

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 June 30, 2021 the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2021, statements of changes in shareholders' equity and statements of cash flows for the six-month period ended June 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 has set the date for hearing the judgment and or the Court of Appeal's order on September 28, 2021.

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 June 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 June 30, 2021 in the amount of Baht 3,214 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 June 30, 2021, the Company has cash and cash equivalents amount of Baht 9,854 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 3,065 million. In addition, the Company currently has no a core operating income.

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 June 30, 2021 and for the three-month and six-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 27, 2021. The consolidated statements of comprehensive income (before reclassified discontinued operations) and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2020 and the consolidated and separate statements of changes in shareholders' equity and of cash flows for the six-month period ended June 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 August 10, 2020.

(Yuttapong Chuamuangpan)

Certified Public Accountant

Registration No. 9445

ANS Audit Co., Ltd.

Bangkok, August13, 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 SIX-MONTH PERIODS ENDED JUNE 30, 2021

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2021

		Unit : Thousand Baht				
		Consolidated financial statements		Separate financial statements		
		Unaudited		Unaudited		
		but reviewed	Audited	but reviewed	Audited	
Notes		June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	
Assets						
Current assets						
	Cash and cash equivalents	7	576	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	144,758	97,719	-	-
	Other current assets		3,526	7,630	1,864	2,175
	Total current assets		149,119	306,139	1,874	64,636
Non-current assets						
	Other non-current financial assets	9	106,864	111,188	106,864	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	931,971	933,234	513,260	513,621
	Leasehold improvements and equipment - net	12	9,205	11,402	6,827	8,846
	Right-of-use assets - net	13	2,333	4,260	2,333	4,260
	Intangible assets - net		55	67	20	22
	Deferred tax assets	14	98,266	119,552	84,168	94,347
	Other non-current assets		29,448	13,431	27,288	11,271
	Total non-current assets		3,288,466	3,192,090	3,505,614	3,444,758
	Total assets		3,437,585	3,498,229	3,507,488	3,509,394

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2021

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		Unaudited		Unaudited	
		but reviewed	Audited	but reviewed	Audited
Notes		June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Liabilities and Shareholders' Equity					
Current liabilities					
	Interest payables	463,221	283,170	463,221	283,170
	Other payables	2,355	2,583	831	714
6	Other payable from related company	-	-	179	14
6	Short-term loans from related parties	-	-	98,639	-
15	Short-term loans from others	250,000	350,000	250,000	350,000
	Current portion of lease liabilities	2,358	4,491	2,358	4,491
16	Current portion of debentures	2,476,590	2,490,405	2,476,590	2,490,405
	Other current liabilities	19,261	19,328	19,183	19,251
	Total current liabilities	3,213,785	3,149,977	3,311,001	3,148,045
Non-current liabilities					
	Lease liabilities - net	1,962	2,564	1,962	2,564
	Non-current provisions for employee benefits	5,659	5,053	5,290	4,698
	Other non-current liabilities	1,052	1,052	1,052	1,052
	Total non-current liabilities	8,673	8,669	8,304	8,314
	Total liabilities	3,222,458	3,158,646	3,319,305	3,156,359
Shareholders' Equity					
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	(396,358)	(275,361)	(423,302)	(261,909)
	Other component of shareholders' equity	(11,366)	(7,907)	(11,366)	(7,907)
	Total shareholders' equity attributable to owners of parent	215,127	339,583	188,183	353,035
	Non-controlling interests	-	-	-	-
	Total shareholders' equity	215,127	339,583	188,183	353,035
	Total liabilities and shareholders' equity	3,437,585	3,498,229	3,507,488	3,509,394

