

## **Independent auditor’s report on review of interim financial information**

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

I have reviewed the accompanying consolidated and separate statements of financial position of ASIA Capital Group Public Company Limited and its subsidiaries and of ASIA Capital Group Public Company Limited respectively, as at September 30, 2021 the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2021, statements of changes in shareholders’ equity and statements of cash flows for the nine-month period ended September 30, 2021, and the condensed notes to interim financial statements (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

#### **Scope of review**

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

#### **Basis for disclaimer of conclusion on the Interim Financial Information**

- 1) As disclosed in Note 10.2 to the Interim Financial Statements, 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. On June 10, 2020, the Civil Court has judged that the customer has to pay Baht 289.56 million to the Company with interest of 15% per annum until the completion of debt settlement. If the customer does not pay all of the said debt, the loan receivable shall pay the outstanding debt to the Company and the customer and the loan receivable shall jointly pay the court fee.

The customer filed an appeal with the court, and on March 10, 2021, the Company filed an appeal and an objection requesting a palliative of execution. Presently, this case is currently being considered by the Appeal Court. The court postponed for the date for hearing the judgment and or the Court of Appeal's order from September 28, 2021 to January 20, 2022.

In addition, Predecessor Auditor had sent confirmation letters to the loan receivable account and the customer, and received a reply from the loan receivable account and the customer which that the amount is not correct and the difference in debt balance amounts cannot be verified. Moreover, the legal case is not yet settled and cannot be concluded. As these circumstances, I was unable to use any additional review methods to obtain sufficient and appropriate evidence to assess the impact on receipt of this debtor, which may be necessary when considering loss on credit of receivable and accrued interest receivable balance (net from provision loss on credit) totalling of Baht 235.97 million which are outstanding as at September 30, 2021 in 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 2 to the Interim Financial Statements, the Group has current liabilities as at September 30, 2021 in the amount of Baht 3,321 million, which is significantly higher than current assets and these consist mostly the debentures amounting of Baht 2,477 million matured in one year. All such debentures are in default and many debenture holders have sued the Company to the Civil Court for the Company to pay the principal together with defaulted interest. Currently, the cases are being considered by the Court of First Instance (Note 16).

The Company's plans for the debenture repayment are to receive cash from the possible lawsuit win and from selling of investment property on the enforcement of collateral to settle debt. On February 23, 2021, the Company filed to the Central Bankruptcy Court for the rehabilitation. The debenture holders have objected the business rehabilitation request. Currently, the cases are being considered by the Central Bankruptcy Court (Note 5). The ability to repay debentures and short-term loans payable depends on the Company's ability to execute such plan.

#### *Lack of liquidity*

As at September 30, 2021, the Company has cash and cash equivalents amount of Baht 9,828 in its separate financial statements. And cash at bank of the Company amount of Baht 1.74 million (present in other current assets) was transferred to the Legal Execution Department 1 according to the Notification of Suspension dated November 12, 2020. The consolidated financial statements, show significant current liabilities in excess of current assets amount of Baht 3,184 million.

The Company has defaulted loans to other companies having real estate as collateral and has investment properties which are the part that the Company forced the collateral to pay debts. Forcing the collateral and selling the investment property in order to get sufficient cash flow for operations and repayment of the liabilities will take times. In addition, the current general economic environment has been affected by the outbreak of Coronavirus disease 2019 (COVID-19) which is an obstacle to manage to get a sufficient cash flow.

The Company's operation is in high uncertain in the current situation, such as the success of the negotiation process to pay debentures, the sale of collateral assets and the findings additional source of fund. Therefore, the expected recoverable value of the asset may be uncertain depending on various factors and other future situation. All such above situations represent material uncertainties that may cast significant doubt on the Group's ability to continue operating.

Despite the above factors, the accompanying financial statements have been prepared under the going-concern basis assuming that the Company and the subsidiary companies will be able to continue their business operations as going concerns and that their assets will be realised and their liabilities discharged in the ordinary course of business without forcing actions, and excluding any adjustments that might be required to present assets at their saleable value, and liabilities in accordance with the amounts that would have to be repaid, and to reclassify accounts, in the event the Company and the subsidiary companies were unable to continue their businesses as going concerns.

**Disclaimer of conclusion on the Interim Financial Information**

Because the matters described in the Basis for Disclaimer of Conclusion on the Interim Financial Information have significance to the consolidated interim financial information of ASIA Capital Group Public Company Limited and its subsidiaries and the separate interim financial information of ASIA Capital Group Public Company Limited as at September 30, 2021 and for the three-month and nine-month period then ended, I do not express a conclusion on the Interim Financial Information.

**Other Matter**

The consolidated and separate statements of financial position as at December 31, 2020 of ASIA Capital Group Public Company Limited and its subsidiaries, and of ASIA Capital Group Public Company Limited, presented herein as comparative information, were audited by another auditor of the same firm, who provided disclaimer opinion on the financial statements because of the uncertainty to the litigation cases of loan receivable that affect the loss allowance, default of the Company's debentures amount of Baht 2,490 million, lack of liquidity of the Company and the Company filed to the Central Bankruptcy Court for the rehabilitation, according to report dated February 25, 2021. The consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2020 and the consolidated and separate statements of changes in shareholders' equity and of cash flows for the nine-month period ended September 30, 2020, which have been presented herewith for comparative information, were also reviewed by aforementioned auditor of the same firm, who provided the qualified conclusion on the provision for credit loss of the receivable which is under the litigation cases, under his report date November 13, 2020.

(Yuttapong Chuamuangpan)

Certified Public Accountant

Registration No. 9445

ANS Audit Co., Ltd.

Bangkok, November 12, 2021

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

Unit : Thousand Baht					
		Consolidated financial statements		Separate financial statements	
		Unaudited		Unaudited	
		but reviewed	Audited	but reviewed	Audited
Notes	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	386	200,531	10	9
Accounts receivable - net		259	259	-	-
Other receivable to related companies - net	6	-	-	-	10,241
Short-term loans to related company	6	-	-	-	52,211
Other current financial asset	8	129,765	97,719	-	-
Other current assets		6,699	7,630	1,875	2,175
<b>Total current assets</b>		137,109	306,139	1,885	64,636
<b>Non-current assets</b>					
Other non-current financial assets	9	106,246	111,188	106,246	111,188
Investment in subsidiaries - net		-	-	664,226	664,226
Non-current other receivable to related company - net	6	-	-	7,830	-
Non-current factoring receivables - net		3,589	3,589	-	-
Long-term loans to related company	6	-	-	222,833	222,833
Defaulted loans to other companies - net	10	2,106,735	1,995,367	1,869,965	1,814,144
Investment property - net	11	929,307	933,234	513,076	513,621
Leasehold improvements and equipment - net	12	8,827	11,402	6,539	8,846
Right-of-use assets - net	13	7,891	4,260	7,891	4,260
Intangible assets - net		49	67	19	22
Deferred tax assets	14	98,481	119,552	84,382	94,347
Other non-current assets		18,311	13,431	16,151	11,271
<b>Total non-current assets</b>		3,279,436	3,192,090	3,499,158	3,444,758
<b>Total assets</b>		3,416,545	3,498,229	3,501,043	3,509,394

