

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

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

I have reviewed the accompanying consolidated and separate statements of financial position as at March 31, 2020 of ASIA Capital Group Public Company Limited and its subsidiaries and of ASIA Capital Group Public Company Limited respectively, the related consolidated and separate statements of profit or loss and other comprehensive income, of changes in shareholders' equity and of cash flows for the three-month period ended March 31, 2020 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 qualified conclusion**

As disclosed in Note 8.3 to the interim financial information, during the year ended December 31, 2018, a customer of a short-term loan receivable account discovered a fraud incident in its purchasing and inventory processes. The customer asked to defer its payment to suppliers and started an investigation. Since the loan receivable account assigned its right to claim payments from this customer to the Company, the Company was also deferred for the payment. On May 30, 2018, the Company issued a legal notice to the customer and the loan receivable account demanding payment. The Company didn't receive any responses to the notices, either to deny or accept the payments from both parties. On August 20, 2018, the Company filed a lawsuit against loan receivable account and the customer at the Civil Court and the Court scheduled the date for hearing the evidence during July and August 2019. On November 15, 2019 the court called for the witness investigation whereby defendants' attorney request additional witness investigation. Therefore the appointment of witnesses for further investigations were made during December 2019 to March 2020. On March 19, 2020, the court completed the witness investigation and presently this legal case was completed the witness investigation. The civil court scheduled to hear the verdict on June 10, 2020. In addition, I had sent confirmation letters to the loan receivable account and the customer, and received a reply from the customer that indicated that the amount is not correct and the difference in debt balance amounts cannot be verified. Moreover, the legal case is in the process of litigation and cannot be concluded. As these circumstances, I was unable to obtain sufficient appropriate audit evidence to assess the effect on the Company's loan collectability, which may be necessary when considering loss on credit of receivable and accrued interest receivable balance (net from loss on credit) totaling of Baht 235.97 million which are outstanding balance as at March 31, 2020 in the consolidated and separate financial statements. Consequently, I was unable to determine whether any adjustments to this amount was necessary.

### **Qualified conclusion**

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

### **Emphasis of Matter**

I draw attention to Note to Interim Financial Statements No. 2. The Group has current liabilities as at March 31, 2020 in the amount of Baht 3,030 million, which is significantly higher than current assets and these consist mostly the debentures amounting of Baht 2,572 million matured in one year. The debenture ACAP202A amounting of Baht 395 million was defaulted debentures and many debenture holders have sued the Company at the Civil court to pay the principal with interest. Presently, the cases are under consideration by the preliminary court (Note 18). The debenture ACAP190A and ACAP207A, having the interest due date on April 7, 2020, and the debenture ACAP202A, having the interest due date on May 7, 2020, are defaulted interest totaling of Baht 31.42 million. In addition, the Company has loan receivable to other companies, defaulted

loans having property as collateral and investment property from forcing the debt settlement. It takes time for the Company to call back the debts repayment, to force the collateral and to sell the investment property in order to get sufficient cash flow for operations. In addition, the current general economic environment has been affected by the outbreak of Coronavirus disease 2019 (COVID-19). These factors affect to liquidity of the Company. These situations show the significant uncertainty that cause the substantial doubt on the Company's ability to continue its operation as a going concern. My conclusion is not modified in respect of this matter.

(Atipong Atipongsakul)

Certified Public Accountant

Registration No. 3500

ANS Audit Co., Ltd.

Bangkok, May 14, 2020

**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 PERIOD ENDED MARCH 31, 2020

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2020

		Unit : Thousand Baht				
		Consolidated financial statements		Separate financial statements		
		Unaudited		Unaudited		
		Reviewed	Audited	Reviewed	Audited	
Notes		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	
<b>Assets</b>						
<b>Current assets</b>						
	Cash and cash equivalents	6	16,992	143,691	11,668	137,726
	Accounts receivable - net	7	24,443	25,058	-	-
	Amounts due from related companies	5	-	-	11,140	10,252
	Factoring receivables - net		3,589	4,611	-	-
	Current portion of loans to employees		-	10	-	-
	Short-term loans to other companies - net	8	206,068	337,205	206,068	337,205
	Other current financial asset	9, 23	298,165	211,120	97,803	15,578
	Other current assets		14,550	18,603	10,223	11,120
	<b>Total current assets</b>		<b>563,807</b>	<b>740,298</b>	<b>336,902</b>	<b>511,881</b>
<b>Non-current assets</b>						
	Restricted deposits at bank		492	292	-	-
	Loans to employees - net		-	-	-	-
	Long-term loans to related companies	5	-	-	249,730	446,500
	Defaulted loans to other companies - net	8	2,158,497	2,604,370	1,977,217	2,364,504
	Investment in subsidiaries - net	10	-	-	756,042	653,528
	Investment property - net	11	765,332	778,027	334,331	334,331
	Leasehold improvements and equipment - net	12	20,538	17,616	9,022	10,045
	Right-of-use assets - net	13	32,332	-	8,248	-
	Intangible assets - net	14	14,609	2,069	61	111
	Deferred tax assets	15	119,532	27,671	93,164	15,592
	Other non-current financial assets	23	121,071	121,071	121,071	121,071
	Other non-current assets		17,673	24,118	11,266	13,201
	<b>Total non-current assets</b>		<b>3,250,076</b>	<b>3,575,234</b>	<b>3,560,152</b>	<b>3,958,883</b>
	<b>Total assets</b>		<b>3,813,883</b>	<b>4,315,532</b>	<b>3,897,054</b>	<b>4,470,764</b>

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2020

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		Unaudited		Unaudited	
		Reviewed	Audited	Reviewed	Audited
Notes		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Liabilities and Shareholders' Equity</b>					
<b>Current liabilities</b>					
	Interest payables	36,997	32,840	36,997	32,840
	Other payables	10,080	13,292	1,766	1,410
5	Amounts due to related companies	-	-	200	210
5	Short-term loans from related parties - net	-	20,000	249,007	276,470
16	Short-term loans from others - net	373,470	362,215	373,470	362,215
17	Current portion of lease liabilities	6,662	1,583	5,537	1,583
18	Current portion of debentures	2,571,503	2,367,039	2,571,503	2,367,039
	Other current liabilities	33,462	23,036	20,295	20,263
	<b>Total current liabilities</b>	<b>3,032,174</b>	<b>2,820,005</b>	<b>3,258,775</b>	<b>3,062,030</b>
<b>Non-current liabilities</b>					
16	Long-term loans from others - net	3,000	3,000	3,000	3,000
17	Lease liabilities - net	26,919	2,768	5,105	2,768
18	Debentures - net	-	302,490	-	302,490
	Non-current provisions for employee benefits	9,731	8,489	4,026	3,636
	Non-current liabilities	1,052	1,052	1,052	1,052
	<b>Total non-current liabilities</b>	<b>40,702</b>	<b>317,799</b>	<b>13,183</b>	<b>312,946</b>
	<b>Total liabilities</b>	<b>3,072,876</b>	<b>3,137,804</b>	<b>3,271,958</b>	<b>3,374,976</b>

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2020

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		Unaudited		Unaudited	
		Reviewed	Audited	Reviewed	Audited
Notes		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Shareholders' Equity</b>					
Share capital					
Authorized share capital					
	390,672,338 ordinary shares, at Baht 0.5 each	195,336	195,336	195,336	195,336
Issued and fully paid-up					
	316,411,160 ordinary shares, at Baht 0.5 each	158,206	158,206	158,206	158,206
	Premiums on ordinary shares	445,110	445,110	445,110	445,110
Gain on dilution of investment					
	proportion in subsidiary	10	63,978	63,978	-
Retained earnings					
Appropriated					
	Legal reserve	19,534	19,534	19,534	19,534
	Unappropriated	(29,320)	407,365	2,246	472,938
<b>Total shareholders' equity attributable to owners of parent</b>		<b>657,508</b>	<b>1,094,193</b>	<b>625,096</b>	<b>1,095,788</b>
	Non-controlling interests	83,499	83,535	-	-
<b>Total shareholders' equity</b>		<b>741,007</b>	<b>1,177,728</b>	<b>625,096</b>	<b>1,095,788</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,813,883</b>	<b>4,315,532</b>	<b>3,897,054</b>	<b>4,470,764</b>