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

	Note	Unit : Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
	6				
Revenues					
Interest income		-	7,892	335	8,780
Interest expenses		(93,902)	(79,621)	(93,974)	(80,116)
Net interest income		(93,902)	(71,729)	(93,639)	(71,336)
Dividend income		951	1,235	951	1,235
Other income		67	77	-	135
Administrative expenses		(14,357)	(12,987)	(8,061)	(9,547)
Loss before financial costs and income tax		(107,241)	(83,404)	(100,749)	(79,513)
Financial costs		(106)	(281)	(106)	(285)
Reversal of loss on credit of receivables		55,214	18,821	17,191	14,128
Loss before income tax		(52,133)	(64,864)	(83,664)	(65,670)
Income tax expenses		(10,499)	(3,687)	(3,536)	(2,738)
Loss from continuing operations		(62,632)	(68,551)	(87,200)	(68,408)
Profit for the period from discontinued operation		-	765	-	-
Loss for the period		(62,632)	(67,786)	(87,200)	(68,408)
Other comprehensive income					
<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		2,471	(7,907)	2,471	(7,907)
Other comprehensive loss for the periods - net from tax		2,471	(7,907)	2,471	(7,907)
Total comprehensive loss for the period		(60,161)	(75,693)	(84,729)	(76,315)
Profit (loss) attributable to					
Equity holders of the Company		(62,632)	(68,062)	(87,200)	(68,408)
Non-controlling interests		-	276	-	-
		(62,632)	(67,786)	(87,200)	(68,408)
Total comprehensive income (loss) attributable to					
Equity holders of the Company		(60,161)	(75,969)	(84,729)	(76,315)
Non-controlling interests		-	276	-	-
		(60,161)	(75,693)	(84,729)	(76,315)
Loss per share (Baht per share)					
Basic loss per share		(0.198)	(0.215)	(0.276)	(0.216)
Basic loss per share - continuing operations		(0.198)	(0.216)	(0.276)	(0.216)

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

		Unit : Thousand Baht				
		Unaudited but reviewed				
		Consolidated financial statements		Separate financial statements		
Notes		2021	2020	2021	2020	
	6, 17					
Revenues						
		-	17,237	667	19,013	
		(187,705)	(143,481)	(187,831)	(144,481)	
		(187,705)	(126,244)	(187,164)	(125,468)	
		951	1,235	951	1,235	
		786	279	640	413	
		(23,993)	(39,380)	(17,140)	(21,987)	
		-	-	-	(94,265)	
		(209,961)	(164,110)	(202,713)	(240,072)	
		(254)	(600)	(254)	(609)	
		111,368	(19,473)	52,617	(14,004)	
		(98,847)	(184,183)	(150,350)	(254,685)	
	14	(22,150)	6,248	(11,043)	2,984	
		(120,997)	(177,935)	(161,393)	(251,701)	
		-	1,253	-	-	
		(120,997)	(176,682)	(161,393)	(251,701)	
Other comprehensive income						
<i>Items that will not be reclassified subsequently</i>						
<i>to profit or loss</i>						
		Loss on investments in equity instruments designated at				
		fair value through other comprehensive income - net from tax	(3,459)	(7,907)	(3,459)	(7,907)
		Actuarial loss - net from tax	-	(602)	-	(75)
		Other comprehensive loss for the periods - net from tax	(3,459)	(8,509)	(3,459)	(7,982)
		(124,456)	(185,191)	(164,852)	(259,683)	

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

		Unit : Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
Notes		2021	2020	2021	2020
Profit (loss) attributable to					
	Equity holders of the Company	(120,997)	(177,134)	(161,393)	(251,701)
	Non-controlling interests	-	452	-	-
		<u>(120,997)</u>	<u>(176,682)</u>	<u>(161,393)</u>	<u>(251,701)</u>
Total comprehensive income (loss) attributable to					
	Equity holders of the Company	(124,456)	(185,464)	(164,852)	(259,683)
	Non-controlling interests	-	273	-	-
		<u>(124,456)</u>	<u>(185,191)</u>	<u>(164,852)</u>	<u>(259,683)</u>
Loss per share (Baht per share)					
	Basic loss per share	<u>(0.382)</u>	<u>(0.560)</u>	<u>(0.510)</u>	<u>(0.795)</u>
	Basic loss per share - continuing operations	<u>(0.382)</u>	<u>(0.562)</u>	<u>(0.510)</u>	<u>(0.795)</u>

