higher than current assets and consist mostly the debentures amounting of Baht 2,367 million matured in one year. In accordance with the resolution of the Debenture holders' meeting on February 13, 2020, the debenture holders did not approve to change rights and obligations of the debenture issuer and debenture holders to extend a maturity redemption date of debentures ACAP202A for another 366 days starting from February 7, 2020 to February 7, 2021. This causes the debenture ACAP202A being defaulted debentures. In addition, the Company has loan receivable to other companies, defaulted loans having property as collateral and investment property from forcing the debt settlement. It takes time for the Company to call back the debts repayment, to force the collateral and to sell the investment property in order to get sufficient cash flow for operations. In addition, the current general economic environment has been affected by the flu outbreak from China. These factors affect to liquidity of the Company to pay the debts when it falls due. These events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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 year. 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 Matter

The consolidated and separate financial statements for the year ended December 31, 2018, of ASIA Capital Group Public Company Limited and its subsidiaries and of ASIA Capital Group Public Company Limited respectively, presented herein as comparative information, were audited by another auditor, whose report dated February 27, 2019 expressed a qualify opinion on the adequacy of the allowance for short-term loans to other companies.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information 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 those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

Atipong Atipongsakul

Certified Public Accountant

Registration No. 3500

ANS Audit Company Limited

Bangkok, February 27, 2020

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2019

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2019	2018	2019	2018	
Assets						
Current assets						
	Cash and cash equivalents	7	143,690,977	52,147,798	137,725,672	48,749,596
	Short-term investments - net	8	211,120,187	208,521,810	15,578,299	154,300,997
	Accounts receivable	9	25,058,094	36,874,332	-	-
	Amounts due from related companies	6	-	-	10,251,703	110,312
	Factoring receivables - net	10	4,611,428	7,042,347	-	-
	Current portion of loans to employees		10,471	99,915	-	-
	Short-term loans to other companies - net	11, 34	337,204,720	2,411,814,761	337,204,720	2,167,331,081
	Current portion of long-term loans					
	to other companies	11, 34	-	2,237,428	-	2,237,428
	Other current assets	12, 34	18,602,489	27,125,358	11,120,897	21,652,363
	Total current assets		740,298,366	2,745,863,749	511,881,291	2,394,381,777
Non-current assets						
	Restricted deposits at bank	34	292,400	292,400	-	-
	Loans to employees - net		-	10,471	-	-
	Long-term loans to related companies	6, 34	-	-	446,500,000	-
	Long-term loans to other companies - net	11, 34	-	130,489,149	-	130,489,149
	Defaulted loans to other companies - net	11, 34	2,604,369,612	1,300,365,953	2,364,504,198	1,300,365,953
	Investment in subsidiaries - net	13	-	-	653,527,849	653,527,849
	Long-term investment	14	121,070,964	245,000,000	121,070,964	245,000,000
	Investment property - net	15	778,027,482	334,330,644	334,330,644	334,330,644
	Leasehold improvements and equipment - net	16	17,615,624	20,775,792	10,045,179	11,890,528
	Intangible assets - net	17	2,069,257	1,262,493	110,749	382,069
	Deferred tax assets	18	27,671,089	7,396,050	15,592,543	7,052,891
	Other non-current assets	19, 34	24,117,328	2,288,461	13,200,717	1,219,986
	Total non-current assets		3,575,233,756	2,042,211,413	3,958,882,843	2,684,259,069
	Total assets		4,315,532,122	4,788,075,162	4,470,764,134	5,078,640,846

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Liabilities and Shareholders' Equity					
Current liabilities					
	Interest payables	32,840,295	38,403,327	32,840,295	38,403,327
	Other payables	13,292,296	18,901,719	1,410,090	4,722,463
	Amounts due to related companies	6	-	210,279	275,542
	Short-term loans from related parties	6	20,000,000	-	276,469,600
	Short-term loans from others - net	20	362,214,934	417,822,169	362,214,934
	Current portion of liabilities under				
	financial lease agreements	21	1,582,676	2,207,076	1,582,676
	Current portion of debentures	23	2,367,039,348	1,460,403,204	2,367,039,348
	Other current liabilities		23,035,258	27,763,651	20,263,199
	Total current liabilities		2,820,004,807	1,965,501,146	3,062,030,421
Non-current liabilities					
	Long-term loans from others - net	20	3,000,000	-	-
	Liabilities under financial lease agreements - net	21	2,768,160	3,315,391	2,768,160
	Debentures - net	23	302,489,612	1,591,958,544	302,489,612
	Non-current provisions for employee benefits	24	8,489,198	5,329,222	3,636,158
	Non-current liabilities		1,052,000	1,052,000	1,052,000
	Total non-current liabilities		317,798,970	1,601,655,157	312,945,930
	Total liabilities		3,137,803,777	3,567,156,303	3,374,976,351

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Shareholders' Equity					
Share capital					
Authorized share capital					
	390,672,338 ordinary shares, at Baht 0.5 each	195,336,169	195,336,169	195,336,169	195,336,169
Issued and fully paid-up					
	316,406,985 ordinary shares, at Baht 0.5 each		158,203,493		158,203,493
	316,411,160 ordinary shares, at Baht 0.5 each	158,205,580		158,205,580	
	Premiums on ordinary shares	445,110,659	445,087,696	445,110,659	445,087,696
	Gain on dilution of investment proportion in subsidiary	63,978,493	-	-	-
Retained earnings					
Appropriated					
	Legal reserve	19,533,617	19,533,617	19,533,617	19,533,617
	Unappropriated	407,364,866	598,094,053	472,937,927	589,538,772
Total shareholders' equity attributable to owners of parent		1,094,193,215	1,220,918,859	1,095,787,783	1,212,363,578
Non-controlling interests		83,535,130	-	-	-
Total shareholders' equity		1,177,728,345	1,220,918,859	1,095,787,783	1,212,363,578
Total liabilities and shareholders' equity		4,315,532,122	4,788,075,162	4,470,764,134	5,078,640,846

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes	2019	2018	2019	2018	
	5, 6, 28, 30				
Revenues					
Interest income		186,412,944	362,711,027	160,018,498	284,259,503
Interest expense		(207,406,064)	(238,156,646)	(212,379,696)	(239,119,808)
Net interest income		(20,993,120)	124,554,381	(52,361,198)	45,139,695
Service income		143,121,379	155,278,929	-	-
Cost of services		(99,853,572)	(103,767,818)	-	-
Net service income		43,267,807	51,511,111	-	-
Dividend income		2,500,000	-	36,349,988	162,099,464
Other income		10,859,696	8,290,330	20,004,357	13,245,831
Total operating income		35,634,383	184,355,822	3,993,147	220,484,990
Other operating expenses					
Administrative expenses		102,022,180	97,139,575	54,903,890	59,549,875
Doubtful debt		138,927,141	-	73,883,274	-
(Reversal) on impairment loss from loans to related parties and investment in subsidiaries		-	-	-	(20,448,648)
Total other operating expenses		240,949,321	97,139,575	128,787,164	39,101,227
Profit (loss) before financial costs and income tax		(205,314,938)	87,216,247	(124,794,017)	181,383,763
Financial costs		(247,578)	(183,926)	(236,561)	(139,419)
Profit (loss) before income tax		(205,562,516)	87,032,321	(125,030,578)	181,244,344
Tax (expenses) income	18	18,356,417	(25,157,343)	8,517,668	(4,632,057)
Net profit (loss) for the year		(187,206,099)	61,874,978	(116,512,910)	176,612,287
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial (gain) loss - net from tax		(261,460)	1,412,922	(87,935)	1,412,922
Total comprehensive income (loss) for the year		(187,467,559)	63,287,900	(116,600,845)	178,025,209
Profit (loss) attributable to					
Equity holders of the Company		(190,530,196)	61,874,978	(116,512,910)	176,612,287
Non-controlling interests		3,324,097	-	-	-
		(187,206,099)	61,874,978	(116,512,910)	176,612,287
Total comprehensive income (loss) attributable to					
Equity holders of the Company		(190,729,187)	63,287,900	(116,600,845)	178,025,209
Non-controlling interests		3,261,628	-	-	-
		(187,467,559)	63,287,900	(116,600,845)	178,025,209
Earnings (loss) per share (Baht per share)					
	29				
Basic earnings (loss) per share		(0.602)	0.196	(0.368)	0.559
Diluted earnings (loss) per share		(0.602)	0.184	(0.368)	0.525

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

		Consolidated financial statements							
		Retained earnings				Total shareholders'		Non-controlling	
		Issued and Paid-Up	Premiums	Gain on dilution of	Appropriated	equity attributable to		interest	Total
Notes	Share Capital	on ordinary shares	in subsidiary	Legal Reserve	Unappropriated	owners of parent	-	-	-
Balance as at January 1, 2018	157,903,340	444,369,430	-	19,533,617	613,756,323	1,235,562,710	-	-	1,235,562,710
Issuance of ordinary shares	26	300,153	718,266	-	-	-	1,018,419	-	1,018,419
Dividend		-	-	-	-	(78,950,170)	-	-	(78,950,170)
Total comprehensive income for the year		-	-	-	-	63,287,900	63,287,900	-	63,287,900
Balance as at December 31, 2018	158,203,493	445,087,696	-	19,533,617	598,094,053	1,220,918,859	-	-	1,220,918,859
Issuance of ordinary shares	26	2,087	22,963	-	-	-	25,050	-	25,050
Gain on dilution of investment proportion									
in subsidiary	13	-	-	63,978,493	-	-	63,978,493	-	63,978,493
Non-controlling interests increased		-	-	-	-	-	83,513,507	-	83,513,507
Dividend	13	-	-	-	-	-	(3,240,005)	-	(3,240,005)
Total comprehensive income (loss) for the year		-	-	-	-	(190,729,187)	(190,729,187)	3,261,628	(187,467,559)
Balance as at December 31, 2019	158,205,580	445,110,659	63,978,493	19,533,617	407,364,866	1,094,193,215	83,535,130	-	1,177,728,345