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

		Unit : Thousand Baht			
		Unaudited but reviewed			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
	5, 20				
<b>Revenues</b>					
		9,345	70,857	10,233	55,554
		(63,860)	(55,742)	(64,365)	(56,387)
		<b>(54,515)</b>	<b>15,115</b>	<b>(54,132)</b>	<b>(833)</b>
		31,469	38,432	-	-
		(22,114)	(26,122)	-	-
		<b>9,355</b>	<b>12,310</b>	<b>-</b>	<b>-</b>
		-	-	-	4,000
		842	2,348	278	1,804
		<b>(44,318)</b>	<b>29,773</b>	<b>(53,854)</b>	<b>4,971</b>
<b>Other operating expenses</b>					
		35,339	24,853	12,440	14,614
		38,294	-	28,132	-
		-	-	94,265	-
		<b>73,633</b>	<b>24,853</b>	<b>134,837</b>	<b>14,614</b>
		<b>(117,951)</b>	<b>4,920</b>	<b>(188,691)</b>	<b>(9,643)</b>
		(702)	(71)	(324)	(65)
		<b>(118,653)</b>	<b>4,849</b>	<b>(189,015)</b>	<b>(9,708)</b>
	15	9,757	(18)	5,722	2,579
		<b>(108,896)</b>	<b>4,831</b>	<b>(183,293)</b>	<b>(7,129)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
		(602)	-	(75)	-
		<b>(109,498)</b>	<b>4,831</b>	<b>(183,368)</b>	<b>(7,129)</b>
<b>Profit (loss) attributable to</b>					
		(109,072)	4,535	(183,293)	(7,129)
		176	296	-	-
		<b>(108,896)</b>	<b>4,831</b>	<b>(183,293)</b>	<b>(7,129)</b>
<b>Total comprehensive income (loss) attributable to</b>					
		(109,495)	4,535	(183,368)	(7,129)
		(3)	296	-	-
		<b>(109,498)</b>	<b>4,831</b>	<b>(183,368)</b>	<b>(7,129)</b>
<b>Earnings (loss) per share ( Baht per share)</b>					
	19	(0.345)	0.014	(0.579)	(0.023)



ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

Unit : Thousand Baht									
Unaudited but reviewed									
Consolidated financial statements									
	Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Gain on dilution of investment proportion in subsidiary	Retained earnings		Total shareholders' equity attributable to owners of parent	Non-controlling interest	Total
					Appropriated Legal Reserve	Unappropriated			
<b>Balance as at January 1, 2020 - as previously reported</b>		158,206	445,110	63,978	19,534	407,365	1,094,193	83,535	1,177,728
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard (net from income tax)	4	-	-	-	-	(327,190)	(327,190)	(33)	(327,223)
<b>Balance as at January 1, 2020 - after adjusted</b>		158,206	445,110	63,978	19,534	80,175	767,003	83,502	850,505
Total comprehensive loss for the period		-	-	-	-	(109,495)	(109,495)	(3)	(109,498)
<b>Balance as at March 31, 2020</b>		158,206	445,110	63,978	19,534	(29,320)	657,508	83,499	741,007
<b>Balance as at January 1, 2019</b>		158,204	445,087	-	19,534	598,094	1,220,919	-	1,220,919
Gain on dilution of investment proportion in subsidiary		-	-	63,978	-	-	63,978	-	63,978
Non-controlling interests increased		-	-	-	-	-	-	83,513	83,513
Total comprehensive income for the period		-	-	-	-	4,535	4,535	296	4,831
<b>Balance as at March 31, 2019</b>		158,204	445,087	63,978	19,534	602,629	1,289,432	83,809	1,373,241

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

Unit : Thousand Baht						
Unaudited but reviewed						
Separate financial statements						
	Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Retained earnings		Total
				Appropriated Legal Reserve	Unappropriated	
<b>Balance as at January 1, 2020 - as previously reported</b>		158,206	445,110	19,534	472,938	1,095,788
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard (net from income tax)	4	-	-	-	(287,324)	(287,324)
<b>Balance as at January 1, 2020 - after adjusted</b>		158,206	445,110	19,534	185,614	808,464
Comprehensive loss for the period		-	-	-	(183,368)	(183,368)
<b>Balance as at March 31, 2020</b>		158,206	445,110	19,534	2,246	625,096
<b>Balance as at January 1, 2019</b>		158,204	445,087	19,534	589,541	1,212,366
Total comprehensive loss for the period		-	-	-	(7,129)	(7,129)
<b>Balance as at March 31, 2019</b>		158,204	445,087	19,534	582,412	1,205,237

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	Unit : Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash Flows from Operating Activities:</b>				
Net profit (loss) for the period	(108,896)	4,831	(183,293)	(7,129)
Adjustments to reconcile profit (loss) for the period to cash				
provided by (used in) operating activities				
Depreciation and amortization	15,586	1,521	1,539	553
Interest income	(9,345)	(70,857)	(10,233)	(55,554)
Interest expense	63,860	55,742	64,365	56,387
Interest expense from leases	702	71	324	65
Loss on credit of receivables	38,294	-	28,132	-
Dividend income	-	-	-	(4,000)
Impairment loss on investment in subsidiaries	-	-	94,265	-
Loss on written-off of withholding tax assets	947	-	947	-
Loss on disposal of fixed asset	-	464	-	469
Gain from disposal of other current financial assets	(151)	(1,013)	(58)	(750)
Unrealized gain (loss) from changes in value of				
other current financial assets	(594)	227	(167)	181
Non-current provisions for employee benefits	489	407	296	264
Tax expenses (income)	(9,757)	18	(5,722)	(2,579)
Loss from operating activities before changes				
in operating assets and liabilities	(8,865)	(8,589)	(9,605)	(12,093)
Changes in operating assets (increase) decrease				
Trade receivables	187	1,321	-	-
Amounts due from related companies	-	-	-	107
Loans to other companies	140,482	215,580	140,482	308,908
Factoring receivables	-	(3)	-	-
Other current assets	1,527	205	(43)	122
Loan to employees	10	28	-	-
Restricted deposits at bank	(200)	-	-	-
Other non-current assets	(1,363)	2,389	796	(298)
Changes in operating liabilities increase (decrease)				
Other payable	(3,212)	(7,417)	356	(2,445)
Amount due to related companies	-	-	(10)	8
Other current payable	526	595	32	215
<b>Cash provided by operating activities</b>	<b>129,092</b>	<b>204,109</b>	<b>132,008</b>	<b>294,524</b>
Interest received	-	19,990	-	14,859
Interest paid	(47,258)	(64,558)	(47,385)	(65,197)
Income tax paid	(925)	(4,028)	(7)	(177)
<b>Net cash from operating activities</b>	<b>80,909</b>	<b>155,513</b>	<b>84,616</b>	<b>244,009</b>

ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	Unit : Thousand Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash Flows from Investing Activities:</b>				
Cash (paid to) received from other current financial assets	(86,300)	183,500	(82,000)	154,840
Dividend received	-	-	-	4,000
Cash payment from long-term loans to related parties	-	-	(9)	-
Cash payment for acquisition of leasehold improvement and equipment	(38)	(858)	-	-
Cash received from disposal of leasehold improvement and equipment	-	2,539	-	2,528
Cash paid for purchase of intangible assets	-	(200)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(86,338)</b>	<b>184,981</b>	<b>(82,009)</b>	<b>161,368</b>
<b>Cash Flows from Financing Activities:</b>				
Cash paid for short-term loans from others	-	(200,000)	-	(200,000)
Cash received from short-term loans from related parties	-	-	-	100,000
Cash paid for short-term loans from related parties	(20,000)	-	(27,463)	(90,500)
Proceeds from issuance of debentures	-	305,063	-	305,063
Redemption of debentures	(99,918)	(454,200)	(99,918)	(454,200)
Cash paid for lease liabilities	(1,352)	(1,908)	(1,284)	(1,753)
Cash received from share capital increase	-	147,492	-	-
<b>Net cash used in financing activities</b>	<b>(121,270)</b>	<b>(203,553)</b>	<b>(128,665)</b>	<b>(341,390)</b>
<b>Net cash and cash equivalents increase (decrease)</b>	<b>(126,699)</b>	<b>136,941</b>	<b>(126,058)</b>	<b>63,987</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>143,691</b>	<b>52,148</b>	<b>137,726</b>	<b>48,750</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16,992</b>	<b>189,089</b>	<b>11,668</b>	<b>112,737</b>

**Supplemental Disclosures of Cash Flows Information**

Purchase of equipment that have not been paid in cash	2,623	280	-	-
Purchase of intangible assets that have not been paid in cash	7,277	123	-	-
Transfer deposits as equipment	1,967	-	-	-
Transfer deposits as intangible assets	5,458	-	-	-
Right-of-use assets increased from lease liabilities	32,184	-	7,576	-

**ASIA CAPITAL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

**(UNAUDITED BUT REVIEWED)**

**1. GENERAL INFORMATION**

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

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

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

**2. GOING CONCERN**

The Group has current liabilities as at March 31, 2020 in the amount of Baht 3,030 million, which is significantly higher than current assets and these consist mostly the debentures amounting of Baht 2,572 million matured in one year. In accordance with the resolution of the Debenture holders' meeting on February 13, 2020, the debenture holders did not approve to change rights and obligations of the debenture issuer and debenture holders to extend a maturity redemption date of debentures ACAP202A for another 366 days starting from February 7, 2020 to February 7, 2021. This causes the debenture ACAP202A amounting of Baht 395 million being defaulted debentures and many debenture holders have sued the Company at the civil court to pay the principal with defaulted interest. Presently, the cases are under consideration by the preliminary court (Note 18). The debenture ACAP190A and ACAP207A having the interest payment due date on April 7, 2020 and the debenture ACAP202A having the interest payment due date on May 7, 2020 are defaulted interest totaling of Baht 31.42 million. In addition, the Company has loan receivable to other companies, defaulted loans having property as collateral and investment property from forcing the debt settlement. It takes time for the Company to call back the debts repayment, to force the collateral and to sell the investment property in order to get sufficient cash flow for operations. In addition, the current general economic environment has been affected by the outbreak of Coronavirus disease 2019 (COVID-19). These factors affect to liquidity of the Company to pay the debts when it falls due. The management believes that the Company is able to manage its liquidity to pay the debts without affecting to the going concern of the Company. The financial statements are, therefore, prepared on the assumption that the Company operates its operation on a going concern basis.

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

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

The interim financial statements have been prepared to provide information additional to that included in the financial statements for the year ended December 31, 2019. 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, 2019.

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

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

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

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the "Group") are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2019.

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

Company's name	Nature of relationships	Incorporation	% Equity interest owned by the Company	
			March 31, 2020	December 31, 2019
<b>Subsidiaries directly held by the Company</b>				
Global Service Center PLC. (GSC)	Call center service	Thailand	64.00	64.00
ACAP Consulting Co., Ltd.	Legal advisory	Thailand	99.99	99.99
CapitalOK Co., Ltd.	Consumers Finance	Thailand	99.99	99.99
OK Cash Co., Ltd.	Collection services	Thailand	99.99	99.99

Company's name	Nature of relationships	Incorporation	% Equity interest owned by the Company	
			March 31, 2020	December 31, 2019
C.Image Digital Co., Ltd	Sale of land with buildings and other real estate	Thailand	99.99	99.99
Aurum Capital Advisory Pte. Ltd.	Investment Banking	Singapore	63.97	63.97

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

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiary' financial statements, except the adoption of financial reporting standards related to financial instruments and TFRS 16 Leases which are summarized changes to key principles and the effects in Note 4 to the 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, 2019, except for the change in the accounting policies due to the adoption of TFRS 16 Leases and the financial instruments related financial reporting standards.

##### **Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, calculation

of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.



*Classification and measurement:*

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortized cost, fair value through profit or loss (“FVPL”) and fair value through other comprehensive income (“FVOCI”). Classification of debt assets will be driven by the entity’s business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. The Group can make an irrevocable election to recognize the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortized cost.
- Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

*The impairment requirements*

The accounting for expected credit losses on its financial assets measured at amortized cost, investments in debt instruments measured at fair value through other comprehensive income and loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Group applies general approach for credit-impaired consideration. Except for accounts receivable, they are permitted to measure by simplified approach for credit-impaired consideration.

**TFRS 16 Leases**

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

Where the Group is the lessee, leases are recognised as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Group uses the Group’s incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expense in the statement of income.

**Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”**

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020.

**Impacts on the financial information**

The Group has adopted these two group of reporting standards from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements (Unaudited)			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
<b>Statement of financial position</b>				
<b>Current assets</b>				
Accounts receivable- net	25,058	(428)	-	24,630
Factoring receivables - net	4,611	(1,022)	-	3,589
Other current assets	<b>18,603</b>	-	(1,958)	16,645

	Unit: Thousand Baht			
	Consolidated financial statements (Unaudited)			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
<b>Non-current assets</b>				
Defaulted loans to other companies - net	2,604,370	(407,578)	-	2,196,792
Right-of-use assets - net	-	-	32,184	32,184
Deferred tax assets	27,671	81,805	-	109,476
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities- net	1,583	-	4,898	6,481
<b>Non-current liabilities</b>				
Lease liabilities - net	2,768	-	25,328	28,096
<b>Shareholders' equity</b>				
Retained earnings	407,365	(327,223)	-	80,142

	Unit: Thousand Baht			
	Separate financial statements (Unaudited)			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
<b>Statement of financial position</b>				
<b>Non-current assets</b>				
Long-term loans to related companies - net	446,500	(196,779)	-	249,721
Defaulted loans to other companies - net	2,364,504	(359,155)	-	2,005,349
Investment in subsidiaries - net	653,528	196,779	-	850,307
Right-of-use assets - net	-	-	7,576	7,576
Deferred tax assets	27,671	71,831	-	99,502

	Unit: Thousand Baht			
	Separate financial statements (Unaudited)			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities- net	1,583	-	3,792	5,375
<b>Non-current liabilities</b>				
Lease liabilities - net	2,768	-	3,784	6,552
<b>Shareholders' equity</b>				
Retained earnings	472,938	(287,324)	-	185,614

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Unit: Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Unappropriated retained earnings as at December 31, 2019 (Audited)	407,365	472,938
Increase from loss allowance		
- Accounts receivable	(428)	-
- Factoringreceivables	(1,022)	-
- Defaulted loans to other companies - net	(407,578)	(359,155)
Related income tax	81,805	71,831
Non-controlling interests	33	-
Unappropriated retained earnings as at January 1, 2020 (Unaudited)	80,175	185,614

## Financial instruments

### *Classification and measurement*

On January 1, 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

	Unit: Thousand Baht		
	Consolidated financial statements (Unaudited)		
	FVPL	Amortised cost	Total
<b>Financial assets as at January 1, 2020</b>			
Cash and cash equivalents	-	143,691	143,691
Accounts receivable	-	24,630	24,630
Factoring receivables	-	3,589	3,589
Loans to employees	-	10	10
Loans to other companies	-	337,205	337,205
Other current financial assets	211,120	-	211,120
Restricted deposits at bank	-	292	292
Defaulted loans to other companies	-	2,196,792	2,196,792
Other non-current financial assets	121,071	-	121,071
<b>Total financial assets</b>	<b>332,191</b>	<b>2,706,209</b>	<b>3,038,400</b>
<b>Financial liabilities as at January 1, 2020</b>			
Interest payables	-	32,840	32,840
Other payables	-	13,292	13,292
Term loans from related parties	-	20,000	20,000
Short-term loans from others	-	362,215	362,215
Current portion of lease liabilities	-	6,481	6,481
Current portion of debentures	-	2,367,039	2,367,039
Long-term loans from others	-	3,000	3,000
Lease liabilities	-	28,096	28,096
Debentures- net	-	302,490	302,490
<b>Total financial liabilities</b>	<b>-</b>	<b>3,135,453</b>	<b>3,135,453</b>