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

	Unit : Thousand Baht												
	Unaudited but reviewed												
	Consolidated financial statements												
	Retained earnings (deficits)					Other component of shareholders' equity							
	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Gain on dilution of investment proportion in subsidiary	Appropriated Legal Reserve	Unappropriated	Loss on investments in equity instruments designated at fair value through other comprehensive income		Actuarial loss - net from tax	Total other component of shareholders' equity	Total shareholders' equity attributable to owners of parent		Non-controlling interest	Total
						- net from tax	net from tax			to owners of parent	Non-controlling interest		
Balance as at January 1, 2021	158,206	445,111	-	19,534	(275,361)	(7,907)	-	(7,907)	339,583	-	-	339,583	
Total comprehensive loss for the period	-	-	-	-	(120,997)	(3,459)	-	(3,459)	(124,456)	-	-	(124,456)	
Balance as at June 30, 2021	158,206	445,111	-	19,534	(396,358)	(11,366)	-	(11,366)	215,127	-	-	215,127	
Balance as at January 1, 2020	158,206	445,110	63,978	19,534	80,175	-	-	-	767,003	83,502	-	850,505	
Total comprehensive income (loss) for the period	-	-	-	-	(177,134)	(7,907)	(602)	(8,509)	(185,643)	452	-	(185,191)	
Transfer to retained earnings	-	-	-	-	(423)	-	602	602	179	(179)	-	-	
Balance as at June 30, 2020	158,206	445,110	63,978	19,534	(97,382)	(7,907)	-	(7,907)	581,539	83,775	-	665,314	

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 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	Actuarial loss -	Total other	
					comprehensive income	net from tax	component of	Total
					- net from tax	net from tax	shareholders' equity	
Balance as at January 1, 2021	158,206	445,111	19,534	(261,909)	(7,907)	-	(7,907)	353,035
Total comprehensive loss for the period	-	-	-	(161,393)	(3,459)	-	(3,459)	(164,852)
Balance as at June 30, 2021	158,206	445,111	19,534	(423,302)	(11,366)	-	(11,366)	188,183
Balance as at January 1, 2020	158,206	445,110	19,534	185,614	-	-	-	808,464
Total comprehensive loss for the period	-	-	-	(251,701)	(7,907)	(75)	(7,982)	(259,683)
Transfer to retained earnings	-	-	-	(75)	-	75	75	-
Balance as at June 30, 2020	158,206	445,110	19,534	(66,162)	(7,907)	-	(7,907)	548,781

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

	Unit : Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash Flows from Operating Activities:				
Loss for the periods	(120,997)	(176,682)	(161,393)	(251,701)
Adjustments to reconcile loss for the periods to cash				
provided by (used in) operating activities				
Depreciation and amortization	4,051	21,078	2,961	3,148
Interest income	-	(17,237)	(667)	(19,013)
Interest expenses	187,705	143,481	187,831	144,481
Interest expenses from leases	254	1,371	254	609
Loss on credit of accounts receivable	-	28	-	-
Loss on credit of loans to related company	-	-	794	-
(Reversal of) loss on credit of loans to other companies	(111,368)	19,473	(55,821)	14,004
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
Loss on disposal of fixed asset	472	-	472	-
Gain from redemption of debentures	(641)	-	(641)	-
Gain from disposal of other current financial assets	(34)	(455)	-	(184)
Unrealized gain from changes in value of				
other current financial assets	(107)	(565)	-	(125)
Non-current provisions for employee benefits	606	977	592	591
Income tax expenses (revenue)	22,150	(6,020)	11,043	(2,984)
Loss from operating activities before changes				
in operating assets and liabilities	(18,625)	(14,691)	(12,895)	(17,197)
Changes in operating assets (increase) decrease				
Trade receivables	-	(6,317)	-	-
Loans to other companies	-	140,000	-	140,000
Other current assets	3,870	1,145	92	(63)
Loan to employees	-	10	-	-
Restricted deposits at bank	-	(200)	-	-
Other non-current assets	(16,017)	(1,348)	(16,017)	796
Changes in operating liabilities increase (decrease)				
Other payables	(228)	(4,778)	117	480
Other payable from related company	-	-	165	(14)
Other current liabilities	(67)	1,070	(68)	(829)
Cash provided by (used in) operating activities	(31,067)	114,891	(28,606)	123,173
Interest received	-	10,881	2	10,881
Interest paid	(7,908)	(59,194)	(8,034)	(59,432)
Income tax paid	-	(1,375)	-	(112)
Net cash from (used in) operating activities	(38,975)	65,203	(36,638)	74,510

The accompanying notes are an integral part of the financial statements.