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

		Unit: Baht				
		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, 2018		157,903,340	444,369,430	19,533,617	490,463,733	1,112,270,120
Issuance of ordinary shares	26	300,153	718,266	-	-	1,018,419
Dividend	27	-	-	-	(78,950,170)	(78,950,170)
Total comprehensive income for the year		-	-	-	178,025,209	178,025,209
Balance as at December 31, 2018		158,203,493	445,087,696	19,533,617	589,538,772	1,212,363,578
Issuance of ordinary shares	26	2,087	22,963	-	-	25,050
Total comprehensive loss for the year		-	-	-	(116,600,845)	(116,600,845)
Balance as at December 31, 2019		158,205,580	445,110,659	19,533,617	472,937,927	1,095,787,783

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Operating Activities:				
Net profit (loss) for the year	(187,206,099)	61,874,978	(116,512,910)	176,612,287
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	8,957,603	5,630,604	2,069,846	1,932,266
Interest income	(186,412,944)	(362,711,027)	(160,018,498)	(284,259,503)
Interest expense	207,406,064	238,156,646	212,379,696	239,119,808
Interest expense from finance leases	247,578	183,926	236,561	139,419
Bad debt	-	264,113	-	-
Doubtful accounts	138,927,141	371,658	73,883,274	-
Dividend income	(2,500,000)	-	(36,349,988)	(162,099,464)
Reversal on impairment loss on investment in subsidiaries	-	-	-	(12,548,648)
Reversal on loss on impairment of loan and interest to related company	-	-	-	(7,900,000)
Loss on write-off of withholding tax assets	-	207,186	-	-
(Gain) loss on disposal of fixed asset	393,761	(23,466)	459,767	(5,573)
Gain on disposal of short-term investment	(2,238,675)	(6,488,468)	(764,923)	(2,571,593)
Gain on change in fair value of short-term investment	(484,036)	(57,219)	(7,432)	(180,805)
Loss on investment in subsidiary	-	-	-	1,563,698
Loss on sales long-term investment	10,116,656	-	10,116,656	-
Non-current provisions for employee benefits	2,833,152	1,445,176	1,379,494	621,078
Tax expenses (income)	(18,356,417)	25,157,343	(8,517,668)	4,632,057
Loss from operating activities before changes in operating assets and liabilities	(28,316,216)	(35,988,550)	(21,646,125)	(44,944,973)
Changes in operating assets (increase) decrease				
Trade receivables	11,816,238	2,104,304	-	-
Amounts due from related companies	-	-	(10,141,391)	886,507
Loans to other companies	420,800,275	(152,711,813)	400,104,270	(114,448,413)
Factoring receivables	(178,210)	39,436,840	-	-
Other current assets	4,122,938	2,456,985	5,983,461	(2,769,210)
Loan to employees	99,915	761,909	-	-
Other non-current assets	3,195,542	(309,322)	(714,403)	(93,185)
Changes in operating liabilities increase (decrease)				
Other payable	(5,609,423)	2,999,805	(3,312,373)	(397,266)
Amount due to related companies	-	-	(65,263)	30,289
Other current payable	(1,391,402)	12,285,249	(178,731)	9,312,487
Cash provided by operating activities	404,539,657	(128,964,593)	370,029,445	(152,423,764)
Interest received	86,127,616	372,675,888	138,245,647	297,449,802
Interest paid	(221,656,697)	(217,326,913)	(226,619,312)	(218,232,920)
Income tax paid	(20,043,687)	(34,856,120)	(947,284)	(11,266,328)
Net cash from (used in) operating activities	248,966,889	(8,471,738)	280,708,496	(84,473,210)

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Investing Activities:				
Cash (paid to) received from short-term investment	124,334	52,559,770	139,495,053	(151,500,000)
Cash paid for long-term investment	-	(25,000,000)	-	(25,000,000)
Cash received from investment in subsidiaries	-	-	-	25,300,000
Dividend received	2,500,000	-	12,259,991	162,099,464
Cash received from short-term loans to related parties	-	-	-	77,000,000
Cash received from long-term loans to related parties	-	-	-	7,900,000
Cash paid for purchase of investment properties	-	(13,537,956)	-	(13,537,956)
Cash paid for purchase of leasehold improvement, equipment and intangible assets	(3,854,742)	(3,298,253)	-	(714,297)
Cash received from sale of leasehold improvement, equipment and intangible assets	2,609,944	24,299	2,537,056	5,607
Net cash from investing activities	1,379,536	10,747,860	154,292,100	81,552,818
Cash Flows from Financing Activities:				
Cash received for short-term loans from others	598,812,380	420,000,000	598,812,380	420,000,000
Cash paid for short-term loans from others	(525,000,000)	(45,000,000)	(525,000,000)	(45,000,000)
Cash received from short-term loans from related parties	23,000,000	90,000,000	422,000,000	544,000,000
Cash paid for short-term loans from related parties	(3,000,000)	(90,000,000)	(445,440,403)	(517,000,000)
Cash received from long-term loans from others	3,000,000	-	3,000,000	-
Proceeds from issuance of debentures	298,928,960	1,589,026,900	298,928,960	1,589,026,900
Redemption of debentures	(694,700,000)	(1,941,400,000)	(694,700,000)	(1,941,400,000)
Cash paid for liabilities under finance lease	(4,121,631)	(2,261,946)	(3,650,507)	(1,619,093)
Cash received from exercise of warrants	25,050	1,018,419	25,050	1,018,419
Dividend paid	-	(78,950,170)	-	(78,950,170)
Cash received from share capital increase	147,492,000	-	-	-
Non-controlling interests increase (decrease)	(3,240,005)	-	-	-
Net cash from (used in) financing activities	(158,803,246)	(57,566,797)	(346,024,520)	(29,923,944)
Net cash and cash equivalents increase (decrease)	91,543,179	(55,290,675)	88,976,076	(32,844,336)
Cash and cash equivalents at the beginning of the year	52,147,798	107,438,473	48,749,596	81,593,932
Cash and cash equivalents at the end of the year	143,690,977	52,147,798	137,725,672	48,749,596
Supplemental Disclosures of Cash Flows Information				
Increase in Investment properties from debt settlement	446,500,000	90,000,000	-	90,000,000
Purchase of vehicle under finance lease	2,950,000	2,520,816	2,950,000	2,520,816
Tranfered long-term investment to repay short-term borrowings from others	113,812,380	-	113,812,380	-
Dividend received offset by short-term borrowings from related party	-	-	24,089,997	-

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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, customer service and factoring business.

2. GOING CONCERN

The Group has current liabilities as at December 31, 2019 in the amount of Baht 2,820 million, which is significantly higher than current assets and consist mostly the debentures amounting of Baht 2,367 million matured in one year. In accordance with the resolution of the Debenture holders' meeting on February 13, 2020, the debenture holders did not approve to change rights and obligations of the debenture issuer and debenture holders to extend a maturity redemption date of debentures ACAP202A for another 366 days starting from February 7, 2020 to February 7, 2021. This causes the debenture ACAP202A being defaulted debentures. In addition, the Company has loan receivable to other companies, defaulted loans having property as collateral and investment property from forcing the debt settlement. It take time for the Company to call back the debts repayment, to force the collateral and to sell the investment property in order to get sufficient cash flow for operations. In addition, the current general economic environment has been affected by the flu outbreak from China. These factors affect to liquidity of the Company to pay the debts when it falls due. 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 FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E. 2543. The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The accompanying financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standard 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 recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated financial statements

- a) The consolidated financial statements included the financial statements of Asia Capital Group Public Company Limited and its subsidiaries that together referred to as the “Group”

The details of the subsidiaries are as follows:

Company’s name	Nature of business	Incorporation	% Equity interest owned by the Company	
			December 31, 2019	December 31, 2018
Subsidiaries directly held by the Company				
Global Service Center PLC. (GSC)	Customer service	Thailand	64.00	99.99
ACAP Consulting Co., Ltd.	Legal advisory	Thailand	99.99	99.99
Capital OK 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

Detailed of structure changes of the Group during the year presented in note 13.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not belong to the Company and are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position.

- f) The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

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

During the year 2019, the Company and its subsidiaries 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 subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarized below:

TFRS 15 Revenue from Contracts with Customers

TFRS 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
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

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 judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

(b) Financial reporting standards that will become 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 summarized below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 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 amortised 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 subsidiaries 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 recognize 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 subsidiaries will adopt such TFRS in the preparation of the Company's financial statements when it becomes effective. The management of the Company and its subsidiaries is in the process to assess the impact of the TFRS on the financial statements of the Company in the period of initial application. The Company and its subsidiaries expected to apply the TFRS using the cumulative effect recognised at the date of initial application as at January 1, 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 revenues and expenses are recognised on accrual basis.