Financial assets mandatorily measured at FVPL as at January 1, 2020, include the following

	Unit: Thousand Baht
	Consolidated financial statements (Unaudited)
<b>Financial assets</b>	
Open-end funds - debt securities	211,120
Investment in ordinary shares - non-listed company	121,071
<b>Total financial assets</b>	<b>332,191</b>

	Unit : Thousand Baht		
	Separate financial statements (Unaudited)		
	FVPL	Amortised cost	Total
<b>Financial assets as at January 1, 2020</b>			
Cash and cash equivalents	-	137,726	137,726
Amounts due from related companies	-	10,252	10,252
Short-term loans to other companies	-	337,205	337,205
Other current financial assets	15,578	-	15,578
Long-term loans to related companies	-	249,720	249,720
Defaulted loans to other companies	-	2,005,349	2,005,349
Other non-current financial assets	121,071	-	121,071
<b>Total financial assets</b>	<b>136,649</b>	<b>2,740,253</b>	<b>2,876,902</b>
<b>Financial liabilities as at January 1, 2020</b>			
Interest payables	-	32,840	32,840
Other payables	-	1,410	1,410
Amounts due to related companies	-	210	210
Term loans from related parties	-	276,470	276,470
Short-term loans from others	-	362,215	362,215
Current portion of lease liabilities	-	5,375	5,375
Current portion of debentures	-	2,367,039	2,367,039
Long-term loans from others	-	3,000	3,000
Lease liabilities	-	6,552	6,552
Debentures	-	302,490	302,490
<b>Total financial liabilities</b>	<b>-</b>	<b>3,357,601</b>	<b>3,357,601</b>

Financial assets mandatorily measured at FVPL as at January 1, 2020, include the following

	Unit: Thousand Baht
	Separate financial statements(Unaudited)
<b>Financial assets</b>	
Open-end funds - debt securities	15,578
Investment in ordinary shares - non-listed company	121,071
<b>Total financial assets</b>	<b>136,649</b>

Financial assets and liabilities measured at amortized cost approximate fair value.

Impairment of financial assets

The Group has accounts receivable, factoring receivables and loans to other companies that are subject to the expected credit loss model. The Company has accounts receivable and short-term loans to related parties that are subject to the expected credit loss model.

Accounts receivable

The Group applies the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all accounts receivable.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles and the corresponding historical credit losses experienced.

On that basis, the loss allowance for accounts receivable as at January 1, 2020 was as follows:

	Unit: Thousand Baht					
	Consolidated financial statements (Unaudited)					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Gross carrying amount	23,638	-	-	-	1,420	25,058
Loss allowance	(115)	-	-	-	(313)	(428)

The loss allowance for accounts receivable as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Loss allowance</b>		
As at December 31, 2019 (Audited)	-	-
Amounts adjusted to opening unappropriated retained earnings	428	-
Opening loss allowance as at January 1, 2020 (Unaudited)	428	-

### Factoring receivables

The Group applies the General approach to measuring expected credit losses, which use a lifetime expected loss allowance for all factoring receivables.

On that basis, the loss allowance for factoring receivables as at January 1, 2020 was as follows:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Loss allowance</b>		
As at December 31, 2019 (Audited)	2,609	-
Amounts adjusted to opening unappropriated retained earnings	1,022	-
Opening loss allowance as at January 1, 2020 (Unaudited)	<u>3,631</u>	<u>-</u>

### Loans to other companies

The Group applies the General approach to measuring expected credit losses, which use a lifetime expected loss allowance for all loans to other companies.

On that basis, the loss allowance for loans to other company as at January 1, 2020 was as follows:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Loss allowance</b>		
As at December 31, 2019 (Audited)	136,318	73,883
Amounts adjusted to opening unappropriated retained earnings	407,578	359,155
Opening loss allowance as at January 1, 2020 (Unaudited)	<u>543,896</u>	<u>433,038</u>

### Long-term loans to related companies

The Company has long-term loans to related companies measured at amortized cost. The allowance for loss is limited to the expected credit losses for the next 12 months.

The movement in long-term loans to related company are as follows:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Carrying amount as at December 31, 2019 (Audited)	-	446,500
Adjustment from the adoption of TFRS 9 as at January 1, 2020*	-	(196,799)
Carrying amount as at January 1, 2020 (Unaudited)	<u>-</u>	<u>249,721</u>

\* Affecting the investment in subsidiary by increasing of Baht 196.78 million.



## Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 *Leases*. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group and the Company's incremental borrowing rates applied to the lease liabilities as at January 1, 2020 is 6.65% and 15%.

The lease liabilities as at January 1, 2020, and operating lease commitments as at December 31, 2019 which is disclosed in accordance with TAS 17 are reconciled as follow:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Obligation under the lease agreement disclosed as at		
December 31, 2019	12,081	9,066
<u>Add</u> Obligation from extended lease period	32,827	-
<u>Less</u> Leases of low-value assets	(199)	(167)
<u>Less</u> The agreement is considered as a service agreement	(2,718)	(147)
<u>Less</u> Deferred interest expenses	(11,765)	(1,176)
Additional lease liabilities from TFRS 16 adoption	30,226	7,576
Finance lease liabilities as at December 31, 2019	4,351	4,351
Lease liabilities as at January 1, 2020	34,577	11,927
Of which are:		
Current lease liabilities	6,481	5,375
Non-current lease liabilities	28,096	6,552
Lease liabilities as at January 1, 2020	34,577	11,927

The recognised right-of-use assets relate to the following types of assets:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	January 1, 2020	March 31, 2020	January 1, 2020
Building	32,332	32,184	8,248	7,576

## 5. TRANSACTIONS WITH RELATED PARTIES

The Company had significant business transactions with related parties for the three-month periods ended March 31, as follows:

	Unit: Thousand Baht				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
<b>Transactions between the Company and related parties</b>					
Interest income	-	-	888	-	0.8 % per annum
Other income - revenue					
from management fee income	-	-	51	50	Mutually agreed
Interest expense	-	-	505	645	0.8% - 2.0% per annum
Administrative expenses	-	-	43	46	Mutually agreed
<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	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Amounts due from related companies	-	-	11,140	10,252
Long-term loans to related parties- net				
Promissory note	-	-	249,730	446,500
Trade payables related parties	-	-	200	210
Short-term borrowings - net				
Promissory note	-	20,000	249,007	276,470

The Company has movements on long-term loan to related parties for the three-month period ended March 31, as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Long-term loans to a related parties</b>				
Beginning balance at the period	-	-	446,500	-
Increase during the period	-	-	9	-
Impact from the TFRS 9	-	-	(196,779)	-
<b>Ending balance at the period</b>	<b>-</b>	<b>-</b>	<b>249,730</b>	<b>-</b>

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

The Company has movements of short-term loans from related parties for the three-month period ended March 31, as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Short-term loans from related parties</b>				
<b>Subsidiaries</b>				
Beginning balance at the period	-	-	256,470	324,000
Increase during the period	-	-	-	100,000
Decrease during the period	-	-	(7,463)	(90,500)
<b>Ending balance at the period</b>	<b>-</b>	<b>-</b>	<b>249,007</b>	<b>333,500</b>
<b>Director</b>				
Beginning balance at the period	20,000	-	20,000	-
Increase during the period	-	-	-	-
Decrease during the period	(20,000)	-	(20,000)	-
<b>Ending balance at the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total short-term loans from related parties</b>	<b>-</b>	<b>-</b>	<b>249,007</b>	<b>-</b>

The short-term loans from related parties represent advances and promissory note which are due at call and have no collateral. The loans bear interest at 0.80 - 5.00% per annum (The first quarter of 2019: 0.80-2.00% per annum).

