



2014 ANNUAL
REPORT

evolutioncapital

ANNUAL REPORT

2014

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Message from the Chairman



KRIT SRICHAWLA
CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Stakeholders,

I am very proud to declare that 2014 has been a transformative year for Evolution Capital PCL. For the wider business community, the year started against a backdrop of political upheaval and uncertainty which threatened to weaken consumer demand. Nevertheless, the resilience of the Thai economy was again to show itself, and political and economic calm in the second half of the year provided us the confidence to invigorate our growth plans again. As such, we built on the expansion of the previous year, and by the end of the year prepared to add Cambodia to our geographic footprint.

Whilst our three franchised brands, Domino's Pizza, The Coffee Bean & Tea Leaf, and Kyochon Chicken all grew strongly, our independent restaurants in Bangkok continued to attract an increasingly loyal following, so much so that we are now regularly entertaining enquiries to franchise our own brands in other Asian cities. Further, our investment in a Japanese food group comprising 16 well-established restaurants and the Japanese franchisee for New York's iconic Magnolia Bakery has posted strong revenue growth in 2014.

We started with 29 outlets at the end of 2013, and by year-end we had grown this to 50 outlets. Indeed, food and beverage retail now comprises 83.7% of the Company's consolidated revenues, which increased from THB 482.5 million in 2013 to THB 516.2 million in 2014.

Having predicted in last year's Annual Report that we were on track to meet our 2017 target of 170 outlets, I am gratified to report to stakeholders that last year's addition of new stores exceeded my expectations – all thanks to our dedicated management team and line managers. If the past is any indication of the future, then 2015 shall be a stellar year for Evolution Capital PCL.

I am also pleased to report that our investment in the budget hotel sector, through Red Planet Hotels Company Limited, has continued to build scale all across Asia. By the end of 2014, Red Planet Hotels owned and operated 23 hotels, comprising nearly 3,600 rooms) in Thailand, Indonesia, the Philippines, and Japan, and posted significant growth in revenue and margins over the previous year. With a further 6 hotels under construction, Red Planet Hotels will certainly record another banner year in 2015.

The last year's political situation in Thailand has underscored the wisdom of our brand diversification and geographical spread across Asia, as we continue to position Evolution Capital PCL as a regional consumer driven business. This strategy will continue, as we seek to benefit from opportunities in neighbouring economies through not only our globally-recognisable brands, but also through the steady creation of value for us by developing a stable of home-grown brands with regional, and perhaps global, appeal.

In closing, I would also like to invoke a special note of gratitude to my industrious colleagues, who all performed beyond my expectations in this past year. Further thanks are due to our franchise partners, who so strongly supported our business and provided constant encouragement throughout the year. As such, I look ahead to this unfolding year both with great confidence as well as keen anticipation, and I look forward to being able to further share our successes with all stakeholders.

(Mr. Krit Srichawla)
Chairman of the Board of Directors

Message from the CEO



SANJAY KUMAR SINGH
CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

It gives me great pleasure to have been a part of Evolution Capital PCL's gathering growth momentum over the past year. 2014 demonstrated the universal appeal of our 3 strong global Quick Serve Restaurant brands. Despite challenging market conditions, overshadowed by political tensions for the first half of the year, we continued to expand the footprint of Domino's Pizza, The Coffee Bean & Tea Leaf, and Kyochon Chicken. The brand value of our franchises is significant, and we are pleased to note that customer loyalty is increasingly apparent.

Revenues last year grew strongly, as consumer confidence was restored in the second half of the year, and we opened new outlets to expand our reach. As we continue to scale up, we are able to lower costs, create greater efficiencies, and widen margins. The Company is focused on both growth and cost control, and these efforts will pay off in the coming quarters.

Our franchised business straddles 3 differing products, namely pizza, coffee, and chicken. Each of these sectors has varying customer dynamics, underlining our desire to be a well-diversified food group. In addition to product diversity, we continue to strive for geographical spread. In 2014 we grew our Thai business, invested into a successful Japanese restaurant group which includes the Japan franchisee of the world-famous Magnolia Bakery, and by the end of the year we entered into a joint venture in Cambodia to roll out Domino's Pizza in early 2015. This diversification brings stability and balance to our portfolio, and also allows us to benefit from new customer segments.

Our independent restaurant business is thriving, and we have substantially invested in our flagship homegrown brand, Mr. Jones' Orphanage. In the course of last year we opened 5 new outlets, bringing the total to 7, including our first international franchisee, in Sapporo, Japan.

2014 was another strong year for Evolution Capital PCL's revenue growth, led by the food and beverage business. Consolidated revenues grew from THB 482.5 million in 2013 to THB 516.2 million in 2014. Revenues from this

business now account for 83.7% of the Company's total revenues, up from 64.6% in 2013. As such, we can proudly say that Evolution Capital PCL is now a leading food retail business, with its growing stable of popular brands poised to support the Company's continued momentum into 2015.

Over the past year we continued to invest into high-calibre required management resources, physical infrastructure such as storage and warehousing, as well as expanding our central commissary. This has contributed to our transformation into a skilled, resilient, and efficient operator, moving its rapidly-expanding business steadily towards break-even and, beyond, to profitability.

The Company has exceeded management's expectations for growth in 2014, despite challenges in the first part of 2014, and this is in great part down to our globally-leading brands, namely Domino's Pizza, The Coffee Bean & Tea Leaf, and Kyochon Chicken, and our ability to execute a rapid and effective roll-out of new outlets. We are confident that our Company's valuations will reflect the brand equity of our franchise partners to be able to both create new markets for us, as well as gain market share from incumbents. In this regard, our overriding mission is to maintain high product quality standards, grow our customer base, engender customer loyalty, and to expand our presence and footprint. We were successful in achieving this mission last year, and we are confident of again exceeding our goals in the coming year.

2015 will bring new opportunities – both in terms of expanding our presence in Thailand, but also in rolling out our franchised brands and owned brands regionally. I look forward to a busy and rewarding year.

I thank you for your substantial support in 2014, and look forward to being able to again deliver strong growth in the coming year.

Sanjay Singh
Chief Executive Officer

Evolution Capital Public Company Limited

Report of the Audit Committee

The Audit Committee of Evolution Capital Public Company Limited consists entirely of three independent non-executive directors and currently comprises Mr. Witit Sujjapong, the Chairman, Mr. Krish Detter and Mr. Viroj Tangjet-anaporn, the Committee members. The Audit Committee members are independent pursuant to the standards adopted and appointed by the Board of Directors, the Stock Exchange of Thailand ("the SET") and the Securities and Exchange Commission ("the SEC").

The Audit Committee Chairman, Mr. Witit Sujjapong is knowledgeable and experienced in reviewing accounting and financial matters and possesses a comprehensive knowledge of the preparation of financial reports.

The Audit Committee represents and assists the Board of Directors in maintaining the integrity of financial statements and the financial reporting, adequacy and effectiveness of the internal control system, the performance, qualifications and independence of the internal audit function. It also ensures compliance with relevant laws and regulations including the requirements of the SEC and the SET, helps prevent conflict of interest and makes recommendations to the Board of Directors concerning the selection and remuneration of an external auditor.

In 2014, four Audit Committee meetings were conducted to perform its tasks under the scope of works and responsibilities delegated by the Board of Directors. The tasks included:

- A review of the quarterly and year-end financial statements of the Company. The Audit Committee held meetings with the external auditor to discuss the Auditor's reports, the financial statements, relevant disclosures and accounting policies to ensure the accuracy, completeness and reliability of the Company's financial statements and that they were prepared under generally accepted accounting standards.
- The Audit Committee considered the annual internal audit plan, reviewed internal audit results and internal audit comments related to internal controls, recommended improvements and corrective measures to the Company's management, while it continuously monitored the progress of such recommendations.

In 2014, the Internal Audit Department performed internal audit projects and following-up of some Company's departments and associated Companies, audited the operations, reviewed the conflict of interest transactions, and assessed the Company's compliance with regulations and laws relating to the Company's businesses including the SET and SEC regulations.

The Audit Committee is of the opinion that the Company has an adequate and appropriate internal control system and that continued improvements are being implemented including development of risk management system.

- During the year 2014, 4 audit committee meetings were held. The issues discussed with internal and external auditors at the meetings are reported to the Board of Directors for comment and acknowledgement.
- At the Audit Committee meeting No.1/2014, the Audit Committee considered and agreed to recommend EY Office Limited as the company's external auditor with annual audit fees in an amount not exceeding Baht 3,780,000 plus out-of-pocket expenses to the Company's Board of Directors for consideration and submission to the Annual General Meeting of Shareholders for approval.

For and on behalf of the Audit Committee of Evolution Capital Public Company Limited



Witit Sujjapong
Chairman of Audit Committee
27 February 2015

Board of Directors



KRIT SRICHAWLA
CHAIRMAN OF THE BOARD

Group of Companies which undertakes diversified business ventures including commercial and residential property development, hospitality development and operations, distribution of major fashion brands, and the FICO Pattana Foundation. Krit holds an MBA from the American University of Hawaii



SANJAY SINGH
CHIEF EXECUTIVE OFFICER

Sanjay has over 25 years of experience in project development and the hospitality industry. He has lived in Thailand for more than 19 years. Sanjay is a graduate of IIT BHU Varanasi and holds a Bachelor of Technology degree in Civil Engineering. Prior to joining Fico Group, he worked as Executive Vice President with Capital Advisory Services in Bangkok overseeing the Lehman Brothers hospitality asset portfolio in Thailand. Previous experience also includes various roles in the hospitality industry as Vice President, Compass Hospitality and General Manager, President Park Group.



MARK MICHAEL REINECKE
DIRECTOR / VICE CHAIRMAN

Mark Michael Reinecke is a graduate of the London School of Economics, England, and holds a Bachelor of Laws (Common Law & Islamic Law). Before joining Evolution Capital he was a Founding Partner and Director of Kudu Co., Ltd., an award-winning Bangkok-based property developer. Previous experience also includes being Managing Director of Indosuez W.I. Carr Securities for Thailand, Indonesia, Philippines, being Senior Vice President/Head of Sales at Asset Plus Securities in Bangkok, and as a Trader at Baring Securities in both London and Bangkok. He is a German national.

Board of Directors



AMORN SRICHAWLA
DIRECTOR

Amorn Srichawla is the Managing Director of the Fico Group of Companies which undertakes diversified business ventures including commercial and residential property development, hospitality development and operations, distribution of major fashion brands, and the FICO Pattana Foundation



SIMON GEROVICH
DIRECTOR

Simon is a founder and Chairman of the Board of Directors of Red Planet Hotels, a pan-Asian limited service hotel company operating under a franchise from Air Asia's sister Company Tune Hotels. He was previously an Equity Derivatives Trader at Goldman Sachs in Tokyo from 2000 – 2005. He graduated with a BA, cum laude, in Applied Mathematics from Harvard University in 2000. He is an Australian national.



AKARAT NA RANONG
DIRECTOR

Akarat Na Ranong serves as a director and on the audit committee at Finansa PCL, Finansa Securities Co., Ltd. and Finansa Asset Management Co., Ltd. He also serves as an independent director and chairman of the audit committee at Matching Maximize Solution PCL and Krungthai Card PCL. Additionally he is a lecturer at the College of Music, Mahidol University. He has been accredited by the Thailand Institute of Directors, and also holds a Master Degree in Business Administration from Marshall University, U.S.A.

Board of Directors



WITIT SUJJAPONG

INDEPENDENT DIRECTOR & CHAIRMAN OF THE AUDIT COMMITTEE

Witit Sujjapong is the former President and Member of the Board of Directors of CAT Telecom PCL. Previous positions have also included being the Chief Executive Officer at ServExcel Co., Ltd. and the Assistant Vice President of Corporate Banking at Citibank, Bangkok. He has been accredited by the Thailand Institute of Directors, and also holds a Bachelor of Science in Economics and Masters of Science in Economics from the Hitotsubashi University, Tokyo, Japan.



KRISH DETTER

INDEPENDENT DIRECTOR & MEMBER OF THE AUDIT COMMITTEE

Krish Detter has a long and distinguished career in the securities industry. Latterly he was the Vice President and Head of the Capital Markets Department SCB Securities Co., Ltd in Bangkok, and before that he was the Vice President of Institutional Sales at Solomon Smith Barney in Bangkok, and Senior Vice President of Equity Research at Asset Plus Securities, also in Bangkok. Prior to joining Asset Plus, he was an equity analyst at W.I. Carr Securities. Krish is a graduate of the University of Southern California in Los Angeles, USA.



VIROJ TANGJETANAPORN

INDEPENDENT DIRECTOR & MEMBER OF THE AUDIT COMMITTEE

Viroj Tangjetanaporn is a highly seasoned business executive. He currently serves as Chairman of Audit Committee and Independent Director at UOB Kay Hian Securities (Thailand) PCL. He also serves as Director at Propmaxx Co., Ltd. Earlier he was CEO of Amarin Plaza PCL and President of TCC Land Co., Ltd. Viroj is a graduate of University of New South Wales, Australia.



Geographic Business Portfolio

Evolution Capital Public Company Limited, listed on the Stock Exchange of Thailand, invests in Asia's rapidly growing consumer sectors. Evolution is primarily focused on budget hotels, through its investment in Red Planet Hotels, the franchisee and second largest shareholder of Tune Hotels across Asia, as well as the food and beverage sector, where the current brand portfolio includes Domino's Pizza, The Coffee Bean & Tea Leaf, and Kyochon Chicken. The Company has also made investments in regional digital media and e-commerce businesses, which support its franchised consumer businesses.



Business Overview

At present, Evolution Capital Public Company Limited (the “Company”) focuses on quick-service restaurants (“QSR”), casual dining restaurants, full-service restaurants (“FSR”), and the hospitality sector in Thailand and across Asia. The Company group is the franchisee of a leading global pizza brand, Domino’s Pizza in Thailand, the franchisee for The Coffee Bean & Tea Leaf, a well-established American coffee and tea specialty retailer, in Thailand, as well as the franchisee for Kyochon, the leading Korean chicken brand, in Thailand and Indochina. The Company is also an investor in the Japanese franchisee for Magnolia Bakery, a famous cupcake brand started in New York, as well as a high-grossing restaurant owner in Japan, Q’s Dining Inc. In addition, Fenix Iron Fairies Company Limited, a subsidiary of the Company, also operates independent restaurants and bars. Furthermore, the Company also own Mr. Jones’ Orphanage run by a subsidiary namely, Mr. Jones’ International Company Limited in Thailand and expands through franchising in Asia region.

The Company is also engaged in the hotel sector through its affiliated company, Red Planet Hotels Limited (“RPHL”). RPHL operates budget hotels under the Tune Hotels brand, Asia’s leading budget hotel chain, which is an affiliate of Air Asia.

Founded in 1999, the Company created a digital media business for internet users and mobile phone users. The Company operated the websites “www.siam2you.com” and “wap.siam2you.com” in order to provide news to internet users via computers and mobile phones, as well as offer advertisement spaces for clients.

In 2001, seeing an opportunity in the expanding mobile phone user base, the Company offered mobile phone extended services which included multimedia data transfer among mobile phones. In addition, the Company also provided advisory services on development of media via internet and wireless networks between clients in public and private sectors and their targeted users, for example, marketing events via internet. Its services included Wireless Value Added Service, Interactive Solutions, and Audio text Service.

In 2007, the Company underwent a change in shareholding, corporate and capital structure. Evolution started to tap into the property development business and advisory services. It incorporated the existing digital media business into these new businesses.

In 2008, the financial crisis and the political unrest in Thailand adversely affected the property advisory services as most of the Company’s clients were active in the high-end hotel business. Consequently, the Com-

pany founded Red Planet Hotels Limited, which operates budget hotels under a franchise agreement with Tune Hotels.

Aside from the budget hotel business, the Company aimed at expansion in the rapidly growing consumer business in Asia which included the casual dining and franchised restaurant business. Therefore, the Company acquired the food businesses of Fico Corporation via an entire business transfer (“EBT”) after obtaining a shareholders’ resolution to engage in such EBT in an extraordinary shareholders’ meeting in November 2012. As a result of the EBT transaction, the Company became the parent company of the exclusive franchisees of (i) Domino’s Pizza in Thailand, (ii) The Coffee Bean & Tea Leaf in Thailand, and (iii) a group of individual restaurants. At the same time, the Srichawla family, a major shareholder of Fico Corporation, became the largest shareholder of the Company, expanding the Company’s business network and reach.

In October 2013, the Company started a joint venture with the franchisor of Kyochon in order to operate Korea’s most famous fried chicken chain in Thailand. Kyochon Company Limited, a joint-venture company between the Company and Kyochon F&B Company, has been granted the exclusive franchise rights in Thailand, Myanmar, Cambodia, and Laos PDR.

In May 2014, the Company invested in the new subsidiary – Mr. Jones International Co., Ltd. in order to develop its owned brand bakery outlets in Thailand namely “Mr. Jones Orphanage” as well as franchise it throughout Asia region.

In August 2014, the Company increased its equity interest in Sweetstar. As of September 2014, the Company’s equity interest in Sweetstar K.K. is 11.1 percent. Sweetstar K.K. is also own sub-franchisee of MJO. The Company also made a partial acquisition of Q’s Dining Inc., an owner and operator of 16 high-grossing restaurants in Japan.

In September 2014, the Company holds 29.3 percent equity interest in Q’s Dining.

In November 2014, the Company started a joint venture with CBM Corporation Company Limited (“CBM”) in order to operate Domino’s Pizza in Cambodia. CBM owns more than twenty restaurants and outlets in Cambodia which includes a local pizza brand called Pizza World.

Information of the Company’s subsidiaries and associate companies is provided below.

Information of the Company's subsidiaries and associate companies is provided below.

Company	Address	Registered Capital (THB unless stated otherwise)	Paid-up Capital (THB unless stated otherwise)	Ownership Percentage
Evolution Land Co., Ltd. <i>Investment in Real Estate</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	229,107,500	229,107,500	100%
Monster Media Co., Ltd. <i>Multimedia Provider</i>	Unit 1707, 17th Floor 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	10,000,000	10,000,000	100%
Evolution Advisors Limited <i>Investment Advisory</i>	89 Nexus Way Camana Bay Grand Cayman KY1-9007 Cayman Islands	USD 50,000	USD 46,160	100%
Evolution Holdings Limited <i>Holding Company</i>	113, 2nd Floor, Medine Mews, Chaussee Street, Port Louis, Mauritius	USD 4,675,000	USD 4,675,000	100%
Evolution Commissary Co., Ltd. <i>Central kitchen</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	10,000,000	10,000,000	100%
Evolution Investments Limited <i>Investment Holding Company</i>	89 Nexus Way Camana Bay Grand Cayman KY1-9007 Cayman Islands	USD 50,000	USD 5,700	100%
Evolution Capital International Pte. Ltd. <i>Energy Trading and Related Logistic</i>	100 Beach Road # 25-06, Shaw Towers, Singapore	SGD 5,000	SGD 5,000	100%
Fenix Pizza Co., Ltd. <i>QSR business</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	90,000,000	90,000,000	100%
Fico Coffee Co., Ltd. <i>Coffee Shop / Bakery</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	90,000,000	90,000,000	99.56%
Fenix Iron Fairies Co., Ltd. <i>Restaurants</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	4,000,000	4,000,000	100%
Fenix Silom Co., Ltd. <i>Restaurant</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	6,000,000	6,000,000	80.00%
Casa Fico Co., Ltd. <i>Residential Property Development</i>	Fico Place Building, 10th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Wattana, Bangkok 10110	285,000,000	285,000,000	92.50%
Fena Park Co., Ltd. <i>Residential Property Development</i>	Fico Place Building, 10th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Wattana, Bangkok 10110	100,000,000	100,000,000	92.50%
Kyochon Co., Ltd. <i>Chicken</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	90,000,000	90,000,000	94.67%
Mr. Jones International Co., Ltd. <i>Bakery</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	8,000,000	8,000,000	100%
PhotoME.com Co., Ltd. <i>Residential Real Estate Development</i>	Unit 1707, 17th Floor 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	10,000,000	10,000,000	99.97%

Company	Address	Registered Capital (THB unless stated otherwise)	Paid-up Capital (THB unless stated otherwise)	Ownership Percentage
Star Brothers Entertainment Japan K. K. <i>Out-of-home Media Services</i>	22-10-201, Toranomon 3 – chome, Minato-Ku, Tokyo, Japan	JPY 10,000,000	JPY 10,000,000	100%
D Pizza Public Limited Company <i>Restaurant</i>	35-37, St. Samdach Panh, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh	Riels 6,000,000	Riels 6,000,000	65.00%
Andaman Beach Residences Co., Ltd. <i>Residential Real Estate Development</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	10,000,000	10,000,000	51.00%
Phang Nga Hotel Co., Ltd. <i>Hotel Real Estate Development</i>	Fico Place Building, 12th Floor 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	10,000,000	10,000,000	51.00%
Red Planet Hotels (Thailand) Co., Ltd. <i>Hotel Real Estate Development</i>	Unit 1901, 19th Floor 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	7,000,000	7,000,000	50.89%
Red Planet Hotels Two (Thailand) Co., Ltd. <i>Hotel Real Estate Development</i>	Unit 1901, 19th Floor 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	14,000,000	14,000,000	51.00%
Red Planet Hotels Three (Thailand) Co., Ltd. <i>Hotel Real Estate Development</i>	Unit 1901, 19th Floor 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	12,000,000	12,000,000	51.00%
Red Planet Hotels Four (Thailand) Co., Ltd. <i>Hotel Real Estate Development</i>	Unit 1901, 19th Floor 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	8,000,000	8,000,000	51.00%
Red Planet Hotels Five (Thailand) Co., Ltd. <i>Hotel Real Estate Development</i>	Unit 1901, 19th Floor 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	12,000,000	12,000,000	51.00%
Red Planet Hotels Limited <i>Holding Company and Hotel Management Services</i>	89 Nexus Way Camana Bay Grand Cayman KY1-9007 Cayman Islands	USD 50,000	USD 14,527	11.80%
Sweetstar Holdings Limited <i>Investment holding</i>	89 Nexus Way, Camana Bay, Grand Cayman, KY1-9007, Cayman Islands	USD 50,000	USD 168	17.50%
Sweetstar K.K. <i>Development of bakery outlets in Japan</i>	1-1 Nishi 1 Chome, Sancho, Chuo-Ku, Sapporo, Japan	JPY 216,000,000	JPY 216,000,000	11.10%
Sweetstar Asia Limited <i>Development of bakery outlets in Hong Kong, Singapore and Korea</i>	c/o Red Planet Hotels Japan, Ltd., 6th Floor Akasaka Enokizaka Mori Building, 1-7-1 Akasaka, Minato-ku, Tokyo, 107-0052 Japan	USD 2,450,000	USD 2,450,000	12.20%
Q's Dining Inc. <i>Restaurants in Hokkaido, Japan</i>	1-1-1 Minamisanjyonishi,, Chuo-Ku, Sapporo, Japan	JPY 90,000,000	JPY 90,000,000	29.30%

Associates

Our Brands



Domino's Pizza



The Coffee Bean & Tea Leaf



Kyochon



Magnolia Bakery



Mr. Jones' Orphanage



The Iron Fairies



Fat Gut'Z



Fat'R Gut'Z



Clouds



Maggie Choo's



Bangkok Betty



Q's Dining inc.



Monster Media Co., Ltd.



Red Planet Hotels

Casual and Franchised Restaurant Business

Domino's Pizza



Domino's Pizza was founded in 1960. Domino's Pizza is the global leader in pizza delivery. It ranks amongst the world's top public restaurant brands with its global enterprise of more than 10,500 stores in over 70 international markets. Its system is largely made up of franchise owner-operators who accounted for over 96 percent of Domino's Pizza stores as of the third quarter of 2013. Its emphasis on new technology has helped drive the introduction of Domino's ordering apps for iPhone®, Android™, Windows Phone 8, and Kindle Fire.

Fenix Pizza Company Limited ("Fenix Pizza"), has been granted the exclusive franchise rights and operates Domino's Pizza stores in Thailand. Domino's Pizza is a quick-service restaurant operation offering dine-in, take-away, and delivery services. Domino's stores in Thailand make fresh pizza in the traditional way of tossing pizza dough with a modern touch of passing the pizza through an automated conveyor belt to the oven. Customers can order through the call center by dialing 1612 or order online at www.dominospizza.co.th with a

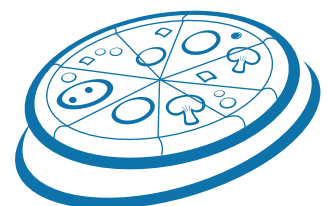
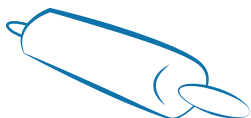




30-minute delivery guarantee. In 2014, Domino's pizza also celebrated a grand opening of new stores at I'm Park Sam Yan. Currently, Fenix Pizza operates 17 stores in Bangkok with store details as set out below:

Domino's Pizza Cambodia

In November 2014, the Company started a joint venture with CBM Corporation Company Limited in order to operate Domino's Pizza in Cambodia. CBM Corporation Company Limited has long experience in restaurant business in Cambodia. The first store of Domino's Pizza in Phnom Penh was opened on 21 January, 2015.



Domino's Pizza Portfolio

Existing Stores	Opening Date
Holiday Inn, Sukhumvit 22	Dec 12
Sukhumvit 49	Apr 13
Ladprao 71	Jun 13
Ladprao 101	Jun 13
Sukhumvit 77	Jul 13
Sukhumvit 1	Jul 13
Sukhumvit 103	Sep 13
Ladkrabang	Mar 14
The Paseo, Ramkhamhaeng	Apr 14
Pattaya, Sai 3	Apr 14
I'm Park Samyan	Jul 14
Sense Pinklao	Jul 14
Pleary Mall, Watcharapon	Oct 14
Vanilla Moon	Oct 14
Victoria Garden	Nov 14
Pattaya 2 (Na Kluea)	Dec 14
The Ninth	Dec 14





Casual and Franchised Restaurant Business

Kyochon



Founded in 1991, Kyochon F&B Company Limited is the leading Korean fried chicken chain with a unique and authentic Korean touch. Kyochon focuses on premium and health-conscious low-sodium ingredients. Kyochon serves customers in over 950 outlets in Korea, and has been expanding in

China, the United States, Malaysia, Indonesia, The Philippines, Thailand, and will continue to expand in the Asian region. Lee Min Ho, a famous Korean actor and Asian idol, represent Kyochon as brand ambassadors worldwide.

KyöChon 1991



Kyochon Company Limited ("KCL") is a joint-venture company between Evolution Capital Public Company Limited with an 80 percent equity interest and Kyochon F&B Company Limited, the franchisor, with a 20 percent equity interest. KCL is the exclusive franchisee for Thailand, Myanmar, Cambodia and

Laos PDR. In 2014, Kyochon's opened a store at MBK and celebrated a grand opening at MBK with Lee Min Ho. At present, Kyochon operates 2 stores in Bangkok and has 2 sub franchise stores with the details as set out below.

Kyochon Portfolio

Existing Stores	Opening Date
The Paseo	Apr 14
MBK Center	Sep 14
Existing Sub-Franchised Store	Opening Date
Fashion Island	Jun 13
Sukhumvit 12 (Korean Town)	Jun 14





1991
KyōChon

Casual and Franchised Restaurant Business

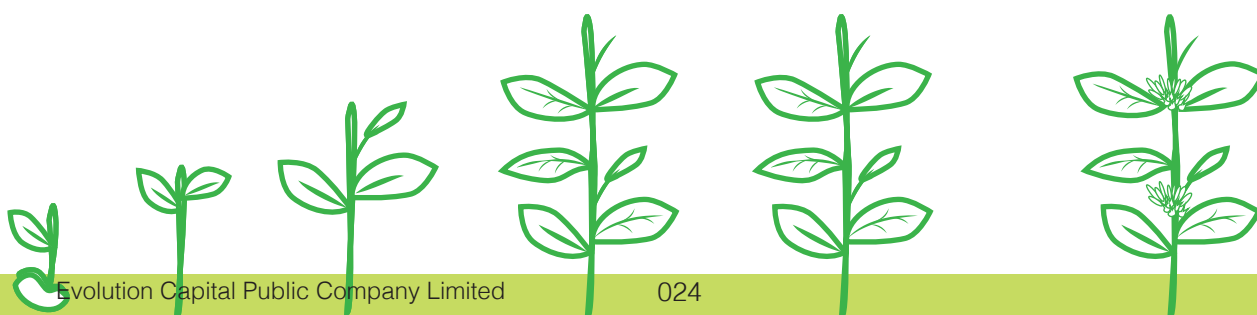
The Coffee Bean & Tea Leaf



Born and brewed in Southern California since 1963, International Coffee & Tea LLC owns and operates The Coffee Bean & Tea Leaf, the oldest and largest privately held coffee and tea specialty retailers in the United States. International Coffee & Tea LLC operates more than 1,000 stores in 32 international markets. In September 2013, International Coffee & Tea LLC announced its joint acquisition by three leading global private equity funds, Advent Interna-

tional, CDIB Capital, and Mirae Asset Private Equity. Following the acquisition, International Coffee & Tea LLC has gained access to funding support for the brand's visibility and an acceleration of the plans for domestic and international expansion.