Cash and cash equivalents

Cash and cash equivalents represented cash on hand and at financial institute and short-term investment with high liquidity of less than 3 months due date and no restrictions on use.

Short-term investments

The Company and subsidiaries classified investment as trading investment. 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.

Trading 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.

Trading investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments subsequently measured at fair value. The unrealized gains and losses of trading investments are recognised in the statement of 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 equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

Trade receivables and allowance for doubtful accounts

Trade receivables are stated at net realizable value. Allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of existing accounts receivables and the local economy environment.

Factoring receivable

Factoring receivables are recognised on the transaction date.

Factoring receivables are 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 the statements of comprehensive income.

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.

Long-term investment

General investment

Investments in non-marketable equity securities are classified as general investments, are carried at cost less impairment (if any).

Investment in subsidiary

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less allowance for impairment (if any).

The Company and its subsidiaries calculated cost of the disposed securities during the year by the weighted average method.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognized in profit or loss.

Investment properties

Investment property is property held to earn rental income or for capital appreciation (or both). It is not intended to be sold in the normal course of business or for the production or supply of goods or services or for administrative tasks.

Investment property includes land and buildings.

Buildings are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciations of buildings are calculated by reference to their costs on a straight-line basis over their estimated useful lives as follows:

	Useful life (Years)
Buildings	20

Land and building in construction are stated at historical cost and not depreciated.

Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciations of leasehold improvement and equipment are calculated by reference to their costs on a straight-line basis over their estimated useful lives as follows:

	Useful life (Years)
Leasehold improvements	5
Computers	3- 10
Furniture and fixture	5
Office equipment	5
Vehicles	5

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Expenditures for the addition, renewal or improvements that make the replacement value of assets substantially increase will be included in the cost of the asset. Repair and maintenance expenses are recognized as expenses in the period incurred.

Gains and losses on disposal of an item of property, plant and equipment are calculated with the carrying amount of property, plant and equipment, and are recognized within profit or loss from operating.

Depreciation method, useful life and the residual value will be reviewed at the end of the accounting period and are adjusted if appropriate.

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.

Related party transactions

Related parties comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the entities that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

Long-term leases

Building and equipment leases which substantially transfer the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance leases are depreciated over the useful life of the asset.

Building and equipment leases where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the profit or loss over the period of the lease.

Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognized in profit and loss

In the assessment of asset impairment if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Borrowings and debenture

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized 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 recognized 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 capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Employee benefits

Short-term employee benefits

The Company and its subsidiaries recognizes salaries, wages, bonuses and contributions to the social security fund as expenses on an accrual basis.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries contributions are recognized as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income.

Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Income tax

Income tax expenses comprise current tax and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences while it recognizes deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Earnings per share and diluted earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and

maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgment regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgment regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Entity recognizes revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgment regarding measuring progress towards complete satisfaction of a performance obligation.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment on loans to other companies

The Company and its subsidiaries 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.

Impairment of investment in subsidiary

The Company treats investment in its subsidiary as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Investment properties and depreciation assets

In determining depreciation of investment properties, Management is required to make estimates of the useful lives and residual values of leasehold improvements and equipment and to review estimate useful lives and residual values when there are any changes.

Management is required to review investment properties on for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review.

Leasehold improvements and equipment and depreciation assets

In determining depreciation of leasehold improvements and equipment, Management is required to make estimates of the useful lives and residual values of leasehold improvements and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, Management is required to review leasehold improvements and equipment for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant judgment by Management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

6. TRANSACTIONS WITH RELATED PARTIES

The following present relationships with enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or have influence over such companies, or have common directors or shareholders with the Company.

Name of entities	Nature of relationships
Global Service Center PLC. (GSC)	Subsidiary company
ACAP Consulting Co., Ltd.	Subsidiary company
Capital OK Co., Ltd.	Subsidiary company
OKCash Co., Ltd.	Subsidiary company
C.Image Digital Co., Ltd.	Subsidiary company
Aurum Capital Advisory Pte. Ltd.	Subsidiary company
P P PrimePLC. (PPPM) (FormerlyThai Lux Enterprise PLC.)	The Company's major shareholder
Sukjaroenkraisri family	The Company's major shareholder and authorized directors

The Company had business transactions with related parties. These parties are directly and indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the basis determined by the Company and the parties concerned. For the year ended December 31, the significant transactions with related parties can be summarized as follows:

	Unit: Baht				Pricing policy
	Consolidated financial		Separate financial		
	statements		statements		
	2019	2018	2019	2018	
Transactions between the Company and related parties					
for the year ended December 31,					
Subsidiaries					
Interest income	-	-	9,786	110,373	0.8 - 1.0% per annum
Dividend income	-	-	33,849,988	162,099,464	As declared by subsidiaries
Other income – revenues from					
management fee	-	-	10,793,542	4,795,184	Mutually agreed
Interest expense	-	-	4,973,413	963,162	0.8% - 5.0% per annum
Administrative expenses	-	-	191,842	208,738	Mutually agreed
Related parties					
Interest expense	-	2,427,534	-	2,427,534	5.5% per annum
Directors					
Interest expense	250,801	-	250,801	-	5.0% per annum

Management compensation

Management compensation for the year ended December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term benefits	18,328,587	17,780,177	9,686,050	11,686,238
Post-employment benefits	845,189	721,663	657,218	542,419
Total management compensation	19,173,776	18,501,840	10,343,268	12,228,657

Significant balances with related parties can be summarized as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivable - related parties		-		
Global Service Center PLC. (GSC)	-	-	2,017	3,312
Capital OK Co., Ltd.	-	-	-	53,500
OK Cash Co., Ltd.	-	-	10,239,900	53,500
C.Image Digital Co., Ltd.	-	-	9,786	-
Total trade receivable - related parties	-	-	10,251,703	110,312
Long-term loansto related parties				
C.Image Digital Co., Ltd.	-	-	446,500,000	-
Total long-term loansto related parties	-	-	446,500,000	-
Trade payable - related parties				
Global Service Center PLC. (GSC)	-	-	16,439	36,011
Capital OK Co., Ltd.	-	-	193,840	239,531
Total trade payable - related parties	-	-	210,279	275,542
Short-term loans from related parties - net				
Capital OK Co., Ltd.	-	-	256,469,600	324,000,000
Directors of the Company	20,000,000	-	20,000,000	-
Totalshort-term loans from related parties - net	20,000,000	-	276,469,600	324,000,000

The Company has movements on short-term loan to related parties for the year ended December 31, as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans to related parties				
Subsidiaries				
Beginning balance at the years	-	-	-	77,000,000
Increase during the years	-	-	-	-
Decrease during the years	-	-	-	(77,000,000)
Ending balance at the years	-	-	-	-

Short-term loan to related parties are promissory note due at call without collateral. The loan bears interest at 0.80% - 1.00% per annum.

The Company has movements on long-term loan to related parties for the year ended December 31, as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term loans to a related parties				
Subsidiaries				
Beginning balance at the years	-	-	-	7,900,000
Increase during the years				
(Note 11.5)	-	-	446,500,000	-
Decrease during the years	-	-	-	(7,900,000)
Ending balance at the years	-	-	446,500,000	-

The long-term loan to a related party is a promissory note due at call without collateral. The loan bears interest at 0.80% per annum.

The Company has movements on short-term loan from related parties for the year ended December 31, as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans from related parties				
Related parties				
Beginning balance at the years	-	-	-	-
Increase during the years	-	90,000,000	-	90,000,000
Decrease during the years	-	(90,000,000)	-	(90,000,000)
Ending balance at the years	-	-	-	-
Subsidiaries				
Beginning balance at the years	-	-	324,000,000	297,000,000
Increase during the years	-	-	399,000,000	454,000,000
Decrease during the years	-	-	(466,530,400)	(427,000,000)
Ending balance at the years	-	-	256,469,600	324,000,000
Directors				
Beginning balance at the years	-	-	-	-
Increase during the years	23,000,000	-	23,000,000	-
Decrease during the years	(3,000,000)	-	(3,000,000)	-
Ending balance at the years	20,000,000	-	20,000,000	-
Total Short-term loans from related parties	20,000,000	-	276,469,600	324,000,000

Short-term loans from related parties represent promissory note which are due at call without collateral. The loans bear interest at 0.80% - 5.00% per annum (2018: 1.00 %- 5.50 % per annum).

During the year 2018, a subsidiary company of the Group bought cars from the major shareholders of the Group amounting to Baht 1.65 million.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	12,158	21,219	7,020	5,869
Cash at banks - current accounts	212,190	119,280	-	-
Cash at banks - saving accounts	143,466,629	52,007,299	137,718,652	48,743,727
Total cash and cash equivalents	143,690,977	52,147,798	137,725,672	48,749,596

8. SHORT-TERM INVESTMENTS - NET

Short-term investments as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements			
	2019		2018	
	Cost price	Fair value Level 2	Cost price	Fair value Level 2
Investments in trading securities				
Open-end fund - debt securities - at cost	210,636,151	211,120,187	208,464,591	208,521,810
<u>Add</u> unrealized gain on change in value of investment	484,036	-	57,219	-
Total short-term investments - net	211,120,187	211,120,187	208,521,810	208,521,810

	Unit: Baht			
	Separate financial statements			
	2019		2018	
	Cost price	Fair value Level 2	Cost price	Fair value Level 2
Investments in trading securities				
Open-end fund - debt securities - at cost	15,570,867	15,578,299	154,120,192	154,300,997
<u>Add</u> unrealized gain on change in value of investment	7,432	-	180,805	-
Total short-term investments - net	15,578,299	15,578,299	154,300,997	154,300,997

9. TRADE RECEIVABLES

Trade receivables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivables	12,674,978	18,964,394	-	-
Accrued income	12,383,116	17,909,938	-	-
Total trade receivables	25,058,094	36,874,332	-	-

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Current	11,254,758	14,337,209	-	-
Over due				
Not over 3 months	-	1,210,905	-	-
Over 3 - 6 months	-	-	-	-
Over 6 - 12 months	-	-	-	-
Over 12 months	1,420,220	3,416,280	-	-
Total trade receivables	12,674,978	18,964,394	-	-

The receivables overdue for 12 months represent 4 receivables which are under installment receivable. The Management expects to be able to collect the full amount of such outstanding balances.