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

					Unit : Thousand Baht			
					Consolidated financial statements		Separate financial statements	
					Unaudited		Unaudited	
					but reviewed	Audited	but reviewed	Audited
Notes	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020				
<b>Liabilities and Shareholders' Equity</b>								
<b>Current liabilities</b>								
	570,307	283,170	570,307	283,170				
Interest payables								
	2,844	2,583	1,371	714				
Other payables								
Other payable from related company	6	-	-	278	14			
Short-term loans from related parties	6	-	-	105,543	-			
Short-term loans from others	15	250,000	350,000	250,000	350,000			
Current portion of lease liabilities		3,120	4,491	3,120	4,491			
Current portion of debentures	16	2,476,590	2,490,405	2,476,590	2,490,405			
Other current liabilities		18,597	19,328	18,516	19,251			
<b>Total current liabilities</b>		3,321,458	3,149,977	3,425,725	3,148,045			
<b>Non-current liabilities</b>								
Lease liabilities - net		6,427	2,564	6,427	2,564			
Non-current provisions for employee benefits		5,962	5,053	5,587	4,698			
Other non-current liabilities		940	1,052	940	1,052			
<b>Total non-current liabilities</b>		13,329	8,669	12,954	8,314			
<b>Total liabilities</b>		3,334,787	3,158,646	3,438,679	3,156,359			
<b>Shareholders' Equity</b>								
Share capital								
Authorized share capital								
316,411,160 ordinary shares, at Baht 0.5 each	158,206	158,206	158,206	158,206				
Issued and fully paid-up								
316,411,160 ordinary shares, at Baht 0.5 each	158,206	158,206	158,206	158,206				
Premiums on ordinary shares	445,111	445,111	445,111	445,111				
Retained earnings (deficits)								
Appropriated								
Legal reserve	19,534	19,534	19,534	19,534				
Unappropriated	(529,233)	(275,361)	(548,627)	(261,909)				
Other component of shareholders' equity	(11,860)	(7,907)	(11,860)	(7,907)				
<b>Total shareholders' equity attributable to owners of parent</b>	81,758	339,583	62,364	353,035				
Non-controlling interests	-	-	-	-				
<b>Total shareholders' equity</b>	81,758	339,583	62,364	353,035				
<b>Total liabilities and shareholders' equity</b>	3,416,545	3,498,229	3,501,043	3,509,394				

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Note	Unit : Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
	6				
<b>Revenues</b>					
Interest income		-	8,196	337	9,095
Interest expenses		(107,087)	(115,973)	(107,165)	(116,447)
<b>Net interest income</b>		(107,087)	(107,777)	(106,828)	(107,352)
Gain on disposal of investment in subsidiary		-	73,302	-	79,461
Other income		152	377	75	376
Administrative expenses		(25,965)	(16,252)	(18,232)	(10,880)
<b>Loss before financial costs and income tax</b>		(132,900)	(50,350)	(124,985)	(38,395)
Financial costs		(66)	(278)	(66)	(281)
Loss on credit of receivables		-	(7,814)	(364)	(4,401)
<b>Loss before income tax</b>		(132,966)	(58,442)	(125,415)	(43,077)
Income tax expenses		91	1,641	90	953
<b>Loss from continuing operations</b>		(132,875)	(56,801)	(125,325)	(42,124)
Profit for the period from discontinued operation		-	1,881	-	-
<b>Loss for the period</b>		(132,875)	(54,920)	(125,325)	(42,124)
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on investments in equity instruments designated at fair value through other comprehensive income - net from tax		(494)	-	(494)	-
Other comprehensive loss for the periods - net from tax		(494)	-	(494)	-
<b>Total comprehensive loss for the period</b>		(133,369)	(54,920)	(125,819)	(42,124)
<b>Profit (loss) attributable to</b>					
Equity holders of the Company		(132,875)	(55,597)	(125,325)	(42,124)
Non-controlling interests		-	677	-	-
		(132,875)	(54,920)	(125,325)	(42,124)
<b>Total comprehensive income (loss) attributable to</b>					
Equity holders of the Company		(133,369)	(55,597)	(125,819)	(42,124)
Non-controlling interests		-	677	-	-
		(133,369)	(54,920)	(125,819)	(42,124)
<b>Loss per share ( Baht per share)</b>					
Basic loss per share		(0.420)	(0.176)	(0.396)	(0.134)
Basic loss per share - continuing operations		(0.420)	(0.180)	(0.396)	(0.134)



**ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

		Unit : Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
Notes		2021	2020	2021	2020
	6, 17				
<b>Revenues</b>					
		-	25,433	1,004	28,108
		(294,792)	(259,454)	(294,996)	(260,928)
		<b>(294,792)</b>	<b>(234,021)</b>	<b>(293,992)</b>	<b>(232,820)</b>
		951	1,235	951	1,235
		-	73,302	-	79,461
		938	655	715	789
		(49,958)	(55,631)	(35,372)	(32,867)
		-	-	-	(94,265)
		<b>(342,861)</b>	<b>(214,460)</b>	<b>(327,698)</b>	<b>(278,467)</b>
		(320)	(879)	(320)	(890)
		111,368	(27,287)	52,253	(18,405)
		<b>(231,813)</b>	<b>(242,626)</b>	<b>(275,765)</b>	<b>(297,762)</b>
	14	(22,059)	7,889	(10,953)	3,937
		<b>(253,872)</b>	<b>(234,737)</b>	<b>(286,718)</b>	<b>(293,825)</b>
		-	3,135	-	-
		<b>(253,872)</b>	<b>(231,602)</b>	<b>(286,718)</b>	<b>(293,825)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
		(3,953)	(7,907)	(3,953)	(7,907)
		-	(602)	-	(75)
		<b>(3,953)</b>	<b>(8,509)</b>	<b>(3,953)</b>	<b>(7,982)</b>
		<b>(257,825)</b>	<b>(240,111)</b>	<b>(290,671)</b>	<b>(301,807)</b>

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		Unit : Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
Notes		2021	2020	2021	2020
<b>Profit (loss) attributable to</b>					
	Equity holders of the Company	(253,872)	(232,731)	(286,718)	(293,825)
	Non-controlling interests	-	1,129	-	-
		<u>(253,872)</u>	<u>(231,602)</u>	<u>(286,718)</u>	<u>(293,825)</u>
<b>Total comprehensive income (loss) attributable to</b>					
	Equity holders of the Company	(257,825)	(241,061)	(290,671)	(301,807)
	Non-controlling interests	-	950	-	-
		<u>(257,825)</u>	<u>(240,111)</u>	<u>(290,671)</u>	<u>(301,807)</u>
<b>Loss per share ( Baht per share)</b>					
	Basic loss per share	<u>(0.802)</u>	<u>(0.736)</u>	<u>(0.906)</u>	<u>(0.929)</u>
	Basic loss per share - continuing operations	<u>(0.802)</u>	<u>(0.742)</u>	<u>(0.906)</u>	<u>(0.929)</u>