Fico Coffee Company Limited ("Fico Coffee"), a subsidiary of Evolution Capital Public Company Limited, is the exclusive franchisee for The Coffee





Bean & Tea Leaf in Thailand. Coffee and tea at The Coffee Bean & Tea Leaf in Thailand is served with the traditional hand brew method. The Coffee Bean & Tea Leaf focuses on consistency of flavour and thus consistency in the coffee and tea blends. Aside from hot and iced coffee and tea, The Coffee Bean & Tea Leaf also serves a wide variety of ice-blended coffee and non-coffee drinks which are the brand's signature drinks, and were introduced in

the United States before other competing brands could follow suit. Customers can visit the company's website at www.coffeebeanthailand.com. In 2014, CBTL launched a movie tie-in promotion with the film "I Fine Thank You Love You". The movie was mostly shot at CBTL Holiday Inn, Sukhumvit 22. At present, Fico Coffee operates 19 stores in Bangkok with the details as set out below:



The Coffee Bean & Tea Leaf Portfolio

Existing Stores	Opening Date	Existing Stores	Opening Date
Siam Paragon	Oct 12	Central Hat Yai	Dec 13
Central World, 2 nd floor	Oct 12	Suvarnabhumi Airport	Dec 13
Interchange Building	Nov 12	Mike Shopping Mall Pattaya	Jan 14
Langsuan	Nov 12	Chulalongkorn Hospital	May 14
Holiday Inn, Sukhumvit 22	Jan 13	Central Embassy	May 14
Siam Center	Jan 13	MBK	Sep 14
Fashion Island	Feb 13	Major Ratchayothin	Oct 14
Central World 2	Jun 13		
The Walk, Kasetnawamin	Jun 13		
Paradise Park	Jul 13		
Shanghai Mansion	Oct 13		
Bangkok Hospital	Oct 13		





Casual and Franchised Restaurant Business

Mr.Jones' Orphanage



Mr.Jones' Ophanage ("MJO") is a unique dessert restaurant with orphanage-inspired theme. MJO is decorated with teddy bears and toys. MJO's first store is located at Seenspace on Thonglor Soi 13. As of December 2014, there are six currently operating stores at Seenspace, Siam Center, Central World, Empire Tower, The Mall Bangkok, and

Terminal 21. MJO has set foot in Sapporo Japan through franchising to the operating partner of the Company on Magnolia Bakery. The first store was opened in Sapporo in August 2014. In 2014, MJO celebrated a grand opening of new store at Empire Tower branch.



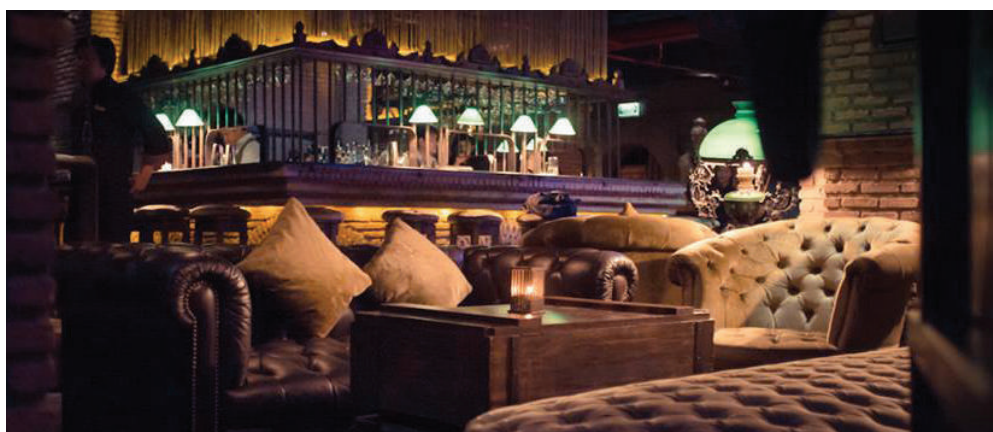
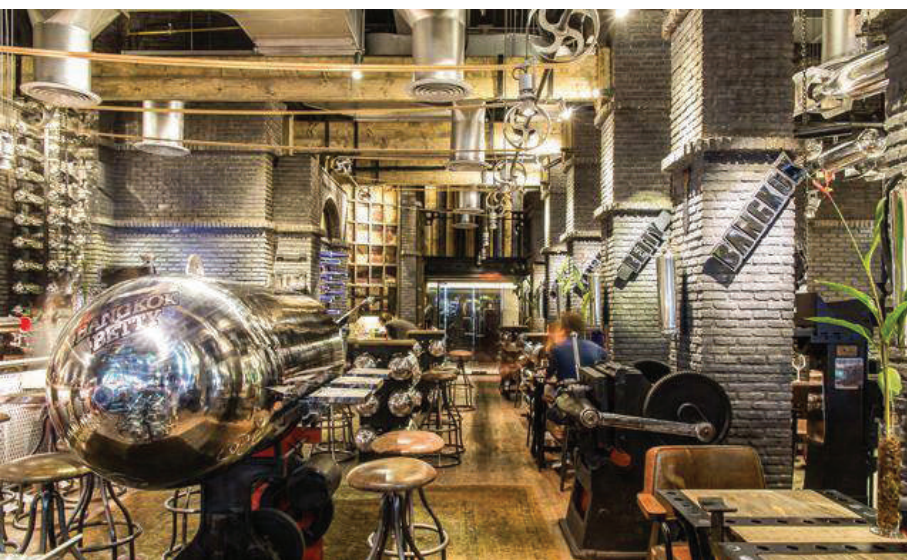
Mr.Jones' Orphanage Portfolio

Existing Store	Opening Date
Thonglor	Jul 12
Siam Center	Jan-13
Empire Tower	Aug-14
Central World	Aug-14
The Mall Bangkapi	Oct-14
Terminal 21	Dec-14
Franchised Store	Opening Date
Mr. Jones' Orphanage in Sapporo	Aug 14



Casual and Franchised Restaurant Business

Fenix Iron Fairies



Fenix Iron Fairies Company Limited ("Fenix Iron Fairies"), a subsidiary of Evolution, operates independent restaurants and bars. The details of all current individual restaurants are as set out below.





Restaurant Portfolio

Existing Stores	Opening Date
Fat Gut'Z	Apr 10
Clouds	Jan 11
Fat'R Gut'Z	Jul 12
Maggie Choo's Novotel Silom	Apr 13
The Iron Fairies	Jul 13*
Bangkok Betty – Holiday Inn, Sukhumvit 22	Nov 13

Remark: *The Iron Fairies re-opened on July 2013. First opened in Nov 2007.



Casual and Franchised Restaurant Business

Magnolia Bakery



In 1996, Magnolia Bakery, a cupcake shop was founded in New York. Its international presence now includes the United Arab Emirates, Qatar, Kuwait, and Lebanon. In addition to its international presence, Magnolia outlets will soon be opened in Japan, Russia, and Mexico. A Magnolia Bakery shop in New York was part of a major scene in the famous film "Sex and the City".

Sweetstar Holdings, an affiliate, is the exclusive franchisee of Magnolia Bakery in Japan. The first outlet is planned to be opened in Tokyo in June 2014.

In August 2014, the Company increased its equity interest in Sweetstar. As of September 2014, the Company's equity interest in Sweetstar K.K. is 11.1 percent.



Casual and Franchised Restaurant Business

Q's Dining



In August 2014, the Company made a partial acquisition of Q's Dining Inc., an owner and operator of 16 high-grossing restaurants in Japan. In September 2014, the Company holds 29.3 percent equity interest in Q's Dining.

Q's Dining Store

HAC	Mitsui Kitahiroshima
Shelf	Maruyama Grill
SEA	Uokichi Sapporo
Fromage	Uokichi Minami
Sakuragi	Mr. Jones Orphanage
Urara	Uokichi Bettei Kai
Factory	Valore
Hokkaido Beer En/Sai	EARTH

Budget Hotel Business

Tune Hotels



Red Planet Hotels Limited, an affiliate of Evolution Capital PCL, holds the franchise rights to operate Tune Hotels in several Asian countries. Tune Hotels is Asia's leading budget hotel chain, founded by Tony Fernandes, who also founded Air Asia, the leading regional budget airline. RPHL owns

16.9% of Tune Hotels, transforming RPHL from a pure franchisee to a brand co-owner as well. RPHL will continue to develop Tune Hotels across its franchise regions, all of which are served by Air Asia flights. At present, RPHL operates Tune Hotels in Indonesia, Thailand, the Philippines, and Japan.

Tune Hotels Portfolio

Tune Hotels Portfolio	Country	Rooms	Opening Date
Hat Yai	Thailand	148	16 Dec 11
Angeles City	Philippines	165	10 Feb 12
Pattaya	Thailand	192	17 Feb 12
Cebu City	Philippines	150	24 Feb 12
Ermita, Manila	Philippines	167	9 Mar 12
Pasar Baru, Jakarta	Indonesia	168	12 Jul 12
Makati, Manila	Philippines	213	17 Jul 12
Asoke, Bangkok	Thailand	130	14 Sep 12
Patong, Phuket	Thailand	144	28 Dec 12
Pekanbaru, Sumatra	Indonesia	140	18 Mar 13
Cagayan de Oro, Mindanao	Philippines	159	19 Jul 13
Naha, Okinawa	Japan	117	12 Aug 13
Solo, Java	Indonesia	153	30 Aug 13
Quezon City	Philippines	140	8 Oct 13
Davao City	Philippines	155	17 Dec 13
Bekasi, Jakarta	Indonesia	157	19 Dec 13
Ortigas, Manila	Philippines	182	6 Feb 14
Palembang, Sumatra	Indonesia	147	27 Feb 14
Aseana, Manila	Philippines	200	19 Jun 14
Makassar, Sulawesi	Indonesia	144	1 Mar 14
Surabaya, Java	Indonesia	156	2 Jul 14
Total		3,327	

Digital and Creative Media Services

Monster Media Company Limited



The Company, through a wholly owned subsidiary, Monster Media Company Limited., provides support to the Company's franchised businesses and other clients through the development of mo-

bile applications, out-of-home marketing services, website development, in addition to other interactive media clients such as event organisers and media agencies.

Industry Trends and Competition

Food and Beverage Service Business

Hotel and Restaurant industry has contracted by 1 percent in the year 2014 comparing with the previous year due to an unstable political situation in Bangkok. However, the long term outlook for restaurant sector remains positive as there is a trend towards dining out, an increase in household income, and an increase in urbanization. Moreover, social media is one of the reasons that have an influence on younger Thais and urbanites to change from dining out at open-air food stand to indoor restaurants.

	THB Billion					
Hotel and restaurant industry	2009	2010	2011	2012	2013	2014
Hotel and restaurant industry	440	481	535	612	692	683
Growth		9%	11%	14%	13%	-1%
		CAGR (2009-2014)			9%	

Source : Bank of Thailand

According to Kasikorn Research, hotel and restaurant market size reached THB 683 billion during 2014. From 2009 to 2014, hotel and restaurant market size has increased from THB 440 billion to THB 683 Billion in 2014 with CAGR of 9 percent. In 2014, the political unrest adversely affected the hotel and restaurant industry.

An increase in household income has led to the changes in food consumption patterns. It encourages Thai people to dine out more. Based on a survey by Nielsen Research, around 70 percent of Thai people dine out at least once a week. It shows that the majority of Thai people prefer dining out. The change in Thai people lifestyle towards dining out has driven growth in food industry.

Thai restaurants are categorized into three type which are quick service restaurants, International or High-end restaurants, and Small restaurants. Quick Service Restaurants ("QSR") represent 10 percent market share in overall restaurant industry and it became more popular in Thailand. The projected annual growth rate for QSR is 10 percent and it is expected to reach USD 1.5 billion at the end of year 2015. International or High-end restaurants is the fastest growing restaurant in the industry with market value of USD 500 million and 10 percent market share in the industry. Asian food ranked first in terms of Thais preference. The market share for small restaurants is around 80 percent. Nowadays, Chain restaurants and food delivery are becoming more popular in Thailand as it is very convenient and some of the chain restaurants have also replaced general restaurants in Thailand. Based on Kasikorn Research, Chain restaurants growth rate is relatively higher than the growth rate of all restaurant in Thailand. Existing chain restaurant operators continue to expand the business by buying franchise of successful restaurant from other countries in order to operate the restaurant in Thailand. Chain restaurant is expected to grow by 6.9 percent to 8.9 percent in 2015.

The Budget Hotel Business

Red Planet Hotels Limited (“RPHL”) holds franchise rights from Tune Hotels, Asia’s leading budget hotel chain. Budget hotels have compact rooms, offer limited services, and are cheaper to construct compared to hotels which offer a full suite of services. However, RPHL provides affordable lodging which high-quality products and services. RPHL’s target customers are travelers who either cannot afford or do not want the services of more expensive full service hotels. Primary weekend guests are leisure travelers, including extended families, students and young adults.

Based on the forecast of World Bank, GDP of major geographic market for RPHL is expected to be 4 percent CAGR in Thailand, 6 percent CAGR in The Philippines, and 5 percent CAGR in Indonesia from 2015-2017.

GDP	2013A	2014A	2015F	2016F	2017F	USD Billion CAGR (2015-2017)
Thailand Growth	361	368 2%	381 4%	396 4%	414 5%	4%
The Philippines Growth	272	292 7%	310 6%	329 6%	349 6%	6%
Indonesia Growth	964	1013 5%	1066 5%	1124 6%	1186 6%	5%

Source : World Bank

The number of tourist arrivals in Thailand was 24.8 million during 2014 which dropped by 6.6 percent from the same period in 2013 due to political unrest in Thailand. However, the tourism sector in Thailand shows sign of improvement as the political situation in Thailand is becoming more stable. The number of Tourist arrivals in Thailand has increased from 14 million in 2007 to 24.8 million in 2014 with 9 percent CAGR. Tourist arrivals in the Philippines reached 3.6 million in the 10 month period of 2014 which grew by 3 percent from the same period of last year. Number of tourist arrivals in the Philippines increased from 3 million in 2010 to 4.7 million in 2013 with 7 percent CAGR. For Indonesia, tourist arrival in 10 month period of 2014 was 7.8 million which increased by 12.3 percent from the same month last year. Number of tourist arrival in Indonesia has increased from 5.51 million in 2007 to 8.8 million in 2013 with 8 percent CAGR.

Based on the data from World Bank and World Travel and Tourism Council, tourist receipts in RPHL’s major geographic grew in a range of 6.3 percent to 15 percent CAGR from 2007 to 2013. The growth rate for this market is quite attractive and it might attract many new entrants. RPHL will continue to improve on its service and location in order to be the best budget hotel in customers mind.

Digital and Creative Media Services

According to the research by Deloitte, digital media industry has been growing continuously every year as the global advertisement spending size reached 485 billion USD in 2013 with the CAGR of 10 percent from 2010 to 2013. Smartphones is one of the main factors that drive the digital media business. Global demand for smartphones from 2012 to 2017 is expected to grow at 14 percent CAGR. The growth rate of this industry is expected to be high which will attract new entrants to the market. The Company shall continue to improve its strength such as its uniqueness and also develop new technology to differentiate itself from competitors in order to remain competitive in the market.

Financial Highlights

Financial Statement

Summary of Financial Position and Operation Results

Tables showing the balance sheet and profit-loss statement on 31 December 2014 and for the previous two years are shown below:

Statement of Financial Position	31 Dec 2012		31 Dec 2013		31 Dec 2014	
	Baht	%	Baht	%	Baht	%
Assets						
Current assets						
Cash and cash equivalents	30,275,031	2.0%	71,834,987	3.9%	87,466,840	4.1%
Trade and other receivables	32,702,454	2.1%	28,350,545	1.5%	38,798,380	1.8%
Inventory	8,571,061	0.6%	34,861,708	1.9%	29,056,831	1.4%
Short-term loans	5,777,576	0.4%	4,901,670	0.3%	4,921,920	0.2%
Other current assets	23,669,925	1.6%	34,192,063	1.8%	37,505,565	1.8%
Total current assets	100,996,047	6.6%	174,140,973	9.4%	197,749,536	9.4%
Non-current assets						
Deposit used as collateral	-	0.0%	2,732,111	0.1%	2,743,099	0.1%
Investments in associates	422,482,260	27.7%	466,979,347	25.2%	588,441,791	27.8%
Interests in joint ventures	1,968,873	0.1%	1,585,695	0.1%	-	0.0%
Project development cost in progress	343,266,778	22.5%	343,266,778	18.6%	343,266,778	16.2%
Investment properties	59,403,868	3.9%	59,403,868	3.2%	59,403,868	2.8%
Leasehold improvements and equipment	72,930,510	4.8%	238,766,032	12.9%	315,601,534	14.9%
Goodwill	308,046,153	20.2%	308,046,153	16.6%	308,046,153	14.6%
Intangible assets	22,051,307	1.4%	36,618,634	2.0%	52,259,241	2.5%
Leasehold right of land	172,757,798	11.3%	165,754,660	9.0%	152,868,260	7.2%
Deferred tax assets	5,805,313	0.4%	27,326,835	1.5%	48,482,760	2.3%
Other non-current assets	13,925,532	0.9%	25,728,373	1.4%	44,679,055	2.1%
Total non-current assets	1,422,638,392	93.4%	1,676,208,486	90.6%	1,915,792,539	90.6%
Total assets	1,523,634,439	100.0%	1,850,349,459	100.0%	2,113,542,075	100.0%
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	70,495,164	4.6%	119,613,035	6.5%	137,911,526	6.5%
Current portion of loan from financial institution	20,000,000	1.3%	29,668,831	1.6%	74,921,449	3.5%
Current portion of loan from unrelated party	-	0.0%	-	0.0%	57,500,000	2.7%
Short-term borrowings	7,563,566	0.5%	4,730,962	0.3%	3,395,160	0.2%
Assumed liabilities	6,000,000	0.4%	6,000,000	0.3%	6,000,000	0.3%
Other current liabilities	4,756,885	0.3%	8,700,395	0.5%	8,545,069	0.4%
Total current liabilities	108,815,615	7.1%	168,713,223	9.1%	288,273,204	13.6%
Non-current liabilities						
Long-term loan from financial institution	40,000,000	2.6%	108,263,426	5.9%	96,158,463	4.5%
Long-term borrowings	74,931,278	4.9%	88,674,008	4.8%	43,532,005	2.1%
Deferred tax liabilities	16,038,832	1.1%	16,987,575	0.9%	17,564,072	0.8%
Provision for employee benefit obligations	3,145,831	0.2%	3,633,458	0.2%	1,314,396	0.1%
Contingent considerations	-	0.0%	13,560,000	0.7%	33,900,000	1.6%
Other non-current liabilities	-	0.0%	6,568,179	0.4%	10,419,016	0.5%
Total non-current liabilities	134,115,941	8.8%	237,686,646	12.8%	202,887,952	9.6%
Total liabilities	242,931,556	15.9%	406,399,869	22.0%	491,161,156	23.2%
Shareholders' equity						
Issued and paid-up share capital	1,047,000,000	68.7%	1,308,750,000	70.7%	1,654,052,845	78.3%
Premium on ordinary shares	477,528,719	31.3%	477,528,719	25.8%	491,942,289	23.3%
Share discount on business acquisition	(120,020,000)	-7.9%	(120,020,000)	-6.5%	(120,020,000)	-5.7%
Warrants	34,700,000	2.3%	37,317,500	2.0%	37,963,921	1.8%
Legal reserve	2,661,312	0.2%	2,661,312	0.1%	2,661,312	0.1%
Retained earnings - Unappropriated	(182,561,200)	-12.0%	(270,692,983)	-14.6%	(522,564,468)	-24.7%
Other components of equity	(3,694,688)	-0.2%	(15,915,811)	-0.9%	43,285,438	2.0%
Non-controlling interests in subsidiaries	25,088,740	1.6%	24,320,853	1.3%	35,059,582	1.7%
Total shareholders' equity	1,280,702,883	84.1%	1,443,949,590	78.0%	1,622,380,919	76.8%
Total liabilities and shareholders' equity	1,523,634,439	100.0%	1,850,349,459	100.0%	2,113,542,075	100.0%

Statement of Comprehensive Income	31 Dec 2012		31 Dec 2013		31 Dec 2014	
	Baht	%	Baht	%	Baht	%
Revenue		-		-		-
Revenue from sales	17,183,059	7.4%	311,800,323	64.6%	426,521,309	82.6%
Service income	38,605,112	16.6%	40,024,236	8.3%	14,563,020	2.8%
Advisory income	27,681,131	11.9%	18,623,223	3.9%	16,571,491	3.2%
Investment services income	98,562,656	42.4%	83,632,736	17.3%	19,352,535	3.7%
Management income	29,731,846	12.8%	2,799,765	0.6%	1,936,000	0.4%
Interest income	3,911,303	1.7%	1,499,102	0.3%	569,981	0.1%
Gain on acquisition of business	5,094,589	2.2%	-	0.0%	-	0.0%
Other income	11,925,607	5.1%	24,142,732	5.0%	36,654,689	7.1%
Total revenue	232,695,303	100.0%	482,522,117	100.0%	516,169,025	100.0%
Expenses						
Cost of sales	7,617,797	3.3%	126,725,901	26.3%	169,610,493	32.9%
Cost of services	26,967,855	11.6%	26,980,517	5.6%	7,857,786	1.5%
Cost of advisory	12,290,238	5.3%	846,340	0.2%	-	0.0%
Selling expenses	3,813,370	1.6%	189,478,797	39.3%	293,079,571	56.8%
Administrative expenses	145,919,846	62.7%	201,336,287	41.7%	248,953,770	48.2%
Share of loss from investments	60,353,264	25.9%	31,513,371	6.5%	48,882,483	9.5%
Total expenses	256,962,370	110.4%	576,881,213	119.6%	768,384,103	148.9%
Profit (loss) before interest and tax	(24,267,067)	-10.4%	(94,359,096)	-19.6%	(252,215,078)	-48.9%
Financial costs	(6,471,935)	-2.8%	(16,802,296)	-3.5%	(22,592,372)	-4.4%
Income tax	(382,446)	-0.2%	16,583,109	3.4%	19,338,913	3.7%
Net profit (loss) for the year	(31,121,448)	-13.4%	(94,578,283)	-19.6%	(255,468,537)	-49.5%
Profit (loss) attributable to:						
Owners of the parent	(30,439,398)	-13.1%	(88,131,783)	-18.3%	(251,871,485)	-48.8%
Non-controlling interests	(682,050)	-0.3%	(6,446,500)	-1.3%	(3,597,052)	-0.7%
Net profit (loss) for the year	(31,121,448)	-13.4%	(94,578,283)	-19.6%	(255,468,537)	-49.5%

Financial ratios	2012	2013	2014
Liquidity ratio (times)	0.9	1.0	0.7
Quick ratio (times)	0.7	0.8	0.5
Initial profit rate (%)	77.9%	66.2%	62.9%
Profit rate from operations (%)	-10.4%	-19.6%	-48.9%
Net profit rate (%)	-13.1%	-18.3%	-48.8%
Earnings per share (Baht per share)	(0.04)	(0.07)	(0.17)

Note:

1. In accordance with the resolutions of the Shareholders' Meeting 4/2004, on 26 August 2004, the Company changed its shares' par value from THB 10.00 per share to THB 1.00 per share.

2. As of 31 December 2006, the Company had 40.93 million ordinary shares, par value THB 1.00 fully paid.

3. As of 31 December 2007, the Company had 409.32 million ordinary shares registered, par value THB 1.00, issued and paid up 391.37 million ordinary shares.

4. As of 31 December 2008, the Company had 521.37 million ordinary shares registered, par value THB 1.00, issued and paid up 521.37 million ordinary shares.

5. As of 31 December 2009, the Company had 694 million ordinary shares registered (increase of registered capital by 172.63 million ordinary shares), par value THB 1.00 per share, with issued and paid-up of 521.37 million ordinary shares.

6. In accordance with the Shareholder's Meeting resolution No. 1/2010, on 19 November 2010, the Company approved to issue the rights of warrants 347 million units, at the offering price of THB 0.10 per warrant totalling THB 34.7 million, to purchase the Company's ordinary shares by way of rights issue. The Company then had 1,041 million ordinary shares registered (increase of registered capital by 347 million ordinary shares), par value THB 1.00 per share, with issued and paid-up of 694 million ordinary shares as of 31 December 2010.

7. In accordance with the Shareholder's Meeting resolution No. 1/2012, on 16 November 2012, the Company approved the allocation of 915.5 million new ordinary shares from the capital increase below:-

- 1) 353 million new ordinary shares by way of private placement
- 2) 261.75 million new ordinary shares by way of rights issue
- 3) 261.75 million new ordinary shares to be reserved for the exercise of Warrants (E-W2) by way of rights offering.
- 4) 39 million new ordinary shares to be reserved for the exercise of E-W1 warrants and the adjustment of rights.

8. In accordance with the Extraordinary General Meeting of Shareholder's Meeting resolution No. 1/2013, on 12 December 2013, the Company approved the allocation of 410.95 million new ordinary shares from the capital increase below:-

- 1) 261.75 million new ordinary shares had allocated to existing shareholders in proportion to their current shareholding in the ratio of 5 existing share to 1 Right Offering share;
- 2) 104.7 million new ordinary shares to be reserved for the exercise of Warrants No. 3 (E-W3);
- 3) 26 million new ordinary shares to be reserved for the adjustment of exercise price and exercise ratio of E-W1 and;
- 4) 18.49 million new ordinary shares to be reserved for the adjustment of E-W2

9. In accordance with the Extraordinary General Meeting of Shareholders No.1/2014 on 4 July 2014, the Company approved the change in registered share capital below:

1) Approved a decrease of the Company's registered share capital from Baht 2,351 million to Baht 2,166 million by eliminating 100.1 million unissued ordinary shares left over from the Rights Offering, 40.1 million unissued ordinary shares reserved for the exercise of E-W3 Warrants and 44.5 million unissued shares reserved for adjustment of E-W1 and E-W2. Total decrease of unissued ordinary shares was 184.7 million shares with a par value of Baht 1.00 per share.

2) Approved an increase of the Company's registered share capital from Baht 2,166 million to Baht 2,350 million, by an issuance of newly 183.7 million ordinary shares with a par value of Baht 1.00 per share. The Company approved the allocation of 183.7 million ordinary shares from the capital increase below:-

2.1) 65 million shares with the par value of Baht 1.00 each be allotted to Mr. Toshimitsu Hioki by way of private placement at the offer price of Baht 1.00 per share, totaling Baht 65 million, in consideration for the acquisition of 213 shares at the par value of ¥ 50,000 per share in Q's Dining Inc. ("QD"), (being the price per share of Baht 16,666 per 1 share in QD held by Mr. Toshimitsu Hioki) representing 32.6 percent of the total shares in QD, with the sale price of Baht 305,165 per share, totaling Baht 65 million.

2.2) 118.7 million shares with the par value of Baht 1.00 each in one or several tranches as a general mandate to specified or institutional investors by way of private placement. Subsequently, 40 million ordinary shares at Baht 1 per share, totaling Baht 40 million and 78.7 million ordinary shares at Baht 1.051 per share, totaling Baht 83 million had been allotted to certain investors by way of private placement on 29 July 2014 on 22 September 2014, respectively.

The Company then had 2,350 million ordinary shares registered with a par value of THB 1.00 per share. The issued and paid-up capital was 1,654.05 million ordinary shares as of 31 December 2014.

Management Discussion and Analysis

Description and Analysis of Financial Position and Operating Results

Operating Performance Overview

2014 was an achieved year for Evolution Capital PCL's in the food & beverage sector, which was reached through a major strategic shift towards rapidly growing consumer-facing business for Thailand franchise rights for Domino's Pizza, The Coffee Bean & Tea Leaf and Kyochoon brands, in addition to several stand-alone popular restaurants in Bangkok. The Company's Management strived to swiftly grow the footprint of each brand. There are 17 Domino's Pizza stores, 19 The Coffee Bean & Tea Leaf stores, 2 Kyochoon Chicken, 6 Mr. Jones Orphanage and 8 stand-alone restaurants at end of 2014, as well as sign up new franchise rights in Cambodia for Domino's Pizza in the late 2014.

2014 was also a challenging year for store development, against the backdrop of ongoing political unrest and street demonstrations in Bangkok, and the impact of prolonged civil unrest in the country has caused demand to soften, which leads to an impact on consumer sentiment and visitation to Thailand by tourists.

The Company, however, continues to expand its food businesses methodically and progressively, and aims to have at least 50 Domino's Pizza stores, 25 The Coffee Bean & Tea Leaf stores, 20 Kyochoon stores, 15 Mr. Jones Orphanage, and 10 stand-alone restaurants, by 2017. The Company believes that these valuable global brands will strongly underpin the Company's future growth.