10. FACTORING RECEIVABLES - NET

Factoring receivables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Factoring receivable	6,723,222	7,045,242	-	-
<u>Less</u> Deferred interest	-	(2,895)	-	-
<u>Add</u> Interest receivable	497,335	-	-	-
Total	7,220,557	7,042,347	-	-
<u>Less</u> Allowance for doubtful accounts	(2,609,129)	-	-	-
Factoring receivable - Net	4,611,428	7,042,347	-	-

**11. SHORT-TERM LOANS TO OTHER COMPANIES/ LONG-TERM LOANS TO OTHER COMPANIES/
DEFAULTED LOANS TO OTHER COMPANIES- NET**

Short-term loans to other companies/Long-term loans to other companies/ Defaulted loans to other companies
as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans to other companies				
Bills of exchange	-	752,738,340	-	712,754,667
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Bills of exchange - net	-	752,738,340	-	712,754,667
Short-term loans to other companies	337,204,720	1,659,076,421	337,204,720	1,454,576,414
Total short-term loans to other companies - net	337,204,720	2,411,814,761	337,204,720	2,167,331,081
Long-term loans to other companies				
Current portion of long-term loans to other companies	-	2,237,428	-	2,237,428
Long-term loans to other companies	-	130,489,149	-	130,489,149
Total long-term loans to other companies	-	132,726,577	-	132,726,577
Defaulted loans to other companies				
Bills of exchange	653,891,041	-	583,891,041	-
<u>Less</u> Allowance for doubtful accounts	(73,517,416)	-	(29,488,830)	-
Bills of exchange- net	580,373,625	-	554,402,211	-
Term loans to other companies	2,086,796,583	1,300,365,953	1,854,496,431	1,300,365,953
<u>Less</u> Allowance for doubtful accounts	(62,800,596)	-	(44,394,444)	-
Term loans to other companies - net	2,023,995,987	1,300,365,953	1,810,101,987	1,300,365,953
Defaulted loans to other companies - net	2,604,369,612	1,300,365,953	2,364,504,198	1,300,365,953
Total short-term loans to other companies/ long-term loans to other companies/defaulted loans to other companies - net	2,941,574,332	3,844,907,291	2,701,708,918	3,600,423,611

Collateral value measurement

Unit: Baht				
Consolidated financial statements as at December 31, 2019				
	Loan amount	Collateral value	Allowance for doubtful accounts	Total
Term loans to other companies at defaulted				
Term loans with ordinary shares as collateral	162,464,110	88,946,694	(73,517,416)	88,946,694
Term loans with real estate as collateral for collateral values over loan amount	1,246,728,043	1,306,197,400	-	1,246,728,043
Term loans with real estate as collateral for collateral values under loan amount	535,594,329	472,793,733	(62,800,596)	472,793,733
Term loans with leasehold rights and under the process of rights transfer (Note 11.4)	491,426,931	-	-	491,426,931
Term loans under the process of court consideration (Note 11.3)	304,474,211	-	-	304,474,211
Term loans to other companies at defaulted - net	2,740,687,624	1,867,937,827	(136,318,012)	2,604,369,612
Unit: Baht				
Separate financial statements as at December 31, 2019				
	Loan amount	Collateral value	Allowance for doubtful accounts	Total
Term loans to other companies at defaulted				
Term loans with ordinary shares as collateral	92,464,110	62,975,280	(29,488,830)	62,975,280
Term loans with real estate as collateral for collateral values over loan amount	1,246,728,043	1,306,197,400	-	1,246,728,043
Term loans with real estate as collateral for collateral values under loan amount	303,294,177	258,899,733	(44,394,444)	258,899,733
Term loans with leasehold rights and under the process of rights transfer (Note 11.4)	491,426,931	-	-	491,426,931
Term loans under the process of court consideration (Note 11.3)	304,474,211	-	-	304,474,211
Term loans to other companies at defaulted - net	2,438,387,472	1,628,072,413	(73,883,274)	2,364,504,198

The value of collateral which is ordinary shares is based on the closing price of ordinary shares at the end of the year.

The value of collateral which is real estate is calculated from 62% of appraised value, except for a loan debtor with evidence of intention to settle debt on February 28, 2020, calculated from 90% of the appraised value.

Bills of exchange and short-term/long-term loans to other companies have the interest rate charge at 6% - 8% per annum and 12% - 15% per annum respectively. (December 31, 2018: at 6% - 8% per annum and 12% - 15% per annum respectively.)

The movement in term loans to other companies as at December 31, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Beginning balance of the years	3,844,907,291	3,811,372,702	3,600,423,611	3,589,091,911
Additions during the years	218,680,000	2,348,428,046	129,000,000	2,145,482,916
Repayments during the years	(639,480,275)	(2,544,617,326)	(584,480,275)	(2,291,167,326)
Debt settlement by forcing investment property (Note 11.5)	(446,500,000)	-	-	-
Transfer to long-term loans to related companies (Note 11.5)	-	-	(446,500,000)	-
Allowance for doubtful accounts during the years	(136,318,012)	-	(73,883,274)	-
Interest income recognised during the years	88,625,009	251,480,352	60,587,056	173,174,074
Commission expense recognised during the years	(21,580,504)	(33,880,937)	(16,679,023)	(28,282,418)
Deferred income commission	(6,552,775)	-	(6,552,775)	-
Interest receivable	39,793,598	12,124,454	39,793,598	12,124,454
Ending balance of the years	2,941,574,332	3,844,907,291	2,701,708,918	3,600,423,611

Bills of exchange

The bills of exchange can be analysed as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Undue	-	47,221,885	-	47,221,885
Extensions	-	705,516,455	-	665,532,782
Defaulted - net	580,373,625	-	554,402,211	-
Total	580,373,625	752,738,340	554,402,211	712,754,667

The Group have outstanding short-term loans in a form of bills of exchange provided to 3 companies (2018: 5 companies) netted loans of Baht 580million (2018: Baht 753 million). The short-term loans bear the interest rate charge at 6% - 8% per annum. The short-term loans are collateralized by certain shares of listed companies, As at December 31, 2019, collateral value amounted of Baht 88.95 million.

Loan agreements

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Undue	-	765,522,409	-	553,116,706
Extensions	337,204,720	1,026,280,589	337,204,720	1,034,186,285
Defaulted-net	2,023,995,987	1,300,365,953	1,810,101,987	1,300,365,953
Total	2,361,200,707	3,092,168,951	2,147,306,707	2,887,668,944

The Group had outstanding short-term loans in a form of loan agreements provided to 8 companies and 1 persons (2018: 11 companies and 3 persons) net loan of Baht 2,361 million (2018: Baht 3,092 million). The short-term loans will be matured within 3 months until year 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 December 31, 2019, gross value of collaterals in the consolidated and separate financial statements are amounting of Baht 3,519 million and Baht 3,274 million, respectively.

During the year ended December 31, 2019, some parts of short-term loans have agreed to extend the repayment period for another 1-12 months.

As at December 31, 2019, rights of collateral for repayment of a debtor, which is a land of a real estate project, has been used as collateral for short-term loans from other companies (Note 20).

- 11.1 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.
- 11.2 As at December 31, 2019, the Group had outstanding short-term loans to other which interest income isn't being recognised in the consolidated and separate financial amounting to Baht 2,741 million and Baht 2,438 million, respectively, (December 31, 2018: Baht 1,300 million).

11.3 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 December 31, 2019, was Baht 304.47 million.

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 to 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. On November 15, 2019, the court called for the witness investigation by which the defendant's lawyer requests additional witness investigation. Therefore, the appointment of witnesses for further investigation will be made during December to March 2020.

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.

11.4 During theyear2019, the Company has a defaulted debtor in amount of Baht 491.43 million. Such debtor has the land for leasehold right as collateral.The Educational Institution (“the Educational Institution”) which is an owner of the land for leasehold right issued a letter to the Company to inform the result of consideration condition specified in the debt agreement with leasehold right as collateral. The Company assigns a subsidiary to enter an agreement with the Educational Institution whereby the subsidiary is able to comply with the term and condition in the lease agreement. Thus, the Educational Institution approved the subsidiary to be a contract party and operate Community Mall according to the debt agreement with leasehold right as collateral.

Such debtor sued the Company and the Educational Institution to the Southern Bangkok Civil Court as a disputed case and this is under the consideration of the court. However, the Company’s management believes that such consideration does not affect the assignment of the leasehold rights.

Presently, the Company is processing to register the assignment of the leasehold rights and correct the counter party in the lease agreement which is not yet finalized. The Company is,therefore, unable to process the valuation of such investment property on an income approach by an independent appraisal.