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Unit : Thousand Baht											
	Unaudited but reviewed											
	Consolidated financial statements											
	Retained earnings (deficits)					Other component of shareholders' equity						
	Issued and Paid-Up	Premiums	Gain on dilution of	Appropriated		Loss on investments in			Total other	Total shareholders'		
	Share Capital	on ordinary shares	investment proportion	Legal Reserve	Unappropriated	equity instruments	designated at fair value	through other	component of	to owners of	Non-controlling	
			in subsidiary			comprehensive income	Actuarial loss -	comprehensive income	shareholders' equity	parent	interest	
						- net from tax	net from tax	- net from tax				
											Total	
<b>Balance as at January 1, 2021</b>	158,206	445,111	-	19,534	(275,361)	(7,907)	-	(7,907)	(7,907)	339,583	-	339,583
Total comprehensive loss for the period	-	-	-	-	(253,872)	(3,953)	-	(3,953)	(3,953)	(257,825)	-	(257,825)
<b>Balance as at September 30, 2021</b>	158,206	445,111	-	19,534	(529,233)	(11,860)	-	(11,860)	(11,860)	81,758	-	81,758
<b>Balance as at January 1, 2020</b>	158,206	445,110	63,978	19,534	80,175	-	-	-	-	767,003	83,502	850,505
Change of non-controlling interest	-	-	(63,978)	-	-	-	-	-	-	(63,978)	(84,452)	(148,430)
Total comprehensive income (loss) for the period	-	-	-	-	(232,731)	(7,907)	(602)	(8,509)	(8,509)	(241,240)	1,129	(240,111)
Transfer to retained earnings	-	-	-	-	(423)	-	602	602	602	179	(179)	-
<b>Balance as at September 30, 2020</b>	158,206	445,110	-	19,534	(152,979)	(7,907)	-	(7,907)	(7,907)	461,964	-	461,964

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Unit : Thousand Baht							
	Unaudited but reviewed							
	Separate financial statements							
	Retained earnings (deficits)				Other component of shareholders' equity			
	Issued and Paid-Up	Premiums	Appropriated		Loss on investments in equity			
	Share Capital	on ordinary shares	Legal Reserve	Unappropriated	instruments designated at fair			
					value through other	comprehensive income	Actuarial loss -	Total other
					- net from tax	net from tax	shareholders' equity	component of
								Total
<b>Balance as at January 1, 2021</b>	158,206	445,111	19,534	(261,909)	(7,907)	-	(7,907)	353,035
Total comprehensive loss for the period	-	-	-	(286,718)	(3,953)	-	(3,953)	(290,671)
<b>Balance as at September 30, 2021</b>	158,206	445,111	19,534	(548,627)	(11,860)	-	(11,860)	62,364
<b>Balance as at January 1, 2020</b>	158,206	445,110	19,534	185,614	-	-	-	808,464
Total comprehensive loss for the period	-	-	-	(293,825)	(7,907)	(75)	(7,982)	(301,807)
Transfer to retained earnings	-	-	-	(75)	-	75	75	-
<b>Balance as at September 30, 2020</b>	158,206	445,110	19,534	(108,286)	(7,907)	-	(7,907)	506,657

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Unit : Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash Flows from Operating Activities:</b>				
Loss for the periods	(253,872)	(231,602)	(286,718)	(293,825)
Adjustments to reconcile loss for the periods to cash				
provided by (used in) operating activities				
Depreciation and amortization	8,063	25,469	4,398	4,814
Interest income	-	(25,433)	(1,004)	(28,108)
Interest expenses	294,792	259,454	294,996	260,928
Interest expenses from leases	320	879	320	890
Loss on credit of accounts receivable	-	410	-	-
Loss on credit of loans to related company	-	-	1,158	-
(Reversal of) loss on credit of loans to other companies	(111,368)	26,762	(55,821)	18,405
Loss on credit of non-current other receivable to related company	-	-	2,410	-
Dividend income	(951)	(1,235)	(951)	(1,235)
Impairment loss on investment in subsidiaries	-	-	-	94,265
Loss on written-off of withholding tax assets	235	1,095	221	947
Reveral of doubtful debt - revenue department receivable	(664)	-	(664)	-
Loss on disposal of fixed asset	472	514	472	520
Gain from redemption of debentures	(641)	-	(641)	-
Gain from lease termination	-	(81)	-	(81)
Gain from disposal of other current financial assets	(69)	(1,101)	-	(367)
Unrealized gain from changes in value of other current financial assets	(149)	(16)	-	-
Gain on disposal of investment in subsidiary	-	(73,302)	-	(79,461)
Non-current provisions for employee benefits	909	1,348	889	887
Income tax expenses (revenue)	22,059	(7,889)	10,953	(3,937)
Loss from operating activities before changes				
in operating assets and liabilities	(40,864)	(24,728)	(29,982)	(25,358)
Changes in operating assets (increase) decrease				
Trade receivables	-	(1,345)	-	-
Loans to other companies	-	140,000	-	140,000
Other current assets	1,361	(4,322)	743	(60)
Loan to employees	-	10	-	-
Restricted deposits at bank	-	(200)	-	-
Other non-current assets	(129)	(1,913)	(129)	792
Changes in operating liabilities increase (decrease)				
Other payables	261	312	657	2,317
Other payable from related company	-	-	264	(43)
Other current liabilities	(731)	1,552	(735)	(827)
Other non-current liabilities	(112)	-	(112)	-
Cash provided by (used in) operating activities	(40,214)	109,366	(29,294)	116,821

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Unit : Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash Flows from Operating Activities:</b>				
Interest received	-	17,549	2	17,549
Interest paid	(7,975)	(74,125)	(8,179)	(75,610)
Cash received of refundable corporate income tax	11,266	-	11,266	-
Income tax paid	-	(1,452)	-	(180)
<b>Net cash from (used in) operating activities</b>	<b>(36,923)</b>	<b>51,338</b>	<b>(26,205)</b>	<b>58,580</b>
<b>Cash Flows from Investing Activities:</b>				
Cash received from other current financial assets	76,992	369,445	-	309,645
Cash paid for other current financial assets	(108,820)	(459,000)	-	(293,700)
Cash received from disposal of investment in subsidiary	-	159,461	-	159,461
Cash received dividend income	951	1,235	951	1,235
Cash received from short-term loans to related company	-	-	52,211	-
Cash payment for long-term loans to related company	-	-	(154)	(299)
Cash paid for the transfer of investment properties from debt settlement	-	(11,717)	-	(11,717)
Cash paid for deposit of investment properties from debt settlement	(16,017)	-	(16,017)	-
Cash payment for acquisition of leasehold improvement and equipment	(3)	(7,874)	(3)	-
Cash received from disposal of leasehold improvement and equipment	879	1,928	879	1,920
Cash paid for purchase of intangible assets	-	(9,834)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(46,018)</b>	<b>43,644</b>	<b>37,867</b>	<b>166,545</b>
<b>Cash Flows from Financing Activities:</b>				
Cash paid for short-term loans from others	(100,000)	(30,000)	(100,000)	(30,000)
Cash received from short-term loans from related parties	-	-	118,667	1,511
Cash paid for short-term loans from related parties	-	(20,000)	(13,124)	(148,939)
Cash paid for long-term loans from others	-	(3,000)	-	(3,000)
Redemption of debentures	(13,174)	(176,004)	(13,174)	(176,004)
Cash paid for lease liabilities	(4,030)	(5,701)	(4,030)	(6,202)
<b>Net cash used in financing activities</b>	<b>(117,204)</b>	<b>(234,705)</b>	<b>(11,661)</b>	<b>(362,634)</b>
<b>Net cash and cash equivalents increase (decrease)</b>	<b>(200,145)</b>	<b>(139,723)</b>	<b>1</b>	<b>(137,509)</b>
Cash and cash equivalents at the beginning of the period	200,531	143,691	9	137,726
Cash and cash equivalents decrease from disposal of investment in subsidiary	-	(2,165)	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>386</b>	<b>1,803</b>	<b>10</b>	<b>217</b>
<b>Supplemental Disclosures of Cash Flows Information</b>				
Debt settlement from forcing collateral	-	168,021	-	168,021
Transfer deposits as equipment	-	1,967	-	-
Transfer deposits as intangible assets	-	5,458	-	-
Right-of-use assets increased from lease liabilities	6,521	32,184	6,521	7,576
Purchase of vehicle under finance lease	-	3,500	-	3,500
Reclassify long-term loans to related company according to TFRS 9	-	-	-	196,779

**ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
**(UNAUDITED BUT REVIEWED)**

**1. GENERAL INFORMATION**

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

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

The principal business operations of the Group are corporate and retail lending and factoring business.

**2. GOING CONCERN**

The Group has current liabilities as at September 30, 2021 in the amount of Baht 3,321 million, which is significantly higher than current assets and these consist mostly the debentures amounting of Baht 2,477 million matured in one year. All such debentures are in default and many debenture holders have sued the Company to the Civil Court for the Company to pay the principal together with defaulted interest. Currently, the cases are being considered by the Court of First Instance and temporary dispose of the cases (Note 16).

The Company's plans for the debenture repayment are to receive cash from the possible lawsuit win and from selling of investment property on the enforcement of collateral to settle debt. On February 23, 2021, the Company filed to the Central Bankruptcy Court for the rehabilitation and the Central Bankruptcy Court accepted the business rehabilitation petition for further consideration on the same day. As a result, the Company is under the automatic stay provisions status under the Bankruptcy Act B.E. 2483. Such situation may affect to the Company having to maintain automatic stay status and unable to repaid debt, which is considered as debt payment default conditions. Therefore, the Company recorded the default interest according to the terms of each contract. Currently, the cases are being considered by the Central Bankruptcy Court (Note 5). The ability to repay debentures and short-term loans payable depends on the Company's ability to execute such plan.

**Lack of liquidity**

As at September 30, 2021, the Company has cash and cash equivalents amount of Baht 9,828 in its separate financial statements. And cash at bank of the Company amount of Baht 1.74 million (present in other current assets) was transferred to the Legal Execution Department 1 according to the Notification of Suspension dated November 12, 2020. The consolidated financial statements, show significant current liabilities in excess of current assets amount of Baht 3,184 million.

The Company has defaulted loans to other companies having real estate as collateral and has investment properties which are the part that the Company forced the collateral to pay debts. Forcing the collateral and selling the

investment property in order to get sufficient cash flow for operations and repayment of the liabilities will take times. In addition, the current general economic environment has been affected by the outbreak of Coronavirus disease 2019 (COVID-19) which is an obstacle to manage to get a sufficient cash flow. The Company's operation is in high uncertain in the current situation, such as the success of the negotiation process to pay debentures, the sale of collateral assets and the findings additional source of fund. Therefore, the expected recoverable value of the asset may be uncertain depending on various factors and other future situation.

All such above situations represent material uncertainties that may cast significant doubt on the Group's ability to continue operating.

Despite the above factors, the accompanying financial statements have been prepared under the going-concern basis assuming that the Company and the subsidiary companies will be able to continue their business operations as going concerns and that their assets will be realised and their liabilities discharged in the ordinary course of business without forcing actions, and excluding any adjustments that might be required to present assets at their saleable value, and liabilities in accordance with the amounts that would have to be repaid, and to reclassify accounts, in the event the Company and the subsidiary companies were unable to continue their businesses as going concerns.

### **3. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS**

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

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

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

The interim financial statements have been prepared to provide information additional to that included in the financial statements for the year ended December 31, 2020. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2020.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported



amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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

#### **Coronavirus Pandemic 2019 (COVID-19)**

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

#### **Basis for preparation of the consolidated interim financial statements**

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2020. There are no changes in the structure of the Group during the current period.

#### **New financial reporting standards**

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

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. 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 Group’s financial statements.

##### **b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022**

The Federation of Accounting Professions issued certain revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The adoption of these financial reporting standards will not have any significant impact on the Group’s financial statements.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2020 except the followings:

The Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statement for the year ended December 31, 2020 on the followings:

- Not to consider forward-looking information to measure the expected credit losses of trade receivables when using simplified approach.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

As the accounting guidance already expired on December 31, 2020, the Group have assessed the impact and there was no material impact to financial statements. Therefore, the Group did not adjust the value of trade receivables and impairment of assets in 2021.

#### **5. REHABILITATION PLAN**

On January 8, 2021, the Extraordinary Board of Directors' Meeting No. 1/2021 passed a resolution to submit a petition to enter into a business rehabilitation process and propose the rehabilitation planners ("the Planner") to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483. The Company submitted a petition to enter into a business rehabilitation and proposed the rehabilitation planners to the Central Bankruptcy Court, on February 23, 2021 and the Central Bankruptcy Court issued an order to accept the business rehabilitation petition on the same day. The Central Bankruptcy Court has set the date of inquiring for the business rehabilitation petition on June 8, 2021.

The details of the Company's business rehabilitation petition are summarized as follows:

The Company, as a debtor, has filed for rehabilitation with the Central Bankruptcy Court because the Company considered that the rehabilitation is the most suitable and the best course of action to solve the current financial liquidity of the Company under the supervision of the Central Bankruptcy Court in order that the Company can operate normally.

The rehabilitation process will facilitate the Company to achieve the objective of business rehabilitation effectively from the procedures that are under the legal framework and give the rights to all stakeholders fairly.

The initial rehabilitation plan is debt restructuring, assets sales or rental, following the debts in order to resolve the existing liquidity issue by taking into account the interest of all stakeholders fairly and consistent with the ability to repay the debt of the Company including the business management. It is to achieve and be able to pay the debt according to the rehabilitation plan effectively.

The Company, as a debtor, nominated Asia Capital Group Public Company Limited to act as the Company's rehabilitation planners.

On June 8, 2021, the Central Bankruptcy Court has considered a business rehabilitation process. Many debenture holders have objected the business rehabilitation request. The Court postponed for an appointment witness hearing of rehabilitation petitioner and objector from September 2021 to January - February 2022. Currently, the cases are being considered by the Central Bankruptcy.