Operating Results Analysis

Total Revenues Breakdown

Description	2013		2014		Increase (decrease)	
	Thousand THB	% of Total	Thousand THB	% of Total	Thousand THB	% change
Revenue from sales	311,800	134.0%	426,521	183.3%	114,721	36.8%
Service income	40,024	17.2%	14,563	6.3%	(25,461)	(63.6%)
Advisory income	18,623	8.0%	16,571	7.1%	(2,052)	(11.0%)
Investment service income	83,633	35.9%	19,353	8.3%	(64,280)	(76.9%)
Management income	2,800	1.2%	1,936	0.8%	(864)	(30.9%)
Interest income	1,499	0.6%	570	0.2%	(929)	(62.0%)
Other income	24,143	10.4%	36,655	15.8%	12,512	51.8%
Total Revenue*	482,522	207.4%	516,169	221.8%	33,647	7.0%

* Total Revenue comprises of revenue from sales and services, management income, interest income and other income according to the presentation of Statement of Comprehensive income.

Revenue during 2014 increased by THB 33.6 million (+7.0%) compared to 2013. Several factors contributed positively to this increase, including food & beverage revenue, as well as the following:

- Revenue from sales of food & beverage amounted to THB 426.5 million in 2014, representing revenue from i) 5 operational restaurants located in the Thonglor area and Holiday Inn Sukhumvit 22, ii) 19 newly opened stores operating under the Coffee Bean & Tea Leaf brand, iii) 17 newly opened Domino's Pizza stores, iv) 1 newly opened restaurant in the Novotel Silom hotel v) 2 newly opened Kyochon Chicken and vi) 6 newly opened Mr. Jones bakery, compared to revenue of THB 311.8 million recognised in 2013.
- Other income was THB 36.6 million in 2014, representing an increase of THB 12.5 million (+ 51.8%) compared to 2013. Other income in 2014 included other revenues from restaurant operations, debt guarantee services income, sub-franchise income under the CBTL and Kyochon brands and realised gain from disposal of investment in an associate company, Solaris Asset Management in early 2014.

Partially offsetting the positive factors contributing to the overall increase in total revenue was a decrease in revenue from services, investment service income and advisory mandate income as follows:

- Revenue from investment service income was THB 19.4 million in 2014, representing a decrease of THB 64.3 million (-76.9%) compared to 2013. The Company's investment services revenue booked in this year represents the subscriptions of USD 14.6 million received for the USD 100 million Series C fund raising for its budget hotel development associate company, Red Planet Hotels Limited, compared to subscriptions received in 2013 of USD 51 million. The Company has already raised a total of USD 160.4 million of equity in successive rounds since being founded in May 2010, deployed into 29 hotels in Thailand, Indonesia, Philippines, and Japan.
- Revenue from Services was THB 14.5 million in 2014, representing a decrease of THB 25.4 million (-63.6%) compared to 2013. The year-on-year revenue decrease was mainly due to political unrest which affect to the cancellation of the customer's interactive media project. There was declines internet based information revenue due to the completion of a customer's website and mobile application developed by Monster Media which affect to the revenue decrease in this business segment.

Revenue Breakdown by Segment

The Company's three main businesses comprise: 1) Food & Beverage retail, 2) Investment Services (including business, investment, and property development consulting services), and 3) Interactive Media Solutions (including internet based information services and VAS) as follows:

Description	2013		2014		Increase (decrease)	
	Thousand THB	% of Total	Thousand THB	% of Total	Thousand THB	% change
Food & Beverage retail	311,800	68.7%	426,521	89.4%	114,721	36.8%
Business advisory, investment and property development consulting services	102,256	22.5%	35,924	7.5%	(66,332)	(64.9%)
Wireless Value Added Services, interactive media solutions and internet based information services	40,024	8.8%	14,563	3.1%	(25,461)	(63.6%)
Total revenue from sales and services	454,080	100.0%	477,008	100.0%	22,928	5.0%

1 Food & Beverage Retail

The Company consolidated revenue from sales comprising revenue from 5 stand-alone restaurant outlets in the Thonglor area of Bangkok, 19 Coffee Bean & Tea Leaf stores, 17 Domino's Pizza store, 2 Kyochon stores, 6 Mr. Jones Orphanage bakery stores and 1 restaurant located in the Novotel Hotel in Silom. Revenue from this business segment accounted for the most significant revenue growth compared to the previous year.

Description	2013		2014		Increase (decrease)	
	Thousand THB	% of Total	Thousand THB	% of Total	Thousand THB	% change
Fenix Iron Fairies	156,500	50.2%	148,700	34.9%	(7,800)	(5.0%)
Coffee Bean & Tea Leaf	71,708	23.0%	102,095	23.9%	30,387	42.4%
Domino's Pizza*	38,655	12.4%	97,633	22.9%	58,978	152.6%
Maggie Choo's**	44,937	14.4%	57,635	13.5%	12,698	28.3%
Kyochon	-	0%	11,202	2.6%	11,202	100.0%
Mr. Jones	-	0%	9,256	2.2%	9,256	100.0%
Total	311,800	100%	426,521	100%	114,721	37%

* included Baht 8.3 million sales through D. Pizza Cambodia.

** Maggie Choo's started its restaurant operations in April 2013.

● Number of stores at the end of year:

Description	At the end of 2013	At the end of 2014	Number of Stores (Change)	% Change
Fenix Iron Fairies	5	5	-	-
Coffee Bean & Tea Leaf	15 (1)*	19	4	27%
Domino's Pizza	7	17	10	143%
Maggie Choo's	1	1	-	-
Kyochon	1 (1)*	4 (2)*	3	300%
Mr. Jones Orphanage (**)	2	6	4	200%
Total	31 (2)*	52 (2)*	21	68%

(*) representing number of outlet operated by sub-franchisee company

(**) 2 stores of Mr. Jones Orphanage had operated under Fenix Iron Fairies Co., Ltd

● Details of stores in each brand:

Store	FIF	CBTL	Domino's	Maggie Choo's	Kyochon	Mr. Jones
1	Iron Fairies	Siam Paragon	Holiday Inn 22	Maggie Choo's	Paseo Ramkhamhaeng	Thonglor
2	Fat Gut'z	Central World	Sukhumvit 49		MBK	Siam Center
3	Clouds	Interchange 21	Ladpro 71			Empire Tower
4	Fat'R Gut'z	Langsuan	Ladprao 101			Centralworld
5	Bangkok Betty (Holiday Inn)	Holiday Inn	Sukhumvit 77			The Mall Bangkok
6		Siam Center	Sukhumvit 1			Terminal 21
7		Fashion Island	Sukhumvit 103			
8		Central Changwattana **	Ladkrabang			
9		Central World 2	Paseo Ramkhamhaeng			
10		The Walk Kasetnawamin	Pattaya			
11		Paradise Park	I'm Park Samyarn			
12		Shanghai Mansion	The Sense Pinklao			
13		Bangkok Hospital	Plenary Mall			
14		Central Hadyai	Vanilla Moon			
15		Mike Pattaya	Victoria Garden			
16		Chula Hospital	Pattaya Naklua			
17		Central Embassy	The Nine			
18		MBK				
19		Major Ratchayotin				
20		Suvarnabhumi				
					<i>Sub-franchise</i>	
*					Fashion Island	
					Korean Town	
Total	5	19	17	1	4 (2)	6

* representing outlet operated by sub-franchisee

** closed the operation in 2014

2 Business advisory, investment and property development services

In 2014 revenue was THB 35.9 million, a decrease of THB 66.3 million (-64.9%) compared to 2013. The revenue decrease was mainly arrived at by a decrease of revenue from investment service income.

Description	2013		2014		Increase (decrease)	
	Thousand THB	% of Total	Thousand THB	% of Total	Thousand THB	% change
Investment service income	83,633	81.8%	19,353	53.9%	(64,280)	(76.9%)
Business and investment advisory services	18,444	18.0%	16,571	46.1%	(1,873)	(10.2%)
Property development consulting services	179	0.2%	-	0%	(179)	(100%)
Total segmental revenue	102,256	100.0%	35,924	100.0%	(66,332)	(64.9%)

The Company recognised revenue from investment service income in regards to creating and developing an investment platform under Red Planet Hotels Limited for the roll-out of budget hotels using the TuneHotels.com brand, as well as under Sweetstar Holdings for the roll-out of cupcake bakeries in Japan using the Magnolia Bakery brand, amounting to THB 19.4 million for the year 2014, a decrease of THB 64.3 million (-76.9%) compared to 2013. A decrease in revenue was derived from ownership dilution in Red Planet Hotels from 12.5% in 2013 to 11.8% in 2014, notwithstanding that the Company's proportionate ownership reflected Red Planet Hotels Limited's increase in value.

3 Revenues from Wireless Valued Added and Interactive Solution Services

In 2014, revenue from this business channel was THB 14.6 million, a decrease of THB 25.5 million (-63.6%) compared to 2013. This was mainly due to declines revenue from interactive media solution services and internet based information services.

Description	2013		2014		Increase (decrease)	
	Thousand THB	% of Total	Thousand THB	% of Total	Thousand THB	% change
Wireless Value Added Services	5,119	12.8%	2,294	15.8%	(2,825)	(55.2%)
Interactive media solution services	18,355	45.9%	10,697	73.5%	(7,658)	(41.7%)
Internet based information services	16,550	41.4%	1,572	10.8%	(14,978)	(90.5%)
Total segmental revenues	40,024	100.0%	14,563	100.0%	(25,461)	(63.6%)

In 2014, revenue from wireless VAS was THB 2.3 million, a decrease of THB 2.8 million (-55.2%) from the previous year. The spread of smartphones and online data access for free have caused a decrease in revenue from VAS, and operators have made subscribers' service termination easier. The Company, therefore, focused on channels which could maintain customer attraction through the provision of popular information, such as horoscope services, in order to maintain revenue levels.

In 2014, the Company recognised revenue from interactive media solution services of THB 10.7 million, a decrease of THB 7.6 million (-41.7%). The interactive solutions business involves consultations and recommendations for web design, online brand building, and corporate image enhancement provided to the Company's clients. Revenue from this business comes from fees which are based on the Client's entire project expenses. The declines revenue was mainly due to the cancellation of interactive media project launched by the clients which affect mainly due to political unrest issue.

In 2014, the Company recognised revenue from internet based information services of THB 1.6 million, a decrease of THB 15 million (-90.5%) from the previous year, due to the completion of client's website and mobile application which was delivered by the company to since the late of 2013.

Cost Breakdown by Segment

In 2014 the cost of sales and services amounted to THB 177.4 million, an increase of THB 22.9 million (+14.8%) compared to 2013. The increased costs were due primarily to increases in costs relating to food & beverage retail.

Description	2013		2014		Increase (decrease)	
	Thousand THB	% to segmental revenue	Thousand THB	% to segmental revenue	Thousand THB	% change
Food & Beverage retail	126,726	40.6%	169,610	39.8%	42,884	33.8%
Business advisory, investment and property development consulting services	846	0.8%	-	0%	(846)	(100%)
Wireless Value Added Services, interactive media solutions and internet based information services	26,981	67.4%	7,858	54.0%	(19,123)	(70.9%)
Total cost of sales and services	154,553	34.0%	177,468	37.2%	22,915	14.8%

With the F&B operations, the cost of sales in the food & beverage business amounted to THB 169.6 which was 39.8% of total food & beverage revenues derived from Quick Serve Restaurants, i.e. The Coffee Bean & Tea Leaf, Domino's Pizza, Kyochon, Mr. Jones Orphanage and stand-alone restaurants. Cost of F&B sales in 2013 was THB 126.7 million, representing 40.6% of total revenue from F&B sales. The cost of F&B sales as a proportion of revenue reduced from 40.6% to 39.3% demonstrating an operational improvement in the management of costs in the food and beverage segment.

In 2014, the company recognised the cost of sales and services from wireless VAS, interactive solutions and internet-based information services of THB 7.8 million, a decrease of THB 19.1 million (-70.9%) compared to 2013. The decrease in cost resulted from the reduction of production costs and costs related to the project.

Selling and Administrative Expenses

Description	2013		2014		Increase (decrease)	
	Thousand THB	% to total revenue	Thousand THB	% to total revenue	Thousand THB	% change
Selling expenses	189,479	39.3%	293,079	56.8%	103,600	54.7%
Administrative expenses	201,336	41.7%	248,954	48.2%	47,618	23.7%
Total	390,815	81.0%	542,033	105.0%	151,218	38.7%

In 2014 the Company recognised selling expenses of THB 293.1 million or 56.8% of total revenue, derived mainly from the food & beverage retail business. Selling expenses mainly comprised lease payments for restaurant operations, marketing, advertising, promotional expenses as well as depreciation of leasehold improvement and assets used in the restaurant. The lease payments for restaurant included commercial building leases for Domino's Pizza, department store lease/hotel leases for the Coffee Bean & Tea Leaf, Kyochon and Mr. Jones Orphanage, as well as the outdoor mall leases for stand-alone restaurants.

Administrative expenses for the year 2014 were THB 248.9 million, representing 48.2% of total revenue, an increase from the previous year of THB 47.6 million (+23.7%). The increase in administrative expenses pertains to food & beverage business which mainly comprised staff expenses and depreciation/amortisation of assets. In addition, contingent consideration in relation to the issuance of conditional promissory note in the value of not more than THB 100 million was included in administrative expenses for the year 2014 of THB 20.3 million (2013: THB 13.6 million), based on the assessment of the value of the Group's business by external financial advisors, applying discounted cash flow projection method.

Finance Costs

Description	2013		2014		Increase (decrease)	
	Thousand THB	% of total	Thousand THB	% of total	Thousand THB	% change
Promissory note THB 57.5 million	4,312	25.7%	4,312	19.1%	-	0.0%
Promissory note THB 100 million	7,500	44.6%	7,500	33.2%	-	0.0%
Loans from financial institutions	4,378	26.1%	10,181	45.1%	5,803	132.5%
Other loans	612	3.6%	599	2.7%	(13)	(2.1%)
Total	16,802	100.0%	22,592	100.0%	5,790	34.5%

In 2014, the Company incurred interest payments of THB 22.6 million, representing interest paid in cash of THB 15.8 million and accrued interest of THB 17.7 million, an increase of THB 5.8 million (+34.5%) over 2013.

On 26 November 2012, the Company issued a promissory note with a principal amount of THB 57.5 million bearing an interest rate of 7.5% per annum, payable on a monthly basis to the seller for the acquisition of the stand-alone restaurants. A second promissory note was issued as a conditional corporate guarantee in the amount not more than THB 100 million, bearing an interest rate of 7.5% per annum, payable at the end of the guarantee period to the seller for the acquisition of the two Laem Set Samui owning companies. These two promissory notes are due for repayment on 26 November 2015.

At the beginning of 2014, the Company had an outstanding long-term loan from a Thai financial institution of THB 40 million which bears interest rate at MLR minus 1 % per annum and is due for repayment on a quarterly basis with a minimum of THB 5 million per quarter. The loan repayments made during 2014 totalled THB 20 million, resulting in an outstanding principal of THB 20 million at the end of 2014.

In addition, the Group received 2 new loan facilities from a Thai financial institution covering lines of credit of THB 150 million and THB 30 million, for the purpose of food and beverage retail operations. The loans bear interest rate at MLR minus 0.35% and MLR, respectively, per annum. There were loan drawdowns of THB 162.4 at the end of 2013 (THB 97.9 at the end of 2013).

Net Profit / Loss

In 2014, the Company posted a net loss of THB 251.9 million, an increase of THB 163.8 million (+186%) compared to 2013. This was mainly due to 2014 being the second full year of food business operations, signifying an investment to create an operational infrastructure to support the steady roll-out of new stores representing several brands, as well as particular the loss increase derived from share of loss pertaining to the investment in associate companies.

The Company is permitted to use accrued tax losses of THB 89.3 million from past business operations until 2019. The period during which the tax losses can be utilised will diminish each year until they expire, as per the table below. Once the tax loss benefits arising from past losses expire, the Company is then obliged to pay corporate income tax, calculated as a percentage of profits before tax.

(Unit: Thousand THB)

Year	Year profit (losses) from operations eligible for tax benefits	Year of expiration
2010	(33,670)*	2015
2011	(9,614)*	2016
2012	(216)*	2017
2013	(30,704)	2018
2014	(15,058)	2019
Total	(89,262)	

* tax loss carried forwards for the year 2010-2012 was adjusted based on re-submission of annual tax returns in September 2014.

Analysis of Financial Position Assets

Assets	2012 Thousand THB	2013 Thousand THB	2014 Thousand THB
Total current assets	100,996	174,141	197,749
Total non-current assets	1,422,638	1,676,208	1,915,793
Total assets	1,523,634	1,850,349	2,113,542

As of 31 December 2014, the Company had total assets of THB 2,113.5 million, an increase of THB 263.2 million from the end of 2013. This increase was due to an increase of subsidiaries' assets which operated in the food and beverage retail sector, including inventory, leasehold improvement and equipment, and intangible assets.

Leasehold Improvements and Equipment and Intangible Assets (Net)

As at 31 December 2014, the group has leasehold improvement and equipment assets with a total net book value of THB 315.6 million (compared to THB 238.8 million at the end of 2013), and a net book value of intangible assets totaling THB 53.2 million (compared to THB 36.6 million in 2013), details of assets breakdown by business segment are summarised below:

Net book amount	31 December 2013		31 December 2014		Change	% change
	Thousand THB	% of total	Thousand THB	% of total	Thousand THB	
Leasehold improvement and equipment						
Food business	221,656	92.8%	302,906	96.0%	81,250	36.7%
Non-food business	17,110	7.2%	12,696	4.0%	(4,414)	(25.8%)
Sub total	238,766	100.0%	315,602	100.0%	76,836	32.2%
Intangible assets						
Food business	36,084	98.5%	52,076	99.6%	15,992	44.3%
Non-food business	535	1.5%	183	0.4%	(352)	(65.8%)
Sub total	36,619	100.0%	52,259	100.0%	15,640	42.7%
Total leasehold improvement and equipment and intangible assets	275,385		367,861		92,476	33.6%

The total net book value of leasehold improvement and equipment increased by THB 76.8 million (+ 32.2%) compared to the end of 2013, which mainly increased through the rapid expansion in food and beverage retail operations. This resulted in an increase in net book value of leasehold improvement and equipment of the food business from 92.8% at the end of 2013 to 96% at the end of 2014.

The total net value of intangible assets increased by THB 15.6 million (+42.7%) compared to the end of 2013, which derived from new acquiring franchise rights to operate restaurants under the Domino's Pizza in Cambodia at the late of 2014. This resulted in an increase in net book value of intangible assets from 98.5% at the end of 2013 to 99.6% at the end of 2014.

Goodwill

Goodwill of THB 308 million was included in total non-current assets in November 2012, and this same amount is maintained in 2014, respectively. The Company had engaged an independent certified financial advisor to assess such Goodwill. Goodwill assessment is based on a five-year pre-tax cash flow projection by referring to the approved financial business plan by Company's management.

Key assumptions used in the recoverable amount assessment include:

	Food business
EBITDA margin ¹	8.3% - 26%
Growth rate ²	3.00%
Discount rate ³	10.9%

1 Budgeted stabilised EBITDA margin.

2 Weighted average growth rate used to extrapolate cash flows beyond the budget period.

3 Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margins based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant business segments.

Based on the assessment of the value of the goodwill, management had considered that there is no likelihood that the Goodwill has suffered any impairment for the year ended 31 December 2014.

Liabilities and shareholders' equity

Liabilities and shareholders' equity	2012 Thousand THB	2013 Thousand THB	2014 Thousand THB
Total liabilities	242,931	406,400	491,161
Total shareholders' equity	1,280,703	1,443,949	1,622,381
Total liabilities and shareholders' equity	1,523,634	1,850,349	2,113,542

As of 31 December 2014, the Company had total liabilities of THB 491.1 million, an increase of THB 84.7 million from the end of 2013, due mainly to the increase in loans from financial institutions, trade and other payables and provision for contingent consideration.

With regards to the business acquisition on 26 November 2012, the Company has issued a promissory note with a principal amount of THB 57,500,000 and a maturity date of 3 years from the acquisition date of the transaction, bearing an interest rate of 7.5% per annum, which interest is payable on a monthly basis. In relation to the shares transfer of Fenix Iron Fairies Co., Ltd., there was an operational guarantee of up to THB 60,000,000 of EBITDA (Earnings before Interest, Tax, Depreciation, and Amortisation) for the financial years 2013 and 2014 in aggregate. Should the EBITDA in those financial years be below THB 60,000,000, then the promissory note principal shall be adjusted by the amount of such shortfall.

In relation to the share transfer of Casa Fico Co., Ltd. and Fena Park Co., Ltd., the Company has issued a promissory note as a conditional corporate guarantee in the amount of THB 100,000,000 to the seller as protection against loss of value of the consideration (which was the Company's newly issued shares) which may result from the acquisition of investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd., on 26 November 2012. The guarantee shall be valid for a period of 3 years ending 26 November 2015. The final amount payable under the guarantee shall be adjusted based on the share price of the Company at the end of the guarantee period. However, the principle of this condition is to grant an opportunity for the Company to be free from paying such obligation if the Company's share price is at least equal to THB 2.00 per share (a) 3 years from the closing date of the transaction, or (b) on the date which the Company decides to sell all shares in Casa Fico Co., Ltd. and Fena Park Co., Ltd. and/or the land/leasehold right owned by these two companies before the end of guarantee period. In that event, such guarantee will be revoked and the Company will not be bound to pay that amount to the seller. Conversely, if the Company's share price is less than THB 2.00 per share within the specified time, in both (a) and (b) described above, the Company must pay the determined amount in accordance with the calculation method, which is limited to a maximum of THB 100,000,000.

At the date of acquisition, the Company had estimated that there was no likelihood that the Company would incur such liability. However, as at 31 December 2014, the Company has reviewed and reassessed likelihood that the Company may incur some portion of such liability by taking into consideration the current economic situation, and the Company's current performance and future plans. The Company has estimated that there is some likelihood that the Company may incur some liability.

For the purposes of assessing such contingent consideration, assets are grouped at the lowest level of each identifiable cash flow (cash-generating unit, "CGU"). Since this contingent consideration is significant to financial statements, the Company has engaged an independent certified financial advisor to assess the value of the Company's business by applying discounted cash flow projections. The assessment is based on a five-year pre-tax cash flow projection by referring to an approved financial and business plan by management.

Key assumptions used in the recoverable amount assessment include:

Proceeds from sales of investment	12 .5 x forecasted investment's EBITDA
Growth rate ¹	3.0%
Discount rate ²	10.9%
EBITDA ³	14%

¹ Weighted average growth rate used to extrapolate cash flows beyond the budget period.

² Pre-tax discount rate applied to the cash flow projections.

³ Budgeted stabilised EBITDA margin.

These assumptions have been used for the analysis of each CGU within each business segment.

The Company determined budgeted EBITDA margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Based on the assessment of the value of the Company's business, the Company had considered that there was likelihood that the Group would incur some liability. As a result, contingent consideration in relation to investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd. of THB 33.9 million was recognised and presented in the consolidated and company financial statements as at 31 December 2014 (2013: THB 13.56 million). If Casa Fico and Fena Park have not developed or sold the land or leasehold rights owned by each respective company on 26 November 2017, the Company shall have the right within the exercise period of 60 days (the Exercise Period) to sell all of those shares to buyer (the Put Option), and buyer agrees to buy all those shares for a total consideration of THB 183,954,551 for all shares in Casa Fico Co., Ltd., and THB 64,545,449 for all shares in Fena Park Co., Ltd.

Total shareholders' equity is THB 1,622.4 million, an increase of THB 178.5 million from the end of 2013, due to newly issued ordinary shares several times during 2014. The increase in shareholders' equity was offset by total comprehensive expenses for the year 2014 of THB 192.7 million.

Details of ordinary shares issued/to be issued during the year 2014:

- 161.6 million Ordinary shares with a par value of THB 1 per share, total THB 161.6 million was issued to those shareholders who subscribed to the Rights Offering Shares of the Company. In this regard, the Company also issued 323.2 million warrant units (E-W3) for THB 0.00 per warrant (free of charge), to the shareholders who received the allotment of the Right Offering share at same time.
- the Extraordinary General Meeting of Shareholders No. 1/2014 on 4 July 2014 approved the allocation of 183.7 million ordinary shares, having a par value of THB 1.00 each, as follows:
 - 1 To allot 65 million new shares with the par value of Baht 1.00 each be allotted to Mr. Toshimitsu Hioki by way of private placement at the offer price of Baht 1.00 per share, totaling Baht 65 million, in consideration for the acquisition of 213 shares at the par value of ¥ 50,000 per share in Q's Dining Inc. ("QD"), (being the price per share of Baht 16,666 per 1 share in QD held by Mr. Toshimitsu Hioki) representing 32.6 percent of the total shares in QD, with the sale price of Baht 305,165 per share, totaling Baht 65 million.
 - 2 To allot 118.7 million shares with the par value of Baht 1.00 each in one or several tranches as a general mandate to specified or institutional investors by way of private placement.

Subsequently, 40 million ordinary shares at Baht 1 per share, totaling Baht 40 million and 78.7 million ordinary shares at Baht 1.051 per share, totaling Baht 83 million had been allotted to certain investors by way of private placement on 29 July 2014 on 22 September 2014, respectively.

Connected Transactions

A policy regarding possible future connected transactions was specified as follows:

- 1 In the case where the Company has connected transactions, the Company policy is to proceed in the same manner as all other businesses which refer to market prices and conditions, in that the Company shall allow the Audit Committee to consider or give its opinions on the necessity and suitability of engaging in the connected transaction. This includes those cases where it is necessary for the Company to have independent values, experts or financial advisers, express their views on aforementioned connected transactions, in order to be able to use this as information on which to base the decisions of the Board or Shareholders, depending on the case. This is to ensure that the connected transactions are aligned with market prices, are suitable and are compatible with normal business activity. Thus, the Company shall disclose information pertaining to connected transactions in the budget report, as compiled by the Company's auditor and the annual report.
- 2 In the case where the Company has connected transactions, the Board shall act in accordance with the law related to securities and the Stock Exchange, including decrees, announcements, orders and the regulations of the Stock Exchange of Thailand, i.e. act in accordance with regulations regarding the transparency of information concerning connected transactions and the valuation of assets, where they have been received or sold, where they are assets crucial to the Company and its subsidiaries.

The significant related party transactions have followed the commercial conditions and standards mutually agreed upon by the Company and the persons or those related businesses, which are normal business transactions. Details are as in table below:

Significant related transactions between the Company and its subsidiaries and related person or juristic person for the year ended 31 December 2012, 2013 and 2014 and the balance as at 31 December 2012, 2013 and 2014.