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

	Unit : Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash Flows from Investing Activities:				
Cash received from other current financial assets	53,422	167,247	-	108,500
Cash paid for other current financial assets	(100,320)	(193,100)	-	(148,700)
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	-	-	(129)	(269)
Cash paid for the transfer of investment properties from debt settlement	-	(11,717)	-	(11,717)
Cash payment for acquisition of leasehold improvement and equipment	(3)	(6,529)	(3)	-
Cash received from disposal of leasehold improvement and equipment	879	-	879	-
Cash paid for purchase of intangible assets	-	(9,834)	-	-
Net cash from (used in) investing activities	(45,071)	(52,698)	53,909	(50,951)
Cash Flows from Financing Activities:				
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	-	-	100,396	-
Cash paid for short-term loans from related parties	-	(20,000)	(1,757)	(27,463)
Redemption of debentures	(13,174)	(99,918)	(13,174)	(99,918)
Cash paid for lease liabilities	(2,735)	(2,382)	(2,735)	(2,607)
Net cash used in financing activities	(115,909)	(152,300)	(17,270)	(159,988)
Net cash and cash equivalents increase (decrease)	(199,955)	(139,795)	1	(136,429)
Cash and cash equivalents at the beginning of the period	200,531	143,691	9	137,726
Cash and cash equivalents at the end of the period	576	3,896	10	1,297

Supplemental Disclosures of Cash Flows Information

Debt settlement from forcing collateral	-	168,021	-	168,021
Purchase of equipment that have not been paid in cash	-	30	-	-
Transfer deposits as equipment	-	1,967	-	-
Transfer deposits as intangible assets	-	5,458	-	-
Right-of-use assets increased from lease liabilities	-	32,184	-	7,376
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 SIX-MONTH PERIOD ENDED JUNE 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 June 30, 2021 in the amount of Baht 3,214 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 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 repay 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 June 30, 2021, the Company has cash and cash equivalents amount of Baht 9,854 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 3,065 million. In addition, the Company currently has no a core operating income.

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 nominated Mr. Yiem Chundprasit; Ms. Nicharadee Sukjaroenkraisri, Mr. Anuchai Vitnalakornand Mr. Adisai Warinsirikul(Presently,he has resigned from the Company) the directors of the Company, 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 set the appointment witness hearing of rehabilitation petitioner and objector in September 2021. 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 six-month periods ended June 30, as follows:

	Unit : Thousand Baht				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	
Transactions between the Company and related parties					
for the three-month periods ended June 30,					
Interest income	-	-	335	889	0.30% - 0.80% per annum
Other income	-	-	-	52	Mutually agreed
Interest expenses	-	-	71	496	0.30% - 0.80% per annum
Administrative expenses	-	-	-	30	Mutually agreed
Loss on credit of amounts due from	-	-	794	-	Recoverable amount from disposal of assets
Transactions between the Company and related parties					
for the six-month periods ended June 30,					
Interest income	-	-	667	1,777	0.30 - 0.80% per annum
Other income	-	-	-	103	Mutually agreed
Interest expenses	-	-	125	1,001	0.30 - 0.80% per annum
Administrative expenses	-	-	-	73	Mutually agreed
Loss on credit of receivables	-	-	2,410	-	Discount rate at 5% per annum
Loss on credit of amounts due from	-	-	794	-	Recoverable amount from disposal of assets
Director					
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	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Other receivable to related companies				
Capital OK Co., Ltd.	-	-	-	1
OK Cash Co., Ltd.	-	-	-	10,240
Total other receivable to related companies	-	-	-	10,241
Short-term loans to related company				
Capital OK Co., Ltd.	-	-	-	52,211
Total short-term loans to related company	-	-	-	52,211
Non-current other receivable to related company				
OK Cash Co., Ltd.	-	-	10,240	-
<u>Less</u> Credit loss allowance	-	-	(2,410)	-
Total non-current other receivable to related company - net	-	-	7,830	-
Long-term loans to related company				
C.Image Digital Co., Ltd.	-	-	250,180	250,051
<u>Add</u> Interest receivable	-	-	3,876	3,211
Total	-	-	254,056	253,262
<u>Less</u> Credit loss allowance	-	-	(31,223)	(30,429)
Total long-term loans to related company - net	-	-	222,833	222,833
Other payable from related company				
Capital OK Co., Ltd.	-	-	179	14
Total other payable from related company	-	-	179	14
Short-term loans from related company				
Capital OK Co., Ltd.	-	-	98,639	-
Total short-term loans from related company	-	-	98,639	-