### Management compensation

Management compensation for the three-month periods ended March 31, consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term benefits	6,885	5,041	3,363	3,240
Post-employment benefits	234	202	179	164
<b>Total management compensation</b>	<b>7,119</b>	<b>5,243</b>	<b>3,542</b>	<b>3,404</b>

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Cash on hand	12	12	6	7
Cash at banks - current accounts	1,000	212	-	-
Cash at banks - saving accounts	15,980	143,467	11,662	137,719
<b>Total cash and cash equivalents</b>	<b>16,992</b>	<b>143,691</b>	<b>11,668</b>	<b>137,726</b>

## 7. ACCOUNTS RECEIVABLE - NET

Accounts receivable consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Accounts receivable</b>				
Accounts receivable	12,051	12,675	-	-
Accrued income	12,820	12,383	-	-
<b>Total accounts receivable</b>	<b>24,871</b>	<b>25,058</b>	<b>-</b>	<b>-</b>
<u>Less</u> loss allowance				
Beginning	-	-	-	-
Impact from TFRS 9	(428)	-	-	-
Ending balance	(428)	-	-	-
<b>Total Accounts receivable - net</b>	<b>24,443</b>	<b>25,058</b>	<b>-</b>	<b>-</b>

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

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Accounts receivable</b>				
Current	10,443	11,255	-	-
Over due				
Not over 3 months	387	-	-	-
Over 3-6 months	-	-	-	-
Over 6-12 months	-	-	-	-
Over 12 months	1,221	1,420	-	-
<b>Total accounts receivable</b>	<b>12,051</b>	<b>12,675</b>	<b>-</b>	<b>-</b>

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

**8. SHORT-TERM LOANS TO OTHER COMPANIES/ DEFALUTED LOANS TO OTHER COMPANIES - NET**

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

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Short-term loans to other companies</b>				
Short-term loans to other companies	206,068	337,205	206,068	337,205
<b>Total short-term loans to other companies - net</b>	<b>206,068</b>	<b>337,205</b>	<b>206,068</b>	<b>337,205</b>
<b>Defaulted loans to other companies</b>				
Bills of exchange	653,891	653,891	583,891	583,891
Term loans to other companies	2,086,796	2,086,797	1,854,496	1,854,496
<b>Defaulted loans to other companies</b>	<b>2,740,687</b>	<b>2,740,688</b>	<b>2,438,387</b>	<b>2,438,387</b>
<u>Less</u> loss allowance	(582,190)	(136,318)	(461,170)	(73,883)
<b>Defaulted loans to other companies - net</b>	<b>2,158,497</b>	<b>2,604,370</b>	<b>1,977,217</b>	<b>2,364,504</b>
<b>Total short-term loans / defaulted loans to other companies - net</b>	<b>2,364,565</b>	<b>2,941,575</b>	<b>2,183,285</b>	<b>2,701,709</b>

Unit: Thousand Baht

**Collateral value measurement**

Consolidated financial statements as at March 31, 2020

	Unit: Thousand Baht			
	Loan amount	Collateral value	Loss allowance	Total
Separate financial statements as at March 31, 2020				
<b>Defaulted loans to other companies</b>				
Term loans with ordinary shares as collateral	102,367	48,205	(10,239)	40,205
<b>Defaulted loans to other companies for collateral with ordinary shares as collateral</b>				
Term loans with leasehold rights collateral	1,782,362	1,384,697	(100,476)	1,384,697
Term loans with leasehold rights collateral for the process of rights transfer (Note 8.4)	1,490,022	1,398,900	(331,894)	1,498,428
Term loans with leasehold rights collateral for the process of rights transfer (Note 8.4)	494,474	597,900	(68,506)	495,968
<b>Total defaulted loans to other companies - net consideration (Note 8.3)</b>	<b>2,390,687</b>	<b>2,029,002</b>	<b>(168,596)</b>	<b>2,238,908</b>
<b>Total defaulted loans to other companies - net</b>	<b>2,438,387</b>	<b>1,847,722</b>	<b>(461,170)</b>	<b>1,977,217</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 March 31, 2020, 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 March 31, 2020, 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.

Loss allowance for term loans under the process of court consideration as at March 31, 2020 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.

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

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	(3 months period)	(12 months period)	(3 months period)	(12 months period)
<b>Beginning balance of the period</b>	2,941,574	3,844,907	2,701,709	3,600,424
Additions during the period	-	218,680	-	129,000
Repayments during the period	(140,482)	(639,480)	(140,482)	(584,480)
Debt settlement by forcing investment property (Note 8.5)	-	(446,500)	-	-
Transfer to long-term loans to related companies (Note 8.5)	-	-	-	(446,500)
Loss allowance during the period	(38,294)	(136,318)	(28,132)	(73,883)
Impact from TFRS 9	(407,578)	-	(359,155)	-
Interest income recognised during the period	8,195	88,625	8,195	60,586
Commission expense recognised during the period	-	(21,581)	-	(16,679)
Deferred income commission	-	(6,553)	-	(6,553)
Interest receivable	1,150	39,794	1,150	39,794
<b>Ending balance of the period</b>	<b>2,364,565</b>	<b>2,941,574</b>	<b>2,183,285</b>	<b>2,701,709</b>

Bill of exchange have the interest rates of 6 - 8% per annum (December 31, 2019: 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, 2019: 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 March 31, 2020, rights of collateral for repayment of a debtor, which is a land of a real estate project, has been used as collateral for short-term loans from other companies (Note 16).



- 8.1 On April 30, 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline, whereby recognition of interest income is to cease for receivable balance which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has policy to cease recognizing interest income which are overdue more than 6 months for the loan receivables and cease recognizing interest income for defaulted bill of exchange receivables.
- 8.2 As at March 31, 2020, the Group had outstanding short-term loans to other companies which interest income isn't being recognised in the consolidated and separate financial amounting to Baht 2,741 million and Baht 2,438 million, respectively, (December 31, 2019: Baht 2,741 million and Baht 2,438 million, respectively.).
- 8.3 A loan receivable account has a short-term loan from Asia Capital Group PLC. with a credit limit of Baht 800 million to be used for purchase of raw materials for delivery and distribution to a loan receivable's customer. The loan receivable account assigned its right to claim over the payment from this customer to the Company under the tri-party memorandum to solely transfer the right to the Company for repayment under the loan agreement. The customer gave its consent and complied with the contract. However, when the payment was matured in the second quarter of 2018, the customer did not transfer the payment to the Company under the transferred right agreement. On May 30, 2018, the Company issued a legal notice to the loan receivable account as the borrower and the customer as the assignee to make the payments to the Company. Nevertheless, both parties has not responded and made no payment. The outstanding balance of loans and accrued interest receivable as at March 31, 2020, was Baht 304.47 million. In this case, the customer has appointed its agent who is their employee to purchase raw materials from the loan receivable account and they also have their employee to accept the delivery of goods as well as to issue a goods receipt note to the loan receivable account. Although the customer claimed that they did not receive the goods due to their internal fraud, they could not refuse their obligation to pay to the Company, who is an external innocent party, or even in the case where the customer has paid for the goods to other creditors, because the agreement states that the customer has to pay to the Company only. Therefore, they have no right under the consent to refuse the payment to the Company in anyway. When the Company had not receive the payment from the loan receivable account and the customer, the Company has followed up but both of them have ignored and have not made any payments in any way. The Company have not yet received any response either to deny or accept the payment from both parties. On August 20, 2018, the Company has already filed a lawsuit against loan receivable account and the customer to the Civil Court. The Court has appointed for conciliation or settlement of issue with both parties on November 26, 2018. Both parties could not reach a negotiation and conciliation on the Court, therefore the Court scheduled the date for hearing the evidence during July to August 2019. On July 25, 2019, the court called for the witness investigation whereby both sides' lawyer request additional witness investigation. Therefore, the appointment of witnesses for further investigation was made during September to November 2019. On November 15, 2019, the court called for the

witness investigation by which the defendant's lawyer requests additional witness investigation. Therefore, the appointment of witnesses for further investigations were made during December 2019 to March 2020. On March 19, 2020, the court completed the witness investigation and presently this legal case was completed the witness investigation. The Civil court scheduled to hear the verdict on June 10, 2020.