## 6. TRANSACTIONS WITH RELATED PARTIES

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

	Unit : Thousand Baht				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	
<b>Transactions between the Company and related parties</b>					
<b>for the three-month periods ended September 30,</b>					
Interest income	-	-	338	898	0.30% - 0.80% per annum
Other income	-	-	-	12	Mutually agreed
Interest expenses	-	-	79	474	0.30% - 0.80% per annum
Administrative expenses	-	-	-	7	Mutually agreed
Loss on credit of amounts due from	-	-	364	-	Recoverable amount from disposal of assets
<b>Transactions between the Company and related parties</b>					
<b>for the nine-month periods ended September 30,</b>					
Interest income	-	-	1,005	2,675	0.30 - 0.80% per annum
Other income	-	-	-	115	Mutually agreed
Interest expenses	-	-	204	1,475	0.30 - 0.80% per annum
Administrative expenses	-	-	-	80	Mutually agreed
Loss on credit of receivables	-	-	2,410	-	Discount rate at 5% per annum
Loss on credit of amounts due from	-	-	1,158	-	Recoverable amount from disposal of assets
<b>Director</b>					
Interest expense	-	246	-	246	5.0% per annum

Significant balances with related parties can be summarized as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
<b>Other receivable to related companies</b>				
Capital OK Co., Ltd.	-	-	-	1
OK Cash Co., Ltd.	-	-	-	10,240
<b>Total other receivable to related companies</b>	-	-	-	10,241
<b>Short-term loans to related company</b>				
Capital OK Co., Ltd.	-	-	-	52,211
<b>Total short-term loans to related company</b>	-	-	-	52,211
<b>Non-current other receivable to related company</b>				
OK Cash Co., Ltd.	-	-	10,240	-
<u>Less</u> Credit loss allowance	-	-	(2,410)	-
<b>Total non-current other receivable to related company - net</b>	-	-	7,830	-
<b>Long-term loans to related company</b>				
C.Image Digital Co., Ltd.	-	-	250,205	250,051
<u>Add</u> Interest receivable	-	-	4,214	3,211
Total	-	-	254,419	253,262
<u>Less</u> Credit loss allowance	-	-	(31,586)	(30,429)
<b>Total long-term loans to related company - net</b>	-	-	222,833	222,833
<b>Other payable from related company</b>				
Capital OK Co., Ltd.	-	-	278	14
<b>Total other payable from related company</b>	-	-	278	14
<b>Short-term loans from related company</b>				
Capital OK Co., Ltd.	-	-	105,543	-
<b>Total short-term loans from related company</b>	-	-	105,543	-

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Short-term loans to related company</b>				
<b>Subsidiary</b>				
Beginning balance at the period	-	-	52,211	-
Decrease during the period	-	-	(52,211)	-
<b>Ending balance at the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The short-term loan to a related company is a promissory note due at call without collateral. The loan bears interest at 0.30% per annum.

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

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Long-term loans to a related company</b>				
<b>Subsidiary</b>				
Beginning balance at the period	-	-	250,051	446,500
Impact from the TFRS 9	-	-	-	(196,779)
Increase during the period	-	-	154	299
Ending balance at the period	-	-	250,205	250,020
<u>Add</u> Interest receivable	-	-	4,214	-
<b>Total Long-term loans to a related company</b>	<b>-</b>	<b>-</b>	<b>254,419</b>	<b>250,020</b>
<u>Less</u> Credit loss allowance	-	-	(31,586)	-
<b>Ending balance at the period</b>	<b>-</b>	<b>-</b>	<b>222,833</b>	<b>250,020</b>

The long-term loan to a related company is a promissory note due at call without collateral. The loan bears interest at 0.30 - 0.80% per annum.

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

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Short-term loans from related parties</b>				
<b>Subsidiary</b>				
Beginning balance at the period	-	-	-	256,470
Increase during the period	-	-	118,667	1,511
Decrease during the period	-	-	(13,124)	(128,939)
<b>Ending balance at the period</b>	-	-	105,543	129,042
<b>Director</b>				
Beginning balance at the period	-	20,000	-	20,000
Decrease during the period	-	(20,000)	-	(20,000)
<b>Ending balance at the period</b>	-	-	-	-
<b>Total short-term loans from related parties</b>	-	-	105,543	129,042

The short-term loans from related companies are promissory notes which are due at call and have no collateral. The loans bear interest at 0.30% per annum (The third quarter of 2020: 0.80% per annum).

The third quarter of 2020, the short-term loans from related party is a loan agreement and have no collateral. The loans bear interest at 5.00% per annum.

#### **Management compensation**

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

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term benefits	6,040	14,065	6,040	8,060
Post-employment benefits	551	666	551	537
<b>Total management compensation</b>	6,591	14,731	6,591	8,597

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Cash on hand	13	10	10	6
Cash at banks - current accounts	105	303	-	-
Cash at banks - saving accounts	268	200,218	-	3
<b>Total cash and cash equivalents</b>	<b>386</b>	<b>200,531</b>	<b>10</b>	<b>9</b>

## 8. OTHER CURRENT FINANCIAL ASSETS

Changes in other current financial assets consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	(9 month period)	(12 month period)	(9 month period)	(12 month period)
<b>Book value as of beginning</b>	97,719	211,120	-	15,578
Purchase other current financial assets	108,820	465,732	-	293,700
Disposal of other current financial assets	(76,992)	(394,255)	-	(309,645)
Gain on disposal	69	1,114	-	367
Decrease from disposal of investment in a subsidiary	-	(186,072)	-	-
Unrealized gain on change in fair value through profit or loss	149	80	-	-
<b>Book value as of ending</b>	<b>129,765</b>	<b>97,719</b>	<b>-</b>	<b>-</b>

Other current financial assets are presented at fair value level 2. During the period, the fair value classification was not changed. The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

## 9. OTHER NON-CURRENT FINANCIAL ASSETS

Changes in other non-current financial assets consisted of:

	Unit : Thousand Baht	
	Consolidated and Separate financial statements	
	September 30, 2021	December 31, 2020
	(9 month period)	(12 month period)
Investment in - non-marketable securities		
Book value as of beginning	111,188	121,071
Change in fair value through other comprehensive income	(4,942)	(9,883)
<b>Book value as of ending</b>	<b>106,246</b>	<b>111,188</b>

As at September 30, 2021, the fair value of investments is calculated from the latest selling price that the Company has already disposed certain investment and adjusted by the change in net asset value per share of such investments as at the reporting date and at the beginning of the period.

As at December 31, 2020, the fair value of investments is calculated from the latest selling price that the Company has already disposed certain investment in 2019.

Other non-current financial assets are presented at fair value level 3. During the period, the fair value classification was not changed.