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Red Planet Hotels (Thailand) Limited Relationship: An associate which held the share by the subsidiary, Evolution Land Co., Ltd., at 50.9% interest.	Management income	2.78	0.66	-	The service fee was reasonable and comparable to the market price.	The Group had capable personnel and able to provide service at the comparable rate to the external service provider.
	Debt guarantee service income	1.84	1.93	1.75	Service fee at the rate of 3% per annum calculated from outstanding loan balance which was reasonable and comparable to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued income	-	0.46	0.51	An accrual income for the income recognised in the period but not yet billing at the end of accounting period	
	Amount due from and advance to related companies	1.01	0.12	0.43	Representing amount for trading of services was not due as of the end of accounting period which was followed the normal business.	
Red Planet Hotels Two	Debt guarantee	0.42	1.80	1.80	Service fee at the rate of 3%	The Company provided debt guarantee

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
(Thailand) Limited Relationship: An associate which held the share by the subsidiary, Evolution Land Co., Ltd., at 51% interest.	service income				per annum calculated from outstanding loan balance which was reasonable and comparable to the market.	to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued income	-	0.45	0.45	An accrual income for the income recognised in the period but not yet billing at the end of accounting period.	
	Amount due from and advance to related companies	0.45	-	-	Representing amount for trading of services was not due as of the end of accounting period which was followed the normal business.	
Red Planet Hotels Three (Thailand) Limited Relationship: An associate which held the share by the subsidiary, Evolution Land Co., Ltd., at 51% interest.	Debt guarantee service income	1.41	1.59	1.32	Service fee at the rate of 3% per annum calculated from outstanding loan balance which was reasonable and comparable to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued income	-	0.38	0.31	An accrual income for the income recognised in the period but not	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Red Planet Hotels Four (Thailand) Limited Relationship: An associate which held the share by the subsidiary, Evolution Land Co., Ltd., at 51% interest.					yet billing at the end of accounting period.	
	Amount due from and advance to related companies	0.47	-	-	Representing amount for trading of services was not due as of the end of accounting period which was followed the normal business.	
	Debt guarantee service income	0.03	2.70	2.69	Service fee at the rate of 3% per annum calculated from outstanding loan balance which was reasonable and comparable to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued income	-	0.68	0.67	An accrual income for the income recognised in the period but not yet billing at the end of accounting period.	
	Amount due from and advance to related companies	0.03	-	-	Representing amount for trading of services was not due as of the end of accounting period which was followed the normal business.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Red Planet Hotels Limited Relationship: An associate, which held the share by the subsidiary, Evolution Advisors Limited at the end of 2014 11.8% (at the end of 2013: 12.5%, 2012: 15.9%)	Management income	21.21	-	-	The service fee was reasonable and comparable to the market price. The service agreement was terminated effect on Nov 2012.	The Group had capable personnel and able to provide service at the comparable rate to the external service provider.
	Facility services income	2.49	0.83	-	The rental and service fees were reasonable and close to the market rate.	In 2011, Red Planet does not has its own office space in Thailand. Therefore, Red Planet shared office space and relating facilities with the Company. In 2012, service fee reduced compare to 2011 because Red Planet rent its own office space.
	Other receivable	-	-	5.58	Representing amount for selling of intellectual properties which was not due as of the end of accounting period	
	Accrued income	0.40	0.50	-	An accrual income for the income recognised in the period but not	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
					yet billing at the end of accounting period.	
	Loan from related company and interest payable	16.69	22.94	27.79	The loan facility with an associate through a line of credit of Baht 30 million, bearing interest at 1% per annum for the purpose of working capital.	
Andaman Beach Residences Co., Ltd. Relationship: An associate which held the share by the subsidiary, Evolution Land Co., Ltd., at 51% interest.	Management income	0.56	0.47	0.47	Representing accounting and tax services which charged reasonable fee and comparable to the market price.	The Company had capable personnel and able to provide service at the comparable rate to the external service provider.
	Accrued income	0.07	0.07	0.04	An accrual income for the income recognised in the period but not yet billing at the end of accounting period.	
	Amount due from related companies	0.05	0.08	-	Representing amount for trading of accounting services was not due as of the end of period which was followed the normal business.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Phang Nga Hotel Co., Ltd. Relationship: An associate which held the share by the subsidiary, Evolution Land Co., Ltd., at 51% interest.	Management income	0.56	0.47	0.47	Representing accounting and tax services which charged reasonable fee and comparable to the market price.	The Company had capable personnel and able to provide service at the comparable rate to the external service provider.
	Accrued income	0.07	0.07	0.04	An accrual income for the income recognised in the period but not yet billing at the end of accounting period	
	Amount due from related companies	0.05	0.08	-	Representing receivable for trading of services was not due at the end of accounting period which was followed the normal business.	
Q's Dining Inc. Relationship: An associate which held the share by the Company at 29.3%	Revenue from sales	-	-	5.40	The transfer price was reasonable and comparable to the market price.	
	Trade account receivable	-	-	1.78	Representing amount for trading due as of the end of period which was followed the normal business.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Fena Property Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Rental fee	0.51	3.14	3.5	The rental fee and relating expenses was reasonable and comparable to the market price.	The lease payment for restaurant operation was normal business transaction and was reasonable.
	Expenses relating to the rental of restaurant operation	-	6.50	6.85		
	Deposit for rental	1.52	2.35	2.35	The deposit for rental was due by the normal course of business and was comparable to the market price.	
	Trade payable	0.32	4.64	0.11		
Fico Corporation Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Rental fee	-	0.77	1.66	The rental fee and relating expenses was reasonable and comparable to the market price.	The lease payment for office space was normal business transaction and was reasonable.
	Expenses relating to the rental of restaurant	-	1.42	3.01		

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
	operation					
	Deposit for rental	-	1.12	1.08	The deposit for rental was due by the normal course of business and was comparable to the market price.	
	Purchase of inventory	-	9.11	-	The transfer price was reasonable and comparable to the market price.	
	Trade payable	7.90	1.37	0.27	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business.	
B&G Park Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Rental fee	0.15	0.36	0.36	The rental fee was reasonable and comparable to the market price.	The lease payment for warehouse was normal business transaction and was reasonable.
	Expenses relating to the rental	-	0.68	0.68	The relating fees was reasonable and comparable to the market	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Fico Housing Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Rental fee	0.06	1.16	-	The rental fee was reasonable and comparable to the market price.	The lease payment for office space was normal business transaction and was reasonable.
	Deposit for rental	-	0.60	-	The deposit for rental was due by the normal course of business and was comparable to the market price.	
	Trade payable	0.02	-	-	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business.	
Fenacon Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Purchase of leasehold improvement and equipment	4.58	36.53	16.3	The contract price was reasonable and comparable to the market price.	The payment for renovation area of the restaurant operations was normal business transaction and was reasonable.
	Trade payable	10.65	2.49	3.79	Representing payable for renovation area was not due at the end of accounting period which	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Fena Assets Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Management fee	0.34	3.60	2.98	The service fee was reasonable and comparable to the market price.	Fena Assets had capable personnel and able to provide service at the comparable rate to the external service provider.
	Trade payable	0.12	0.21	0.33	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business.	
Fena Estate Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Purchase of goods	0.17	2.49	1.41	The transfer price was reasonable and comparable to the market price.	
	Trade payable	0.15	0.31	0.13	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business.	
Fico Development Co., Ltd. Relationship: Related company with common director (the relationship commencing from 26 November 2012)	Purchase of goods	0.26	2.04	1.56	The transfer price was reasonable and comparable to the market price.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
commencing from 26 November 2012)						
	Sales of goods	-	0.63	-	The transfer price was reasonable and comparable to the market price.	
	Trade payable	0.20	0.40	0.11	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business.	
Fenix Silom Co., Ltd. Relationship: subsidiaries which shares held by the subsidiary, Fenix Iron Fairies at 80% interest, 2012: A joint venture which share held by the subsidiary, Fenix Iron Fairies at 50% interest. (the relationship commencing from 26 November 2012)	Loan to related company	1.20	-	-	Representing short-term loan bearing interest at 4.5% per annum due for repayment on demand. The loan is eliminated since Fenix Silom became to the subsidiary of the Group since May 2013.	
	Loan from director	4.27	-	-	Representing short-term borrowing from a director of principal Baht 4	
Mr. Krit Srichawla Relationship: a director of the Company						

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
(engaged on 23 August 2012)					million, bearing interest at 12% per annum, due for repayment on demand. The loan repaid in full during the year 2013.	
PhotoME.com Co., Ltd. Relationship: A subsidiary company (2013: A joint venture which held the share by the subsidiary, Monster Media Co., Ltd. at 51% interest)	Sublease office and facility services income	0.40	0.40	0.27	The rental and service fees were reasonable and close to the market rate.	PhotoME.com does not has its own office space. Therefore, the sublease of office space was charged by Monster Media.
	Accrued income	0.40	-	-	An accrual income for the income recognised in the period but not yet billing at the end of accounting period	
	Amount due to related companies	0.48	0.42	-	Representing payable for purchasing of services was not due at end of accounting period which was followed the normal business.	
Sparx Ventures Limited Relationship: Related company with one common director	Consulting service income	1.10	1.33	-	The service fee was reasonable and comparable to the market price.	
	Trade receivable	-	1.41	1.41	Representing amount for trading	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
Sweetstar Holdings Limited Relationship: Related company with one common director					of services was not due as of the end of accounting period which was followed the normal business.	
	Accrued income	1.44	0.35	0.35	An accrual income for the income recognised in the period but not yet billing at the end of accounting period.	
	Consulting service income	0.98	1.54	-	The service fee was reasonable and comparable to the market price.	
	Management income	1.90	-	-	The service fee was reasonable and comparable to the market price.	The Group had capable personnel and able to provide service at the comparable rate to the external service provider.
	Trade receivable	-	3.69	3.71	Representing amount for trading of services was not due as of the end of accounting period which was followed the normal business.	
	Accrued income	2.88	1.03	1.04	An accrual income for the income recognised in the period but not	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2012	2013	2014		
					yet billing at the end of accounting period.	
	Advance to related companies	0.38	0.39	-	Representing an advance payment which was followed the normal business.	
Zodio.com Limited Relationship: Related company with one common director	Website design and development service	13.13	14.91	1.24	The service fee was reasonable and comparable to the market price.	The service was provided by the subsidiary, Monster Media. Due to the fact that the subsidiary had capable personnel and able to provide service at the comparable rate to the external service provider.

During 2012, the Company acquired assets and entered into connected transactions by 1) acquiring 14,250,000 shares with a par value of THB 10.00 each in Casa Fico Co., Ltd., which is equal to 50.00 percent of its registered capital from Mr. Krit Srichawla, Mr. Amorn Srichawla, Mr. Theprit Srichawla, and Mr. Akradej Srichawla ("Srichawla Group"), (2) acquiring 5,000,000 shares with a par value of THB 10.00 each in Fena Park Co., Ltd., which is equal to 50.00 percent of its registered capital from Srichawla Group, and (3) the transfer of entire business (the "Entire Business Transfer") consisting of Fenix Pizza Co., Ltd., Fico Coffee Co., Ltd., and Fenix Iron Fairies Co., Ltd. from Fico Food Co., Ltd. The consideration for those acquisitions in the amount of THB 724,687,500 was paid in the form of new ordinary shares from the capital increase of the Company, Promissory Note issuance, and cash.

Such transaction is considered a connected transaction according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction B.E. 2546 (2003) (the "Connected Transaction Notification"), which was approved by the Extraordinary General Meeting of Shareholder No. 1/2012 on 16 November 2012.

Management Structure

Board of Directors

As of 31 December 2014, the Board of Directors consists of 9 Directors, as follows

Mr. Krit Srichawla	Chairman of the Board of Directors
Mr. Mark Michael Reinecke	Director
Mr. Sanjay Kumar Singh	Director
Mr. Simon Morris Gerovich	Director
Mr. Amorn Srichawla	Director
Mr. Akarat Na Ranong	Director
Mr. Witit Sujjapong	Independent Director
Mr. Krish Dettter	Independent Director
Mr. Viroj Tangjetanaporn	Independent Director

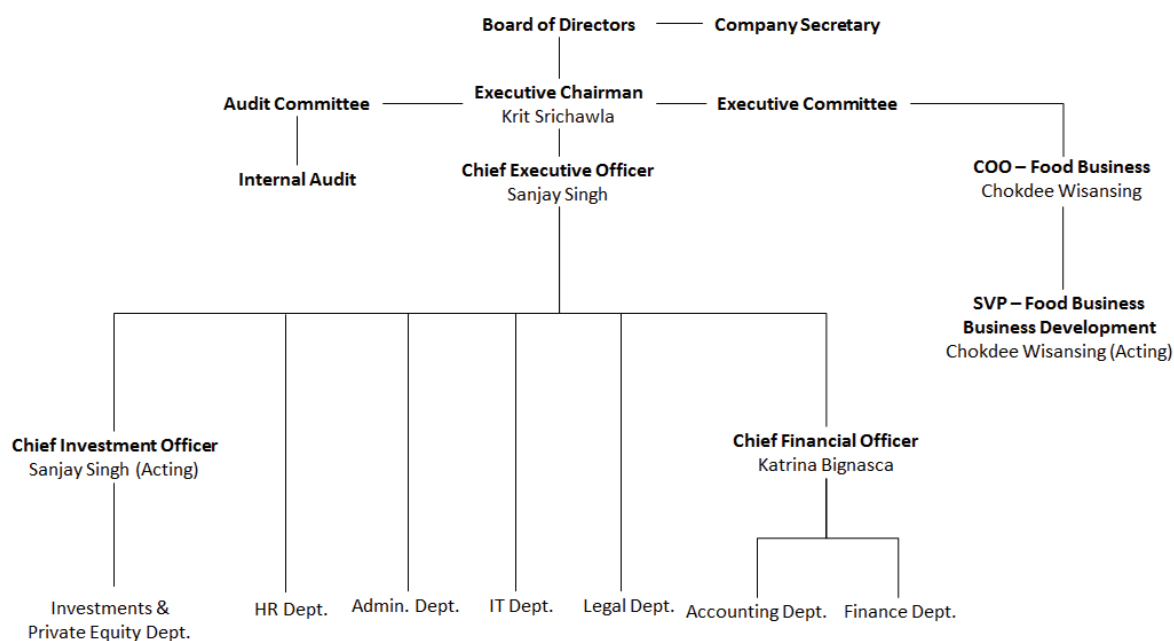
Directors mentioned in Items 1-3 are the authorized directors of the Company, two of them can sign jointly to bind the Company with the Company's seal affixed.

Mr. Phuratch Nanthakhetwong is the Company Secretary.

Management

As of 31 December 2014, the Company's management consisted of the following persons:

- | | |
|--|--|
| ● Mr. Krit Srichawla
Chairman of Executive Committee | ● Ms. Katrina Bignasca
Chief Financial Officer |
| ● Mr. Sanjay Kumar Singh
Chief Executive Officer | ● Mr. Chokdee Wisansing
Chief Operation Officer of Food Business |



Remuneration of Directors and Management

Directors

Directors' remuneration paid in 2014 is as follows:

Name	Meeting Fee and Retainer (THB)
Mr. Krit Srichawla	-
Mr. Simon Morris Gerovich	-
Mr. Mark Michael Reinecke	-
Mr. Amorn Srichawla	-
Mr. Sanjay Singh	-
Mr. Witit Sujjapong	562,000
Mr. Krish Detter	387,500
Mr. Viroj Tangjetanaporn	387,500
Mr. Akarat Na Ranong	375,000
Total	1,712,500

Management

Remuneration Type	Persons	Amount (THB million)
Salary	8	15.10
Other welfare, such as social security fund, provident fund	8	0.98
Health insurance, rental allowances, traveling allowances	8	0.16
Total	8	16.24

Employees

As of 31 December 2014, the Company (not including subsidiaries and associates) has 30 employees (excluding 8 management executives) who are divided into 3 major departments, as below:

Department	No. of Employees
Investments	2
Finance and Accounting	8
Corporate Services	20
Total	30

Details employees' remuneration paid in 2014 are as follows:

Remuneration Type	Persons	Amount (THB million)
Salary	30	27.20
Other welfare, such as social security fund, provident fund	30	1.70
Health insurance, rental allowances, traveling allowances	30	0.47
Total	30	29.37

Capital Structure and Shareholders

Capital Structure

As of December 31st, 2014, the Company's registered capital was THB 2,350,000,000 consisting of 2,350,000,000 ordinary shares with a par value of THB 1.00 each, and the Company's paid-up capital was THB 1,654,052,845 consisting of 1,654,052,845 ordinary shares with a par value of THB 1.00 per share.

The history of the Company's capital increases are provided in the table below.

Unit : THB

Period	Previous		New	
	Registered Capital	Paid-up Capital	Registered Capital	Paid-up Capital
August 2007	40,931,510	40,931,510	409,315,100	391,366,118
February 2008	409,315,100	391,366,118	521,366,118	391,366,118
April 2008	521,366,118	391,366,118	521,366,118	521,366,118
October 2009	521,366,118	521,366,118	694,000,000	521,366,118
April 2010	694,000,000	521,366,118	694,000,000	607,166,118
July 2010	694,000,000	607,166,118	694,000,000	628,166,118
November 2010	694,000,000	628,166,118	1,041,000,000	694,000,000
November 2012	1,041,000,000	694,000,000	1,956,500,000	1,047,000,000
January 2013	1,956,500,000	1,047,000,000	1,956,500,000	1,308,750,000
December 2013	1,956,500,000	1,308,750,000	2,351,000,000	1,308,750,000
March 2014	2,351,000,000	1,308,750,000	2,351,000,000	1,470,355,387
July 2014	2,351,000,000	1,470,355,387	2,350,000,000	1,510,355,387
August 2014	2,350,000,000	1,510,355,387	2,350,000,000	1,575,355,387
September 2014	2,350,000,000	1,575,355,387	2,350,000,000	1,654,052,845

Shareholders

Top 10 Shareholders as of 17 December 2014 are as follows:

Number	Shareholder	Number of Shares	Ownership Percentage
1	Srichawla Group*	457,378,000	27.65
2	Mr. Phrommatra Chaisim	90,000,000	5.44
3	Holly Grove II LLC	80,000,000	4.84
4	Mr. Pichai Vichakaphan	79,885,300	4.83
5	Geoseko Enterprises Global Limited	78,697,458	4.76
6	Thai NVDR Company Limited	42,907,362	2.59
7	Morgan Stanley & Co. International PLC	42,866,600	2.59
8	Mr. Pramote Pasawong	19,000,000	1.15
9	Mr. Sanpan Silpchaowala	17,000,000	0.97
10	Mr. Sanjay Kumar Singh	10,847,640	0.66

*Srichawla Group comprises the following:

Number	Shareholder	Number of Shares	Ownership Percentage
1	Mr. Krit Srichawla	96,297,600	5.82
2	Mr. Amorn Srichawla	91,269,600	5.52
3	Mr. Akradej Srichawla	91,269,600	5.52
4	Mr. Theprit Srichawla	93,269,600	5.64
5	Fico Corporation Company Limited	85,271,600	5.15

Dividend Policy

Pursuant to the Company's Article of Association, dividend shall be paid at a rate of not less than 50 percent of the net profit after deduction of tax and statutory reserves required by applicable laws and regulations; provided that the Company would still have adequate cash for on-going operation and working capital purposes. The Company's dividend policy is subject to change from time to time as approved by Shareholders in a General Shareholders Meeting.

The Company has not made dividend payments in the past 3 years as it has accumulated losses.

Corporate Governance

Corporate Governance Policy

In recognition of the importance of good corporate governance, the Board of Directors agree to establish standards of business administration in order to achieve efficient and transparent operations, increase competitiveness and provide fair treatment and confidentiality to all stakeholders. In 2004, the Company appointed an Audit Committee to provide advice and scrutinise the Company's good governance policy. The policy should establish the rights and equality of shareholders and stakeholders, the definition of the structure, responsibilities, duties, accountability and independence of the committee, accurate and regular disclosure of information to the public, risk control and management, and ethical business administration.

The Company has complied with the principles of good corporate governance for listed companies, as follows:

Rights of Shareholders

The Company recognises the rights of all shareholders and demonstrates its respect for shareholders' rights by encouraging them to exercise their basic rights after stock trading and the right to receive dividends. These rights include:

- Secure method of ownership registration
 - Convey and transfer shares
 - Obtain relevant and material information on timely and regular basis
 - Participate and vote in general shareholder meetings
 - Assign a proxy to vote on their behalf in meetings
 - Be informed of the rules that govern shareholder meetings
 - Give opinions and ask questions in shareholder meetings
 - Vote to elect or remove Directors
 - Vote to appoint independent auditors and set annual audit fees
 - Share the profits of the Company
 - Participate in and be informed regarding major decisions concerning fundamental corporate changes
-

Equitable Treatment of Shareholders

- The Board of Directors values the importance of shareholders' meetings and shall facilitate all shareholders to attend the meetings, gain access to information, and exercise voting rights at these meetings in an equitable manner.
- The Board of Directors shall present important matters to shareholders so that they can participate in the decision-making while ensuring that shareholders receive full, adequate and timely information for decision-making purposes. In addition, it shall support and facilitate appropriate voting procedures including voting by proxy.

The Company has adopted measures to prevent misuse of inside information by the Board and management, abusive self-dealing, insider trading or disclosure of inside information to those related to the Board and management, which might cause damages to shareholders as a whole.

Role of Stakeholders

The Company recognises the importance of the rights of all stakeholders, including shareholders, management, employees, customers, suppliers, the community, society, and relevant government and private agencies. Recognising the need for stakeholders' support, which strengthens competitiveness and business operations in the long term, the Company operates in accordance with relevant rules and regulations, to ensure that the rights of all stakeholders are upheld.

- 1 Shareholders: The Company aims to represent the best interests of its shareholders in all its business operations and accurately disclose information to them.
- 2 Management and Employees: The Company shall treat all managers and employees equally and fairly. Management and employees have the right to receive remuneration and benefits in accordance with their position, duties, and performance.
- 3 Customers: The Company shall devote itself to its customers, be responsible to them, offer quality service, respect their confidentiality and assign personnel to deal with their complaints and inquiries as effectively as possible.
- 4 Suppliers and Creditors: The Company shall buy products and services from suppliers in accordance with trade regulations, including agreeing to act in accordance with supply contracts. With respect to borrowing of money, the Company will act in accordance with the terms of the contract or agreement.
- 5 Competitors: The Company will act in accordance with a good regulatory framework, avoiding unethical or underhanded means to eliminate competition.
- 6 Community and Society: The Company shall act responsibly with respect to the community and society, in that the Company's products shall not have negative effects on society and shall create a good image for the Company.

Disclosure and Transparency

The Company gives a high priority to the disclosure of the Company's financial reports, and operational information and is committed to their accuracy, completeness, transparency, quality and the timely release of these reports to investors and the public through the Stock Exchange of Thailand and the Company's website www.evolution.co.th. In addition, the Legal Department is responsible for information disclosure to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC") to ensure the Company's compliance with the laws and regulations.

Responsibilities of the Board of Directors

1 Leadership and Vision

Based on the values of integrity, morality, and business ethics; the Board of Directors shall determine the Company's vision, policy and business direction, annually review and approve strategies, policies, financial and operating objectives, follow up on the management's implementation of the operating plan, provide appropriate internal control, internal audit, and risk management. They shall also ensure that the management team performs its duties according to the objectives and guidelines, thereby delivering maximum benefits to shareholders.

2 The Board of Directors' Responsibilities

- To perform its duties in compliance with the law, the Company's objectives and Articles of Association, including resolutions of the shareholders' meetings, with honesty, integrity and prudence while protecting the Company's interest.
- To set up vision, policies and the direction of the Company's business operations and monitor the implementation of the Company policies by management to ensure efficiency, effectiveness and maximum value to the Company and its shareholders.
- To evaluate performance and determine remuneration for the Company's management.
- To consider and approve material issues as stipulated by law.
- To establish reliable systems of accounting, financial reporting and auditing. This includes evaluating procedures in internal control assessment and follow-up processes, and ensuring the efficiency and effectiveness of internal audits, risk management, and financial reports.
- To ensure that no conflicts of interest occur among stakeholders.
- To monitor business operations with the aim of ensuring ethical work standards.

Shareholders' Meetings

1 Distribution of meeting notices

Ahead of each Shareholder meeting, the Company sends out invitation letters which state the agenda of the meeting and information relating to each agenda item, both in Thai and English. The letter reaches shareholders seven working days prior to the meeting. The Company advertises the date of the meeting in the press for at least three consecutive days, at least three days prior to the meeting.

2 Assigning a proxy to vote on their behalf in the meeting

Shareholders can exercise their rights to vote either in person or in absentia with equal rights. By completing a proxy form and including the notice of the meeting, Independent Directors grant permission to a shareholder to use him as their proxy.

3 Meeting attendance and registration

To attend the shareholders' meeting, shareholders must present documents to verify their identity, such as an identification card or passport. A proxy must provide evidence such as the completed proxy form along with a copy of an identification card or the passport of the shareholder. Where a proxy is assigned by a juridical person, he/she must bring proxy evidence, such as the proxy form, along with a certified copy of business registration certificate. Shareholders presenting an identification card can pre-register two hours prior to the AGM. The Company organises a systematic and effective registration process to facilitate the shareholders attending the meeting.

4 Board of Directors attendance at shareholder meetings

The Company recognises the importance of shareholders' meetings. Therefore the meeting is attended by the Board of Directors. Moreover, the Chief Executive Officer, Chairman of each Board Committee and the external auditor or a representative also attend the meetings to listen to opinions and answer questions raised by shareholders.

5 Shareholders' opportunities to ask questions and give opinion, resolution and records of meetings

The Company facilitates equitable rights among shareholders at meetings by declaring clear voting procedures and counting methods to all shareholders present before the meeting begins. During the meeting, shareholders have equal opportunities and are allowed sufficient time to address issues relevant to every agenda with the Board. The Chairman of the meeting gives shareholders the opportunity to fully examine the operations of the business, ask questions and make inquiries, express their views, and make various recommendations. The Company has a policy to encourage all committee members to attend the shareholders meeting, particularly the Chairman of the Board and the Chairman of the Audit Committee, so that they may respond to inquiries and express their own views at the Shareholders' Meeting, with respect to important questions and opinions. These are recorded as a part of a report of the meeting, which is then made available for the scrutiny of shareholders unable to attend the meeting. The Company will facilitate voting by proxy. The voting and counting of votes will be carried out in an efficient and transparent manner. One vote is counted per share and a resolution is carried by the majority vote. Voting tickets will be used where shareholders wish to make objection votes or abstention votes and will be kept for later inspection. The Company will record the resolutions of the meeting by classifying votes into approval votes, objection votes, and abstention votes for each agenda in writing and will also record in detail the questions, answers, and opinions made during the meeting. Resolution with voting results will be recorded in the minutes of shareholders' meeting.

6 Disclosure

The results of the meeting are released by the Stock Exchange of Thailand on the following working day. Within 14 days, the Company then sends to the Stock Exchange of Thailand the complete minutes of the meeting containing names of Board Members/Executives in attendance, numbers/proportions of shareholders who attended resolutions, important issues and questions and answers.

Conflicts of Interest

To prevent issues regarding conflicts of interest, the Company appoints the Audit Committee to participate in reviewing the disclosure of connected transactions. In any Board of Directors' meeting, if there is any connected transaction in which conflict of interest is observed, individual Directors who may be involved in such conflict refrain from voting. Only non-involved Directors and Audit Committee members are eligible to carefully review such connected transactions in the best interests of the Company. However, in the case that such connected transactions need be handled in compliance with regulations, announcements or any rules of the Stock Exchange of Thailand, enforcement shall be strictly applied.

Business Ethics

The Board of Directors of the Company acknowledge their roles, duties and accountability, to ensure efficient, clear, transparent operations, in accordance with relevant laws and the regulations of the Company, as well as resolutions of any Shareholders' Meeting. The principles, policies, morals and ethics of good corporate governance are issued to the Board of Directors as guidelines in carrying out their duties with honesty, morality, accountability, loyalty and integrity, in the best interests of the Company and shareholders.

The Company establishes principles regarding business ethics for the Board of Directors and the Audit Committee.

Balance of power for Non-Executive Directors

The Board of Directors of the Company currently comprises 10 Directors; three Executive Directors and seven Non-Executive Directors. The Audit Committee comprises three Independent Directors who account for one-third of the entire Board. The balance between Executive and Non-Executive Directors is appropriate and ensures that the Directors represent the best interests of shareholders, as Non-Executive Directors make up two-thirds of the entire Board. The Audit Committee shall be considered as representatives of minority shareholders and have the duty of ensuring the accuracy and transparency of the Company's operations.

Aggregation or Segregation of Positions

The Chairman of the Board of Directors shall not be the same person as the Chief Executive Officer. The authority of the Chairman of the Board of Directors shall be separated from that of the Chief Executive Officer to ensure a clear distinction between supervisory, policy-making duties and day-to-day business administration. The Company clearly defines the responsibility and authorisation of the Board of Directors and the Audit Committee to ensure transparent operations, a balance of power, and appropriate performance reviews. However, significant agenda items must be approved by the Board of Directors' meeting or Shareholders' Meeting. Authorisation granted to the Board of Directors, the Audit Committee and the Chief Executive Director, does not give power to any of them to approve any connected transaction involving themselves or their representatives, which may cause a conflict of interest with the Company.

In addition, during Board meetings, each member is free to express his views. Members' views are documented in detail in meeting reports.

Remuneration of the Board of Directors and Management

The Company clearly and transparently specifies the remuneration of Directors to be comparable to the rest of the industry and appropriate to their duties. Remuneration is approved at the Shareholders' Meeting and is in compliance with pre-defined policies and principles set by the Directors and therefore ties the Company's operating results to the Directors' performance.

The Company specifies the remuneration of Directors and management in accordance with regulations set by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Meetings of the Board of Directors

Board of Directors' meetings for the Company are held no less than once every quarter. Additional meetings may be called to discuss special agenda items. Directors must attend, except in case of an emergency. An invitation, along with the meeting agenda and relevant documents, are sent out to each Director at least seven days before the meeting to allow adequate time to study the information. In every meeting, each Director can openly and freely express his opinion. The minutes of each meeting are properly documented and after approval from the Board, filed for auditing purposes.

In 2014, the Board held six meetings. The attendance information of each Director is as follows:

Name	No. of Meetings Attended / Total No. of Meetings
Mr. Krit Srichawla	2/6
Mr. Simon Morris Gerovich	4/6
Mr. Mark Michael Reinecke	4/6
Mr. Amorn Srichawla	1/6
Mr. Hugh Andrew	-/6
Mr. Sanjay Kumar Singh	6/6
Mr. Witit Sujjapong	6/6
Mr. Krish Detter	5/6
Mr. Viroj Tangjetanaporn	4/6
Mr. Akarat Na Ranong	6/6

Sub-committees

Audit Committee

The Audit Committee was appointed to supervise the Company's business, including its composition, scope of authority and the responsibilities of each committee member, and management structure. The Audit Committee comprises three non-executive Independent Directors as follows:

1) Mr. Witit Sujjapong	Chairman of Audit Committee
2) Mr. Krish Detter	Audit Committee Member
3) Mr. Viroj Tangjetanaporn	Audit Committee Member

The Committee is required to call meetings no less than once every quarter. A special meeting may be requested to discuss urgent agenda items. It is the duty of the Audit Committee to independently review the Company's financial reports, internal control and audit, operations, selection and appoint the Company's external auditor, disclose connected transactions or items concerning conflict of interest. Such an auditing process is aimed at strengthening the efficiency of control and supervision, in compliance with the policy of the Market for Alternative Investment ("mai").