Moreover, the Company has received a legal opinion from the third party professional law firm which concluded that transfer of rights to the Company for repayment is definitely complete and legitimate. The Company has a right to claim for full payment from the customer of loan receivable account without any excuse.

- 8.4 During the year 2019, the Company has a defaulted debtor in amount of Baht 491.43 million. Such debtor has the land for 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.

Such debtor sued the Company and the Educational Institution to the Southern Bangkok Civil Court as a disputed case and this is under the consideration of the court. The court called for an appointment on March 9, 2020 and later the court postponed an appointment to May 25, 2020. However, the Company's management believes that such consideration does not affect the assignment of the leasehold rights.

Presently, the Company is processing to register the assignment of the leasehold rights and correct the counter party in the lease agreement which is not yet finalized.

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

Financial statement of C. Image Digital Co., Ltd. as at September 19, 2019, are as follows:

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

The agreement was deemed as a transfer of collateral for debt settlement from the short-term loan receivable. The Company, therefore, recognized investment at zero values and recognized short-term loan receivable to subsidiaries amounting of Baht 446.50 million in the separate financial statements. The land and buildings in the financial statements of C. Image Digital Co., Ltd. have the fair values assessed by Bangkok Valuation & Consultant Co., Ltd. on December 27, 2019, in the amount of Baht 468.39 million.

The Company's lawyer has performed the legal due-diligence on C. Image Digital Co., Ltd. and found that the company does not have any liabilities on the date which the Company hold all the shares of this company.

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

## 9. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements			
	March 31, 2020		December 31, 2019	
	Cost price	Fair value Level 2	Cost price	Fair value Level 2
Open-end fund - debt securities - at cost	297,571	298,165	210,636	211,120
<u>Add</u> unrealized gain on change in value of investment	594	-	484	-
<b>Total other current financial assets</b>	<b>298,165</b>	<b>298,165</b>	<b>211,120</b>	<b>211,120</b>

	Unit: Thousand Baht			
	Separate financial statements			
	March 31, 2020		December 31, 2019	
	Cost price	Fair value Level 2	Cost price	Fair value Level 2
Open-end fund - debt securities - at cost	97,636	97,803	15,571	15,578
<u>Add</u> unrealized gain on change in value of investment	167	-	7	-
<b>Total other current financial assets</b>	<b>97,803</b>	<b>97,803</b>	<b>15,578</b>	<b>15,578</b>

## 10. INVESTMENTS IN SUBSIDIARIES- NET

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

	Separate financial statements											
	Unit: Thousand Baht											
	Paid-up capital (Thousand Baht)				Equity interest and voting right of the Company (%)		Dividend income					
	For the three-month period ended		For the three-month period ended		For the three-month period ended		For the three-month period ended					
March 31, 2020		December 31, 2019		March 31, 2020		December 31, 2019		March 31, 2020		March 31, 2019		
Global Service Center PLC. (GSC)*	125,000	125,000	64.00	99.99	80,000	80,000	-	4,000				
ACAP Consulting Co., Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	-	-				
Capital OK Co., Ltd.	412,500	412,500	99.99	99.99	509,926	509,926	-	-				
OK Cash Co., Ltd.	62,050	62,050	99.99	99.99	62,602	62,602	-	-				
C.ImageDigital Co., Ltd**	50,000	50,000	99.99	99.99	196,779	-	-	-				
Aurum Capital Advisory Pte. Ltd.	14,274	14,274	63.97	63.97	10,892	10,892	-	-				
<b>Total</b>					<b>861,199</b>	<b>664,420</b>	<b>-</b>	<b>4,000</b>				
<u>Less Allowance for loss on impairment of investment</u>					<u>(105,157)</u>	<u>(10,892)</u>	<u>-</u>	<u>-</u>				
<b>Total investment in subsidiaries - net</b>					<b>756,042</b>	<b>653,528</b>	<b>-</b>	<b>4,000</b>				

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

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

\*\* Impact from applying TFRS 9, on January 1, 2020, the Company reduced long-term loans to subsidiary of Baht 196.78 million and increased investment in subsidiary of Baht 196.78 million.

#### 11. INVESTMENT PROPERTY - NET

Investment property as at March 31, 2020, consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Book value as at January 1, 2020</b>	778,027	334,331
Depreciation for the period	(12,695)	-
<b>Book value as at March 31, 2020</b>	<b>765,332</b>	<b>334,331</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 March 31, 2020, the fair values of investment property in the consolidated and separate financial statements are totally Baht 1,123 million and Baht 655 million, respectively.

As at March 31, 2020, some of the group's investment property are used as collateral for short-term loans from others (Note 16).

## 12. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment as at March 31, 2020, consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Book value as at January 1, 2020</b>	17,616	10,045
Acquisitions during the period (Cost)	4,628	-
Depreciation for the period	(1,097)	(414)
Transferred to right-of-use assets(Book Value)	(609)	(609)
<b>Book value as at March 31, 2020</b>	<b>20,538</b>	<b>9,022</b>

Depreciation for the three-month periods ended March 31, 2020 and 2019 amounted to Baht 1.10 million and Baht 1.30 million, respectively for the consolidated financial statements, and amounted to Baht 0.41 million and Baht 0.46 million for the separate financial statements, respectively.

As at March 31, 2020 and December 31, 2019, the Group's leasehold improvement and equipment, which have been fully depreciated but still in use, amounted to Baht 128.98 million and Baht 120.63 million, respectively.

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

Right-of-use assets as at March 31, 2020, consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Book value as at January 1, 2020</b>	-	-
Adjustments of right-of-use assets due to TFRS 16 adoption	32,184	7,576
Acquisitions during the period (Cost)	-	-
Transferred from leasehold improvement and equipment	609	609
Transferred from other non-current assets	1,138	1,138
Amortization for the period	(1,599)	(1,075)
<b>Book value as at March 31, 2020</b>	<b>32,332</b>	<b>8,248</b>

**14. INTANGIBLE ASSETS - NET**

Intangible assets as at March 31, 2020, consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Book value as at January 1, 2020</b>	2,069	111
Acquisitions during the period (Cost)	12,735	-
Amortization for the period	(195)	(50)
<b>Book value as at March 31, 2020</b>	<b>14,609</b>	<b>61</b>

**15. DEFERRED TAX ASSETS**

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

	Unit : Thousand Baht				As at March 31, 2020
	Consolidated financial statement				
	Movements increase (decrease)				
As at January 1, 2020	Impact from TFRS 9	Profit or loss	Other Comprehensive income		
<b>Deferred tax assets</b>					
Loss allowance - accounts receivable	-	85	-	-	85
Loss allowance - factoring receivables	522	204	-	-	726
Loss allowance -term loans to other companies	25,085	81,516	9,838	-	116,439
Provision foremployeebenefit	1,698	-	98	151	1,947
Other	366	-	11	-	377
<b>Deferred tax assets</b>	<b>27,671</b>	<b>81,805</b>	<b>9,947</b>	<b>151</b>	<b>119,574</b>
<b>Deferred tax liabilities</b>					
Lease	-	-	42	-	42
<b>Total deferred tax assets</b>	<b>27,671</b>	<b>81,805</b>	<b>9,905</b>	<b>151</b>	<b>119,532</b>





Unit : Thousand Baht					
Separate financial statements					
Movements increase					
	As at	Impact from	Other		As at
	January 1, 2020	TFRS 9	Profit or loss	Comprehensive income	March 31, 2020
<b>Deferred tax assets</b>					
Loss allowance - term loans to other companies	14,777	71,831	5,626	-	92,234
Lease	-	-	19	-	19
Provision foremployeebenefit	727		59	19	805
Other	88	-	18	-	106
<b>Total deferred tax assets</b>	<b>15,592</b>	<b>71,831</b>	<b>5,722</b>	<b>19</b>	<b>93,164</b>

Income tax expenses for the three-month periods ended March 31, were as follows:

Unit : Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax expenses	148	1,807	-	-
Deferred income tax expenses	(9,905)	(1,789)	(5,722)	(2,579)
Tax expenses (income)	(9,757)	18	(5,722)	(2,579)

The Company and certain subsidiaries use the income tax rate of 20% for the calculation of corporate income tax for the three-month periods ended March 31, 2020 and 2019.