## 10. DEFALUTED LOANS TO OTHER COMPANIES - NET

Defaulted loans to other companies consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
<b>Defaulted loans to other companies</b>				
Bills of exchange	653,891	653,891	583,891	583,891
Term loans to other companies	1,879,242	1,879,242	1,646,941	1,646,941
<b>Total defaulted loans to other companies</b>	<b>2,533,133</b>	<b>2,533,133</b>	<b>2,230,832</b>	<b>2,230,832</b>
<u>Less</u> Credit loss allowance	(426,398)	(537,766)	(360,867)	(416,688)
<b>Total defaulted loans to other companies - net</b>	<b>2,106,735</b>	<b>1,995,367</b>	<b>1,869,965</b>	<b>1,814,144</b>



## Collateral value measurement

Unit : Thousand Baht				
Consolidated financial statements as at September 30, 2021				
			Credit loss	
	Loan amount	Collateral value	allowance	Total
<b>Defaulted loans to other companies</b>				
Term loans with ordinary shares as collateral	162,464	257,425	-	162,464
Term loans with real estate as collateral for collateral values under loan amount	1,574,768	1,216,876	(357,892)	1,216,876
Term loans with leasehold rights and under the process of rights transfer (Note 10.3)	491,427	597,900	-	491,427
Term loans under the process of court consideration (Note 10.2)	304,474	-	(68,506)	235,968
<b>Total defaulted loans to other companies - net</b>	<b>2,533,133</b>	<b>2,072,201</b>	<b>(426,398)</b>	<b>2,106,735</b>
Unit : Thousand Baht				
Separate financial statements as at September 30, 2021				
			Credit loss	
	Loan amount	Collateral value	allowance	Total
<b>Defaulted loans to other companies</b>				
Term loans with ordinary shares as collateral	92,464	173,242	-	92,464
Term loans with real estate as collateral for collateral values under loan amount	1,342,467	1,050,107	(292,361)	1,050,106
Term loans with leasehold rights and under the process of rights transfer (Note 10.3)	491,427	597,900	-	491,427
Term loans under the process of court consideration (Note 10.2)	304,474	-	(68,506)	235,968
<b>Total defaulted loans to other companies - net</b>	<b>2,230,832</b>	<b>1,821,249</b>	<b>(360,867)</b>	<b>1,869,965</b>

The value of collateral which is ordinary shares is calculated from 95% on the closing price of ordinary shares at the end of the period.

As at September 30, 2021, collateral value which is real estate, calculated from the present value of expected cash flow from selling of collateral. The discounted cash flow is equal to 90% of the appraised value and the expected period of disposal is approximately 5.5 years, discounted by the effective interest rate of the contract.

As at September 30, 2021, collateral value which is leasehold rights, calculated from the appraised value of the independent appraiser based on income approach over the period that the Company expects to get the benefits from the said asset.

Credit loss allowance for term loans under the process of court consideration as at September 30, 2021 is calculated based on the value of the money that is expected to be repaid in full, discounting with the effective interest rate of the contract in the period of about 2 years.

### Classified by staging

As at September 30, 2021, the Company's loans to other companies were classified by staging as follows:

Unit : Thousand Baht			
Consolidated financial statements as at September 30, 2021			
	Loan amount	Credit loss allowance	Net book value
- Non-performing financial assets	2,533,133	(426,398)	2,106,735

  

Unit : Thousand Baht			
Separate financial statements as at September 30, 2021			
	Loan amount	Credit loss allowance	Net book value
- Non-performing financial assets	2,230,832	(360,867)	1,869,965

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

Unit : Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	September 30, 2021 (9 months period)	December 31, 2020 (12 months period)	September 30, 2021 (9 months period)	December 31, 2020 (12 months period)
<b>Beginning balance of the period</b>	1,995,367	2,941,574	1,814,144	2,701,709
Repayments during the period	-	(370,933)	-	(370,933)
Debt settlement by forcing investment property	-	(207,555)	-	(207,555)
Reversal(credit loss allowance) during the period	111,368	(33,402)	55,821	(23,183)
Credit loss allowance decrease during the period	-	39,533	-	39,533
Impact from TFRS 9	-	(407,578)	-	(359,155)
Interest income recognised during the period	-	27,175	-	27,175
Commission expense recognised during the period	-	6,553	-	6,553
<b>Ending balance of the period</b>	<b>2,106,735</b>	<b>1,995,367</b>	<b>1,869,965</b>	<b>1,814,144</b>

Bill of exchange have the interest rates of 6 - 8% per annum (December 31, 2020: 6 - 8% per annum). The loan is collateralized by a pledge of a company's shares in the stock market and leasehold rights.

Short-term loans to other companies/Defaulted loans to other companies have the interest rate of 12% per annum and 12-15% per annum respectively (December 31, 2020: 12% per annum and 12 -15% per annum respectively) with repayment due within 3 months to 1 year. 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 September 30, 2021, rights of payment and rights on the mortgage in the collateral of a debtor, have been used as collateral for short-term loans from others (Note 15).

10.1 As at September 30, 2021, the Group had outstanding short-term loans to other companies which interest income isn't being recognised in the consolidated and separate financial statements amounting to Baht 2,533 million and Baht 2,231 million, respectively, (December 31, 2020: Baht 2,533 million and Baht 2,231 million, respectively).

10.2 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 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 rights transfer agreement. On May 30, 2018, the Company issued a legal notice to the loan receivable 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 loans and accrued interest receivable (before loss allowance) as at September 30, 2021, 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 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. 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 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 and the customer to the Civil Court.

On June 10, 2020, the Civil Court has judged that the customer has to pay Baht 289,563,527.50 to the Company with interest of 15% per annum until the completion of debts settlement. If the customer does not pay all of the said debt, the loan receivable shall pay the outstanding debt to the Company and the customer and the loan receivable shall jointly pay the court fees consisting the lawyer fee of Baht 1 million. On November 25, 2020, the customer filed an appeal with the court, and on March 10, 2021, the Company filed an appeal and an objection requesting a palliative of execution. Presently, this case is currently being considered by the Appeal Court. The court postponed for the date for hearing the judgment and or the Court of Appeal's order from September 28, 2021 to January 20, 2022.

- 10.3 During the year 2019, the Company has a defaulted debtor in amount of Baht 491.43 million. Such debtor has the leasehold right as collateral. On November 21, 2019, 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 which 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.

On November 15, 2019, such debtor sued the Company and the Educational Institution to the Southern Bangkok Civil Court as a disputed case, presently this case is under the witness hearing in March 2022.

On July 15, 2020, the subsidiary of the Company entered into the transfer of leasehold rights agreement to utilize the said land development project with the Educational Institution. However the subsidiary of the Company is unable to utilize the leasehold rights for the company’s business. On December 4, 2020, the Company and subsidiary’s sued such debtor for the eviction and file a claim for damages. Presently this case is under the Civil Court mediation in December 2021.

On September 23, 2021, the Company and subsidiary requested the Civil Court for protection of interest during the trial. The request is under the process of the appointment to hear the inquiring petition protection of interest in November 2021.

## 11. INVESTMENT PROPERTY - NET

Changes in investment property as at September 30, 2021, consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Book value as at January 1, 2021</b>	933,234	513,621
Depreciation for the period	(3,927)	(545)
<b>Book value as at September 30, 2021</b>	<b>929,307</b>	<b>513,076</b>

The fair value of investment property 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 September 30, 2021, the fair values of investment property in the consolidated and separate financial statements are totally Baht 1,469 million and Baht 1,003 million, respectively.

## 12. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Changes in leasehold improvement and equipment as at September 30, 2021, consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Book value as at January 1, 2021</b>	11,402	8,846
Acquisitions during the period (Cost)	3	3
Disposal during the period (Book Value)	(1,351)	(1,351)
Depreciation for the period	(1,227)	(959)
<b>Book value as at September 30, 2021</b>	<b>8,827</b>	<b>6,539</b>

Depreciation for the nine-month periods ended September 30, 2021 and 2020 amounted to Baht 1.23 million and Baht 2.74 million, respectively for the consolidated financial statements, and amounted to Baht 0.96 million and Baht 1.23 million for the separate financial statements, respectively.

