

ELCIDACAP003/2021

February 25, 2021

Subject: Explanation for changed in the fiscal 2020 from Operations More Than 20%

To: The President

The Stock Exchange of Thailand

Asia Capital Group Public Company Limited (“the Company”) would like to inform that the Company has already disclosed financial statements for the year ended December 31, 2020 which has been audited by the auditor. The Company would like to clarify the changes of operating results compared to the same period of the year 2019. Net loss increased 164.79 million baht which more than 20%. The main reasons were as follows:

1. Interest income of the Company and subsidiaries decreased 152.68 million baht compared to the same period of the last year mainly from the decrease of issuing new loans and some loans repaid when the loans were due.
2. Other income of the Company and subsidiaries increased 66.79 million baht compared to the same period that the main reasons are from the profit from the sale of investment in a subsidiary of 73.30 million baht.
3. The Company and subsidiaries have increased interest expenses when compared to the same period of the last year in the amount of 150.32 million baht the main reason is that the Company has recorded the default interest accrued to the debenture creditor.
4. The Company and its subsidiaries have operating expenses decreased from the same period of last year approximately 88.10 million baht the main reason cause is setting up doubtful debts from loans to other companies have decreased in the amount of 95.05 million baht.
5. The Company and its Subsidiaries There was an increase of finance costs from the same period of last year approximately 0.83 million baht.
6. The Company and its subsidiaries had corporate income tax increased from the same period last year by approximately 10.70 million baht.
7. The Company and its subsidiaries had a decrease in profit of the minority shareholders of approximately 2.19 million baht.

The statement of financial position has significant changes as follows:

1. Total asset of the Company and subsidiaries decreased 817.30 million baht compared to the last year mainly from:
 - 1.1 Loans to other companies decreased 946.21 million baht from loans repayment from some customers when loans were due and the company has set up an additional provision for doubtful debt.
 - 1.2 Cash short-term investment and long-term investment decreased 66.45 million baht due to the repayment of short-term loans and partial debenture.
 - 1.3 Investment property increased by 155.21 million from one debtor's debt settlement.

2. The total liabilities of the Company and its subsidiaries increased from the previous year by 20.84 million baht, mainly due to

2.1 An increase in accrued interest of 250.33 million baht.

2.2 A decrease in partially repaid debentures of Baht 179.12 million baht.

2.3 A decrease in borrowing amount of 35.21 million baht.

3. The shareholders' equity of the Company and its subsidiaries decreased from the previous year by 838.15 million baht, mainly due to

3.1 There was a disposal of investment in a subsidiary, resulting in the recognition of profit from the reduction of the proportion of investment in that subsidiary amounting to 63.98 million baht, non-controlling interests of 83.54 million baht and other elements of shareholders' equity decreased by 7.91 million baht.

3.2 The operating result was a net loss, including the beginning retained earnings adjustment in accordance with the new financial reporting standards. As a result, retained earnings decreased by 682.72 million baht.

Please be informed accordingly.

Yours Sincerely,

(Mr. Adisai Warinsirikul)

Chief Financial Officer