11.5 On September 18, 2019, C. Image Digital Co., Ltd. (a short-term loans 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. as at September 19, 2019, are as follows:

	Unit: Baht
Asset	
Inventory(Land and building)	381,931,507
Total Asset	381,931,507
Liabilities and Shareholders' Equity	
Short-term borrowings- ACAP	446,500,000
Authorized share capital	50,000,000
Deficit	(114,568,493)
Total Liabilities and Shareholders' Equity	381,931,507

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 Bangkok Valuation & Consultant Co., Ltd. on December27, 2019, in the amount of Baht 468.39 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 this company.

In the consolidated financial statements, these land and buildings are recorded as investment properties (Note 15).

12. Other current assets

Other current assets as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue department receivable	12,549,651	21,815,384	10,713,785	20,773,054
Prepaid expenses	3,120,987	3,534,155	400,962	873,159
Deposit	2,836,001	-	-	-
Others	95,850	1,775,819	6,150	6,150
Total	18,602,489	27,125,358	11,120,897	21,652,363

13. INVESTMENTS IN SUBSIDIARIES - NET

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

	Separate financial statements							
	Unit: Baht							
	Paid-up capital (Baht)		Equity interest and voting right of the Company (%)		Cost Method		Dividend income	
							For the year ended December 31,	
2019	2018	2019	2018	2019	2018	2019	2018	
Global Service Center PLC. (GSC)*	125,000,000	80,000,000	64.00	99.99	79,999,930	79,999,930	9,759,991	19,999,983
ACAP Consulting Co., Ltd.	1,000,000	1,000,000	99.99	99.99	999,930	999,930	-	-
Capital OK Co., Ltd.	412,500,000	412,500,000	99.99	99.99	509,925,815	509,925,815	24,089,997	42,074,994
OK Cash Co., Ltd.	62,050,000	62,050,000	99.99	99.99	62,602,174	62,602,174	-	100,024,487
C. Image Digital Co., Ltd**	50,000,000	50,000,000	99.99	-	-	-	-	-
Aurum Capital Advisory Pte. Ltd.	14,274,000	14,274,000	63.97	63.97	10,893,125	10,893,125	-	-
Total					664,420,974	664,420,974	33,849,988	162,099,464
<u>Less</u> Allowance for loss on impairment of investment					(10,893,125)	(10,893,125)	-	-
Total investment in subsidiaries - net					653,527,849	653,527,849	33,849,988	162,099,464

* During the year ended December 31, 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.

The movements in investments in subsidiaries are as follows:

	Unit:Baht
	Separate financial statements
For the year ended December, 31 2018	
Net book balance as at January 1, 2018	667,842,075
Cash received from dissolution of ACAP (ASIA) Asset Management Co., Ltd.	(25,299,176)
Loss on investment in ACAP (AISA) Asset Management Co., Ltd.	(1,563,698)
Reversal of allowance for impairment on investment in Global Service Center Public Company Limited	9,999,930
Reversal of allowance for impairment on investment in ACAP Consulting Co., Ltd.	999,930
Reversal of allowance for impairment on investment in ACAP (ASIA) Asset Management Co., Ltd.	1,548,788
Net book balance as at December 31, 2018	<u>653,527,849</u>

During the year ended December 31, 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 May 24, 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.

Non-controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group elimination. Significant non-controlling interest consisted of

	Unit: Baht					
	Global Service center Co., Ltd.		Other individually immaterial subsidiaries		Total	
	2019	2018	2019	2018	2019	2018
Non-controlling interest percentage	36.00%	0.00%				
Current Asset	227,975	92,038				
Non-current assets	20,357	10,078				
Current liabilities	(11,739)	(13,707)				
Non-current liabilities	(4,551)	(2,987)				
Net assets	232,042	85,422				
Carrying amount of non-controlling interest	83,535	-	-	-	83,535	-
For the year ended December 31,						
Revenues	143,094	153,889				
Profit for the year	12,302	13,929				
Other comprehensive income	(174)	-				
Total comprehensive income	155,222	167,818				
Profit allocated to						
non-controlling interest	3,324	-	-	-	3,324	-
Comprehensive income allocated to						
non-controlling interest	3,262	-	-	-	3,262	-
Cash flows from operating activities	9,916	27,180				
Cash flows used in investing activities	(142,168)	(9,303)				
Cash flows from (used in)						
financing activities	134,034	(20,643)				
Net increase (decrease) in cash and cash equivalents	1,782	(2,766)				
Dividends paid to non-controlling interest	3,240	-	-	-	3,240	-

14. Long-term investments

Long-term investments as at December 31, consisted of:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2019	2018
General investment - equity securities		
Beginning balance of the year	245,000,000	220,000,000
Purchase during the year	-	25,000,000
Sale during the year	(123,929,036)	-
Ending balance of the year	121,070,964	245,000,000

The Group holds investments in ordinary shares of a company as at December 31, 2019 and 2018 with a shareholding ratio of 5% and 10% respectively, of the paid-up capital in order to invest in companies in the same business sector.

During the year ended December 31, 2019, the Company has sold general investments with loss before income tax presented in “Administrative expenses” in the statements of the profit or loss for the year ended December 31, 2019 amounted of Baht 10.12 million.

15. INVESTMENT PROPERTIES - NET

Investment properties as at December 31, 2019, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Beginning balance of the year	334,330,644	230,792,688	334,330,644	230,792,688
Subsequent expenditure recognised as an asset	-	13,537,956	-	13,537,956
Increase from collateral debt settlement (Note 11.4, 11.5)	443,696,838	90,000,000	-	90,000,000
Ending balance of the year	778,027,482	334,330,644	334,330,644	334,330,644

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost	780,830,644	334,330,644	334,330,644	334,330,644
Accumulated depreciation	(2,803,162)	-	-	-
Net book amount	778,027,482	334,330,644	334,330,644	334,330,644

Fair values of investment properties consisted of:

	Unit: Baht			
	As at December 31, 2019			
	Consolidated financial statements		Separate financial statements	
	Book values	Fair values	Book values	Fair values
The company's land at Phuket province	238,017,331	526,670,000	238,017,331	526,670,000
Condominium project that stopped construction at Phuket province	96,313,313	127,992,000	96,313,313	127,992,000
Office building project at Samut Prakan province (Note 11.5)	443,696,838	468,286,000	-	-
Total	778,027,482	1,122,948,000	334,330,644	654,662,000

The fair value of investment properties is determined by an independent appraiser. Fair value of land are based on market approach and cost approach, the fair value of buildings are based on cost approach. The fair values are within level 2 of the fair value hierarchy.

As at December 31, 2019, investment properties of the Group are used as collateral for short-term loans (Note 20).

16. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment as at December 31, 2019, consisted of:

	Unit: Baht					
	Consolidated financial statements					
	Leasehold improvements	Computers	Furniture and fixture	Office equipment	Vehicles	Total
Cost :						
Balance as at January 1, 2019	10,006,621	76,611,607	12,073,514	16,647,677	13,743,112	129,082,531
Add purchase during the year	766,331	949,250	267,386	236,940	2,950,000	5,169,907
<u>Less</u> disposal during the year	-	(405,961)	(3,343,452)	(1,320,394)	(4,140,000)	(9,209,807)
Balance as at December 31, 2019	10,772,952	77,154,896	8,997,448	15,564,223	12,553,112	125,042,631
Accumulated depreciation :						
Balance as at January 1, 2019	7,453,473	74,267,899	9,424,865	15,846,107	1,314,395	108,306,739
Add depreciation during the year	1,617,541	940,809	576,668	377,252	1,814,100	5,326,370
<u>Less</u> disposal during the year	-	(399,842)	(3,342,828)	(1,320,111)	(1,143,321)	(6,206,102)
Balance as at December 31,2019	9,071,014	74,808,866	6,658,705	14,903,248	1,985,174	107,427,007
Net book value :						
Net book value - net Beginning of year	2,553,148	2,343,708	2,648,649	801,570	12,428,717	20,775,792
Net book value - net Ending of year	1,701,938	2,346,030	2,338,743	660,975	10,567,938	17,615,624

Unit: Baht

	Separate financial statements					
	Leasehold improvements	Computers	Furniture and fixture	Office equipment	Vehicles	Total
Cost :						
Balance as at January 1, 2019	1,052,000	8,953,827	6,012,533	3,313,330	10,369,000	29,700,690
Add purchase during the year	-	-	-	-	2,950,000	2,950,000
<u>Less</u> disposal during the year	-	(265,856)	-	(350,614)	(4,140,000)	(4,756,470)
Balance as at December 31, 2019	1,052,000	8,687,971	6,012,533	2,962,716	9,179,000	27,894,220
Accumulated depreciation :						
Balance as at January 1, 2019	338,081	8,781,495	3,456,146	3,212,637	2,021,803	17,810,162
Add depreciation during the year	105,200	53,640	476,193	44,293	1,119,200	1,798,526
<u>Less</u> disposal during the year	-	(265,805)	-	(350,521)	(1,143,321)	(1,759,647)
Balance as at December 31, 2019	443,281	8,569,330	3,932,339	2,906,409	1,997,682	17,849,041
Net book value :						
Net book value - net Beginning of year	713,919	172,332	2,556,387	100,693	8,347,197	11,890,528
Net book value - net Ending of year	608,719	118,641	2,080,194	56,307	7,181,318	10,045,179

Depreciation for the year ended December 31, 2019 and 2018 amounted to Baht 5.33 million and Baht 4.72 million, respectively for the consolidated financial statements, and amounted to Baht 1.80 million and Baht 1.56 million for the separate financial statements, respectively.