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

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

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 six-month period ended June 30, as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Long-term loans to a related company				
Subsidiary				
Beginning balance at the period	-	-	250,051	446,500
Impact from the TFRS 9	-	-	-	(196,779)
Increase during the period	-	-	129	269
Ending balance at the period	-	-	250,180	249,990
<u>Add</u> Interest receivable	-	-	3,876	-
Total Long-term loans to a related company	-	-	254,056	249,990
<u>Less</u> Credit loss allowance	-	-	(31,223)	-
Ending balance at the period	-	-	222,833	249,990

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 six-month period ended June 30, as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term loans from related parties				
Subsidiary				
Beginning balance at the period	-	-	-	256,470
Increase during the period	-	-	100,396	-
Decrease during the period	-	-	(1,757)	(7,463)
Ending balance at the period	-	-	98,639	249,007
Director				
Beginning balance at the period	-	20,000	-	20,000
Decrease during the period	-	(20,000)	-	(20,000)
Ending balance at the period	-	-	-	-
Total short-term loans from related parties	-	-	98,639	249,007

The short-term loans from related company is a promissory note which are due at call and have no collateral. The loans bear interest at 0.30% per annum (The second quarter of 2020: 0.80% per annum).

The second 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 six-month period ended June 30, consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term benefits	4,108	10,648	4,108	5,541
Post-employment benefits	1,361	468	1,361	358
Total management compensation	5,469	11,116	5,469	5,899

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Cash on hand	13	10	9	6
Cash at banks - current accounts	66	303	-	-
Cash at banks - saving accounts	497	200,218	1	3
Total cash and cash equivalents	576	200,531	10	9

8. OTHER CURRENT FINANCIAL ASSETS

Changes in other current financial assets consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	(6 month period)	(12 month period)	(6 month period)	(12 month period)
Book value as of beginning	97,719	211,120	-	15,578
Purchase other current financial assets	100,320	465,732	-	293,700
Disposal of other current financial assets	(53,422)	(394,255)	-	(309,645)
Gain on disposal	34	1,114	-	367
Decrease from disposal of investment in a subsidiary	-	(186,072)	-	-
Unrealized gain on change in fair value through profit or loss	107	80	-	-
Book value as of ending	144,758	97,719	-	-

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	
	June 30, 2021	December 31, 2020
	(6 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	(4,324)	(9,883)
Book value as of ending	106,864	111,188

As at June 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	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Defaulted loans to other companies				
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
Total defaulted loans to other companies	2,533,133	2,533,133	2,230,832	2,230,832
<u>Less</u> Credit loss allowance	(426,398)	(537,766)	(360,867)	(416,688)
Total defaulted loans to other companies - net	2,106,735	1,995,367	1,869,965	1,814,144

Collateral value measurement

Unit: Thousand Baht				
Consolidated financial statements as at June 30, 2021				
	Loan amount	Collateral value	Credit loss allowance	Total
Defaulted loans to other companies				
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
Total defaulted loans to other companies - net	2,533,133	2,072,201	(426,398)	2,106,735
Unit: Thousand Baht				
Separate financial statements as at June 30, 2021				
	Loan amount	Collateral value	Credit loss allowance	Total
Defaulted loans to other companies				
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
Total defaulted loans to other companies - net	2,230,832	1,821,249	(360,867)	1,869,965

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 June 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 June 30, 2021, collateral value which is leaseholdrights, 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 June 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 June 30, 2021, the Company's loans to other companies were classified by staging as follows:

	Unit: Thousand Baht		
	Consolidated financial statements as at June 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 June 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	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	(6 months period)	(12 months period)	(6 months period)	(12 months period)
Beginning balance of the period	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
Ending balance of the period	2,106,735	1,995,367	1,869,965	1,814,144

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 June 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 June 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 June 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 has set the date for hearing the judgment and or the Court of Appeal's order on September 28, 2021.