The Audit Committee Members/Independent Directors must possess the qualifications set out by the Capital Market Supervisory, as follows:

- 1 Holds shares not exceeding 1 percent of the total shares with voting right of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that the shares held by the related parties of such Independent Director shall be included.
- 2 Is not or has never been an Executive Director, employee, staff, advisor who receives salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders or controlling parties of the Company unless the foregoing status ended at least 2 years.
- 3 Is not the person who has relationships by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters and children, of Management, major shareholders, controlling party or the person who is in the process of nomination to be Management or controlling party of the Company or its subsidiary.
- 4 Have no or has never had business relationships with the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company in respect of holding power which may prove to be an obstacle in independent decision-making, including not being or never having been the significant shareholder or controlling parties of any person having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company unless the foregoing status ended at least 2 years.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent or lease the immovable property, transaction related to assets or services or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt and any otherwise similar performance which causes liability or obligation to the Company or counter party, have provided that such liability is equal to or exceed 3 percent of the net tangible assets of the Company or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included in calculation of such liabilities.

- 5 Is not or has never been the auditor of the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company unless the foregoing status ended at least 2 years

- 6 Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties and is not the significant shareholder, controlling parties or partner of the above mentioned service firms unless the foregoing status ended at least 2 years.
- 7 Is not the director who is nominated to be the representative of directors of the Company, major shareholders or any other shareholder related to major shareholders.
- 8 Does not operate the same and competitive business with the business of the Company or its subsidiaries is neither a significant partner of the partnership, is nor an executive director, employee, staff, advisor who receives salary, does not hold more than 1 percent of the total shares with voting right of any other company which operates same and competitive business with the business of the Company or its subsidiaries.
- 9 Is not any otherwise which is unable to have the independent opinion regarding the business operation of the Company.

Executive Committee

The Executive Committee was appointed to provide organisational direction and advise the Board of Directors on decisions and business matters ranging from strategy planning, policy, investment and risk. The Executive Committee comprises 7 members as follows:

Mr. Krit Srichawla	Chairman of Executive Committee
Mr. Sanjay Kumar Singh	Chief Executive Officer
Mr. Mark Michael Reinecke	Director
Mr. Simon Morris Gerovich	Director
Mr. Amorn Srichawla	Director
Ms. Katrina Bignasca	Chief Financial Officer
Mr. Chokdee Wisansing	Chief Operation Officer of Food Business

Compensation Committee

The Compensation Committee, comprising the three Audit Committee Members, was appointed to consider and determine senior Management and the Board of Directors' compensation, including the consideration of any share incentive programmes.

Reports of the Audit Committee

The Audit Committee supervises significant business transactions, good governance, financial statements and financial information contained in the annual report. Such financial statements and reports must be prepared in accordance with generally acceptable accounting policies and standards. In addition, proper discretion, optimum evaluation and sufficient disclosure of important information must also be incorporated in the financial notes.

The Audit Committee establishes efficient and effective internal control to ensure financial information is recorded accurately, completely, sufficiently and in a timely manner, while it facilitates fault finding and prevents corruption.

Investor Relations

The Company recognises the importance of accurate, complete, transparent and thorough disclosure of information. Operating results and organisational information must be regularly released to investors, shareholders, and stakeholders to ensure they can make accurate decisions. Financial reports, operational guidelines and other information are released to investors and the public through the Stock Exchange of Thailand.

Inside Information Handling

The Company enforces strict policies regarding the use of inside information as follows:

- 1 Inside information shall be disclosed only to relevant persons, who shall handle it properly. Disclosure of such information shall be made by authorised persons only.
- 2 Directors and Management must be aware of the scope of responsibility and accountability in handling inside information, without revealing such information for personal benefit or share trading.
- 3 The Company's Directors and management must prepare a report on the securities holdings of the Directors and/or Management, spouses and minor children and persons related to the Directors and/or Management, in accordance with the Securities and Exchange Act.
- 4 The Company establishes degrees of punishment for different levels and intention concerning information mishandling, ranging from written warnings, salary deductions, unpaid employment, suspension, to termination of employment.

Human Resources Development Policy

The Company's human resource development policy emphasises the enhancement of staff quality through continual in-house training in a number of areas, as appropriate to the work functions of the staff from each division. This is to ensure that the Company's staff continually enhances its knowledge and understanding of techniques, technology and work-related skills. In addition, the Company sends personnel with suitable potential to attend external training seminars run by field experts, in order to enhance and deepen their knowledge in various specialist areas, such as technology, thus helping them to work more effectively.

Corporate Social Responsibility Policy

Business expansion, while giving back to society, the environment, and all stakeholders has been increasingly important to the Company. In 2014, the Company and its subsidiaries conducted the following Corporate Social Responsibilities as below.

Environment Conservation

The Company promotes an environmental-friendly business conduct as interpreted into the reduction of waste, energy-saving programs both at the store level of all of its brands as well as the corporate level. For example, The Company advocates dispensing with the use of plastic bags in its Kyochon stores and The Coffee Bean & Tea leaf, in line with the “Environmental friendly idea” of the franchisor.

Activities for Society

The Company sponsored food and beverage from The Coffee Bean & Tea Leaf to World Vision Foundation of Thailand. Furthermore, the Company also provided food and beverage from Domino's Pizza to Rungruang Upatham School and Thungmahamek Orphanage House.

Anti-corruption Policy

Anti-corruption has been an increasing focus in the business environment around the world. Operating as a franchisee of globally and regionally renowned restaurant brands, the Company has adopted best practices in promoting awareness of corruption within the Company and its associates. The Company has also set internal policies to correspond to Thai and international anti-corruption policies and practices.

Responsibility for Employees

The key asset of the Company is its employees. The Company has continuously helped employees enhance operational skills, maintain a balance between company and social responsibility goals, while also maintaining a work-life balance.

Responsibility for Consumers

Operating in a consumer service sector, the responsibility towards consumers has been of utmost importance to the Company. Attaining and even exceeding superior standards in terms of the quality of products, services, hygiene, and safety as required by the Company's franchisors has been an emphasis of the Company from the policy level to the daily operational level.

Responsibility for Stakeholders

The Company strives to grow and enhance its business relationship with its franchisors, joint-venture partners, shareholders, landlords, suppliers, third-party service providers, as well as the various regulators with which it interacts daily. As such, the Company seeks to not only comply with all guidelines, policies, agreements, bylaws, and laws governing its operations, but also to develop an enriched business association with its various stakeholders through the fostering of mutual trust and respect.

Internal Control and Risk Management

Internal Control

The Company recognises the importance of internal control at managerial and operational levels, and clearly defines the scope of the responsibilities and authorisation of Management and employees in written documents. In addition, policies to optimise the use of the Company's assets, segregate responsibilities among operating staff, control staff, and appraise performance, are also implemented to ensure a proper balance of power.

Internal control

It is the responsibility of the Board and the Audit Committee to ensure an internal control system which is effective and facilitates the management of risk at acceptable levels. Furthermore, the Board and the Audit Committee shall regularly monitor and evaluate the system for efficiency. The Audit Committee shall examine effective compliance of the Company in the following areas: the control environment, risk assessment, control activities, information and communication systems, and monitoring and evaluation processes. The internal control system is an important mechanism that assists management in the reduction of business risks, the efficiency of business operations through proper procurement of resources and attainment of goals, the protection of Company assets from losses and corruption, the accountability of financial reporting, the compliance of all personnel with laws and regulations and the protection of shareholders' capital.

Internal audit

The Company has established an independent Internal Audit Department, which reports directly to the Audit Committee and administratively to the Chief Financial Officer.

The duty of the Internal Audit Department relates to the auditing of Internal Control, Risk Management and Corporate Governance and follows the action plan approved by the Audit Committee using a risk-based approach and includes consultation to ensure that the Company's objectives are achieved as targeted. Internal Audit Department also regularly monitors and adjusts these implemented systems to be in line with changes in the environment and to ensure that errors can be corrected in time. In assessing the effectiveness of Risk Management, the Internal Audit Department reviews event identification and risk factors that affect the Company's objectives and then reviews the Risk Management approach. This ensures the accuracy of both event identification and risk factors and ensures that a systematic Risk Management approach exists. It also ensures that risk is managed at the appropriate level, reported in a timely manner to all relevant personnel and reviewed continuously. In assessing the effectiveness of Internal Control, the Internal Audit Department has developed a questionnaire for each process and reviews the outcome of each operation to ensure that the Company's objectives are achieved effectively and efficiently, that rules and regulations are strictly followed, and that the financial report is reliable. In assessing the effectiveness of corporate governance, the Internal Audit Department performs audits following the good corporate governance criteria of the Securities Exchange Commission ("SEC"). This ensures that the Company has the necessary infrastructure and supporting processes to approach good corporate governance and achieve fairness for all stakeholders.

The Internal Auditor acts as a secretary to the Audit Committee to enhance the efficacy of its responsibility and accountability for all functions of the Audit Committee, as assigned by the Board of Directors and arrange Audit Committee meetings regularly. The Internal Auditor has the additional role of advising management in the area of information security and supporting employees to realise the importance of information security.

The Internal Audit Department adheres to the Standards for the Professional Practice of Internal Auditing and the Company continuously encourages its Internal Audit staff to work independently and objectively, comply with relevant standards and emphasise quality and continuous development through training programs.

Risk management

The Company has established a risk management system, whereby the Company has specified that managers at all levels must assess various risks that may arise in the business operations of the Company, and include them in a regular report to the Chief Executive Officer, in order that he/she may analyse, summarise and report the monthly operating results to the Board.

Assets and Material Agreements

Assets

As of 31 December 2014, the Company's Fixed Assets are as follows:

(Unit : THB Thousand)

Description	Net Book Value	Property Rights	Encumbrance
Office Equipment	81,226	Owner	None
Vehicles	1,677	Owner	None
Leasehold improvements	186,466	Owner	None
Furniture and fixtures	34,026	Owner	None
Construction in progress	12,207	Owner	None
Total	315,602		

Material Agreements

Material Agreements of the Company

- Shareholders Agreement for investment in Red Planet Hotels Limited.**
 Through its subsidiary, Evolution Advisors Limited, the Company entered into a shareholder agreement for investment in Red Planet Hotels Limited (incorporated and registered under the laws of Cayman Islands) in May 2010. Currently, the Company has a 11.8 percent equity interest in Red Planet Hotels Limited.
- Loan agreement with United Oversea Bank (Thai) PCL**
 The principal amount is THB 100,000,000, with a repayment period of 5 years. The interest rate is MLR - 1 percent per annum. The collaterals are the Company's lands, leasehold right, ordinary shares in subsidiary company (Evolution Advisor Limited) and personal guarantee from the Company's directors. Currently, the outstanding loan principal is THB 20,000,000.
- Loan agreement with CIMB Bank (Thai) PCL**
 The principal amount is THB 150,000,000 with a repayment period of 4 years. The interest rate is MLR - 0.35percent per annum. The collaterals are the lands and leasehold right of the Company's subsidiaries, and corporate guarantee from the Company's subsidiaries.

Material Agreements of the Company's Subsidiaries

1 Casa Fico Company Limited and Fena Park Company Limited

Casa Fico and Fena Park have entered into various agreements in relation to design development as well as hotel and residential management for a project in Koh Samui, Suratthani Province, with the Marriott group in August 2009. All agreements remain valid in full force and effect.

2 Fenix Pizza Company Limited

Fenix Pizza has entered into the Master Franchise Agreement with Domino's Pizza International Franchise Inc. (franchisor) in May 2012, to obtain an exclusive right to operate and develop a pizza restaurant chain under the brand "Domino's Pizza" in Thailand. The Agreement remains valid in full force and effect.

3 Fico Coffee Company Limited

Fico Coffee has entered into the Area Development Agreement with CBTL Franchising LLC (franchisor) in July 2011, to obtain an exclusive right to operate and develop a coffee shop chain under the brand "The Coffee Bean & Tea Leaf" in Thailand. The Agreement remains valid in full force and effect.

4 Kyochon Company Limited

Kyochon Company Limited, is a joint-venture company between the Company with a 95 percent equity interest and Kyochon F&B Company Limited has entered into the Master Franchise Agreement with Kyochon F&B Company Limited (franchisor) in October 2013, to obtain an exclusive right to operate and develop a fried chicken restaurant chain under the brand "Kyochon" in Thailand, Myanmar, Laos, and Cambodia.

5 D. Pizza Public Company Limited

D. Pizza Public Company Limited, is a joint-venture company registered under Cambodian law between the Company with a 65 percent equity interest and CBM Corporation Company Limited has entered into the Master Franchise Agreement with Domino's Pizza International Franchise Inc. (franchisor) in December 2014, to obtain an exclusive right to operate and develop a pizza restaurant chain under the brand "Domino's Pizza" in Cambodia. The Agreement remains valid in full force and effect.

Auditor's Remuneration

Remuneration of Auditors

Section 120 of the Public Companies Act requires that, every year, the Annual General Meeting of Shareholders appoints the Company's auditors and determines their remuneration. The existing auditors may be reappointed.

In addition, the notification of the Securities and Exchange Commission no. Kor Jor. 39/2548 regarding rules, criteria and procedures for disclosure of financial status and operating results of securities issuing companies (item no. 20) requires that such companies ensure the rotation of their auditors if such auditors have performed their duties for 5 consecutive accounting years. However the Company is not required to engage a new audit firm, which means the Company, may appoint any other auditor in the existing audit firm to replace the existing auditors.

The 2014 Annual General Meeting of Shareholders approved the appointment of Mr. Khitsada Lerdwana, Certified Public Accountant (Thailand) No. 4958 and/or Ms. Vissuta Jariyathanakorn, Certified Public Accountant (Thailand) No. 3853 and/or Ms. Thipawan Nananuwat, Certified Public Accountant (Thailand) No. 3459 of EY Office Limited as the auditors of the Company. Any one of them is authorised to conduct the audit and render an opinion on the financial statements of the Company.

No relationships or interests exist between the nominated auditors and the Company and its subsidiaries or any of its executives, major shareholders or their affiliates.

The table below shows the Company's auditors' remuneration for the year ended 31 December 2014:

(Thai Baht)

Company	Audit Fee	Increase (decrease) fee during the year	Out of Pocket expense	Total
Evolution Capital Public Company Limited	1,500,000	-	292,090	1,792,090
Subsidiaries	2,280,000	150,000	22,000	2,452,000
Total	3,780,000	150,000	314,090	4,244,090

Legal Disputes

Currently, the Company has no outstanding or pending legal dispute.

Risk Factors

The Company diversified into the food and beverage businesses through the acquisition since November 2012. The Company places importance on the management of both internal and external risks which may affect its operations. Therefore, the Company has established the following effective measures to mitigate such risks.

Overall Risk

Economic and political conditions

In general, all businesses are affected by ever-changing economic and political conditions and sentiment. The business plans are driven and shaped by global as well as domestic economic and political situations. These risks are outside the Company's control and investors will inevitably adjust their business strategies according to changing economic and political conditions. When economic and political conditions are not favourable, retail and hospitality related businesses (both advisory and proprietary investments) will slow in line with prevailing market circumstances.

However, the Company believes that there are also unique opportunities in unfavourable market conditions which are in line with the Company's investment and advisory strategies. The global financial crisis in 2008 as well as Thailand's political unrest since 2010 triggered a slow-down in property and hospitality investments in Thailand. Whilst this has had a direct and lingering negative effect on the Company's property services business, it has also facilitated a shift in the Company's business plan towards robust business sectors such as budget hotels. The Company continues to actively seek medium to long term opportunities of particular merit within the mass-consumption and hospitality sectors which are more resilient to difficult global economic conditions.

Since the uprising in 2013, the Company's budget hotel business was less affected thanks to the locations of the hotels which enable it to attract domestic guests to compensate for foreign guests during the political unrest. The food and beverage restaurants which were located in the shopping malls were adversely affected by the shortened operating hours and fewer visitors during the uprising. Given the experience of the Company during the disruption in business sectors during the political unrest in 2010, the Company adjusted its promotion strategy during the economic slowdown and the political uprising in the last quarter of 2013 which was less severe than that in 2010.

In 2014, political risk stress was lessened after the Military coup d'etat. There is a consensus on a positive momentum of Thai economy as evidenced by the forecasted key economic indicators for 2015. For example, ADB projected GDP growth in 2015 to be 4.5 percent which is higher than GDP growth in 2014 at 1.6 percent, while Tourism Authority of Thailand ("TAT") forecasted 30 million international tourist arrivals in 2015.

In seeking new investments, the Company does not limit itself to a narrow set of businesses or sectors and is flexible enough to consider opportunities within various businesses/industries. The Company will always look for opportunities in good times and bad and is cognizant of being well placed to seize the appropriate initiatives when available. For example, in 2014, the group has distributed the risk by relocation of investment in casual restaurant and quick service restaurant business from Thailand to Hong Kong, Singapore, and Japan or Korea.

Major shareholders holding more than 25% equity interest

As of December 2014, FICO Corporation Company Limited and the Srichawla family, the major shareholder of FICO Corporation Company Limited (the Srichawla family and FICO Corporation Company Limited shall be aggregately referred to as “Major Shareholders”) aggregately own almost 28 percent equity interest in the Company. Major Shareholders will be able to partly control the shareholders’ resolution which requires more than 75 percent of total voting rights through the vote against a proposal. However, the fact that the Major Shareholders hold nearly 28 percent equity interest in the Company allows the Major Shareholders to make decisions for the benefit of all shareholders as well.

In addition, the Major Shareholders have established a relationship with numerous property developers. Such a relationship is crucial in sourcing prime locations for new food and beverage restaurant development as well as new hotel development in Thailand.

Casual Restaurant and Quick Service Restaurant Business

Strong Competition

Casual restaurant and quick service restaurant business is related to the daily lives of consumers. Therefore, there are many companies and business organisations conducting businesses related to food and beverage retail. Consequentially, Casual restaurant and quick service restaurant business is among industries that have fierce competition. If operators do not have strengths in marketing, operations, and their brands are not well recognised by the public, they may have to face challenging competition from other companies that are stronger in the area aforementioned. The critical factor to the success of Casual restaurant and quick service restaurant business is the fact that customers can expect to get the consistent services and products in any store of that restaurant chain. The Company took into account this risk factor and tried to reduce the risks by focusing the Casual restaurant and quick service restaurant business under exclusive franchise agreements from food and beverage firms that are globally renowned and accepted both in terms of services and products.

Cost Management

The main cost in Casual restaurant and quick service restaurant business is raw material cost. Significant changes in raw material cost greatly affect the financial performance of the business. However, food and beverage operators normally adjust their selling price to reflect higher raw material cost. This will, to an extent, reduce the impact of such change. Nevertheless, this condition may affect the sale volume and will eventually impact the financial performance of the business if the selling price is significantly adjusted. Therefore, the critical factor that will help to reduce the impact from changes in raw material cost is supply chain management. Know-how in supply chain management is among the various benefits the Company realizes from operating under exclusive franchises from franchisors that have long and successful track records. In addition, the Company constructed a commissary in 2014. The commissary is expected to help reduce the food cost, enhance efficiency, accelerate the scalability, and improve the profitability across all of its food and beverage brands.

Changes in consumer taste and behaviour

Consumers' tastes in food and beverage consumption naturally change and evolve with time and changing surroundings. If Casual restaurant and quick service restaurant business operators cannot adapt to such changes in time, they will face great difficulty in maintaining their customer base. Therefore food and beverage operators who have capability of studying consumers' behavior are in an advantageous position when compared to others as they can foresee the change. The ability to predict changes will enable those operators to concurrently deploy strategies and tactics to reflect changes in consumers' tastes as they occur. This is one of the many reasons that drive the Company to wish to operate under exclusive franchise rights from global franchisors that have know-how and experience. These franchisors will ascertain that the Company will be able to handle the changes when they actually occur to reduce or eliminate adverse impact.

Perishable Inventory

In casual restaurant and quick service restaurant business, perishable inventory which includes vegetable, meat, dairy products, bakery and pastry, is prone to waste which causes an increase in the overall cost as well as a loss in an opportunity to sell. The Company has operated the food and beverage business till experience and learned the customers' preference. Such enhance expertise in this business, the Company constructed the commissary which commenced the operation since mid-2014

In addition, the Company also installed the sales mix report coupling with the use of commissary which will help the Company manages the perishable inventory more efficiently.

Skilled Labour shortage

Skilled labour is significant to the profitability of the casual restaurant and quick-serviced restaurant as an opportunity to generate revenue relates directly to the quality of their services.

Given the shortage of skilled labour and the general turnover rate in the labour market, the Company attempts to mitigate its reliance on labour by simplifying the work process at the stores and by establishing commissary to prepare the food before selling point at the store. In addition, the Company also launches a campaign to promote online purchase and application on mobile. All of these activities are to reduce the risk from shortage in labour workforce.

Digital and creative media services

Risk from specific characteristics of the sector

In engaging in the provision of wireless Value Added Services (“VAS”) to mobile phone users, the Company faces a highly competitive market. However, this competition mostly relates to the incumbents in the market, rather than new entrants. Since the Mobile Value Added services market is relatively mature at this stage, the rush of companies trying to get a piece of the pie has slowed. We currently see the market levelling out, with players achieving a stable market share. The demand for wireless VAS from mobile phone users has declined in the middle to upper middle class demographic. This was caused by controversy in the VAS industry in conjunction with the spread of smartphones and data access – content can now be accessed online for free rather than at a premium through Value Added Services. However, the lower-income market continues to consume Value Added Services, in particular horoscope services. These services continue to be a main source of revenue for the Company’s Digital Media subsidiary.

The Company has established effective measures to mitigate risks arising from the nature of the business. It has streamlined its product offering, removing non-performing products and services and focusing on the most profitable ones. The focus has also shifted from one-off services to subscription-based services which provide a recurrent revenue stream. Finally, rather than focusing on pop content, which changes month by month and requires high overheads to keep up with trends, the Company has focused on product offerings which are mainstays of Thai culture – namely horoscope and lottery-based services. This ensures a stable, recurrent revenue stream which is not subject to the latest fad or trend, leading to predictable performance.

Changes in technology

The Company is engaged in a business which is mainly related to information technology and communications. It is therefore vulnerable to risk from rapid and constant changes in technology. These changes in technology encourage mobile phone manufacturers to continually expand the capabilities of their mobile phones, to enable them to receive richer, detailed, and more complex information. As such, some of the services currently provided by the Company may potentially experience a decline in popularity or even become obsolete. For example, due to the rise of smartphones and increasingly connected consumers, premium content has become a less attractive option to customers with medium to high spending power. However, since this trend has yet to permeate to the lower-income strata (the main audience of the VAS services), this trend has not, and probably will not for some while, affect the performance of the VAS business. The Company will constantly research new technologies as the awarding of 3G concessions combined with the possibility of cheaper/mass-market smartphone handsets could pose a significant business risk. Innovation is required in order to maintain competitiveness.

Changes in consumer behaviour

The Company’s wireless VAS enables users to receive information, news, and entertainment in various forms, directly onto their handsets. However, despite its popularity, wireless VAS is not essential to communication with others; therefore the demand for the product in the longer term is uncertain and subject to personal tastes and trends. Thus, the Company faces risks from changes in the consumer behaviour of mobile phone users. The risk includes both declines in the popularity of wireless VAS in general, as well as for demand for wireless VAS which the Company does not yet provide. It is therefore crucial that the Company continuously monitors changes in consumer behaviour, and develops new content aligned with these changes so as to maintain its customer base and continues to generate revenue from wireless VAS.

Performance of Associated and Joint Venture Company

The operating results of associates and joint ventures companies have a direct impact on the Company's operating results. If their performance is strong, the Company will realize significant shared gains from investments which will result in an increase in the Company's net profit. Conversely, if their performance is poor, it will result in a decrease in the Company's net profit.

General Information

Company Name	Evolution Capital Public Company Limited
Symbol	E
Registration No.	0107546000415
Business Type	Invests in the hospitality and food & beverage sectors
Registered Capital	THB 2,350,000,000 divided into 2,350,000,000 ordinary shares with a par value of THB 1 (as of 31 December 2014)
Issued and Paid-up Capital:	THB 1,654,052,845 divided into 1,654,052,845 ordinary shares with a par value of THB 1 (as of 31 December 2014)
Head Office	No. 18/8, Fico Place Building, 12th Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua Sub-District, Wattana District , Bangkok 10110 Tel. 0-2119-4600 Fax. 0-2119-4699
Website	www.evolution.co.th
Investor Relations	Tel. 0-2119-4659 Fax. 0-2119-4699
Company Secretary	Tel. 0-2119-4659 Fax. 0-2119-4699
Securities Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building Ratchadapisek Rd., KlongToey, Bangkok 10110 Tel. 0-2229-2800 Fax. 0-2359-1259 Email : TSDCallCenter@set.or.th Website : http://www.tsd.co.th



Evolution Capital Public Company Limited and its subsidiaries Report and consolidated financial statements 31 December 2014

Independent Auditor's Report

To the Shareholders of Evolution Capital Public Company Limited

I have audited the accompanying consolidated financial statements of Evolution Capital Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Evolution Capital Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



Evolution Capital Public Company Limited and its subsidiaries Report and consolidated financial statements
31 December 2014

Basis for Qualified Opinion

As discussed in Note 13 to the financial statements, the Company's investment in Red Planet Hotels Limited ("the associate") accounted for under the equity method, is carried at Baht 502 million on the statement of financial position as at 31 December 2014, and the share of loss and share of other comprehensive income of the associate amounting to Baht 33 million and Baht 58 million, respectively, are included in the Company's total comprehensive income for the year ended 31 December 2014. Such investment and its share of loss and other comprehensive income are significant to the Company's financial statements. I was unable to obtain sufficient appropriate audit evidence about the investment in the associate and its share of loss and other comprehensive income because I have not received the financial statements audited by the associate's auditor. Only the management accounts have been provided. The results of the audit of the associate were not able to be concluded on time because of a delay in the preparation of the financial statements by the associate. I was unable to apply other audit procedures to satisfy myself as to the value of such share of loss and other comprehensive income, and the investment in the associate. This matter is considered to be a scope limitation imposed by circumstance.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Evolution Capital Public Company Limited and its subsidiaries, and of Evolution Capital Public Company Limited as at 31 December 2014, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other Matters

The consolidated financial statements of Evolution Capital Public Company Limited and its subsidiaries and the separate financial statements of Evolution Capital Public Company Limited for the year ended 31 December 2013 were audited by another auditor who expressed an unqualified opinion on those statements, under her report dated 25 February 2014.

Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958

EY Office Limited
Bangkok: 27 February 2015

Evolution Capital Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	87,466,840	71,834,987	27,956,525	15,364,387
Trade and other receivables	8	38,798,380	28,350,545	21,412,146	7,230,127
Accrued income		9,691,762	10,024,175	2,329,585	2,936,233
Short-term loan to unrelated party	9	4,921,920	4,901,670	-	-
Short-term loans to related parties	6	-	-	499,359,134	245,793,953
Inventories	10	29,056,831	34,861,708	-	-
Other current assets		27,813,803	24,167,888	3,901,303	4,010,912
Total current assets		197,749,536	174,140,973	554,958,693	275,335,612
Non-current assets					
Restricted bank deposit	11	2,743,099	2,732,111	2,743,099	2,732,111
Investments in subsidiaries	12	-	-	1,115,927,137	1,039,405,757
Investments in associates	13	588,441,791	466,979,347	75,400,000	6,748,423
Investment in joint venture	14	-	1,585,695	-	-
Long-term loans to a related party	6	-	-	87,330,958	76,133,293
Project development cost in progress	15	343,266,778	343,266,778	-	-
Investment properties	16	59,403,868	59,403,868	59,403,868	59,403,868
Leasehold improvements and equipment	17	315,601,534	238,766,032	10,636,613	13,701,846
Goodwill	18	308,046,153	308,046,153	-	-
Intangible assets	19	52,259,241	36,618,634	84,450	210,452
Leasehold right of land	20	152,868,260	165,754,660	60,693,670	66,941,974
Deferred tax assets	30	48,482,760	27,326,835	-	-
Other non-current assets		44,679,055	25,728,373	3,677,302	3,751,220
Total non-current assets		1,915,792,539	1,676,208,486	1,415,897,097	1,269,028,944
Total assets		2,113,542,075	1,850,349,459	1,970,855,790	1,544,364,556

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

Evolution Capital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	21	137,911,526	119,613,035	8,644,997	10,274,235
Share payable	12	-	-	50,000,000	-
Current portion of long-term loans from banks	22	74,921,449	29,668,831	70,400,000	24,200,000
Current portion of long-term loan unrelated party	23	57,500,000	-	57,500,000	-
Short-term loans from unrelated parties		3,395,160	4,217,472	-	1,086,986
Short-term loans from related parties	6	-	513,490	-	6,589,880
Current portion of financial lease payable	24	371,094	358,385	-	-
Assumed liabilities		6,000,000	6,000,000	6,000,000	6,000,000
Other current liabilities		8,173,975	8,342,010	1,863,298	677,959
Total current liabilities		288,273,204	168,713,223	194,408,295	48,829,060
Non-current liabilities					
Financial lease payable, net of current portion	24	952,625	1,323,719	-	-
Long-term loans from banks, net of current portion	22	96,158,463	108,263,426	94,977,055	106,586,571
Long-term loan from unrelated party	23	-	57,500,000	-	57,500,000
Long-term loans from related parties	6	43,532,005	31,174,008	43,532,005	31,174,008
Deferred tax liabilities	30	17,564,072	16,987,575	-	-
Provision for long-term employee benefits	25	1,314,396	3,633,458	892,081	2,939,007
Contingent consideration	12	33,900,000	13,560,000	33,900,000	13,560,000
Other non-current liabilities		9,466,391	5,244,460	-	-
Total non-current liabilities		202,887,952	237,686,646	173,301,141	211,759,586
Total liabilities		491,161,156	406,399,869	367,709,436	260,588,646

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

Evolution Capital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital					
Registered	26				
2,350,000,000 ordinary shares of Baht 1 each					
(31 December 2013: 2,351,000,000 ordinary shares					
Baht 1 each)		2,350,000,000	2,351,000,000	2,350,000,000	2,351,000,000
Issued and paid up	26				
1,654,052,845 ordinary shares of Baht 1 each					
(31 December 2013: 1,308,750,000 ordinary shares					
Baht 1 each)		1,654,052,845	1,308,750,000	1,654,052,845	1,308,750,000
Share premium	26	491,942,289	477,528,719	491,942,289	477,528,719
Share discount on business acquisition		(120,020,000)	(120,020,000)	(120,020,000)	(120,020,000)
Warrants	27	37,963,921	37,317,500	37,963,921	37,317,500
Retained earnings (deficit)					
Appropriated - Statutory reserve	28	2,661,312	2,661,312	2,661,312	2,661,312
Unappropriated	28	(522,564,468)	(270,692,983)	(463,454,013)	(422,461,621)
Other components of shareholders' equity		43,285,438	(15,915,811)	-	-
Equity attributable to owners of the Company		1,587,321,337	1,419,628,737	1,603,146,354	1,283,775,910
Non-controlling interests of subsidiaries		35,059,582	24,320,853	-	-
Total shareholders' equity		1,622,380,919	1,443,949,590	1,603,146,354	1,283,775,910
Total liabilities and shareholders' equity		2,113,542,075	1,850,349,459	1,970,855,790	1,544,364,556
		-	-	-	-

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

Directors

Evolution Capital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Sales		426,521,309	311,800,323	-	-
Service income		14,563,020	40,024,236	-	-
Advisory income		16,571,491	18,623,223	-	178,885
Sub-franchise income		5,334,043	816,778	-	-
Investment services income		19,352,535	83,632,736	-	-
Total revenues from sales and services		482,342,398	454,897,296	-	178,885
Cost of sales		(169,610,493)	(126,725,901)	-	-
Cost of services		(7,857,786)	(26,980,517)	-	-
Cost of advisory		-	(846,340)	-	-
Total costs of sales and services		(177,468,279)	(154,552,758)	-	-
Gross profit		304,874,119	300,344,538	-	178,885
Management income		1,936,000	2,799,765	20,185,749	22,392,413
Interest income		569,981	1,499,102	32,665,097	20,243,882
Other income		31,320,646	23,325,954	9,197,242	10,901,783
Selling expenses		(293,079,571)	(189,478,797)	-	-
Administrative expenses		(248,953,770)	(201,336,287)	(81,412,440)	(127,998,039)
Financial costs		(22,592,372)	(16,802,296)	(21,628,040)	(15,942,054)
Share of loss from investments in associates and joint ventures	13.2, 14.2	(48,882,483)	(31,513,371)	-	-
Loss before income tax revenue (expense)		(274,807,450)	(111,161,392)	(40,992,392)	(90,223,130)
Income tax revenue (expense)	30	19,338,913	16,583,109	-	(177,722)
Loss for the year		(255,468,537)	(94,578,283)	(40,992,392)	(90,400,852)
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		762,750	12,673,296	-	-
Share of other comprehensive income from associate		58,322,021	(24,894,419)	-	-
Other comprehensive income for the year		59,084,771	(12,221,123)	-	-
Total comprehensive income for the year		(196,383,766)	(106,799,406)	(40,992,392)	(90,400,852)

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

Evolution Capital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Loss attributable to:					
Equity holders of the Company		(251,871,485)	(88,131,783)	(40,992,392)	(90,400,852)
Non-controlling interest of the subsidiaries		(3,597,052)	(6,446,500)		
		<u>(255,468,537)</u>	<u>(94,578,283)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(192,670,236)	(100,352,906)	(40,992,392)	(90,400,852)
Non-controlling interest of the subsidiaries		(3,713,530)	(6,446,500)		
		<u>(196,383,766)</u>	<u>(106,799,406)</u>		
Earnings per share	31				
Basic earnings per share					
Loss attributable to equity holders of the Company		<u>(0.17)</u>	<u>(0.07)</u>	<u>(0.03)</u>	<u>(0.07)</u>
Diluted earnings per share					
Loss attributable to equity holders of the Company		<u>(0.17)</u>	<u>(0.07)</u>	<u>(0.03)</u>	<u>(0.07)</u>

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

Evolution Capital Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Loss before tax	(274,807,450)	(111,161,392)	(40,992,392)	(90,223,130)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	67,068,959	44,425,348	6,348,198	6,805,272
Bad debts and allowance for doubtful accounts	6,886,256	2,475,331	598,000	598,000
Loss on written off withholding income tax	512,320	-	512,320	-
Reduction of inventory to net realisable value	361,101	-	-	-
Allowance for impairment of investments	-	-	-	42,137,777
Allowance for impairment of equipment	7,720,297	-	-	-
Allowance for impairment of leasehold right of land	6,000,000	-	3,500,000	-
Investment services income	(19,352,535)	(83,632,736)	-	-
Share of loss from investments in associates and joint ventures	48,882,483	31,513,371	-	-
Provisions for liabilities	(1,481,312)	932,859	(1,789,926)	(180,435)
Unrealised loss on exchange	23,367	229,417	-	344,880
Gain on disposal of investment in associate	(4,858,404)	-	-	-
Gain on acquisition of non-controlling interest	(269,496)	-	-	-
Loss (gain) on disposal of equipment	1,404,114	1,034,683	(526,630)	1,312,452
Gain on disposal of intangible assets	(5,241,125)	-	-	-
Contingent consideration	20,340,000	13,560,000	20,340,000	13,560,000
Interest income	(569,981)	(1,499,102)	(32,665,097)	(20,243,882)
Interest expenses	22,592,372	16,802,296	21,628,040	15,942,053
Loss from operating activities before changes in operating assets and liabilities	(124,789,034)	(85,319,925)	(23,047,487)	(29,947,013)
Decrease (increase) in operating assets				
Trade and other receivables	(10,982,801)	3,713,365	(14,182,019)	24,101,203
Accrued income	332,413	1,406,402	606,648	(1,631,155)
Inventories	5,588,322	(24,714,256)	-	-
Other current assets	(3,386,021)	(10,584,514)	109,612	572,642
Other non-current assets	(15,059,765)	(9,987,492)	(48,750)	(429,328)
Increase (decrease) in operating liabilities				
Trade and other payables	26,345,858	26,099,559	(1,486,860)	2,148,617
Other current liabilities	793,672	(2,442,231)	1,185,339	(969,935)
Cash paid for long-term employee benefits	(1,231,160)	(316,000)	(257,000)	-
Cash flows used in operating activities	(122,388,516)	(102,145,092)	(37,120,517)	(6,154,969)
Cash paid for interest expenses	(15,854,163)	(8,447,185)	(15,089,407)	(7,886,999)
Cash paid for corporate income tax	(3,091,065)	(3,604,063)	(389,652)	(592,352)
Net cash flows used in operating activities	(141,333,744)	(114,196,340)	(52,599,576)	(14,634,320)

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

Evolution Capital Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Interest income	569,981	1,420,297	555,332	1,278,998
Increase in restricted bank deposit	(10,988)	(2,732,111)	(10,988)	(2,732,111)
Cash paid for additional investment in subsidiaries	-	-	(26,521,380)	(196,200,000)
Cash paid for acquisition of non-controlling interest	(2,521,380)	-	-	-
Cash paid for additional investment in associates	(17,721,485)	(6,069,000)	-	-
Proceeds from disposals of investment in associate	6,748,423	-	6,748,423	-
Cash paid for purchase of leasehold improvements and equipment	(135,314,867)	(166,481,104)	(404,997)	(10,503,669)
Cash paid for purchase of intangible assets	(17,209,857)	(19,504,804)	(36,600)	-
Proceeds from disposals of equipment	559,568	856,041	559,565	467
Increase in short-term loans to related parties	-	(2,900,000)	(228,661,081)	(108,074,000)
Increase in long-term loan to related party	-	-	(4,590,000)	-
Net cash flows used in investing activities	(164,900,605)	(195,410,681)	(252,361,726)	(316,230,315)
Cash flows from financing activities				
Cash receipt from long-term loans from banks	64,485,404	101,122,257	58,790,484	90,786,571
Repayment of long-term loans from banks	(31,337,749)	(23,190,000)	(24,200,000)	(20,000,000)
Repayment of short-term loans from unrelated parties	(400,000)	-	-	-
Repayment of financial lease payable	(358,385)	-	-	-
Cash receipt from loans from related parties	-	6,069,000	1,301,200	12,314,000
Repayment of short-term loans from related parties	-	(1,400,000)	(7,891,080)	(7,077,750)
Cash receipt from long-term loans from related parties	4,590,000	-	4,590,000	-
Repayment of long-term loans from related parties	-	(4,000,000)	-	-
Non-controlling interests invested in subsidiary	-	4,800,000	-	-
Proceeds from increase in share capital	284,316,415	261,750,000	284,316,415	261,750,000
Proceeds from warrant issued	646,421	2,617,500	646,421	2,617,500
Net cash flows from financing activities	321,942,106	347,768,757	317,553,440	340,390,321
Increase in cash and cash equivalents resulting from the acquisition of investment in subsidiaries	59,623	1,726,874	-	-
Increase (decrease) in translation adjustments	(135,527)	1,671,346	-	-
Net increase in cash and cash equivalents	15,631,853	41,559,956	12,592,138	9,525,686
Cash and cash equivalents at beginning of year	71,834,987	30,275,031	15,364,387	5,838,701
Cash and cash equivalents at end of year	87,466,840	71,834,987	27,956,525	15,364,387
	-	-	-	-

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

Evolution Capital Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2014

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Share discount					Retained earnings (deficit)		Other components of equity				
	Issued and paid-up capital	Share premium	Share on business acquisition	Warrants	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements	Share of other comprehensive income (expense) from associate	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2013	1,047,000,000	477,528,719	(120,020,000)	34,700,000	2,661,312	(182,561,200)	(3,694,688)	-	(3,694,688)	1,255,614,143	25,088,740	1,280,702,883
Loss for the year	-	-	-	-	-	(88,131,783)	-	-	-	(88,131,783)	(6,446,500)	(94,578,283)
Other comprehensive income for the year	-	-	-	-	-	-	12,673,296	(24,894,419)	(12,221,123)	(12,221,123)	-	(12,221,123)
Total comprehensive income for the year	1,047,000,000	477,528,719	(120,020,000)	34,700,000	2,661,312	(270,632,983)	8,978,608	(24,894,419)	(15,915,811)	1,155,261,237	18,642,240	1,173,903,477
Ordinary shares issued (Note 26)	261,750,000	-	-	-	-	-	-	-	-	261,750,000	-	261,750,000
Warrant issued	-	-	-	2,617,500	-	-	-	-	-	2,617,500	-	2,617,500
Change in classification of interest in joint ventures to investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	878,613	878,613
Acquisition by non-controlling interest	-	-	-	-	-	-	-	-	-	-	4,800,000	4,800,000
Balance as at 31 December 2013	1,308,750,000	477,528,719	(120,020,000)	37,317,500	2,661,312	(270,632,983)	8,978,608	(24,894,419)	(15,915,811)	1,419,628,737	24,320,853	1,443,949,590
Balance as at 1 January 2014	1,308,750,000	477,528,719	(120,020,000)	37,317,500	2,661,312	(270,632,983)	8,978,608	(24,894,419)	(15,915,811)	1,419,628,737	24,320,853	1,443,949,590
Loss for the year	-	-	-	-	-	(251,871,485)	-	-	-	(251,871,485)	(3,597,052)	(255,468,537)
Other comprehensive income for the year	-	-	-	-	-	-	879,228	58,322,021	59,201,249	59,201,249	(116,478)	59,084,771
Total comprehensive income for the year	1,308,750,000	477,528,719	(120,020,000)	37,317,500	2,661,312	(522,564,468)	9,857,836	33,427,602	43,286,438	1,226,958,501	20,807,323	1,247,565,824
Ordinary shares issued (Note 26)	345,302,845	14,413,570	-	-	-	-	-	-	-	359,716,415	-	359,716,415
Warrant issued (Note 27)	-	-	-	646,421	-	-	-	-	-	646,421	-	646,421
Acquisition of non-controlling interest (Note 12)	-	-	-	-	-	-	-	-	-	-	14,452,259	14,452,259
Balance as at 31 December 2014	1,654,052,845	491,942,289	(120,020,000)	37,963,921	2,661,312	(522,564,468)	9,857,836	33,427,602	43,286,438	1,587,321,337	35,659,582	1,622,380,919

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

Evolution Capital Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

	Separate financial statements						(Unit: Baht)
	Issued and paid-up capital	Share premium	Share discount on business acquisition	Warrants	Retained earnings (deficit)		
					Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2013	1,047,000,000	477,528,719	(120,020,000)	34,700,000	2,661,312	(332,060,769)	1,109,809,262
Loss for the year	-	-	-	-	-	(90,400,852)	(90,400,852)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	1,047,000,000	477,528,719	(120,020,000)	34,700,000	2,661,312	(422,461,621)	1,019,408,410
Ordinary shares issued (Note 26)	261,750,000	-	-	-	-	-	261,750,000
Warrant issued	-	-	-	2,617,500	-	-	2,617,500
Balance as at 31 December 2013	1,308,750,000	477,528,719	(120,020,000)	37,317,500	2,661,312	(422,461,621)	1,283,775,910
Balance as at 1 January 2014	1,308,750,000	477,528,719	(120,020,000)	37,317,500	2,661,312	(422,461,621)	1,283,775,910
Loss for the year	-	-	-	-	-	(40,992,392)	(40,992,392)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	1,308,750,000	477,528,719	(120,020,000)	37,317,500	2,661,312	(463,454,013)	1,242,783,518
Ordinary shares issued (Note 26)	345,302,845	14,413,570	-	-	-	-	359,716,415
Warrant issued (Note 27)	-	-	-	646,421	-	-	646,421
Balance as at 31 December 2014	1,654,052,845	491,942,289	(120,020,000)	37,963,921	2,661,312	(463,454,013)	1,603,146,354
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

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1. General information

Evolution Capital Public Company Limited (“the Company”) is listed on the Market for Alternative Investment (MAI) and is incorporated and domiciled in Thailand. Its major shareholder is the Srichawla Group. The Company is principally engaged in mass market consumption businesses, with a main focus on the food and beverage and hospitality industries. The registered office of the Company is at 18/8 Fico Place Building, 12th Floor, Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok 10110.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Evolution Capital Public Company Limited and the following subsidiary companies (“the Group”):

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Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			(%)	(%)
<u>Held by the Company</u>				
Monster Media Co., Ltd.	Multimedia provider	Thailand	100	100
Casa Fico Co., Ltd.	Residential real estate development	Thailand	92.5	92.5
Fena Park Co., Ltd.	Hotel real estate development	Thailand	92.5	92.5
Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			(%)	(%)
Fenix Pizza Co., Ltd.	Sales of food and beverage	Thailand	100	100
Fico Coffee Co., Ltd.	Sales of food and beverage	Thailand	99.6	99.6
Fenix Iron Fairies Co., Ltd.	Sales of food and beverage	Thailand	100	85
Kyochon Co., Ltd.	Sales of food and beverage	Thailand	94.7	80
Evolution Land Co., Ltd.	Investment in real estate	Thailand	100	100
Evolution Holdings Limited	Holding company	Mauritius	100	100
Evolution Commissary Co., Ltd. (formerly known as "Evolution Ventures Co., Ltd.")	Sales of food and beverage	Thailand	100	100
Mr. Jones International Co., Ltd.	Sales of food and beverage	Thailand	100	-
<u>Held by subsidiaries</u>				
Fenix Silom Co., Ltd. (80 percent held by Fenix Iron Fairies Co., Ltd.)	Sales of food and beverage	Thailand	80	80
Evolution Advisors Limited (100 percent held by Evolution Holdings Limited)	Investment advisory	Cayman Islands	100	100
Evolution Investments Limited (100 percent held by Evolution Advisors Limited)	Dormant	Cayman Islands	100	100
Evolution Capital International Pte. Ltd. (100 percent held by Evolution Advisors Limited)	Dormant	Singapore	100	100
D. Pizza Plc. (65 percent held by Evolution Advisors Limited)	Sales of food and beverage	Cambodia	65	-
PhotoMe.com Company Limited (100 percent held by Monster Media Co., Ltd.)	Interactive media services	Thailand	100	-

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

Evolution Capital Public Company Limited and its subsidiaries
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- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries, joint ventures and associates under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

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TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
Accounting Standard Interpretations:	
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
Financial Reporting Standard Interpretations:	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with

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most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

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TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Group immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Group is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Group have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

At present, the management of the Group is evaluating the impact of this standard to the financial statements in the year when they are adopted.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

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The management of the Group believes that this standard will not have any impact on the Company's and its subsidiaries' financial statements as the Group have already applied the equity method to an investment in a jointly controlled entity.

IFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Group.

IFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Group believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

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4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (under the first in - first out method) and net realisable value.

Work in process is valued at the lower of cost and net realisable value. Cost is determined by specific method for the interactive media solution business segment.

4.5 Investments

- a) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Project development cost in progress

Project development cost in progress is stated at cost less allowance for impairment loss in value of projects. Project development cost consists of land and construction in progress.

Construction in progress consists of the cost of design, cost of advisor, cost of construction and public utility costs. The Group records cost of design, advisor, construction and public utilities based on the actual cost incurred.

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4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Leasehold improvements and equipment/Depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	5 and 10 years
Office equipment	3 and 5 years
Furniture and fixtures	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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4.10 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Franchises	5 and 10 years
Computer software	3, 5 and 10 years
Customer loyalty	10 years

4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Leasehold right of land and amortization

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Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Amortisation of leasehold rights is calculated by reference to their costs on the straight-line basis over the lease period of 30 years and included in determining income.

4.13 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.14 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

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4.16 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its

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subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.18 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will

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be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risks and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires

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judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Contingent consideration

The Group reviews and assesses annually whether the contingent consideration arises from promissory note as a conditional corporate guarantee in the amount of Baht 100,000,000 to the Srichawla Group as protection against loss of value of the consideration which resulting from the acquisition of investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd. on 26 November 2012. These calculations require the use of estimates (Note 12).

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

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(Unit: Thousand Baht)					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2014	2013	2014	2013	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Management income	-	-	18,250	19,795	Contract price based on cost plus margin
Interest income	-	-	32,298	18,975	At interest rate of 1.0% - 12.5% per annum
Purchase of goods and services	-	-	92	990	Cost plus margin
Transactions with associates					
Sales	-	41	-	-	Cost plus margin
Service income	-	225	-	-	Contract price based on cost plus margin
Advisory income	-	1,541	-	-	Contract price based on cost plus margin
Management income	936	1,598	936	1,598	Contract price based on cost plus margin
Other income	7,550	8,858	7,550	8,858	Contract price based on cost plus margin
Financial cost	268	174	268	174	At interest rate of 1% per annum
Transactions with joint ventures					
Interest income	-	89	-	-	At interest rate of 8% per annum
Other income	-	401	-	-	Contract price based on cost plus margin
Transactions with related companies					
Sales	319	676	-	-	Cost plus margin
Service income	1,242	14,910	-	-	Contract price based on cost plus margin
Advisory income	-	1,332	-	-	Contract price based on cost plus margin
Other income	357	399	-	399	Contract price based on cost plus margin
Purchase of leasehold improvement and equipment	28,220	36,525	-	-	Contract price based on normal price charged to third party
Purchase of goods and services	25,379	33,168	3,382	1,393	Cost plus margin
Financial cost	7,500	7,500	7,500	7,500	At interest rate of 7.5% per annum
Transactions with directors					
Financial cost	13	137	-	64	At interest rate of 8% and 12% per annum

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The balances of the accounts as at 31 December 2014 and 2013 between the Company and those related parties are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade and other receivables (Note 8)				
<u>Trade receivables - related parties</u>				
Associates	1,782,924	3,706,372	-	-
Related companies	1,943,468	2,702,679	-	-
	<u>3,726,392</u>	<u>6,409,051</u>	<u>-</u>	<u>-</u>
<u>Amount due from and advance to related parties</u>				
Subsidiaries	-	-	19,382,081	6,120,937
Associates	427,320	680,021	427,320	560,197
Joint Venture	-	422,640	-	-
Related company	5,841,142	1,294,783	-	-
	<u>6,268,462</u>	<u>2,397,444</u>	<u>19,809,401</u>	<u>6,681,134</u>
Accrued income - related parties				
Associates	3,038,413	3,640,809	2,004,585	2,611,233
Related company	358,118	356,644	-	-
	<u>3,396,531</u>	<u>3,997,453</u>	<u>2,004,585</u>	<u>2,611,233</u>
Deposit - related parties				
Related companies	4,033,500	4,065,000	738,000	738,000
	<u>4,033,500</u>	<u>4,065,000</u>	<u>738,000</u>	<u>738,000</u>
Short-term loans to related parties				
Subsidiaries	-	-	507,682,688	253,519,507
Less: Allowance for doubtful debts	-	-	(8,323,554)	(7,725,554)
	<u>-</u>	<u>-</u>	<u>499,359,134</u>	<u>245,793,953</u>
Long-term loans to related party				
Subsidiary	-	-	87,330,958	76,133,293
	<u>-</u>	<u>-</u>	<u>87,330,958</u>	<u>76,133,293</u>
Trade and other payables (Note 21)				
<u>Other payable - related parties</u>				
Related companies	6,296,259	9,840,727	184,738	852,131
	<u>6,296,259</u>	<u>9,840,727</u>	<u>184,738</u>	<u>852,131</u>
<u>Amount due to and advance from</u>				
Joint venture	-	34,477	-	-
Related companies	1,049,521	-	-	-

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			(Unit: Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<u>1,049,521</u>	<u>34,477</u>	<u>-</u>	<u>-</u>
Short-term loans from related parties				
Subsidiary	-	-	-	6,589,880
Director	-	513,490	-	-
	<u>-</u>	<u>513,490</u>	<u>-</u>	<u>6,589,880</u>
Long-term loans from related parties				
Associate	27,794,300	22,936,303	27,794,300	22,936,303
Related parties	15,737,705	8,237,705	15,737,705	8,237,705
	<u>43,532,005</u>	<u>31,174,008</u>	<u>43,532,005</u>	<u>31,174,008</u>

Loans to related parties/loans from related parties

Loans to/loans from related parties are clean loans. As at 31 December 2014 and 2013, the balance of loans between the Company and those related parties and the movement are as follows:

	(Unit: Baht)			
	Consolidated financial statements			
	Balance as at	Increase	Decrease	Balance as at
	1 January	during the	during the	31 December
	2014	period	period	2014
Short-term loans from related party				
Director	513,490	12,773	(526,263)	-
Total	<u>513,490</u>	<u>12,773</u>	<u>(526,263)</u>	<u>-</u>
Long-term loans from related parties				
Associate	22,936,303	4,857,997	-	27,794,300
Related parties	8,237,705	7,500,000	-	15,737,705
Total	<u>31,174,008</u>	<u>12,357,997</u>	<u>-</u>	<u>43,532,005</u>

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(Unit: Baht)

	Separate financial statements			Balance as at 31 December 2014
	Balance as at 1 January 2014	Increase during the period	Decrease during the period	
Short-term loans to related parties				
Subsidiaries	253,519,507	269,651,811	(15,488,630)	507,682,688
Less: Allowance for doubtful debts	(7,725,554)	(598,000)	-	(8,323,554)
Total	<u>245,793,953</u>	<u>269,053,811</u>	<u>(15,488,630)</u>	<u>499,359,134</u>
Long-term loans to related party				
Subsidiary	76,133,293	11,197,665	-	87,330,958
Total	<u>76,133,293</u>	<u>11,197,665</u>	<u>-</u>	<u>87,330,958</u>
Short-term loans from related party				
Subsidiary	6,589,880	1,301,200	(7,891,080)	-
Total	<u>6,589,880</u>	<u>1,301,200</u>	<u>(7,891,080)</u>	<u>-</u>
Long-term loans from related parties				
Associates	22,936,303	4,857,997	-	27,794,300
Related companies	8,237,705	7,500,000	-	15,737,705
Total	<u>31,174,008</u>	<u>12,357,997</u>	<u>-</u>	<u>43,532,005</u>

The Group has a loan facility from an associate through a line of credit of Baht 30 million. As at 31 December 2014, the Group's outstanding loan and interest payable was Baht 28 million (2013: Baht 23 million). The loan is unsecured, bears interest at 1% per annum and is due for repayment on call.

The Company classified borrowing from an associate as non-current liabilities due to the fact that the lender agreed not to recall the loans and interest payable in the forthcoming 12 months.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	19,435,282	20,012,270	16,943,085	19,165,930
Post-employment benefits	-	473,193	-	458,717
Total	<u>19,435,282</u>	<u>20,485,463</u>	<u>16,943,085</u>	<u>19,624,647</u>

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7. Cash and cash equivalents

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	5,143,870	4,456,652	46,809	59,691
Bank deposits	82,322,970	67,378,335	27,909,716	15,304,696
Total	87,466,840	71,834,987	27,956,525	15,364,387

As at 31 December 2014, bank deposits in saving accounts carried interest at 0.125% - 1.75% per annum (2013: 0.125% - 2.25% per annum).

8. Trade and other receivables

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	439,655	49,686	-	-
Past due				
Up to 3 months	201,434	4,300,663	-	-
3 - 6 months	152,115	-	-	-
6 - 12 months	3,079,955	2,058,702	-	-
Over 12 months	2,733,245	-	-	-
Total	6,606,404	6,409,051	-	-
Less: Allowance for doubtful debts	(2,880,012)	-	-	-
Total trade receivables - related parties	3,726,392	6,409,051	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	9,488,828	10,313,490	-	-
Past due				
Up to 3 months	5,290,058	1,736,119	-	-
3 - 6 months	322,803	359,930	-	-
6 - 12 months	184,708	-	-	-
Over 12 months	187,103	231,862	-	-
Total	15,473,500	12,641,401	-	-
Less: Allowance for doubtful debts	(151,940)	(151,940)	-	-
Total trade receivables - unrelated				

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	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
parties, net	15,321,560	12,489,461	-	-
Total trade receivables - net	19,047,952	18,898,512	-	-
<u>Other receivables</u>				
Other receivables - related parties	6,268,462	2,397,444	19,809,401	6,681,134
Other receivables - unrelated parties	1,429,278	493,493	574,126	103,861
Prepayment	10,854,167	2,566,259	1,007,513	431,374
Advances	3,780,440	6,269,005	21,106	13,758
Amount due from broker	49,468	49,223	-	-
Total	22,381,815	11,775,424	21,412,146	7,230,127
Less: Allowance for doubtful debts	(2,631,387)	(2,323,391)	-	-
Total other receivables - net	19,750,428	9,452,033	21,412,146	7,230,127
Trade and other receivables - net	38,798,380	28,350,545	21,412,146	7,230,127

9. Short-term loan to unrelated party

As at 31 December 2014 and 2013, the Group has an outstanding short-term loan to an unrelated party amounting to USD 150,000. The loan is unsecured, with no interest. The loan shall be considered to be repaid in full, upon the completion of transfer of 33.3% of the borrower's share to the Group or upon repayment in full of the loan principal.