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.

16. **SHORT-TERM LOANS/LONG-TERM LOANS FROM OTHERS - NET**

Short-term loans/long-term loans from others consisted of:

	Unit : Thousand Baht	
	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
<b>Short-term borrowings</b>		
Promissory note	100,000	100,000
Short-term borrowings from other companies	280,000	280,000
<u>Less</u> Deferred interest	(6,530)	(17,785)
<b>Total short-term borrowings</b>	<b>373,470</b>	<b>362,215</b>
<b>Long-term borrowings</b>		
Promissory note	3,000	3,000
<b>Total long-term borrowings</b>	<b>3,000</b>	<b>3,000</b>
<b>Total short-term loan/long-term loan from other - net</b>	<b>376,470</b>	<b>365,215</b>

Movements in the borrowings during the three-month period ended March 31, are summarized below:

	Unit : Thousand Baht	
	Consolidated and separate financial statements	
	2020	2019
<b>Balance at beginning of the period</b>	365,215	417,822
Additions during the period	-	-
Prepaid interest	(1,246)	-
Repayments during the period	-	(200,000)
Financial cost recognized during the period	12,501	2,107
<b>Balance at end of the period</b>	<b>376,470</b>	<b>219,929</b>

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

As at March 31, 2020, the Company has long-term loans without the collateral in form of promissory note from 2 persons bearing interest rate of 6.75% per annum. The payment of interest is made every 3 months and repayment of all principal will be within June 2021.

## 17. LEASE LIABILITIES - NET

Lease liabilities consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Lease liabilities	46,120	4,671	11,814	4,671
<u>Less</u> deferred interest expense	(12,539)	(320)	(1,172)	(320)
<b>Present value of lease liabilities</b>	<b>33,581</b>	<b>4,351</b>	<b>10,642</b>	<b>4,351</b>
<u>Less</u> Current portion of minimum payment	(6,662)	(1,583)	(5,537)	(1,583)
<b>Lease liabilities - net</b>	<b>26,919</b>	<b>2,768</b>	<b>5,105</b>	<b>2,768</b>

The Group has entered into the lease of office building, storage room, and vehicle with other parties, the terms of the agreements are generally between 3 to 10 years.

The Group has future minimum leases payments required under the leases agreements as at March 31, 2020 as follow:

	Unit : Million Baht			
	Consolidated financial statements			
	within 1 Year	1 - 5 Years	Over 5 Years	Total
Future minimum leases payment	9.08	18.79	18.25	46.12
Deferred interest expenses	(2.42)	(6.59)	(3.53)	(12.54)
Present value of future minimum leases payment	6.66	12.20	14.72	33.58

  

	Unit : Million Baht			
	Separate financial statements			
	within 1 Year	1 - 5 Years	Over 5 Years	Total
Future minimum leases payment	6.43	5.38	-	11.81
Deferred interest expenses	(0.90)	(0.27)	-	(1.17)
Present value of future minimum leases payment	5.53	5.11	-	10.64

## 18. DEBENTURES - NET

The movement and outstanding balance of the debentures as at March 31, 2020 and December 31, 2019 are as follows:

	Unit: Thousand Baht	
	Consolidated and Separate financial statements	
	March 31, 2020 (3 months period)	December 31, 2019 (12 months period)
<b>Balance at the beginning of the period</b>	2,675,300	3,065,300
Issuance of debentures during the period	-	304,700
Redemption during the period	(99,918)	(694,700)
	<u>2,575,382</u>	<u>2,675,300</u>
<u>Less</u> Deferred expenses for issuing debentures	(3,879)	(5,771)
	<u>2,571,503</u>	<u>2,669,529</u>
<u>Less</u> Current portion of debentures	(2,571,503)	(2,367,039)
<b>Balance at the end of the period</b>	<u>-</u>	<u>302,490</u>

Debentures were charged interest rate of 5.50% - 7.50% per annum in accordance with condition of each debenture (2019: 5.50% - 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 March 31, 2020, the Company maintains debt to equity ratio at 4.15% (December 31, 2019: 2.66%).

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

In accordance with the resolution of the debenture holders' meeting No. 1/2019, on October 4, 2019, the holders approved to change the terms and conditions governing the rights and obligations of the issuer and debenture holder by extending the due date of the ACAP190A amounting of Baht 768.60 million for 366 days from October 6, 2019 to October 6, 2020, with the increase interest rate from 6.00 % per annum to 7.50 % per annum and approved the debenture issuers to early redeem in full or partial amount before October 6, 2020. On January 6, 2020, the Company has exercised the right to redeem some of the debentures before the maturity of the ACAP190A with a repayment of Baht 130 per unit in the amount of Baht 99.92 million.

On October 25, 2019, a debenture holder has sued the Company at the Civil court to pay the principal with interest from the date of default until the date of filing in the amounting of Baht 20.08 million including interest at the rate of 7.5% from the date of sue onwards until the Company has completed the payment. Presently, the case is under consideration by the preliminary court and the court scheduled the hearing of evidence on June 22, 2020.

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

On February 24, 2020, a debenture holder has sued to the Civil court ordered the Company to pay the principal with interest from the date of default until the date of filing in the amounting of Baht 6.22 million including interest at the rate of 7.5% from the date of sue onwards until the Company has completed the payment. Presently, the case is under consideration by the preliminary court and the court scheduled the hearing of evidence on July 27, 2020.

On March 9, 2020, 6 debenture holders has sued to the Civil court ordered the Company to pay the principal with interest from the date of default until the date of filing in the amounting of Baht 2.12 million including interest at the rate of 13.5% from the date of sue onwards until the Company has completed the payment. Presently, the case is under consideration by the preliminary court and the court scheduled the hearing of evidence on July 27, 2020.

On March 24, 2020, 158 debenture holders has sued to the Civil court ordered the Company to pay the principal with interest from the date of default until the date of filing in the amounting of Baht 267.57 million including interest at the rate of 13.5% from the date of sue onwards until the Company has completed the payment. Presently, the case is under consideration by the preliminary court and the court scheduled the hearing of evidence on June 1, 2020.

On March 27, 2020, 2 debenture holders has sued to the Civil court ordered the Company to pay the principal with interest from the date of default until the date of filing in the amounting of Baht 3.05 million including interest at the rate of 13.5% from the date of sue onwards until the Company has completed the payment. Presently, the case is under consideration by the preliminary court and the court scheduled the hearing of evidence on June 16, 2020.