- 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 Civil Court mediation.

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 two approaches indication process in September 2021.

11. INVESTMENT PROPERTY - NET

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

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2021	933,234	513,621
Depreciation for the period	(1,263)	(361)
Book value as at June 30, 2021	931,971	513,260

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 June 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 June 30, 2021, consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2021	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	(849)	(671)
Book value as at June 30, 2021	9,205	6,827

Depreciation for the six-month periods ended June 30, 2021 and 2020 amounted to Baht 0.85 million and Baht 2.15 million, respectively for the consolidated financial statements, and amounted to Baht 0.67 million and Baht 0.83 million for the separate financial statements, respectively.

As at June 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 52.23 million and Baht 61.87 million, respectively.

13. RIGHT-OF-USE ASSETS - NET

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

	Unit : Thousand Baht
	Consolidated and separate financial statements
Book value as at January 1, 2021	4,260
Depreciation for the period	(1,927)
Book value as at June 30, 2021	2,333

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	Other		As at
	January 1, 2021	Profit or loss	Comprehensive income	June 30, 2021
Deferred tax assets				
Credit loss allowance - accounts receivable	167	-	-	167
Credit loss allowance - factoring receivables	726	-	-	726
Credit loss allowance - term loans to other companies	107,553	(22,273)	-	85,280
Allowance for impairment - investment property from debtsettlement	7,907	-	-	7,907
Lease	42	(42)	-	-
Credit loss allowance - other non-current financial assets	1,977	-	864	2,841
Provision for employee benefit	1,011	121	-	1,132
Other	169	44	-	213
Total deferred tax assets	119,552	(22,150)	864	98,266

	Unit : Thousand Baht			
	Separate financial statements			
	Movements increase (decrease)			
	As at		Other	As at
	January 1, 2021	Profit or loss	Comprehensive income	June 30, 2021
Deferred tax assets				
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	(42)	-	-
Credit loss allowance - other non-current financialassets	1,977	-	864	2,841
Provision for employee benefit	939	120	-	1,059
Other	144	43	-	187
Total deferred tax assets	94,347	(11,043)	864	84,168

Income tax for the six-month periods ended June 30, were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax expenses	-	-	-	-
Deferred income tax expenses	22,150	(6,248)	11,043	(2,984)
Income tax expenses (revenue)	22,150	(6,248)	11,043	(2,984)

The Company and certain subsidiaries use the income tax rate of 20% for the calculation of corporate income tax for the six-month periods ended June 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	
	June 30, 2021	December 31, 2020
Short-term loans		
Promissory note	-	100,000
Short-term loans	250,000	250,000
Total short-term loans	250,000	350,000

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

	Unit : Thousand Baht	
	Consolidated and separate financial statements	
	2021	2020
Balance at beginning of the period	350,000	365,215
Prepaid interest	-	(1,246)
Repayments during the period	(100,000)	(30,000)
Financial cost recognized during the period	-	16,044
Balance at end of the period	250,000	350,013

As at June 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. The promissory notes bear the interest rate of 15% per annum. Currently the Company has not yet paid the loans because the Company under the automatic stay (Note 2).

16. DEBENTURES

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

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

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 June 30, 2021, the Company maintains debt to equity ratio at 14.98 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	6case	234.72	15.00	Court judgment
May, 2020	2cases	77.18	15.00	During of filing an appeal of the judgment
August, 2020	5cases	106.43	15.00	During the appointment in November, 2021
June, 2020 - August, 2020	3cases	129.93	15.00	During the witness hearing in November, 2021
October, 2020 - November, 2020	2 cases	15.45	15.00	During the trial in September, 2021
August, 2020	1case	53.79	15.00	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
	<u>20cases</u>	<u>637.58</u>		

During the six-month period ended June 30, 2021, the Company redeemed 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:

Month of filing	Number of case	Amount in dispute (Million Baht)	Default interest rate (% per annum)	Case progress
March, 2020- October, 2020	2cases	11.18	13.50	During the appointment in November, 2021
May, 2020	3cases	63.65	13.50	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
March, 2020 - July, 2020	12 cases	275.79	13.50	Court judgment
January, 2021- February, 2021	2cases	9.87	13.50 - 15.00	During the trial in September, 2021 - October, 2021
	<u>19cases</u>	<u>360.49</u>		