10. Inventories

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Food and beverages	8,028,116	10,301,663	-	-
Food materials	15,060,407	18,991,616	-	-
Restaurant operating supplies	3,277,886	5,182,749	-	-
Others	3,051,523	385,680	-	-
Total	29,417,932	34,861,708	-	-
Reduce cost to net realisable value	(361,101)	-	-	-
Inventories-net	29,056,831	34,861,708	-	-

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11. Restricted bank deposit

The Company was required by the lender to open the reserve account and pledge a guarantee deposit by reserving not less than 3 months of interest payable to the lender.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Baht)						
Company's name	Paid-up capital		Shareholding percentage		Cost	
	2014	2013	2014	2013	2014	2013
			(%)	(%)		
Monster Media Co., Ltd.	10,000,000	10,000,000	100	100	10,000,000	10,000,000
<u>Subsidiary under Monster Media Co., Ltd.</u>						
PhotoME.com Co., Ltd.	10,000,000	-	100	-	-	-
Casa Fico Co., Ltd.	285,000,000	285,000,000	92.5*	92.5*	146,377,244	146,377,244
Fena Park Co., Ltd.	100,000,000	100,000,000	92.5*	92.5*	33,833,278	33,833,278
Fenix Pizza Co., Ltd.	90,000,000	90,000,000	100	100	172,490,598	172,490,598
Fico Coffee Co., Ltd.	90,000,000	90,000,000	99.6	99.6	176,227,653	176,227,653
Fenix Iron Fairies Co., Ltd.	4,000,000	4,000,000	100	85	141,197,754	138,676,374
<u>Subsidiary under Fenix Iron Fairies Co., Ltd.</u>						
Fenix Silom Co., Ltd.	6,000,000	6,000,000	80	80	-	-
Kyochon Co., Ltd.	90,000,000	24,000,000	94.7	80	85,200,000	19,200,000
Evolution Land Co., Ltd.	229,107,500	229,107,500	100	100	229,107,500	229,107,500
Evolution Holdings Limited ("EH")	USD 4,675,000	USD 4,675,000	100	100	146,198,110	146,198,110
<u>Subsidiary under EH</u>						
Evolution Advisors Limited ("EA")	USD 46,160	USD 46,160	100	100	-	-
<u>Subsidiaries under EA</u>						
Evolution Investments Limited	USD 5,700	USD 5,700	100	100	-	-
Evolution Capital International Pte. Ltd.	SGD 5,000	SGD 5,000	100	100	-	-
D. Pizza Plc.	USD 1,500,000	-	65	-	-	-
Evolution Commissary Co., Ltd. (formerly known as "Evolution Ventures Co., Ltd.")	10,000,000	10,000,000	100	100	5,639,000	5,639,000
Mr. Jones International Co., Ltd	8,000,000	-	100	-	8,000,000	-
Total					1,154,271,137	1,077,749,757
<u>Less</u> Allowance for impairment loss on investment					(38,344,000)	(38,344,000)
Investment in subsidiaries - net					1,115,927,137	1,039,405,757

* Included 42.5% indirect stake held through the subsidiary, Evolution Land Co., Ltd.

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Investment in Fenix Iron Fairies Co., Ltd.

On 8 April 2014, the Company acquired an additional 5,998 ordinary shares of Fenix Iron Fairies Co., Ltd. from other shareholders of such subsidiary at a price of Baht 420.3 per share, or for total of Baht 2.5 million. The difference between the cost of this purchase from non-controlling interests of the subsidiary and the net book value of the equity of the subsidiary, amounting to Baht 0.3 million, was recognised in the consolidated statement of comprehensive income, which such amount was immaterial to the consolidated financial statements. As a result of this transaction, the shareholding in this subsidiary increased from 85% to 100%.

Investment in Evolution Commissary Co., Ltd. (formerly known as “Evolution Ventures Co., Ltd.”)

On 16 May 2014, a subsidiary registered the change of its name with the Ministry of Commerce from “Evolution Ventures Co., Ltd.” to “Evolution Commissary Co., Ltd.”.

Investment in Mr.Jones International Co., Ltd.

In May 2014, the Company invested in 80,000 ordinary shares of Mr.Jones International Co., Ltd. at the par value of Baht 100 each, totaling Baht 8 million. As a result of this transaction, the Company has a 100% interest in the equity of this company. The subsidiary registered its incorporation with the Ministry of Commerce on 29 May 2014.

Investment in Kyochon Co., Ltd.

On 18 November 2014, a resolution of the Extraordinary General Meeting of the shareholders of Kyochon Co., Ltd. approved a plan to increase its share capital from Baht 24 million to Baht 90 million through the issue of 660,000 additional ordinary shares, with a par value of Baht 100 each. The Company invests Baht 66 million for these additional shares in December 2014. As a result of this transaction, the shareholding in this subsidiary increased from 80% to 94.7%. However, the Company had not made payment of Baht 50 million for the shares as at the end reporting period and accounted such amount as share payable in the statement of financial position as at 31 December 2014. Subsequently, the Company has fully paid such share payable on 10 February 2015.

Investment in D. Pizza Plc.

On 4 December 2014, Evolution Advisors Limited (EA) entered into an agreement with CBM Corporation Co., Ltd. to invest in D. Pizza Plc, incorporated in Cambodia. EA invested in D. Pizza Plc in the amount of USD 975,000 representing 65% interest in the equity of this company.

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Investment in PhotoME.com Co., Ltd.

On 30 December 2014, The Company's subsidiary, Monster Media Co., Ltd. received a transferred of additional shares of PhotoME.com Co., Ltd. representing 49,000 ordinary shares at consideration cost of Baht 1. The Group's shareholding stake in PhotoME.com Co., Ltd. was increased from 51% to 100%. The Group was, on 30 December 2014, considered as having control of PhotoME.com Co., Ltd. Therefore, the Group changed the classification of this investment from "interests in joint venture" to "investment in subsidiary" and consolidated PhotoME.com Co., Ltd. since then.

Investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd.

The increased investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd. has a key condition which is agreed between the Company and the seller in accordance with the sale and purchase agreement dated 14 November 2012, as follows.

- 1) The Group has issued a promissory note as a conditional corporate guarantee in the amount of Baht 100 million to the Srichawla Group as protection against loss of value of the consideration which results from the acquisition of investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd., on 26 November 2012. The guarantee shall be valid for a period of 3 years ending 26 November 2015. The final amount payable under the guarantee shall be adjusted based on the share price of the Company at the end of the guarantee period. However, the principle of this condition is to grant an opportunity for the Group to be free from paying such obligation if the Group's share price is at least equal to Baht 2.00 per share where (a) in the next 3 years from the closing date of the transaction or (b) on the time that the Group decides to sell all shares in Casa Fico Co., Ltd. and Fena Park Co., Ltd. and/or the land/leasehold right owned by these two companies before the end of guarantee period. In that event, such guarantee will be revoked and the Group will not be bound to pay that amount to the Srichawla Group. On the contrary, if the Group's share price is less than Baht 2.00 per share within the specified time, in both (a) and (b) described above, the Group must pay the determined amount in accordance with the calculation method, which is limited to Baht 100 million. The Group had estimated that there was no likelihood that the Group would incur such liability at acquisition date.

However, as at 31 December 2014, the Group has reviewed and reassessed likelihood that the Group would incur such liability by taking into consideration of the current economic situation and the Group current performance and future plan. The Group has estimated that there is likelihood that the Group would incur such liability.

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For the purposes of assessing contingent consideration, assets are grouped at the lowest level of each identifiable cash flows (cash-generating unit, "CGU"). Since this contingent consideration is significant to financial statements, the Group has engaged an independent certified financial advisor to assess the value of the Group's business applying discounted cash flow projection. The assessment is based on a five-year pre-tax cash flow projection.

Key assumptions used in the amount assessment include:

Proceeds from sales of investment	12.5 x forecasted investment's EBITDA
Growth rate ¹	3.0%
Discount rate ²	10.9%
EBITDA ³	14.0%

¹ Weighted average growth rate used to extrapolate cash flows beyond the budget period.

² Post-tax discount rate applied to the cash flow projections.

³ Budgeted stabilised EBITDA margin.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted EBITDA margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Based on the assessment of the value of the Group's business, management has considered that there is likelihood that the Group would incur some liability. As a result, contingent consideration in relation to investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd. of Baht 34 million was recognised and presented in the consolidated and separate financial statements for the year ended 31 December 2014.

- 2) If Casa Fico Co., Ltd. and Fena Park Co., Ltd. have not developed or sold the land or leasehold rights owned by each respective company on 26 November 2017, the Group shall have the right within the exercise period of 60 days (the Exercise Period) to sell all of those shares to Srichawla Group (the Put Option), and Srichawla Group agrees to buy all those shares for a total consideration of Baht 184 million for all shares in Casa Fico Co., Ltd., and Baht 65 million for all shares in Fena Park Co., Ltd.

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As at 31 December 2014 and 2013, the Group has pledged 21,575 ordinary shares of Evolution Advisors Limited and 9,250,000 ordinary shares of Fena Park Co., Ltd. to secure loan facilities with financial institutions, as described in Note 22.

13. Investments in associates

13.1 Details of investments in associates

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund management	Thailand	-	21.7	-	16,181,200	-	2,563,467
Q's Dining Inc.	Restaurants	Japan	29.3	-	75,400,000	-	73,493,630	-
<u>Associates under Evolution Land Co., Ltd.:</u>								
Andaman Beach Residences Co., Ltd.	Residential real estate Development	Thailand	51.0	51.0	5,217,500	5,217,500	-	-
Phang Nga Hotel Co., Ltd.	Hotel real estate development	Thailand	51.0	51.0	5,217,500	5,217,500	-	-
Red Planet Hotels (Thailand) Limited	Hotel real estate development	Thailand	50.9	50.9	3,562,300	3,562,300	-	-
Red Planet Hotels Two (Thailand) Limited	Hotel real estate development	Thailand	51.0	51.0	7,140,000	5,100,000	-	-
Red Planet Hotels Three (Thailand) Limited	Hotel real estate development	Thailand	51.0	51.0	6,120,000	5,100,000	-	-
Red Planet Hotels Four (Thailand) Limited	Hotel real estate development	Thailand	51.0	51.0	4,080,000	3,570,000	-	-
Red Planet Hotels Five (Thailand) Limited	Hotel real estate development	Thailand	51.0	51.0	6,120,000	5,100,000	-	4,136,975
<u>Associates under Evolution Advisors Limited:</u>								
Red Planet Hotels Limited	Holding company and hotel management services	Cayman Islands	11.8	12.5	164,626,929	156,032,299	501,565,748	456,343,458
Sweetstar Holdings Limited	Holding company and development of bakery outlets	Cayman Islands	17.5	18.0	1,027	992	281,928	3,935,447
Sweetstar K.K.	Development of bakery outlets	Japan	11.1	-	3,524,929	-	3,511,884	-
Sweetstar Asia Limited	Development of bakery outlets	Hong Kong	12.2	-	9,843,840	-	9,588,601	-
Total					290,854,025	205,081,791	588,441,791	466,979,347

(Unit: Baht)

Company's name	Nature of business	Separate financial statements							
		Shareholding percentage		Cost		Allowance for diminution in value of investments		Carrying amounts based on cost method - net	
		2014	2013	2014	2013	2014	2013	2014	2013
		(%)	(%)						
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund management	-	21.7	-	16,181,200	-	(9,432,777)	-	6,748,423
Q's Dining Inc.	Restaurants	29.3	-	75,400,000	-	-	-	75,400,000	-
Total				75,400,000	16,181,200	-	(9,432,777)	75,400,000	6,748,423

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Investment in Solaris Asset Management Co., Ltd.

On 25 February 2014, a resolution of the Board of Directors' meeting approved the sale of investment in Solaris Asset Management Company Limited to Seamico Securities Public Company Limited, at book value of Baht 6.7 million (Baht 1.48 per share). The Company has received payment and transferred the ownership of such shares to Seamico Securities Public Company Limited on 28 February 2014.

Investment in Q's Dining Inc.

On 31 July 2014, the Company entered into a share swap agreement by issuing 65,000,000 new ordinary shares at a price of Baht 1.16 per share (equivalent to fair value at the date of swap shares) in consideration of 213 shares of Q's Dining Inc. As a result of this transaction, the Company has a 29.3% interest in the equity of this company.

In relation to the shares transfer of Q's Dining Inc., there is an operational EBITDA (Earnings before Interest, Tax, Depreciation, and Amortisation) guarantee of JPY 200 million in aggregate for the two (2) year period after completion of the share transfer. Should the EBITDA after this two (2) year period be below JPY 200 million, then the seller shall pay in cash the amount of such shortfall.

Investment in Red Planet Hotels Limited

During the current year, Red Planet Hotels Limited issued additional share capital to third party investors representing 81,238 shares, totalling USD 14.6 million which Evolution Advisors Limited did not exercise its right to acquire such shares. This resulted in a decrease of the Group's ownership in Red Planet Hotels Limited from 12.5% to 11.8%. The Group therefore recognised gain from change in holding interest in Red Planet Hotels Limited in statement of comprehensive income under "Investment service income".

Investment in Red Planet Hotels Two (Thailand) Limited

During the current year, Red Planet Hotels Two (Thailand) Limited increased its registered share capital from Baht 10 million divided into 49,000 ordinary shares with a par value of Baht 100 per share and 51,000 preference shares with a par value of Baht 100 per to Baht 14 million divided into 68,600 ordinary shares with a par value of Baht 100 per share and 71,400 preference shares with par value of Baht 100 per share. A subsidiary, Evolution Land Co., Ltd. acquired additional shares of Red Planet Hotels Two (Thailand) Limited representing 20,400 preference shares at Baht 100 per share totalling Baht 2.04 million to maintain its shareholding stake at 51%.

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Investment in Red Planet Hotels Three (Thailand) Limited

During the current year, Red Planet Hotels Three (Thailand) Limited increased its registered share capital from Baht 10 million divided into 49,000 ordinary shares with a par value of Baht 100 per share and 51,000 preference shares with a par value of Baht 100 per to Baht 12 million divided into 58,800 ordinary shares with a par value of Baht 100 per share and 61,200 preference shares with par value of Baht 100 per share. A subsidiary, Evolution Land Co., Ltd. acquired additional shares of Red Planet Hotels Three (Thailand) Limited representing 10,200 preference shares at Baht 100 per share totalling Baht 1.02 million to maintain its shareholding stake at 51%.

Investment in Red Planet Hotels four (Thailand) Limited

During the current year, Red Planet Hotels Four (Thailand) Limited increased its registered share capital from Baht 7 million divided into 34,300 ordinary shares with a par value of Baht 100 per share and 35,700 preference shares with a par value of Baht 100 per to Baht 8 million divided into 39,200 ordinary shares with a par value of Baht 100 per share and 40,800 preference shares with par value of Baht 100 per share. A subsidiary, Evolution Land Co., Ltd. acquired additional shares of Red Planet Hotels Four (Thailand) Limited representing 5,100 preference shares at Baht 100 per share totalling Baht 0.51 million to maintain its shareholding stake at 51%.

Investment in Red Planet Hotels Five (Thailand) Limited

During the current year, Red Planet Hotels Five (Thailand) Limited increased its registered share capital from Baht 10 million divided into 49,000 ordinary shares with a par value of Baht 100 per share and 51,000 preference shares with a par value of Baht 100 per to Baht 12 million divided into 58,800 ordinary shares with a par value of Baht 100 per share and 61,200 preference shares with par value of Baht 100 per share. A subsidiary, Evolution Land Co., Ltd. acquired additional shares of Red Planet Hotels Five (Thailand) Limited representing 10,200 preference share at Baht 100 per share totalling Baht 1.02 million to maintain its shareholding stake at 51%.

Investment in Sweetstar K.K. and Sweetstar Holdings Limited

On 9 June 2014, the Extraordinary General Meeting of Shareholders of Sweetstar Holdings Limited, passed a special resolution to approve the distribution and transfer of shares in Sweetstar K.K and approved the subsequent strike off of Sweetstar Holdings Limited from the Register of Companies in Cayman Islands. At the time Sweetstar Holdings Limited owned an 11.1% stake in Sweetstar K.K.

As a result of this transaction, all shareholders of Sweetstar Holdings Limited became direct shareholders of Sweetstar K.K., the Japanese master franchisor of Magnolia Bakery.

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In June 2014, Evolution Advisors Limited ("the subsidiary") received 111,125 ordinary shares, representing an 11.1% direct stake in Sweetstar K.K. as a result of the transaction.

On 6 August 2014, the Extraordinary General Meeting of Shareholders of Sweetstar K.K., passed a special resolution to approve the increase of the Company's registered capital from JPY 100 million to JPY 200 million by issuance of 1,000,000 shares with a par value of JPY 100 per share under a Rights Offering to existing shareholders. The Rights Offer was granted to existing shareholders in proportion to their current shareholding in the ratio of 1 existing ordinary share to 1 Rights Offering Share.

On 25 August 2014, Evolution Advisors Limited exercised the Rights Offer and invested a further JPY11.1 million or Baht 3.5 million in Sweetstar K.K in order to maintain its ownership stake at 11.1%.

Currently, the strike off of Sweetstar Holdings Limited is in process.

Investment in Sweetstar Asia Limited

In September 2014, Evolution Advisors Limited ("the subsidiary") invested in shares of Sweetstar Asia Limited, incorporated in Hong Kong, amounting to USD 0.3 million or equivalents to Baht 9.7 million. As a result of this transaction, the subsidiary has a 12.2% interest in the equity of this company.

As at 31 December 2014 and 2013, the Group has pledged investments in associates with three local financial institutions to secure the associates' credit loan facilities as follows.

- 1) Pledged 15,499 preference shares of Red Planet Hotels (Thailand) Limited to secure the associate's credit loan facility of Baht 92 million.
- 2) Pledged 51,000 preference shares of Red Planet Hotels Two (Thailand) Limited to secure the associate's credit loan facility of Baht 72 million.
- 3) Pledged 50,900 preference shares of Red Planet Hotels Three (Thailand) Limited to secure the associate's credit loan facility of Baht 60 million.
- 4) Pledged 25,500 preference shares of Red Planet Hotels Four (Thailand) Limited to secure the associate's credit loan facility of Baht 95 million.

The Company also entered into guarantee agreement with such group of financial institutions to secure the associate's credit facilities in the full amount of the outstanding debt (Note 34.5). Consequently, the Company is entitled to receive debt guarantee income from certain associates.

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13.2 Share of loss

During the years, the Company recognised its share of loss from investments in associates in the consolidated financial statements as follows:

Company's name	(Unit: Baht)	
	Share of loss from investments in associates during the years	
	2014	2013
Solaris Asset Management Co., Ltd.	(673,447)	(4,029,689)
Q's Dining Inc.	(1,906,370)	-
Red Planet Hotels Two (Thailand) Limited	(2,040,000)	-
Red Planet Hotels Three (Thailand) Limited	(1,020,000)	-
Red Planet Hotels Four (Thailand) Limited	(510,000)	(1,020,000)
Red Planet Hotels Five (Thailand) Limited	(5,156,975)	(912,025)
Red Planet Hotels Limited	(32,944,565)	(23,811,183)
Sweetstar Holdings Limited	(558,628)	(1,535,509)
Sweetstar Asia Limited	(255,239)	-
Sweetstar K.K.	(3,292,958)	-
Total	(48,358,182)	(31,308,406)

The share of loss from investment in associates, as included in the statement of comprehensive income for the year ended 31 December 2014 amounting to Baht 39.6 million, has been accounted for based on the management accounts which were not reviewed by the associate's auditor. However, the management believes that there would be no material discrepancies if those financial statements had been reviewed by the associate's auditor.

13.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

Company's name	(Unit: Million Baht)									
	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit (loss) for the year ended	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Solaris Asset Management Co., Ltd.	-	Baht 115 million	-	29	-	3	-	17	-	(18)
Q's Dining Inc.	JPY 90 million	-	246	-	182	-	418	-	(25)	-
Andaman Beach Residences Co., Ltd.	Baht 10 million	Baht 10 million	432	868	1,401	1,282	-	-	(120)	(134)
Phang Nga Hotel Co., Ltd.	Baht 10 million	Baht 10 million	323	506	823	753	-	-	(71)	(71)
Red Planet Hotels (Thailand) Limited	Baht 7 million	Baht 7 million	391	305	647	477	41	42	(83)	(76)

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Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		(Unit: Million Baht) Profit (loss) for the year ended	
	31 December		31 December		31 December		31 December		31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Red Planet Hotels Two (Thailand) Limited	Baht 14 million	Baht 10 million	260	263	341	312	35	35	(36)	(36)
Red Planet Hotels Three (Thailand) Limited	Baht 12 million	Baht 10 million	340	347	424	398	24	28	(35)	(31)
Red Planet Hotels Four (Thailand) Limited	Baht 8 million	Baht 7 million	338	332	446	406	26	21	(48)	(55)
Red Planet Hotels Five (Thailand) Limited	Baht 12 million	Baht 10 million	286	140	305	132	-	-	(14)	(3)
Red Planet Hotels Limited	USD 14,527	USD 13,714	8,786	7,670	3,643	2,594	1,341	400	(393)	(239)
Sweetstar Holdings Limited	USD 168	USD 163	8	-	5	-	-	-	(3)	-
Sweetstar K.K.	JPY 216 million	-	61	-	29	-	60	-	(21)	-
Sweetstar Asia Limited	USD 2.4 million	-	78	-	-	-	-	-	(2)	-

13.4 Investment in associates with capital deficit

The Company recognised share of losses from investment in 7 associates, as listed below, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below.

Company's name	(Unit: Million Baht)			
	Unrecognised share of losses			
	Share of losses for the years ended		Cumulative share of losses up to	
	31 December		31 December	
	2014	2013	2014	2013
Andaman Beach Residences Co., Ltd.	(61)	(290)	(499)	(438)
Phang Nga Hotel Co., Ltd.	(36)	(129)	(260)	(224)
Red Planet Hotels Two (Thailand) Limited	(18)	(15)	(44)	(26)
Red Planet Hotels Three (Thailand) Limited	(18)	(12)	(45)	(27)
Red Planet Hotels Four (Thailand) Limited	(25)	(21)	(53)	(28)
Red Planet Hotels Five (Thailand) Limited	(6)	(2)	(14)	(8)
Red Planet Hotels (Thailand) Limited	(41)	(30)	(124)	(83)
Total	(205)	(499)	(1,039)	(834)

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14. Investment in joint ventures

14.1 Details of investment in joint ventures:

Investment in joint ventures represent investment in entity which is jointly controlled by the Company, subsidiary and other companies. Details of the investment is as follows:

(Unit: Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2014	2013	2014	2013	2014	2013
		(%)	(%)				
<u>Joint venture under Monster Media Co., Ltd.</u>							
PhotoMe.com Company Limited	Interactive media services	-	51	-	5,099,700	-	1,585,695
Total				-	5,099,700	-	1,585,695

14.2 Share of profit (loss)

During the years, the Group recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements as follows:

(Unit: Baht)

Company's name	Share of profit (loss) from investments in joint ventures during the years	
	2014	2013
PhotoMe.com Company Limited	(524,301)	(261,847)
Fenix Silom Co., Ltd.	-	56,882
Total	(524,301)	(204,965)

There has been changed in the investment classification of Fenix Silom Co., Ltd. from interests in joint ventures to presented as investment in subsidiaries effect from 7 May 2013.

During the current year, there has been changed in the investment classification of PhotoME.com Co., Ltd. from interests in joint ventures to presented as investment in subsidiaries effect from 30 December 2014.

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15. Project development cost in progress

The net book value of project development cost in progress as at 31 December 2014 and 2013 is presented below.

(Unit: Baht)			
	Consolidated financial statements		
	Land	Construction in progress	Total
31 December 2014			
Cost	297,000,000	46,266,778	343,266,778
<u>Less</u> Allowance for impairment loss	-	-	-
Net book value	<u>297,000,000</u>	<u>46,266,778</u>	<u>343,266,778</u>
31 December 2013			
Cost	297,000,000	46,266,778	343,266,778
<u>Less</u> Allowance for impairment loss	-	-	-
Net book value	<u>297,000,000</u>	<u>46,266,778</u>	<u>343,266,778</u>

Project development cost in progress represents land and construction in progress of Lamsett project located in Amphur Samui, Suratthani, which is real estate development project owned by two subsidiaries - Casa Fico Co., Ltd. and Fena Park Co., Ltd.

As at 31 December 2014 and 2013, the subsidiary's land owned by Casa Fico Co., Ltd. is used as collateral for the Company's credit loan facility of Baht 150 million as described in Note 22.

16. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 is presented below.

(Unit: Baht)			
	Consolidated and separate financial statements		
	Land	Development costs	Total
31 December 2014			
Cost	54,699,268	4,704,600	59,403,868
<u>Less</u> Allowance for impairment loss	-	-	-

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	(Unit: Baht)		
	Consolidated and separate		
	financial statements		
Net book value	<u>54,699,268</u>	<u>4,704,600</u>	<u>59,403,868</u>
31 December 2013			
Cost	54,699,268	4,704,600	59,403,868
<u>Less</u> Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Net book value	<u>54,699,268</u>	<u>4,704,600</u>	<u>59,403,868</u>

Investment properties are plots of land on Samui Island for which the management plans to formalise real estate projects in the future. The fair values of the investment properties amounting Baht 63.2 million have been determined based on valuations performed by an accredited independent valuer using comparative market price method under report dated 17 February 2015.

As at 31 December 2014 and 2013, the Company has mortgaged plots of land to secure the Company's loan facility, as described in Note 22.

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17. Leasehold improvements and equipment

	Consolidated financial statements						(Unit: Baht)
	Leasehold improvement	Kitchen equipment	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost:							
1 January 2013	44,087,155	14,039,029	32,469,303	17,989,379	1,612,856	11,726,499	121,924,221
Additions	99,078,746	39,755,652	10,382,451	23,362,394	2,514,000	11,123,587	186,216,830
Transfers	19,077,723	3,103,710	33,000	140,599	-	(22,355,032)	-
Change in classification of investment	7,407,039	1,074,582	405,927	5,102,829	-	-	13,990,377
Translation adjustment	-	-	741	3,031	-	-	3,772
Disposals	(2,193,916)	(633,405)	(20,512)	79,971	-	-	(2,767,862)
31 December 2013	167,456,747	57,339,568	43,270,910	46,678,203	4,126,856	495,054	319,367,338
Addition from the acquisition of subsidiary	-	-	259,927	-	-	-	259,927
Additions	54,007,340	28,574,713	8,683,159	9,278,832	-	40,037,623	140,581,667
Disposals/write-off	(1,793,288)	-	(1,415,763)	(2,132,524)	-	-	(5,341,575)
Adjust	(4,059,743)	422,022	(3,908,921)	7,574,961	-	-	28,319
Transfers	26,668,210	310,000	538,132	809,095	-	(28,325,437)	-
Translation adjustment	-	-	196	777	-	-	973
31 December 2014	242,279,266	86,646,303	47,427,640	62,209,344	4,126,856	12,207,240	454,896,649
Accumulated depreciation:							
1 January 2013	6,837,936	805,871	22,019,703	11,193,885	1,562,631	-	42,420,026
Depreciation for the year	13,102,021	6,438,946	5,590,305	6,969,372	384,089	-	32,484,733
Depreciation on disposals	(881,219)	(82,822)	6,710	80,193	-	-	(877,138)
31 December 2013	19,058,738	7,161,995	27,616,718	18,243,450	1,946,720	-	74,027,621
Depreciation for the year	23,849,036	14,312,881	4,994,429	10,368,365	502,800	-	54,027,511
Depreciation on disposals/write-off	(192,490)	-	(1,299,454)	(1,552,408)	-	-	(3,044,352)
Adjust	-	934,382	(944,935)	-	-	-	(10,553)
Translation adjustment	(176)	(149)	231	1,000	-	-	906
31 December 2014	42,715,108	22,409,109	30,366,989	27,060,407	2,449,520	-	125,001,133

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	Consolidated financial statements						(Unit: Baht)
	Leasehold improvement	Kitchen equipment	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
Allowance for impairment loss:							
1 January 2013	5,378,176	-	71,978	1,123,531	-	-	6,573,685
31 December 2013	5,378,176	-	71,978	1,123,531	-	-	6,573,685
Increase during the year	7,720,297	-	-	-	-	-	7,720,297
31 December 2014	13,098,473	-	71,978	1,123,531	-	-	14,293,982
Net book value:							
31 December 2013	143,019,833	50,177,573	15,582,214	27,311,222	2,180,136	495,054	238,766,032
31 December 2014	186,465,685	64,237,194	16,988,673	34,025,406	1,677,336	12,207,240	315,601,534
Depreciation for the year							
2013 (the balance in selling and administrative expenses)							32,484,733
2014 (the balance in selling and administrative expenses)							54,027,511

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	Separate financial statements					(Unit: Baht)
	Leasehold improvement	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost:						
1 January 2013	5,933,115	18,730,538	5,273,434	1,612,856	70,000	31,619,943
Additions	157,803	1,224,144	873,965	-	10,630,548	12,886,460
Transfers	10,700,548	-	-	-	(10,700,548)	-
Disposals	(2,317,710)	-	(7,000)	-	-	(2,324,710)
31 December 2013	14,473,756	19,954,682	6,140,399	1,612,856	-	42,181,693
Additions	-	404,997	-	-	-	404,997
Disposals	-	(1,332,113)	(1,169,183)	-	-	(2,501,296)
31 December 2014	14,473,756	19,027,566	4,971,216	1,612,856	-	40,085,394
Accumulated depreciation:						
1 January 2013	4,204,098	16,168,851	3,784,273	1,562,631	-	25,719,853
Depreciation for the year	1,219,311	1,651,724	850,530	50,220	-	3,771,785
Depreciation on disposals	(1,005,013)	-	(6,778)	-	-	(1,011,791)
31 December 2013	4,418,396	17,820,575	4,628,025	1,612,851	-	28,479,847
Depreciation for the year	2,168,472	792,247	476,573	-	-	3,437,292
Depreciation on disposals	-	(1,299,198)	(1,169,160)	-	-	(2,468,358)
31 December 2014	6,586,868	17,313,624	3,935,438	1,612,851	-	29,448,781
Net book value:						
31 December 2013	10,055,360	2,134,107	1,512,374	5	-	13,701,846
31 December 2014	7,886,888	1,713,942	1,035,778	5	-	10,636,613
Depreciation for the year						
2013 (the balance in administrative expenses)						3,771,785
2014 (the balance in administrative expenses)						3,437,292

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As at 31 December 2014, the subsidiary had vehicles under finance lease agreements with net book values amounting to Baht 2 million (2013: 2 million).