#### 19. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share and diluted earnings (loss) per share for the three-month period ended March 31, are calculated as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net Profit (loss) attributable to shareholders				
of the parent (Thousand Baht)	(109,072)	4,535	(183,293)	(7,129)
Weighted average number of ordinary shares				
outstanding during the period				
basic- Thousand shares	316,411	316,076	316,411	316,076
Basic earnings (loss) per share (Baht)	(0.345)	0.014	(0.579)	(0.023)
Weighted average number of ordinary shares				
outstanding during the period	316,411	316,076	316,411	316,076

diluted - Thousand shares

Diluted earnings (loss) per share (Baht)	<u>(0.345)</u>	<u>0.014</u>	<u>(0.579)</u>	<u>(0.023)</u>
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## 20. BUSINESS SEGMENTS INFORMATION

The Group's business segment information are divided into lending and factoring, call center services and financial businesses, and other. The Group's business segment information for three-month period ended March 31, are as follows:

Unit : Thousand Baht												
Consolidated financial statements												
	Lending and factoring		Call center services and financial businesses		Others		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	11,025	66,046	31,469	38,459	-	-	42,494	104,505	(1,680)	4,784	40,814	109,289
Segment profit (loss)	(53,731)	8,888	9,459	12,533	-	-	(44,272)	21,421	(888)	6,004	(45,160)	27,425
Dividend income	-	4,000	-	-	-	-	-	4,000	-	(4,000)	-	-
Other income	292	1,849	644	596	-	-	936	2,445	(94)	(97)	842	2,348
Administrative expenses	(13,416)	(15,176)	(9,081)	(9,778)	(12,941)	-	(35,438)	(24,954)	99	101	(35,339)	(24,853)
Loss credit of receivables	(38,294)	-	-	-	-	-	(38,294)	-	-	-	(38,294)	-
Impairment loss from investment in subsidiaries	(94,265)	-	-	-	-	-	(94,265)	-	94,265	-	-	-
Finance costs	(324)	(65)	(383)	(6)	(888)	-	(1,595)	(71)	893	-	(702)	(71)
Tax (expenses)income	7,757	773	(178)	378	-	-	7,579	1,151	2,178	(1,169)	9,757	(18)
Profit (loss) for the period	(191,981)	269	461	3,723	(13,829)	-	(205,349)	3,992	96,453	839	(108,896)	4,831
Operating assets asat March 31, consisted of:												
Leasehold improvement and equipment	10,513	10,172	10,134	7,501	-	-	20,647	17,673	(109)	(58)	20,538	17,615
Other	4,538,407	5,446,998	272,270	241,921	357,855	-	5,168,532	5,688,919	(1,375,187)	(1,128,038)	3,793,345	4,560,881
Total operating assets	4,548,920	5,457,170	282,404	249,422	357,855	-	5,189,179	5,706,592	(1,375,296)	(1,128,096)	3,813,883	4,578,496

## 21. FINANCIAL INSTRUMENT

### Fair value of financial instruments

The carrying value and fair value of financial assets and financial liabilities as at March 31, 2020 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements as at March 31, 2020			
	Book value			Fair value
FVPL	Amortized cost	Total		
<b>Financial assets</b>				
Cash and cash equivalents	-	16,992	16,992	16,992
Account receivables	-	24,443	24,443	24,443
Factoring receivables	-	3,589	3,589	3,589
Term loan to other companies	-	206,068	206,068	206,068
Other current financial assets	298,165	-	298,165	298,165
Restricted deposits at bank	-	492	492	492
Defaulted loans to other companies	-	2,158,497	2,158,497	2,158,497
Other non-current financial assets	121,071	-	121,071	121,071
<b>Total financial assets</b>	<b>419,236</b>	<b>2,410,081</b>	<b>2,829,317</b>	<b>2,829,317</b>
<b>Financial liabilities</b>				
Interest payables	-	36,997	36,997	36,997
Other trade payable	-	10,080	10,080	10,080
Short-term loan from other	-	373,470	373,470	373,470
Current portion of lease liabilities	-	6,662	6,662	6,662
Current portion of debentures	-	2,571,503	2,571,503	2,571,503
Long-term loans from other	-	3,000	3,000	3,000
Lease liabilities	-	26,919	26,919	26,919
<b>Total financial liabilities</b>	<b>-</b>	<b>3,028,631</b>	<b>3,028,631</b>	<b>3,028,631</b>

	Unit: Thousand Baht			
	Separate financial statements as at March 31, 2020			
	Book value			Fair value
FVPL	Amortized cost	Total		



Unit: Thousand Baht

Separate financial statements as at March 31, 2020

	Book value			Fair value
	FVPL	Amortized cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	11,668	11,668	11,668
Tradereceivable from related parties	-	11,140	11,140	11,140
Term loan to other companies	-	206,068	206,068	206,068
Other current financial assets	97,803	-	97,803	97,803
Long-term loans to related companies	-	249,730	249,730	249,730
Defaulted loans to other companies	-	1,977,217	1,977,217	1,977,217
Other non-current financial assets	121,071	-	121,071	121,071
<b>Total financial assets</b>	<b>218,874</b>	<b>2,455,823</b>	<b>2,674,697</b>	<b>2,674,697</b>
<b>Financial liabilities</b>				
Interest payables	-	36,997	36,997	36,997
Other trade payables	-	1,766	1,766	1,766
Trade payables to related parties	-	200	200	200
Term loans from related parties	-	249,007	249,007	249,007
Short-term loans from other	-	373,470	373,470	373,470
Current portion of lease liabilities	-	5,537	5,537	5,537
Current portion of debentures	-	2,571,503	2,571,503	2,571,503
Long-term loans from other	-	3,000	3,000	3,000
Lease liabilities	-	5,105	5,105	5,105
<b>Total financial liabilities</b>	<b>-</b>	<b>3,246,585</b>	<b>3,246,585</b>	<b>3,246,585</b>

## 22. COMMITMENTS AND CONTINGENCIES LIABILITIES

22.1 As at March 31, 2020 and December 31, 2019, the Group have obligations under leased office space, storage room, and service charges. The remaining rental and service charges of existing contracts to be paid in the future are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Due within 1year	2,679	7,481	170	4,886
Due over 1year not exceeding 5years	289	4,600	86	4,180
Total	2,968	12,081	256	9,066

As at March 31, 2020, the Group had no obligations under lease agreements for commercial spaces and related service agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 4 to the interim consolidated financial statements.

22.2 As at March 31, 2020 and December 31, 2019, the Group has contingent liabilities commitment from information technology development agreement amounting of Baht 7.43 million and Baht 17.33 million, respectively.

22.3 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 pay was Baht 0.30 million including an interest 7.5% per annum from the date of suing until the defendant has completed the payment to the plaintiff. The Court schedules a date for hearing of witness on August 2020. The management assesses related facts and believes that the case has no ground and will not result in any liability to the Company.

22.4 On August 23, 2019, the Company and a subsidiary were sued together with 4 defendants for revoking the juristic act of buying and selling land and mortgage registration 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 schedules a date for hearing of witness on July 2020. The management assesses related facts and believes that the case has no ground and will not result in any liability to the Company.

## 23. RECLASSIFICATION

The Group has reclassified certain accounts in the financial statement for the year ended December 31, 2019 to conform to the presentation in the current period as follows:

	Unit: Thousand Baht		
	Consolidated financial statements		
	Before reclassification	Reclassification	After reclassification
<b>Statement of financial position</b>			
<b>Current assets</b>			
Short-term investments - net	211,120	(211,120)	-
Other current financial asset	-	211,120	211,120
<b>Non-current assets</b>			
Long-term investment	121,071	(121,071)	-
Other non-current financial asset	-	121,071	121,071

	Unit: Thousand Baht		
	Separate financial statements		
	Before reclassification	Reclassification	After reclassification
<b>Statement of financial position</b>			
<b>Current assets</b>			
Short-term investments - net	15,578	(15,578)	-
Other current financial asset	-	15,578	15,578
<b>Non-current assets</b>			
Long-term investment	121,071	(121,071)	-
Other non-current financial asset	-	121,071	121,071

## 24. EVENTS AFTER THE REPORTING PERIOD

In accordance to the resolution of the 2020 Annual General Meeting of Shareholders on May 8, 2020, it was resolved to decrease the registered capital of 74,261,178 shares at the price of Baht 0.5 per share from the original registered capital of Baht 195,336,169 to Baht 158,205,580 by cutting the registered ordinary shares of the Company that have not been issued.

## 25. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's Board of Directors on May 14, 2020.