As at December 31, 2019 and December 31, 2018, the Group's leasehold improvement and equipment, which have been fully depreciated but still in use, amounted to Baht 120.63 million and Baht 96.35 million, respectively.

17. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2019, consisted of:

Unit: Baht				
Consolidated financial statements				
Movements during the year				
	As at	Additions		As at
	January 1, 2019	/Transfer	Decrease	December 31, 2019
Cost				
Computer program	223,324,589	1,634,835	-	224,959,424
Total	223,324,589	1,634,835	-	224,959,424
Accumulated amortization				
Computer program	222,062,096	828,071	-	222,890,167
Total	222,062,096	828,071	-	222,890,167
Intangible assets - net	1,262,493			2,069,257

Unit: Baht				
Separate financial statements				
Movements during the year				
	As at	Additions		As at
	January 1, 2019	/Transfer	Decrease	December 31, 2019
Cost				
Computer program	5,951,739	-	-	5,951,739
Total	5,951,739	-	-	5,951,739
Accumulated amortization				
Computer program	5,569,670	271,320	-	5,840,990
Total	5,569,670	271,320	-	5,840,990
Intangible assets - net	382,069			110,749

18. DEFERRED TAX ASSETS

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

	Unit: Baht			
	Consolidated financial statements			
	Movements increase (decrease)			
	As at	Other		As at
January 1, 2019	Profit or loss	comprehensive income	December 31, 2019	
Deferred tax assets				
Tax losses	4,377,300	(4,377,300)	-	-
Allowance for doubtful - Factoring receivables	-	521,826	-	521,826
Allowance for doubtful - Short term loans to other companies	-	25,084,977	-	25,084,977
Provision for employee benefit	1,065,845	566,629	65,365	1,697,839
Front-end fee	1,581,139	(1,581,139)	-	-
Other	371,766	(5,319)	-	366,447
Total deferred tax assets	7,396,050	20,209,674	65,365	27,671,089

	Unit: Baht			
	Separate financial statements			
	Movements increase (decrease)			
	As at	Other		As at
January 1,2019	Profit or loss	comprehensive income	December 31, 2019	
Deferred tax assets				
Tax losses	4,377,300	(4,377,300)	-	-
Allowance for doubtful - Short term loans to other companies	-	14,776,654	-	14,776,654
Provision for employee benefit	2,178,625	(2,178,625)	-	-
Front-end fee	429,349	275,899	21,984	727,232
Other	67,617	21,040	-	88,657
Total deferred tax assets	7,052,891	8,517,668	21,984	15,592,543

Income tax expenses for the year ended December 31, were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) before income tax	(205,562,516)	87,032,321	(125,030,578)	181,244,344
Income tax rate	20%	20%	20%	20%
Current income tax expenses as tax rate	(41,112,503)	17,406,464	(25,006,116)	36,248,869
Non-taxable revenues by the Revenue Code	(595,106)	(3,627)	(7,269,996)	(32,419,892)
Non-taxable expenses by the Revenue Code	3,597,885	6,822,679	3,011,960	803,400
Double expenses by the Revenue Code	(1,108,320)	(38,991)	(520)	(320)
Adjusted from last year	-	970,818	-	-
Unutilized tax loss carry forward	20,861,627	-	20,747,004	-
Income tax expenses	(18,356,417)	25,157,343	(8,517,668)	4,632,057
The average effective tax rates	8.93%	28.91%	6.81%	2.56%

The Company and certain subsidiaries use the income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 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.

19. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Rental guarantee deposits	1,934,390	1,674,273	1,934,389	1,219,986
Withholding tax awaiting refund	14,303,650	590,409	11,266,328	-
Deposits	7,879,288	-	-	-
Others	-	23,779	-	-
Total	24,117,328	2,288,461	13,200,717	1,219,986

20. SHORT-TERM BORROWINGS/LONG-TERM BORROWINGS - NET

Short-term borrowings/long-term borrowings as at December 31, 2019, consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2019	2018
Short-term borrowings		
Bill of exchange	-	420,000,000
Promissory note	100,000,000	-
Short-term borrowings from other companies	280,000,000	-
<u>Less</u> Deferred interest	(17,785,066)	(2,177,831)
Total short-term borrowings	362,214,934	417,822,169
Long-term borrowings		
Promissory note	3,000,000	-
Total long-term borrowings	3,000,000	-
Total short-term borrowings/long-term borrowings - net	365,214,934	417,822,169

Movements in the short-term borrowings during the year ended December 31, are summarized below:

	Unit: Baht	
	Consolidated and separate financial statements	
	2019	2018
Balance at beginning of the year	417,822,169	44,900,692
Increase during the year	601,812,380	420,000,000
Prepaid interest	(27,483,366)	(4,114,053)
Decrease during the year	(638,812,380)	(45,000,000)
Amortization of capitalized financial cost	11,876,131	2,035,530
Balance at end of the year	365,214,934	417,822,169

As at December 31, 2019, the Company has short-term loans from promissory notes and loans agreement from a company bearing interest rate of 11% - 15% per annum, and has loans agreement from the other 3 persons bearing interest rate of 15% per annum. The Company paid some interest at the first drawn down date and will pay interest on a monthly basis. Full settlement will be made within May to December 2020. The short-term loans are guaranteed by transfer of rights on the mortgaged land of a debtor, investment property of the Company and investment property of a subsidiary.

As at December 31, 2019, the Company has long-term loans without the collateral in form of promissory note from 2 persons bearing interest rate of 6.75% per annum. The payment of interest is made every 3 months and repayment of all principal will be within June 2021.

21. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Due within 1 year				
Minimum payments	1,758,648	2,393,086	1,758,648	1,910,947
Deferred interest	(175,972)	(186,010)	(175,972)	(174,994)
Present value of minimum payment	1,582,676	2,207,076	1,582,676	1,735,953
Due over 1 year not exceeding 5 years				
Minimum payments	2,912,134	3,491,502	2,912,134	3,491,502
Deferred interest	(143,974)	(176,111)	(143,974)	(176,111)
Present value of minimum payment	2,768,160	3,315,391	2,768,160	3,315,391
Net book value of asset under financial lease	4,350,836	5,522,467	4,350,836	5,051,344

As at December 31, 2019 and 2018, the Group has vehicles with certain companies under financial lease agreements for periods of 4 - 5 years. These bear interest rate of 3.07 - 5.57% per annum.

22. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other payable	18,389,762	18,608,094	18,389,762	18,389,762
Revenue department payable	4,437,730	9,116,745	1,865,937	2,013,356
Other	207,766	38,812	7,500	38,812
Total	23,035,258	27,763,651	20,263,199	20,441,930

23. DEBENTURES

As at December 31, 2019 and 2018, the Company's all debentures are name specified, unsubordinated, and unsecured debentures. The debentures were sold at the price of Baht 1,000 per unit, with a face value of Baht 1,000 each. Among other things, The Company is obliged to maintain its debt-to-equity ratio as specified in the terms and condition of the debentures. Significant details of the debentures are summarised below.

Debenture's name	Issue date	Number of units		Number of units		Interest rate	Agedebenture	Due dateredeem
		2019	2018	2019	2018			
		(Million units)	(Million units)	(Million baht)	(Million baht)			
ACAP193A	10 Mar2017	-	0.45	-	454.20	5.50%	2 Year	10 Mar 2019
ACAP196A	30 Jun2017	-	0.24	-	240.50	5.50%	2 Year	30 Jun 2019
ACAP190A	6 Oct2017	0.77	0.77	768.60	768.60	6.00- 7.50%	3 Year	6 Oct 2020*
ACAP202A	6 Feb2018	0.40	0.40	395.30	395.30	6.00%	2 Year	7 Feb 2020**
ACAP207A	6 Jul2018	0.72	0.72	716.10	716.10	6.50%	2 Year	6 Jul2020
ACAP209A	14 Sep2018	0.20	0.20	196.50	196.50	6.50%	2 Year	14 Sep2020
ACAP20NA	23 Nov2018	0.29	0.29	294.10	294.10	6.50%	2 Year	23 Nov2020
ACAP212A	15 Feb2019	0.23	-	229.80	-	6.50%	2 Year	15 Feb2021
ACAP213A	29 Mar2019	0.07	-	74.90	-	6.50%	2 Year	29 Mar2021
Total		2.68	3.07	2,675.30	3,065.30			

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

	Unit: Baht	
	Consolidated and Separate financial statements	
	2019	2018
Balance at the beginning of the year	3,065,300,000	3,404,700,000
Issuance of debentures during the year	304,700,000	1,602,000,000
Redemption during the year	(694,700,000)	(1,941,400,000)
	2,675,300,000	3,065,300,000
<u>Less</u> Deferred expenses for issuing debentures	(5,771,040)	(12,938,252)
	2,669,528,960	3,052,361,748
<u>Less</u> Current portion of debentures	(2,367,039,348)	(1,460,403,204)
Balance at the end of the year	302,489,612	1,591,958,544

Debentures were charged interest rate of 5.50% - 7.50% per annum in accordance with condition of each debenture (2017: 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. On December 31, 2019, the Company maintains debt to equity ratio at 2.66 (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

* 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. On January 6, 2020, the Company has exercised the right to redeem some of the debentures before the maturity of the ACAP190A with a repayment of Baht 130 per unit in the amount of Baht 99.92 million.