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

Debenture No.ACAP207A

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
May, 2020	4cases	285.64	14.00	During of filing an appeal of the judgment
May, 2020 - July, 2020	7cases	153.92	14.00	Court judgment
May, 2020 - August, 2020	3cases	43.56	14.00	During the appointment/indicates two approaches in November, 2021
July, 2020 - October, 2020	6cases	105.71	14.00	During the trial in September, 2021
August, 2020	2cases	140.55	14.00	During the witness hearing in September, 2021
	<u>22cases</u>	<u>729.38</u>		

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

Debenture No.ACAP209A

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	4case	150.27	14.00	During the trial in September, 2021 - October, 2021
August, 2020 - September, 2020	6cases	55.23	14.00	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
October, 2020	2cases	3.71	14.00	During the appointment in November, 2021
	<u>12 cases</u>	<u>209.21</u>		

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

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	2cases	51.65	14.00	During the witness hearing in October, 2021
August, 2020	6cases	127.60	14.00	During the trial in September, 2021 - November, 2021
August, 2020 - September, 2020	29cases	45.57	14.00	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
August, 2020 - October, 2020	2cases	26.78	14.00	During the appointment in November, 2021
	<u>39cases</u>	<u>251.60</u>		

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

Debenture No.ACAP212A

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 - September, 2020	3cases	87.60	14.00	During the appointment in October, 2021 - November, 2021
August, 2020	3cases	43.77	14.00	During the trial in September, 2021 - November, 2021
August, 2020	1case	17.91	14.00	During the appointment to hear the inquiring petition rehabilitation in November, 2021
August, 2020 - November, 2020	29cases	87.15	14.00	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
September, 2020	1case	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:

<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, 2020	1case	6.33	14.00	During the appointment in November, 2021
September, 2020 - October, 2020	13 cases	10.25	14.00	Temporary dispose of the cases because the Company submitted a petition to business rehabilitation
September, 2020	2cases	61.59	14.00	During the trial in September, 2021 - October, 2021
	<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 six-month period ended June 30, are as follows:

	Unit: Thousand Baht					
	Consolidated financial statements					
	Lending and factoring		Others		Total	
	2021	2020	2021	2020	2021	2020
Revenues	-	17,237	-	-	-	17,237
Loss of segment	(187,705)	(126,244)	-	-	(187,705)	(126,244)
Dividend income	951	1,235	-	-	951	1,235
Other income	786	273	-	6	786	279
Administrative expenses	(22,952)	(23,813)	(1,041)	(15,567)	(23,993)	(39,380)
Loss credit of receivables (reversal)	111,368	(19,473)	-	-	111,368	(19,473)
Finance costs	(254)	(600)	-	-	(254)	(600)
Income tax (expenses) revenue	(22,150)	6,248	-	-	(22,150)	6,248
Loss for the period from continuing operations	(119,956)	(162,374)	(1,041)	(15,561)	(120,997)	(177,935)
Profit for the period from discontinued					-	1,253
Loss for the period					(120,997)	(176,682)
Operating assets as at June 30, consisted of:						
Leasehold improvement and equipment - net	9,205	10,028	-	13,355	9,205	23,383
Other	3,008,030	3,052,899	420,350	688,827	3,428,380	3,741,726
Total operating assets	3,017,235	3,062,927	420,350	702,182	3,437,585	3,765,109

18. COMMITMENTS AND CONTINGENCIES LIABILITIES

18.1 As at June 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	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Due within 1 year	76	301	76	151
Due over 1 year not exceeding 5 years	3	169	3	19
Total	79	470	79	170

18.2 As at June 30, 2021, a subsidiary has commitment from rights agreement to utilize the land development project amounting to Baht 339.60million, the terms of the agreements are 23year (from March 1, 2015to 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 31of each year, and payment a deposit from agreement amount of Baht 2.16million.

18.3 As at June 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 4.10million.

18.4 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.

18.5 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 August 30, 2021.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 August 13, 2021.