

17 November 2020

Subject: Amendment on Details of the Financial Statement and Notes in Financial Statements for the Year 2019

To: President
The Stock Exchange of Thailand

Since Asset Five Group Public Company Limited (“the Company”) submitted the financial statements for the year 2019 on 2 March 2020 and the financial statements for the year 2019 regarding revision on the cashflow financial statement and notes of the financial statement on 1 April 2020 with the details as followed (The red texts are the amended content) :

1. Criteria on Consolidating Financial Statements for a Reverse Recapitalizations

In 2018, the Company issued new ordinary shares to the existing shareholders of Asset Five Development Company Limited (“AFD”) and entered in the entire business transfer of Asset Five Holding Company Limited (“AFH”) in order to merged with the Company's business. The transaction is considered as a Reverse Recapitalizations with the Company as the legal parent company (Acquiree) and AFD is a legal subsidiary (Acquirer) and a partially asset acquisition.

Merger method

The Company issued 752 million newly issued ordinary shares at the price of 1 Baht per share to AFH. AFH paid for the shares by transferring all assets and liabilities of AFH in the payment of shares. AFH's assets and liabilities consist of investments in AFD, loans to related parties and other account payable.

Therefore, the issuance of the newly issued ordinary shares of the Company to acquire business, which is AFD's business, and to acquire partial assets, which are loans to related parties.

The merger transaction is considered as a Reverse Recapitalizations since Sittarom Development Company Limited (“STR”) would be sold after the completion of the merger. Thus, there will be no goodwill, while AFD is being the parent company and calculating the merger cost based on the Reverse Acquisitions model.

Originally, the Company acquired the business and calculated the merger cost with AFH, AFH was established to restructure the shareholding of the group of companies and there is no business operation. After the entire business transaction has been made, AFH would register its dissolution.

(Translation)

The difference in the cost of the business acquisition higher than the acquiree's interest in the net fair value recorded as an expense in profit and loss statement as followed:

	(Unit:Baht)
Fair Value of the Asset Five Development Company Limited. as at takeover date, December 22, 2018	151,845,901
Identifiable assets and liabilities at fair value before acquisition date	
Asset Five Group Public Company Limited and subsidiaries	
Net fair value	4,333,913
Business combinations expenses	<u>147,511,188</u>

Costs of Asset Acquisition

Costs of Asset Acquisition are comprised of

loans to related parties	213,475,682
Other receivable	4,336
Short-term borrowings	(2,331,172)
Accrued expenses	(106,260)
Total	<u><u>211,042,586</u></u>

2. Share-based Payment

In 2018, AFD's shareholders established AFH to restructure before merging the business with the Company. AFD's existing shareholders reduced their shareholding in AFD and sold the shares below fair value to AFH, which has not been recorded.

From items 1 and 2, the equity in 2018 was overstated value of share capital amount of 211.25 million Baht, the cost of a Reverse Recapitalizations was overstated by 106.90 million Baht, the asset acquisition cost was understated by 211.04. Equity-settle share-based payment was understated by 9.17 million Baht. Total equity decreased by 105.19 million Baht, accumulated loss was overstated by 106.37 million Baht, and non-controlling interest was overstated by 1.18 million Baht. In profit and loss statement, the merger cost was overstated by 108.33 million Baht. Expenses on share-based payments was understated by 9.17 million Baht.

(Translation)

Reconciliation of capital in the consolidated financial statements as at the reverse takeover date

(Unit: Baht)

	Consolidated financial statements		
	Before	Adjustment/	After
	adjustment	Reclassification	adjustment
Share capital value of subsidiary legally existed before business combinations	501,250,000	(211,250,001)	289,999,999
Cost of business combination as at reverse takeover date	258,746,325	(106,901,224)	151,845,101
Cost of asset acquisition	-	211,042,586	211,042,586
Equity-settled share-based payment	-	9,166,765	9,166,765
Difference from business combinations under common control	4,677,288	(4,677,288)	-
Difference from changes in investment proportion of subsidiary	-	(2,568,517)	(2,568,517)
	<u>764,673,613</u>	<u>(105,187,679)</u>	<u>659,485,934</u>
<u>Capital under shareholders structure of legal parent company</u>			
Issued and paid-up share capital	1,123,000,000	-	1,123,000,000
Share premium (discount) on ordinary shares	(187,893,837)	18,821,992	(169,071,845)
Equity-settled share-based payment	-	9,166,765	9,166,765
Difference from business combinations under common control	4,677,288	(4,677,288)	-
Difference from changes in investment proportion of subsidiary	-	(2,568,517)	(2,568,517)
Capital adjustment from reverse takeover	(175,109,838)	(125,930,631)	(301,040,469)
	<u>764,673,613</u>	<u>(105,187,679)</u>	<u>659,485,934</u>

(Translation)

3. Investments in Subsidiaries

In 2018, the Company recorded the transferring received investments in subsidiary, AFD at the carry value from AFH at the business combination date which should be recorded the transfer of investments at the fair value of AFD. As a result, the Company represented the lower stated of investment and overstated of discount on ordinary shares by the same amount of Baht 18.82 million.

Cumulative effects of errors correction in accordance with No.4.1.1 and 4.1.2 are presented as follows:

(Unit :Baht)

	Consolidated financial statements		
	Before adjustment	Adjustment/ Reclassification	After adjustment
Statements of financial position as at December 31, 2019			
Shareholders' equity			
Capital adjustment from reverse takeover	(175,109,838)	(125,930,631)	(301,040,469)
Premium on share-based payment	-	9,166,765	9,166,765
Premium from business combinations under common control	4,677,288	(4,677,288)	-
Difference from changes in investments proportion of subsidiary	-	(2,568,517)	(2,568,517)
Retained earnings	(283,859,121)	106,371,499	(177,487,622)
Non-controlling interests	10,552,801	(1,183,820)	9,368,981

(Unit :Baht)

	Consolidated financial statements		
	Before adjustment	Adjustment/ Reclassification	After adjustment
Statement of comprehensive income			
Other income	600,872	(13,739)	587,133
Administrative expenses	29,316,076	(221,163)	29,094,913
Expense from share-based payment	-	9,482,533	9,482,533
Business combinations expenses	255,840,869	(108,329,681)	147,511,188
Profit for the year	(289,707,542)	99,054,572	(190,652,970)
Earnings per share (Baht)			
Basic earnings per share	(7.860)	8.110	(0.250)

(Translation)

(Unit :Baht)

	Separate financial statements		
	Before adjustment	Adjustment/ Reclassification	After adjustment
Statements of financial position as at December 31, 2019			
Assets			
Investments in subsidiary	289,999,990	18,821,992	308,821,982
Shareholders' equity			
Discount on ordinary shares	(187,893,837)	18,821,992	(169,071,845)

Please be informed accordingly.

Sincerely yours

Asset Five Group Public Company Limited

Signed _____

(Mr. Kriangkrai Siravanichkan)
Chairman of the Board of Directors