**See Note 35.

24. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provision for employee benefits for the years ended December 31, is as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits				
as at January 1	5,329,222	5,650,198	2,146,746	3,291,820
Included in profit or loss:				
Current service costs	1,648,598	1,255,329	1,032,639	510,473
Cost of interest	179,595	189,847	70,913	110,605
Past service costs*	1,004,959	-	275,942	-
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
The part resulting from changes in				
demographic assumptions	(79,264)	279,654	-	279,654
financial assumptions changes	63,184	212,236	-	212,236
experience adjustments	342,904	(2,258,042)	109,918	(2,258,042)
Provision for long-term employee benefits				
at the end of the year	<u>8,489,198</u>	<u>5,329,222</u>	<u>3,636,158</u>	<u>2,146,746</u>

Employee benefit expenses in the statements of profit or loss for the years ended December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current service costs	1,648,598	1,255,329	1,032,639	510,473
Past service costs	1,004,959	-	275,942	-
Actuarial defined employee benefit plans	179,595	189,847	70,913	110,605
Total employee benefits expenses	2,833,152	1,445,176	1,379,494	621,078

Long-term employee benefit expenses for the years ended December 31, as shown in the statements of profit or loss are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Costs of sales	1,355,119	748,091	-	621,078
Administrative expenses	1,478,033	697,085	1,379,494	-
Total employee benefits expenses	2,833,152	1,445,176	1,379,494	621,078

Principal actuarial assumptions at the valuation date are as follow:

	Percentage			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.80 - 3.17	2.80 - 3.36	2.80	2.80
Salary increase rate	5 - 6	5 - 6	6	6
Average turnover rate	0 - 34.38	0 - 34.38	2.87-34.38	2.87-34.38
	100% of Thai	100% of Thai	100% of Thai	100% of Thai
Mortality rate	Mortality	Mortality	Mortality	Mortality
	Ordinary Tables of	Ordinary Tables of	Ordinary Tables of	Ordinary Tables of
	2017	2017	2017	2017
	5% of Thai	5% of Thai	5% of Thai	5% of Thai
Pre-retirement disability	Mortality	Mortality	Mortality	Mortality
	Ordinary Tables of	Ordinary Tables of	Ordinary Tables of	Ordinary Tables of
	2017	2017	2017	2017

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 are summarized below:

	Rate	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		Increase	Decrease	Increase	Decrease
Discount rate	1%	7,520,387	9,594,893	3,266,4832	4,032,230
Salary increase rate	1%	9,674,090	7,463,157	4,082,474	3,242,827
Turnover rate	20%	7,581,376	9,586,697	4,031,037	3,292,194

As at December 31, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Over 1 and up to 5 years	3,365,148	272,390	3,123,047	-
Over 5 and up to 10 years	6,851,878	7,285,183	3,620,710	5,783,871
Over 10 years	32,116,205	28,322,885	10,642,820	10,088,222

On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 1.00million. The Company and its subsidiaries reflected the effect of the change by recognizing past service costs as expenses in the statement of profit or loss of the year in which the law is effective.

25. LEGAL RESERVE

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.

26. SHARE CAPITAL

	Authorised shares		Issued and		Premium
	Number of shares	Par values	paid-up shares		
		Baht	Baht	Baht	
As at January 1, 2018	390,672,338	0.5	195,336,169	157,903,340	444,369,430
Warrants	-	-	-	300,153	718,266
As at December 31, 2018	<u>390,672,338</u>		<u>195,336,169</u>	<u>158,203,493</u>	<u>445,087,696</u>
As at January 1, 2019	390,672,338	0.5	195,336,169	158,203,493	445,087,696
Warrants	-	-	-	2,087	22,963
As at December 31, 2019	<u>390,672,338</u>		<u>195,336,169</u>	<u>158,205,580</u>	<u>445,110,659</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 2,087 par value and Baht 22,963 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.

27. 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.

28. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Employees benefit expenses	138,353,177	139,538,434	20,647,336	24,643,584
Interest expense	207,406,064	238,156,646	212,379,696	239,119,808
Depreciation and amortization	8,957,603	5,630,604	2,069,846	1,932,266
Rental	8,033,781	7,649,380	4,964,417	4,769,218
Repair and maintenance expenses	4,210,071	2,811,534	273,577	203,293
Tax expense	3,255,241	12,801,233	2,538,001	10,305,929
Other operating expenses	28,949,224	32,104,550	14,294,056	17,695,585
Reversal on impairment loss from				
loans to and investment in subsidiaries	-	-	-	(20,448,648)
Doubtful debt	138,927,141	371,658	73,883,274	-
Loss on sales of investments	10,116,656	-	10,116,656	-

29. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share and diluted earnings (loss) per share for the year ended December 31, are calculated as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For the year ended December 31				
Net Profit (loss) attributable to				
shareholders of the parent (Baht)	(190,530,196)	61,874,978	(116,512,910)	176,612,287
Number of ordinary share outstanding at				
beginning of year (shares)	316,406,985	315,806,679	316,406,985	315,806,679
Effect of conversion warrants to shares				
capital	2,494	269,321	2,494	269,321
Weighted average number of ordinary				
shares outstanding during the year				
(basic shares)	316,409,479	316,076,000	316,409,479	316,076,000
Basic earnings (loss) per share (Baht)	(0.602)	0.196	(0.368)	0.559
Number of ordinary share outstanding	316,409,479	316,076,000	316,409,479	316,076,000
Effect of warrants to be exercised shares				
capital	-	20,382,000	-	20,382,000
Weighted average number of ordinary				
shares outstanding during the year				
(diluted)	316,409,479	336,458,000	316,409,479	336,458,000
Diluted earnings (loss) per share (Baht)	(0.602)	0.184	(0.368)	0.525

30. BUSINESS SEGMENTS INFORMATION

The Group's business segment information are divided into lending and factoring, call center services and financial businesses, and others. The Group's business segment information for the year ended December 31, are as follows:

Unit: Thousand Baht

Consolidated financial statements												
For the year ended December 31												
	Call center services and financial											
	Lending and factoring		businesses		Others		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	182,283	351,888	143,094	155,097	-	107	325,377	507,092	4,157	10,898	329,534	517,990
Segment profit	(33,202)	88,966	44,755	52,048	-	107	11,553	141,121	10,722	34,944	22,275	176,065
Dividend income	36,350	162,099	-	-	-	-	36,350	162,099	(33,850)	(162,099)	2,500	-
Other income	20,193	35,143	4,549	8,075	-	10	24,742	43,228	(13,882)	(34,938)	10,860	8,290
Administrative expenses	(74,296)	(62,350)	(35,902)	(34,223)	-	(109)	(110,198)	(96,682)	8,176	(457)	(102,022)	(97,139)
Doubtful debt	(138,927)	-	-	-	-	-	(138,927)	-	-	-	(138,927)	-
Finance costs	(237)	(139)	(11)	(63)	(10)	-	(258)	(202)	10	18	(248)	(184)
Tax (expenses) income	17,863	(19,077)	(1,634)	(6,057)	-	(23)	16,229	(25,157)	2,127	-	18,356	(25,157)
Profit (loss) for the year	(172,256)	204,642	11,757	19,780	(10)	(15)	(160,509)	224,407	(26,697)	(162,532)	(187,206)	61,875

Operating assets as at December 31, consisted of:

Leasehold improvement												
and equipment	11,598	13,691	6,134	7,146	-	-	17,732	20,837	(116)	(61)	17,616	20,776
Others	5,117,909	5,815,550	244,919	99,014	381,932	-	5,744,760	5,914,564	(1,446,844)	(1,147,265)	4,297,916	4,767,299
Total operating assets	5,129,507	5,829,241	251,053	106,160	381,932	-	5,762,492	5,935,401	(1,446,960)	(1,147,326)	4,315,532	4,788,075

31. PRESENTATION AND DISCLOSURE OF FINANCIAL INSTRUMENT

The Company and its subsidiaries financial instruments, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, temporary investment, othercurrent receivable,amounts due from related companies, factoring receivables, loans to employees, loans to related companies, short-term loans to other companies, long-term loans to other companies, long-term investment, interest payables, other payables, amounts due to related companies, short-term loans from related parties, short-term loans from others, liabilities under financial lease agreements,debentures.The financial risks associated with these financial instruments and how they are managed is described below.

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 - 15.00% per annum.

Significant financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the reprising date if this occurs before the maturity date.