As at September 30, 2021 and December 31, 2020, the Group's leasehold improvement and equipment, which have been fully depreciated but still in use, amounted to Baht 62.74 million and Baht 61.87 million, respectively.

## 13. RIGHT-OF-USE ASSETS - NET

Changes in right-of-use assets as at September 30, 2021, consisted of:

	Unit : Thousand Baht
	Consolidated and separate financial statements
<b>Book value as at January 1, 2021</b>	4,260
Increased during the period	6,521
Depreciation for the period	(2,890)
<b>Book value as at September 30, 2021</b>	<b>7,891</b>

#### 14. DEFERRED TAX ASSETS

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

	Unit : Thousand Baht			
	Consolidated financial statement			
	Movements increase (decrease)			
	As at January 1, 2021	Profit or loss	Other Comprehensive income	As at September 30, 2021
<b>Deferred tax assets</b>				
Credit loss allowance - accounts receivable	167	-	-	167
Credit loss allowance - factoring receivables	726	-	-	726
Credit loss allowance - term loans to other companies	107,553	(22,274)	-	85,279
Allowance for impairment - investment property from debtsettlement	7,907	-	-	7,907
Lease	42	(11)	-	31
Credit loss allowance - other non-current financial assets	1,977	-	988	2,965
Provision for employee benefit	1,011	181	-	1,192
Other	169	45	-	214
<b>Total deferred tax assets</b>	<b>119,552</b>	<b>(22,059)</b>	<b>988</b>	<b>98,481</b>

	Unit : Thousand Baht			
	Separate financial statements			
	Movements increase (decrease)			As at
	As at	Other	Comprehensive	As at
	January 1, 2021	Profit or loss	income	September 30, 2021
<b>Deferred tax assets</b>				
Credit loss allowance - term loans to other companies	83,338	(11,164)	-	72,174
Allowance for impairment - investment property from debtsettlement	7,907	-	-	7,907
Lease	42	(11)	-	31
Credit loss allowance - other non-current financialassets	1,977	-	988	2,965
Provision for employee benefit	939	178	-	1,117
Other	144	44	-	188
<b>Total deferred tax assets</b>	<b>94,347</b>	<b>(10,953)</b>	<b>988</b>	<b>84,382</b>

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax expenses	-	13	-	-
Deferred income tax	22,059	(7,902)	10,953	(3,937)
Income tax expenses (revenue)	22,059	(7,889)	10,953	(3,937)

The Company and certain subsidiaries use the income tax rate of 20% for the calculation of corporate income tax for the nine-month periods ended September 30, 2021 and 2020.

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



## 15. SHORT-TERM LOANS FROM OTHER

Short-term loans from other consisted of:

	Unit : Thousand Baht	
	Consolidated and separate financial statements	
	September 30, 2021	December 31, 2020
<b>Short-term loans</b>		
Promissory note	-	100,000
Short-term loans	250,000	250,000
<b>Total short-term loans</b>	<b>250,000</b>	<b>350,000</b>

Changes in the borrowings during for the nine-month periods ended September 30, are summarized below:

	Unit : Thousand Baht	
	Consolidated and separate financial statements	
	2021	2020
<b>Balance at beginning of the period</b>	350,000	365,215
Prepaid interest	-	(1,246)
Repayments during the period	(100,000)	(33,000)
Financial cost recognized during the period	-	18,112
<b>Balance at end of the period</b>	<b>250,000</b>	<b>349,081</b>

As at September 30, 2021, the Company has short-term loans from loans agreement from a company bearing interest rate of 15% per annum. The Company paid some interest at the first drawn down date and will pay interest on a month the basis. Full settlement will be made within December 2020. The short-term loans are guaranteed by transfer of rights of payment and the rights on the mortgaged land of a debtor (Note 10). On December 9, 2020, the Company has entered into an agreement for the extension of the loan repayment. The new promissory notes are replaced the original promissory notes that were due on December 2020, and extended for periods of 6 months. Maturity is on June 9, 2021. Presently the Company has not repaid the loan because the Company is in the debt moratorium (Automatic Stay) (Note 2). However, for the nine month period ended September 30, 2021, the Company recorded the interest payables on the above loan by using the default interest rate under agreement at 28% per annum.

## 16. DEBENTURES

Changes in and outstanding balance of the debentures as at September 30, 2021 and December 31, 2020 are as follows:

	Unit: Thousand Baht	
	Consolidated and Separate financial statements	
	September 30, 2021	December 31, 2020
	(9 months period)	(12 months period)
<b>Balance at the beginning of the period</b>	2,490,405	2,675,300
Redemption during the period	(13,815)	(184,895)
<b>Current portion of debentures</b>	<b>2,476,590</b>	<b>2,490,405</b>

Debentures were charged interest rate of 6.00% - 7.50% per annum in accordance with condition of each debenture (2020: 6.00% - 7.50% per annum) and have been paid interest on a quarterly basis and paid principal at maturity date.

The Company is required to comply with the specific covenants which are to maintain debt to equity ratio not over 6:1 on the date on each quarterly consolidated financial information and dividend pay-out ratio not over 60% of net profit from financial statements. As at September 30, 2021, the Company maintains debt to equity ratio at 40.79 times (December 31, 2020: 9.30 times), which exceeds the conditions and duties of the debenture issuer that the Company has to maintain the ratio in accordance with the provisions on rights and obligations of issuer and debenture holder.

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

### **Debenture litigation case**

#### **Debentures No. ACAP190A**

The progress of the cases are as follows:

<u>Month of filing</u>	<u>Number of case</u>	<u>Amount in dispute (Million Baht)</u>	<u>Default interest rate (% per annum)</u>	<u>Case progress</u>
October, 2019	1case	20.08	7.50	During the payment of debt under the compromise agreement
May, 2020	6cases	234.72	15.00	Court judgment
May, 2020	2cases	77.18	15.00	During of filing an appeal of the judgment
June, 2020 - November, 2020	11 cases	305.60	15.00	Temporary dispose of the casesbecause the Company submitted a petition to business rehabilitation
	<u>20cases</u>	<u>637.58</u>		

During thenine-month period ended September 30, 2021, the Company redeem some of the debentures from certain debenture holder amounting to Baht 4.91 million.

#### **Debentures No.ACAP202A**

The progress of the cases are as follows:

<u>Month of filing</u>	<u>Number of case</u>	<u>Amount in dispute (Million Baht)</u>	<u>Default interest rate (% per annum)</u>	<u>Case progress</u>
March, 2020 - July, 2020	12 cases	275.79	13.50	Court judgment
March, 2020 - February, 2021	2case	11.62	13.50	During the appointment to hear the inquiring petition rehabilitationin March, 2022
May, 2020	4 cases	65.87	13.50	Temporary dispose of the casesbecause the Company submitted a petition to business rehabilitation
January, 2021	1 case	7.21	15.00	During the trial in March, 2022
	<u>19 cases</u>	<u>360.49</u>		

During the nine-month period ended September 30, 2021, the Company redeem some of the debentures from certain debenture holder amounting to Baht 4.50 million.