Unit: Thousand Baht

Consolidated financial statements as at December 31, 2019							
	Fixed interest rate		Floating interest rate		No interest rate	Total	Average Interest
	Within 1 year	Over 1 year	Within 1 year	Over 1 year			
Financial assets							
Cash and cash equivalents	-	-	143,467	-	224	143,691	0.125%-0.50%
Short-term investments	-	-	-	-	211,120	211,120	-
Account receivables	-	-	-	-	25,058	25,058	-
Factoring receivables	4,611	-	-	-	-	4,611	15%
Restricted deposits at bank	-	292	-	-	-	292	0.375%
Loan to employees	10	-	-	-	-	10	8.28%-15%
Term loan to other companies	337,205	-	-	-	-	337,205	12%
Long-term investment	-	-	-	-	121,071	121,071	-
Defaulted loans to other companies	-	2,604,370	-	-	-	2,604,370	6-15%
Total financial assets	341,826	2,604,662	143,467	-	357,473	3,447,428	

Unit: Thousand Baht

Consolidated financial statements as at December 31, 2019

	Fixed interest rate		Floating interest rate		No interest rate	Total	Average Interest
	Within 1 year	Over 1 year	Within 1 year	Over 1 year			
	Financial liabilities						
Interest payables	-	-	-	-	32,840	32,840	-
Other payable	-	-	-	-	13,292	13,292	-
Short-term borrowing from other companies	20,000	-	-	-	-	20,000	5%
Short-term borrowings	362,215	3,000	-	-	-	365,215	6.75% – 15%
Liabilities under financial lease agreements	1,583	2,768	-	-	-	4,351	4.64% -4.92%
Debentures	2,367,039	302,490	-	-	-	2,669,529	6.00% -7.50%
Total financial liabilities	2,750,837	308,258	-	-	46,132	3,105,227	

Unit: Thousand Baht

Consolidated financial statements as at December 31, 2018

	Fixed interest rate		Floating interest rate		No interest rate	Total	Average Interest
	Within 1 year	Over 1 year	Within 1 year	Over 1 year			
	Financial assets						
Cash and cash equivalents	-	-	52,129	-	19	52,148	0.125%-0.50%
Short-term investments	-	-	-	-	208,522	208,522	-
Account receivables	-	-	-	-	36,874	36,874	-
Factoring receivables	7,042	-	-	-	-	7,042	15%
Restricted deposits at bank	-	292	-	-	-	292	0.375%
Loan to employees	100	10	-	-	-	110	8.28%-15%
Term loan to other companies	2,414,052	130,489	-	-	-	2,544,541	6-15%
Defaulted loans to other companies	-	1,300,366	-	-	-	1,300,366	6-15%
Long-term investment	-	-	-	-	245,000	245,000	-
Total financial assets	2,421,194	1,431,157	52,129	-	490,415	4,394,895	

Unit: Thousand Baht

Consolidated financial statements as at December 31, 2018							
Fixed interest rate		Floating interest rate					
Within 1 year	Over 1 year	Within 1 year	Over 1 year	No interest rate	Total	Average Interest	
Financial liabilities							
Interest payables	-	-	-	-	38,403	38,403	-
Other payable					18,901	18,901	-
borrowing from other companies	417,822	-	-	-	-	417,822	6%-8%
Liabilities under financial lease agreements	2,207	3,315	-	-	-	5,522	3.07%-5.57%
Debentures	1,460,403	1,591,959	-	-	-	3,052,362	5.5%-6.5%
Total financial liabilities	1,880,432	1,595,274	-	-	57,304	3,533,010	

Unit: Thousand Baht

Separated financial statements as at December 31, 2019							
Fixed interest rate		Floating interest rate					
Within 1 year	Over 1 year	Within 1 year	Over 1 year	No interest rate	Total	Average Interest	
Financial assets							
Cash and cash equivalents	-	-	137,719	-	7	137,726	0.125%-0.375%
Short-term investments	-	-	-	-	15,578	15,578	-
Amounts due from related companies	-	-	-	-	10,252	10,252	-
Term loan to related parties	-	446,500	-	-	-	446,500	0.80%
Term loan to other companies	337,205	-	-	-	-	337,205	6%-15%
Term loans to other companies	-	2,364,504	-	-	-	2,364,504	6%-15%
Long-term investment	-	-	-	-	121,071	121,071	-
Total financial assets	337,205	2,811,004	137,719	-	146,908	3,432,836	

Unit: Thousand Baht

Separated financial statements as at December 31, 2019

	Fixed interest rate		Floating interest rate		No interest rate	Total	Average Interest
	Within 1 year	Over 1 year	Within 1 year	Over 1 year			
<u>Financial liabilities</u>							
Interest payables	-	-	-	-	32,840	32,840	-
Other payable	-	-	-	-	1,410	1,410	-
Amount due to related parties	-	-	-	-	210	210	-
Short-term loans from related parties	276,470	-	-	-	-	276,470	0.80%-1.00%
Borrowings	362,215	3,000	-	-	-	365,215	6.75% – 15%
Liabilities under financial lease agreements	1,583	2,768	-	-	-	4,351	4.64%-4.92%
Debentures	2,367,039	302,490	-	-	-	2,669,529	6.00%-7.50%
Total financial liabilities	3,007,307	308,258	-	-	34,460	3,350,025	

Unit: Thousand Baht

Separated financial statements as at December 31, 2018

	Fixed interest rate		Floating interest rate		No interest rate	Total	Average Interest
	Within 1 year	Over 1 year	Within 1 year	Over 1 year			
	Financial assets						
Cash and cash equivalents	-	-	48,746	-	4	48,750	0.125-0.50%
Short-term investments	-	-	-	-	154,301	154,301	-
Amounts due from related companies	-	-	-	-	110	110	-
Term loan to related parties	2,167,311	130,489	-	-	-	2,300,058	6%-15%
Term loans to other companies	-	1,300,366	-	-	-	1,300,366	6%-15%
Long-term investment	-	-	-	-	245,000	245,000	-
Total financial assets	2,167,311	1,430,855	48,746	-	399,415	4,048,585	
Financial liabilities							
Interest payables	-	-	-	-	38,403	38,403	-
Other payable	-	-	-	-	4,722	4,722	-
Amount due to related parties	-	-	-	-	276	276	-
Short-term loans from related parties	324,000	-	-	-	-	324,000	0.80%
Borrowings	417,822	-	-	-	-	417,822	6%-8%
Liabilities under financial lease agreements	1,736	3,315	-	-	-	5,051	3.07%-4.64%
Debentures	1,460,403	1,591,959	-	-	-	3,052,362	5.5%-6.5%
Total financial liabilities	2,203,961	1,595,274	-	-	43,401	3,842,636	

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. However, the Company is exposed to credit risks as shown in Note 11.

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. However, the company is exposed to liquidity risk as mentioned in Note 2.

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.

Exchange rate risk

The Company has no materiality transactions in foreign currencies. Therefore, there is no exchange rate risk.

Fair value of financial instruments

The methods and assumptions for estimating the fair value of financial instruments are as follows.

Short-term financial assets have the carrying amounts approximate their fair values.

Long-term financial assets consisting of defaulted loans to other companies and long-term investment amounts are based on fair value which the carrying amount approximate their fair values.

Short-term financial liabilities have the carrying amounts approximate their fair values.

As at December 31, 2019 and 2018, fair values of financial assets are not materiality different from book value. Financial liabilities are presented at book value with equal to the estimated fair value. Fair value is estimated by using the above method and assumption. The actual fair value may be different.

Fairvaluehierarchy

As at December 31 2019, the Company and its subsidiaries had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

	Unit: Thousand Baht							
	Consolidated financial statements				Separate financial statements			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed								
Short-term investments	-	211,120	-	211,120	-	15,578	-	15,578
Long-term investments	-	-	121,071	121,071	-	-	121,071	121,071
Investment properties	-	778,028	-	778,028	-	334,331	-	334,331
Liabilities for which fair value are disclosed								
Debentures	-	2,669,529	-	2,669,529	-	2,669,529	-	2,669,529

32. EMPLOYEES PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 3-5% depending on the age of the work and the Company contributed to the fund monthly at the referred rate. The Company will pay to employees upon termination in accordance with the fund rules. For the year ended December 31, 2019 and 2018, the Group contributed to the fund amounting of Baht 1.07 million and Baht 1.30 million respectively in the consolidated financial, and amounting of Baht 0.40 million and Baht 0.50 million respectively in the separate financial.

33. COMMITMENTS AND CONTINGENCIES LIABILITIES

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

	Unit:Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Due within 1 year	7,480,597	9,551,373	4,886,160	4,669,979
Due over 1 year not exceeding 5 years	4,600,078	8,288,638	4,180,078	7,401,838
Total	12,080,675	17,840,011	9,066,238	12,071,817

34. RECLASSIFICATION AND ADJUSTMENT

The Company has reclassified the statement of financial position as at December 31, 2018 to conform to the presentation in the current years as follows:

Unit: Baht

	Consolidated financial statements			Separate financial statements		
	Before		After	Before		After
	reclassification	Reclassification	reclassification	reclassification	Reclassification	reclassification
Statement of financial position as at December 31,						
2018						
Other current assets	27,716	(591)	27,125	-	-	-
Restricted deposits at bank	-	292	292	-	-	-
Other non-current assets	1,990	299	2,289	-	-	-
Short-term loans to other companies	3,844,908	(1,433,093)	2,411,815	3,600,424	(1,433,093)	2,167,331
Current portion of long-term loans to other companies	-	2,238	2,238	-	2,238	2,238
Long-term loans to other companies - net	-	130,489	130,489	-	130,489	130,489
Defaulted loans to other companies	-	1,300,366	1,300,366	-	1,300,366	1,300,366

35. EVENTS AFTER THE REPORTING PERIOD

In accordance with the resolution of the Debenture holders' meeting No. 2/2019 on February 13, 2020, the debenture holders did not approve to change rights and obligations of the debenture issuer and debenture holders to extend a maturity redemption date of debentures ACAP202A for another 366 days starting from February 7, 2020 to February 7, 2021 and to increase an interest from 6.00 % per annum to 7.50% per annum. This causes the debenture ACAP202A to be defaulted debentures.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 27, 2020.