**Debenture No.ACAP207A**

The progress of the cases are as follows:

<u>Month of filing</u>	<u>Number of case</u>	<u>Amount in dispute (Million Baht)</u>	<u>Default interest rate (% per annum)</u>	<u>Case progress</u>
May, 2020	4 cases	285.64	14.00	During of filing an appeal of the judgment
May, 2020	1 cases	32.81	14.00	During the appointment to hear the inquiring petition rehabilitation in April, 2022
May, 2020 - July, 2020	7 cases	153.92	14.00	Court judgment
August, 2020	1 cases	6.28	14.00	During the appointment in November, 2021
August, 2020	1cases	4.47	14.00	The court ordered the cancelled the appointment and claimant report on status of business rehabilitation filing of defendant every 3 months.
July, 2020 - October, 2020	8 cases	246.26	14.00	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
	<u>22 cases</u>	<u>729.38</u>		

During the nine-month period ended September 30, 2021, the Company redeem some of the debentures from certain debenture holder amounting to Baht 1.00 million.

**Debenture No.ACAP209A**

The progress of the cases are as follows:

<u>Month of filing</u>	<u>Number of case</u>	<u>Amount in dispute (Million Baht)</u>	<u>Default interest rate (% per annum)</u>	<u>Case progress</u>
August, 2020 - October, 2020	12case	209.21	14.00	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
	<u>12 cases</u>	<u>209.21</u>		

During the nine-month period ended September 30, 2021, the Company redeem some of the debentures from certain debenture holder amounting to Baht 2.00 million.

**Debenture No.ACAP20NA**

The progress of the cases are as follows:

Month of filing	Number of case	Amount in dispute (Million Baht)	Default interest rate (% per annum)	Case progress
August, 2020 - October, 2020	39cases	251.60	14.00	Temporary dispose of the casesbecause the Company submitted a petition to business rehabilitation
	<u>39 cases</u>	<u>251.60</u>		

During the nine-month period ended September 30, 2021, the Company redeem some of the debentures from certain debenture holder amounting to Baht 1.40 million.

**Debenture No.ACAP212A**

The progress of the cases are as follows:

Month of filing	Number of case	Amount in dispute (Million Baht)	Default interest rate (% per annum)	Case progress
August, 2020	1 case	17.91	14.00	During the appointment to hear the inquiring petition rehabilitationin November, 2021
August, 2020 - November, 2020	35cases	218.52	14.00	Temporary dispose of the casesbecause the Company submitted a petition to business rehabilitation
September, 2020	1 case	5.31	14.00	Court judgment
	<u>37 cases</u>	<u>241.74</u>		

**Debenture No.ACAP213A**

The progress of the cases are as follows:

Month of filing	Number of case	Amount in dispute (Million Baht)	Default interest rate (% per annum)	Case progress
September, 2020 - October, 2020	16 cases	78.17	14.00	Temporary dispose of the casesbecause the Company submitted a petition to business rehabilitation
	<u>16cases</u>	<u>78.17</u>		

The Company recorded the interest payables on the above debentures by using the default interest rate as the indictment and included as part of "Interest payables" in the statement of financial position.

## 17. BUSINESS SEGMENTS INFORMATION

The Group's business segment information are divided into lending and factoring, and others. The Group's business segment information for the nine-month period ended September 30, are as follows:

	Unit: Thousand Baht					
	Consolidated financial statements					
	Lending and factoring		Others		Total	
	2021	2020	2021	2020	2021	2020
Revenues	-	25,433	-	-	-	25,433
Loss of segment	(294,792)	(234,021)	-	-	(294,792)	(234,021)
Dividend income	951	1,235	-	-	951	1,235
Other income	938	648	-	7	938	655
Gain on disposal of investment in subsidiary	-	73,302	-	-	-	73,302
Administrative expenses	(46,393)	(37,497)	(3,565)	(18,134)	(49,958)	(55,631)
Reversal (credit loss) during the period	111,368	(27,287)	-	-	111,368	(27,287)
Finance costs	(320)	(879)	-	-	(320)	(879)
Income tax (expenses) revenue	(22,059)	7,889	-	-	(22,059)	7,889
Loss for the period from continuing operations	(250,307)	(216,610)	(3,565)	(18,127)	(253,872)	(234,737)
Profit for the period from discontinued operation					-	3,135
Loss for the period					(253,872)	(231,602)
Operating assets as at September 30, consisted of:						
Leasehold improvement and equipment - net	8,827	11,918	-	-	8,827	11,918
Other	2,989,848	3,168,400	417,870	365,970	3,407,718	3,534,370
Total operating assets	2,998,675	3,180,318	417,870	365,970	3,416,545	3,546,288

## 18. COMMITMENTS AND CONTINGENCIES LIABILITIES

18.1 As at September 30, 2021 and December 31, 2020, the Group have obligations under leased storage room, and service charges. The remaining rental and service charges of existing contracts to be paid in the future are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Due within 1 year	33	301	33	151
Due over 1 year not exceeding 5 years	-	169	-	19
Total	33	470	33	170

18.2 As at September 30, 2021, a subsidiary has commitment from rights agreement to utilize the land development project amounting to Baht 332.40 million, the terms of the agreements are 23 year (from March 1, 2015 to June 30, 2038). The Group has started to pay an annual rental fee in July 2020, the conditions in the agreement require payment of rental fee by July 31 of each year, and payment a deposit from agreement amount of Baht 2.16 million.

18.3 As at September 30, 2021, the Company has commitment from legal services to submit a petition to enter into a business rehabilitation to the Central Bankruptcy Court amount of Baht 3.80 million.. The Company must pay licensing fee as stipulated in the agreement.

18.4 As at September 30, 2021, the Company has commitment from legal service for the business rehabilitation amount of Baht 0.40 million.

18.5 As at September 30, 2021, the Company has commitment under financial advisory service for the debt restructuring and debt rehabilitation plan with the service fee amount of Baht 0.30 million per month. The term will not be less than 5 years from the date of the agreement (September 6, 2021) with the service fee amount of Baht 7.00 million. The Company must pay the fee as stipulated in the agreement.

18.6 On November 1, 2019, the Company together with a defendant were jointly sued for a claim from non-compliance of a service agreement. The claim amount which is shared or is absorbed by any parties was Baht 0.30 million including an interest 7.5% per annum from the date of filing until the defendant has completed the payment to the plaintiff. On September 21, 2020, the court ruled that the Company made payment to the plaintiff. On November 30, 2020, the Company filed an appeal against the judgment with the court. This case is currently being considered by the Appeal Court. The management of the Company believes the case outcome would not have material impact to the Company's financial statements, therefore the Company has not recorded provision from such case.

18.7 On August 23, 2019, the Company and a subsidiary were sued together with 4 defendants for revoking the juristic act of buying and registration of a property from a third party who has entered into the land purchase and sale agreement before the land is sold and mortgaged with the Company, The court is scheduled for hearing the progress of 1st defendant to 4th defendant On April 25, 2022. This case is currently being considered by court of Pattaya Province.

**19. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements have been approved by the Company's Board of Directors on November 12, 2021.