As at 31 December 2014 and 2013 certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 34 million and Baht 27 million, respectively (The Company only: Baht 26 million and Baht 24 million, respectively).

18. Goodwill

Goodwill is resulted from the acquisition of the entire business of Food Group, including Fenix Pizza Co., Ltd., Fico Coffee Co., Ltd. and Fenix Iron Fairies Co., Ltd. from Fico Foods Co., Ltd. on 26 November 2012. Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Goodwill	308,046,153	308,046,153
Less: Impairment of goodwill	-	-
Net	<u>308,046,153</u>	<u>308,046,153</u>

For the purposes of assessing impairment, assets are grouped at the lowest level of each identifiable cash flows (cash-generating unit). For goodwill of Food business segment which is significant to financial statements, the Group has engaged an independent certified financial advisor to assess the recoverable amount. The recoverable amount assessment is based on a five-year pre-tax cash flow projection of business plan prepared by management.

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Key assumptions used in the recoverable amount assessment include:

	2014
EBITDA margin ¹	8.3% - 26.0%
Growth rate ²	3.00%
Discount rate ³	9.50%

¹Budgeted stabilised EBITDA margin.

²Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³Post-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Based on the assessment of the value of the goodwill, management has considered that there is no likelihood that the goodwill has suffered any impairment for the year ended 31 December 2014.

19. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

					(Unit: Baht)
Consolidated financial statements					
	Franchise	Customer loyalty	Computer software	Intangible assets under development	Total
As at 31 December 2014					
Cost	53,000,932	4,440,511	20,517,366	105,185	78,063,994
<u>Less</u> Accumulated amortisation	(11,682,775)	-	(14,121,978)	-	(25,804,753)
Net book value	<u>41,318,157</u>	<u>4,440,511</u>	<u>6,395,388</u>	<u>105,185</u>	<u>52,259,241</u>
As at 31 December 2013					
Cost	39,103,822	-	17,037,965	116,000	56,257,787
<u>Less</u> Accumulated amortisation	(6,567,317)	-	(13,071,836)	-	(19,639,153)
Net book value	<u>32,536,505</u>	<u>-</u>	<u>3,966,129</u>	<u>116,000</u>	<u>36,618,634</u>

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(Unit: Baht)

	Separate financial statements		
	Intangible		Total
	Computer software	assets under development	
As at 31 December 2014			
Cost	11,300,200	-	11,300,200
<u>Less</u> Accumulated amortisation	(11,215,750)	-	(11,215,750)
Net book value	<u>84,450</u>	<u>-</u>	<u>84,450</u>
As at 31 December 2013			
Cost	11,263,600	116,000	11,379,600
<u>Less</u> Accumulated amortisation	(11,169,148)	-	(11,169,148)
Net book value	<u>94,452</u>	<u>116,000</u>	<u>210,452</u>

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	36,618,634	22,051,307	210,452	495,636
Addition from the acquisition of subsidiary	5,077,449	-	-	-
Addition of franchise	13,897,110	15,475,320	-	-
Acquisition of computer software	3,207,562	4,037,051	36,600	-
Acquisition of Intangible assets under develop	105,185	-	-	-
Transfer in	60,650	-	-	-
Disposals/write-off - net book value	(552,301)	(7,567)	(116,000)	-
Amortisation	(6,155,048)	(4,937,477)	(46,602)	(285,184)
Net book value at end of year	<u>52,259,241</u>	<u>36,618,634</u>	<u>84,450</u>	<u>210,452</u>

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20. Leasehold right of land

The net book value of leasehold right of land as at 31 December 2014 and 2013 is presented below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cost	185,749,093	185,749,093	82,449,093	82,449,093
<u>Less</u> Accumulated amortisation	(26,880,833)	(19,994,433)	(18,255,423)	(15,507,119)
<u>Less</u> Allowance for impairment loss	(6,000,000)	-	(3,500,000)	-
Net book value	<u>152,868,260</u>	<u>165,754,660</u>	<u>60,693,670</u>	<u>66,941,974</u>

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	165,754,660	172,757,798	66,941,974	69,690,277
Amortisation	(6,886,400)	(7,003,138)	(2,748,304)	(2,748,303)
Impairment loss	(6,000,000)	-	(3,500,000)	-
Net book value at end of year	<u>152,868,260</u>	<u>165,754,660</u>	<u>60,693,670</u>	<u>66,941,974</u>

There are 2 leasehold rights of land on Samui Island for which the management has conducted a feasibility analysis for future real estate development projects or resale for profit.

As at 31 December 2014, the Company's leasehold right of land with net book value of Baht 61 million (2013: Baht 67 million) is used as collateral for its loan facility of Baht 100 million by way of assignment of the leasehold right to a financial institution, as described in Note 22.

As at 31 December 2014, the subsidiary's leasehold right of land owned by Fena Park Co., Ltd. (a subsidiary) with net book value of Baht 92 million (2013: Baht 99 million) is used as collateral for the Company's credit loan facility of Baht 150 million by way of assignment of such leasehold right to a financial institution, as described in Note 22.

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21. Trade and other payables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		Financial statements	
	2014	2013	2014	2013
Trade payables - unrelated parties	60,158,041	63,009,453	-	-
Other payables - unrelated parties	12,062,630	-	2,863,887	3,798,899
Other payables - related parties	2,502,760	7,346,261	184,738	852,131
Amount due to and advance from				
related companies	1,049,521	34,477	-	-
Construction payable - unrelated parties	31,046,350	16,737,319	1,544,602	1,544,602
Construction payable - related party	3,793,499	2,494,466	-	-
Retention payables	739,770	957,341	739,770	739,770
Accrued expenses	26,558,955	29,033,718	3,312,000	3,338,833
Total trade and other payables	137,911,526	119,613,035	8,644,997	10,274,235

22. Long-term loans from banks

Movements of the long-term loans accounts for the year ended 31 December 2014 are summarised below.

(Unit: Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2014	137,932,257	130,786,571
Addition	64,485,404	58,790,484
Repayment	(31,337,749)	(24,200,000)
Balance as at 31 December 2014	171,079,912	165,377,055

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(Unit: Baht)						
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2014	2013	2014	2013
1	MLR - 1% p.a.	20 quarterly installments, commencing 25 January 2011	20,000,000	40,000,000	20,000,000	40,000,000
2	MLR - 0.35% p.a.	48 monthly installments, commencing 27 November 2013*	145,377,055	90,786,571	145,377,055	90,786,571
3	MLR	27 monthly installments, commencing 11 February 2013	5,702,857	7,145,686	-	-
Total			171,079,912	137,932,257	165,377,055	130,786,571
Less: Current portion			(74,921,449)	(29,668,831)	(70,400,000)	(24,200,000)
Non-current portion			96,158,463	108,263,426	94,977,055	106,586,571

Note : * The first of principal repayment will be in the 13th month from the date of first drawdown

The loans of the Company are secured by the mortgage of land of the Company and its subsidiary, leasehold right of land of the Company and its subsidiary as described in Note 15, 16 and 20, and the pledge of ordinary shares of subsidiaries - Evolution Advisors Limited and Fena Park Co., Ltd as described in Note 12 and a joint guarantee by Fenix Pizza Co., Ltd., Fico Coffee Co., Ltd. and the Company's directors.

Pursuant to this loan agreement, the Company was required by the lender to open the Reserve Account and pledge a guarantee deposit by reserving not less than 3 months of interest payable to the lender.

The loan of a subsidiary is guaranteed by the subsidiary's directors.

As at 31 December 2014, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 7 million (Separate financial statements: Baht 0.4 million) (2013: Baht 77 million (Separate financial statements: Baht 59 million)).

23. Current portion of long-term loan from unrelated party

With regards to the business acquisition on 26 November 2012, the Company has issued the promissory note with a principal amount of Baht 57.5 million and a maturity date of 3 years from the acquisition date of the transaction bearing an interest rate of 7.5% per annum, which interest is payable on a monthly basis to the seller. In relation to the shares transfer of Fenix Iron Fairies Co., Ltd., there is an operational guarantee of up to Baht 60 million in aggregate of EBITDA (Earnings before Interest, Tax, Depreciation, and Amortisation) for the financial years 2013 and 2014. Should the EBITDA in those financial years be below Baht 60 million, then the promissory note principal shall be adjusted by the amount of such shortfall.

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As at 31 December 2014, the Group is assessing the shortfall to adjust the promissory note, which will be due on 26 November 2015.

24. Liabilities under finance lease agreements

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Liabilities under finance lease agreements	1,407,448	1,819,384
Less : Deferred interest expenses	(83,729)	(137,280)
Total	1,323,719	1,682,104
Less : Portion due within one year	(371,094)	(358,385)
Liabilities under finance lease agreements - net of current portion	952,625	1,323,719

The subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years. Finance lease agreements are non-cancelable.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Baht)

	As at 31 December 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	411,936	995,512	1,407,448
Deferred interest expenses	(40,842)	(42,887)	(83,729)
Present value of future minimum lease payments	371,094	952,625	1,323,719

(Unit: Baht)

	As at 31 December 2013		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	411,936	1,407,448	1,819,384
Deferred interest expenses	(53,551)	(83,729)	(137,280)
Present value of future minimum lease payments	358,385	1,323,719	1,682,104

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25. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

			(Unit: Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Provisions for long-term employee				
at beginning of year	3,633,458	3,145,831	2,939,007	3,119,442
Current service cost	2,320,087	1,345,307	470,082	337,454
Interest cost	141,787	122,758	114,248	121,262
Benefits paid during the year	(1,213,160)	(316,000)	(257,000)	-
Actuarial gain	(3,567,776)	(664,438)	(2,374,256)	(639,151)
Provisions for long-term employee				
benefits at end of year	<u>1,314,396</u>	<u>3,633,458</u>	<u>892,081</u>	<u>2,939,007</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	2,320,087	1,345,307	470,082	337,454
Interest cost	141,787	122,758	114,248	121,262
Actuarial gain recognised during the year	(3,567,776)	(664,438)	(2,374,256)	(639,151)
Total expenses recognised in profit				
or loss	<u>(1,105,902)</u>	<u>803,627</u>	<u>(1,789,926)</u>	<u>(180,435)</u>

All expenses of long-term employee benefit are included in selling and administrative expenses.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.4%	4.1%	3.4%	4.1%
Future salary increase rate	1.0% to 8.0%	1.0% to 8.0%	1.0% to 8.0%	1.0% to 8.0%
Staff turnover rate	22%	20%	22%	20%
(depending on age)				

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Amounts of defined benefit obligation for the current and previous four periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	1,314,396	892,081	(2,319,062)	(2,046,926)
Year 2013	3,633,458	2,939,007	487,627	(180,435)
Year 2012	3,145,831	3,119,442	444,680	431,162
Year 2011	2,701,151	2,688,280	2,701,151	2,688,280

26. Share capital

(Unit: Baht)

	Consolidated and separate financial statements		
	Issued and		Share premium
	Registered share capital	paid-up share capital	
As at 1 January 2013	1,956,500,000	1,047,000,000	477,528,719
Decrease of registered share capital	(16,445,000)	-	-
Increase of registered share capital	410,945,000	-	-
Issue of shares	-	261,750,000	-
As at 31 December 2013	2,351,000,000	1,308,750,000	477,528,719
As at 1 January 2014	2,351,000,000	1,308,750,000	477,528,719
Decrease of registered share capital	(184,697,458)	-	-
Increase of registered share capital	183,697,458	-	-
Issue of shares	-	345,302,845	14,413,570
As at 31 December 2014	2,350,000,000	1,654,052,845	491,942,289

During the first quarter of the year 2013, there were subscriptions of the Right Offering shares of 261,750,000 ordinary shares at Baht 1 per share, totaling Baht 262 million. The Company has registered the change in the issued and paid-up capital from Baht 1,047 million, divided into 1,047,000,000 ordinary shares with a par value of Baht 1 per share, to the new issued and paid-up capital of Baht 1,309 million, divided into 1,308,750,000 ordinary shares with a par value of Baht 1 per share, with the Ministry of Commerce on 23 January 2013.

During the first quarter of the current year, there are subscriptions of the Right Offering Shares of 161,605,387 shares at Baht 1 per share, totaling Baht 162 million.

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The Company registered the increase in the issued and paid-up capital from Baht 1,309 million, divided into 1,308,750,000 ordinary shares with a par value of Baht 1 per share, to the new issued and paid-up capital of Baht 1,470 million, divided into 1,470,355,387 ordinary shares with a par value of Baht 1 per share with the Ministry of Commerce on 25 March 2014.

On 4 July 2014, A resolution of the Extraordinary General Meeting of Shareholders No.1/2014 has resolved the following items:

- a) Approved a decrease of the Company's registered share capital from Baht 2,351 million to Baht 2,166 million by eliminating 100,144,613 unissued ordinary shares left over from the Rights Offering, 40,057,845 unissued ordinary shares reserved for the exercise of E-W3 Warrants and 44,495,000 unissued shares reserved for adjustment of E-W1 and E-W2. Total decrease of unissued ordinary shares was 184,697,458 shares with a par value of Baht 1.00 per share. The Company registered the decrease of its registered share capital with the Ministry of Commerce on 17 July 2014.
- b) Approved an increase of the Company's registered share capital from Baht 2,166 million to Baht 2,350 million, by an issuance of 183,697,458 new ordinary shares with a par value of Baht 1.00 per share. The Company registered the increase of its registered share capital with the Ministry of Commerce on 18 July 2014.

On 23 July 2014, there were subscriptions of shares of 40,000,000 ordinary shares at Baht 1 per share, totaling Baht 40 million by offer to certain investors by way of private placement. The Company registered the increase in the issued and paid-up capital from Baht 1,470 million, divided into 1,470,355,387 ordinary shares with a par value of Baht 1 per share, to the new issued and paid-up capital of Baht 1,510 million, divided into 1,510,355,387 ordinary shares with a par value of Baht 1 per share, with the Ministry of Commerce on 29 July 2014.

On 30 July 2014, the Company issued 65,000,000 new ordinary shares at a price of Baht 1.16 per share (equivalent to fair value at the date of swap shares), totaling Baht 75.4 million, to acquire of 29.3% stake of Q's Dining Inc. The Company registered the increase in the issued and paid-up capital from Baht 1,510 million, divided into 1,510,355,387 ordinary shares with a par value of Baht 1 per share, to the new issued and paid-up capital of Baht 1,575 million, divided into 1,575,355,387 ordinary shares with a par value of Baht 1 per share, with the Ministry of Commerce on 1 August 2014.

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On 15 September 2014, there were subscriptions of shares of 78,697,458 ordinary shares at Baht 1.051 per share, totaling Baht 83 million by offer to certain investors by way of private placement. The Company has registered the increase in the issued and paid-up capital from Baht 1,575 million, divided into 1,575,355,387 ordinary shares with a par value of Baht 1 per share, to the new issued and paid-up capital of Baht 1,654 million, divided into 1,654,052,845 ordinary shares with a par value of Baht 1 per share, with the Ministry of Commerce on 22 September 2014.

On 17 December 2014, A resolution of the Extraordinary General Meeting of Shareholders No.2/2014 has resolved the following items:

- a) Approved an increase of the Company's registered share capital from Baht 2,350 million to Baht 2,887 million, by an issuance of 537,153,921 new ordinary shares with a par value of Baht 1.00 per share.
- b) Approved an issuance of (i) up to 275,675,474 new ordinary shares at Baht 1.10 per share (the "Rights Offering Shares") to existing shareholders in proportion to their current shareholding in the ratio of 6 existing ordinary shares to 1 Rights Offering Share (any fraction will be disregarded); and (ii) up to 2,205,403,790 Warrants ("E-W4") at a price of Baht 0.00 per warrant which are offered together with the Rights Offering Shares in the ratio of 8 units of E-W4 to 1 Rights Offering Share (any fraction will be disregarded)
- c) Approved the allotment of 537,153,921 new ordinary shares with a par value of Baht 1.00 per share, as follows:
 - 1) To allocate up to 275,675,474 new ordinary shares to existing shareholders in proportion to their current shareholding in the ratio of 6 existing ordinary shares to 1 Rights Offering Share
 - 2) To allocate up to 220,540,379 new ordinary shares to be reserved for the exercise of E-W4;
 - 3) To allocate up to 40,938,068 new ordinary shares to be reserved for the potential adjustment on the exercise ratio of the existing tranches of warrants.

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27. Warrants

As at 31 December 2014 and 2013 warrants consisted of:

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2014	2013
Warrants to purchase the Company's ordinary shares No. 1 (E-W1)	34,700,000	34,700,000
Warrants to purchase the Company's ordinary shares No. 2 (E-W2)	2,617,500	2,617,500
Warrants to purchase the Company's ordinary shares No. 3 (E-W3)	646,421	-
Total	37,963,921	37,317,500

Detail of the warrants can be summarised below:

Warrants to purchase the Company's ordinary shares No. 1 (E-W1)

Number of warrants: 347,000,000 units

Offering price: Subscription ratio of 2 ordinary shares to 1 warrant at offering price at Baht 0.10 per warrant

Conversion ratio: 1 warrant per 1 ordinary share

Exercise price: Baht 1.50 per ordinary share

Exercise period: On the last working day of every quarter (March, June, September, and December) of each calendar year until the expiration of the warrants. The first exercise date will be on the last working day of March 2011.

Tenor of warrant: The last exercise date will be on the date on which E-W1 reaches its 10-year term from the issuance date which shall therefore between 23 December 2010 to 22 December 2020.

The Company adjusted for the exercise price and conversion ratio of warrant to purchase the Company's ordinary shares No.1 (E-W1) effective from 3 December 2012 as follows:

Conversion ratio : 1 warrant to 1.065 ordinary share

Exercise price : Baht 1.408 per ordinary share

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Warrants to purchase the Company's ordinary shares No. 2 (E-W2)

Number of warrants:	261,750,000 units
Offering price:	Subscription ratio of 4 ordinary shares to 1 warrant at an offering price at Baht 0.01 per warrant
Conversion ratio:	1 warrant to 1 ordinary share
Exercise price:	Baht 2.00 per ordinary share
Exercise period:	On the last business day of every quarter (March, June, September and December) of each calendar year until the expiration of the warrants. The first exercise date will be on 29 March 2013.
Tenor of warrants:	7 years 11 months 13 days from the issuance date of the warrants (from 9 January 2013 to 22 December 2020). Tenor of E-W2 will not be extended.

Warrants to purchase the Company's ordinary shares No. 3 (E-W3)

Number of warrants:	523,500,000 units (allotted and issued 323,210,776 warrant units)
Offering price:	Subscription ratio of 5 ordinary shares to 2 warrants at an offering price at Baht 0.002 per warrant
Conversion ratio:	5 warrants to 1 ordinary share
Exercise price:	Baht 1.00 per ordinary share
Exercise period:	The holders of warrants can exercise their right one time on 19 March 2015.
Term of warrants:	1 year from the issuance date from 20 March 2014 to 19 March 2015.

During the first quarter of the current year, the Company allocated 323,210,776 warrant units at an offering price of Baht 0.002 per warrant, totaling Baht 646,422 to the shareholders and the Company will deal with the remaining warrants of 200,289,224 units by canceling such remaining warrants as stated in the Extraordinary General Meeting of Shareholders No 1/2013.

Warrants to purchase ordinary shares of Evolution Public Company Limited No. 3 (E-W3) have been authorized by the Stock Exchange of Thailand for trading on the Market for alternative Investment (MAI) commencing on 4 April 2014.

During the year ended 31 December 2014, there are no warrants exercised for E-W1, E-W2 and E-W3.

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28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution.

29. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Salary and wages and other employee benefits	204,350,011	181,828,091	31,981,423	38,566,008
Depreciation and amortisation	67,068,959	44,425,348	6,232,198	6,805,272
Rental and service expenses from operating lease agreements	88,238,044	63,870,332	3,384,000	3,903,319
Professional fees	10,650,318	11,859,501	5,126,424	5,754,400
Advertising and promotional expenses	38,518,076	24,361,215	-	-
Impairment loss on investment	-	-	-	42,137,776
Impairment loss on leasehold rights	6,000,000	-	3,500,000	-
Contingent consideration	20,340,000	13,560,000	20,340,000	13,560,000
Raw materials and consumables used	177,667,281	128,303,171	-	-

30. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	1,240,515	3,989,671	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(20,579,428)	(20,572,780)	-	177,722
Income tax expense (revenue)				
reported in the statements of	(19,338,913)	(16,583,109)	-	177,722

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comprehensive income

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting loss before tax	(274,807,450)	(111,161,392)	(40,992,392)	(90,223,130)
Applicable tax rate of the Company	20%	20%	20%	20%
Accounting loss before tax multiplied by applicable tax rate	(54,961,490)	(22,232,278)	(8,198,478)	(18,044,626)
Effects of preparing the consolidated financial statements	-	158,557	-	-
Share of loss from investments in associates and joint ventures	4,920,560	286,908	-	-
Effect of different tax rate	2,342,098	(9,458,520)	-	-
Reversal of temporary differences	15,772,338	177,722	-	177,722
Deferred tax assets for which have not been recognised during the year because future taxable profits may not be sufficient	13,459,082	12,957,717	8,057,676	17,959,346
Effects of:				
Tax exempt revenue	(3,894,631)	(135,462)	-	-
Non-deductible expenses	3,023,130	1,662,247	140,802	85,280
Total	(871,501)	1,526,785	140,802	85,280
Income tax expenses (revenue) reported in the statement of comprehensive income	(19,338,913)	(16,583,109)	-	177,722

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The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Provision for reinstatement cost	1,893,278	126,388	-	-
Provision for long-term employee benefits	84,463	133,817	-	-
Fair value adjustment arising on business combination	-	470,205	-	-
Unused tax loss	46,505,019	26,596,425	-	-
Total	48,482,760	27,326,835	-	-
Deferred tax liabilities				
Investment in associates	10,366,003	9,009,335	-	-
Fair value adjustment arising on business combination	7,198,069	7,978,240	-	-
Total	17,564,072	16,987,575	-	-

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

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The following tables set forth the computation of basic and diluted earnings per share.

Consolidated financial statements						
Loss for the year		Weighted average		Loss per share		
		number of ordinary shares				
2014	2013	2014	2013	2014	2013	
(Baht)	(Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Loss attributable to equity holders						
of the Company	(251,871,485)	(88,131,783)	1,499,725,787	1,292,973,288	(0.17)	(0.07)
Effect of dilutive potential ordinary shares						
Warrants No. 1 (E-W1)	-	-	-	-		
Warrants No. 2 (E-W2)	-	-	-	-		
Warrants No. 3 (E-W3)	-	-	-	-		
Diluted earnings per share						
Loss of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares	<u>(251,871,485)</u>	<u>(88,131,783)</u>	<u>1,499,725,787</u>	<u>1,292,973,288</u>	(0.17)	(0.07)

Separate financial statements						
Loss for the year		Weighted average		Loss per share		
		number of ordinary shares				
2014	2013	2014	2013	2014	2013	
(Baht)	(Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Loss attributable to equity holders						
of the Company	(40,992,392)	(90,400,852)	1,499,725,787	1,292,973,288	(0.03)	(0.07)
Effect of dilutive potential ordinary shares						
Warrants No. 1 (E-W1)	-	-	-	-		
Warrants No. 2 (E-W2)	-	-	-	-		
Warrants No. 3 (E-W3)	-	-	-	-		
Diluted earnings per share						
Loss of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares	(40,992,392)	(90,400,852)	1,499,725,787	1,292,973,288	(0.03)	(0.07)

There is no disclosure of diluted earnings per share for the year ended 31 December 2013 since the exercise price of the warrants was higher than the average market price of the ordinary shares.

There is no disclosure of diluted earnings per share for the year ended 31 December 2014 since the effect of diluted earnings per share is antidilutive.

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32. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on their products and services and during the current period, the Group has not changed the organisation of their reportable segments, there are four reportable segments as follows.

- 1) Food and beverage operations
- 2) Business advisory services, investment and property development consulting services
- 3) Wireless value added service and interactive solution and internet based information services
- 4) Property development

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group financing activities (including finance costs) and income taxes are managed on a Group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets information regarding the Group' operating segments for the year ended 31 December 2014 and 2013, respectively.

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	For the years ended 31 December						(Unit: Baht)		
	Food and beverage operations		Business advisory services, investment and property development consulting services		Wireless value added service and interactive solution and internet based information services		Property development		Consolidation
	2014	2013	2014	2013	2014	2013	2014	2013	2013
Revenue	431,855,352	311,800,323	35,924,026	102,255,959	14,563,020	40,024,236	-	-	454,080,518
Cost of sales, services and advisory	(169,610,494)	(126,725,901)	-	(846,340)	(7,857,785)	(26,980,517)	-	-	(154,552,758)
Gross profit	262,244,858	185,074,422	35,924,026	101,409,619	6,705,235	13,043,719	-	-	299,527,760
Other income	12,197,323	13,839,170	15,624,315	13,534,732	5,721,020	996,571	283,969	71,126	28,441,599
Selling and administrative expenses	(367,328,427)	(239,315,525)	(82,751,584)	(82,750,722)	(15,992,738)	(17,262,014)	(8,891,633)	(7,061,475)	(346,389,736)
Share of loss from investments in associates and joint ventures	(6,013,196)	(1,478,628)	(673,448)	(4,029,689)	(524,300)	(261,846)	(41,671,539)	(25,743,208)	(31,513,371)
Loss before depreciation and amortization, financial costs and income tax	(98,899,442)	(41,880,561)	(31,876,691)	28,163,940	(4,090,783)	(3,483,570)	(50,279,203)	(32,733,557)	(49,933,748)
Depreciation and amortization	(54,713,039)	(30,610,067)	(6,278,925)	(6,833,295)	(1,938,898)	(2,727,150)	(4,138,097)	(4,254,836)	(44,425,348)
Loss before financial costs and income tax	(153,612,481)	(72,490,628)	(38,155,616)	21,330,645	(6,029,681)	(6,210,720)	(54,417,300)	(36,988,393)	(94,359,096)
Financial costs									(16,802,296)
Loss before income tax									(274,807,450)
Income tax revenue									19,338,913
Net loss for the year									(255,468,537)
									(94,578,283)

(Unit: Baht)

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Geographic information

The Group majorly operates in Thailand. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2014 and 2013, the Group has no major customer with revenue of 10% or more of an entity's revenues.

33. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company or subsidiaries contributed to the fund monthly at the rates of 3% - 15% of basic salary. The fund, which is managed by Tisco Asset Management Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Group contributed Baht 2 million (2013: Baht 3 million) to the fund.

34. Commitment and contingent liabilities

34.1 Capital commitments

As at 31 December 2014, two subsidiaries have commitments in respect of technical assistance, design and structural work of project construction in progress in accordance with the terms and conditions outlined in the agreement amounting to Baht 76 million (2013: Baht 76 million).

As at 31 December 2014, three subsidiaries had capital commitments of approximately Baht 14 million, in respect of installation of leasehold improvement, machinery and building construction.

34.2 Operating lease and service commitments

The Group entered into several operating leases agreements in respect of the lease of land, unit of building for offices and restaurants, office equipment and related service agreements. The terms of the agreements are generally between 3 and 30 years.

Future minimum lease payments required under these operating leases contracts and service agreements were as follows.

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	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land lease payable:				
In up to 1 year	6.1	6.1	0.4	0.4
In over 1 up to 5 years	25.6	25.1	1.7	1.7
In over 5 years	134.1	140.8	4.6	5.0

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Building and equipment lease payable:				
In up to 1 year	93.0	57.8	3.1	3.2
In over 1 up to 5 years	105.5	86.2	1.7	4.8
In over 5 years	7.1	15.0	-	-

34.3 Commitment related to franchise agreements

- a) Fenix Pizza Company Limited (a subsidiary) entered into a franchise agreement with Domino's Pizza International, LLC. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Thailand. The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 10 May 2012.
- b) Fico Coffee Company Limited (a subsidiary) entered into a franchise agreement with CBTL Franchising, LLC. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Thailand. The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 15 July 2011.
- c) Kyochon Company Limited (a subsidiary) entered into a franchise agreement with Kyochon F&B Company Limited in Korea. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Thailand, Laos, Cambodia and Myanmar under trademark "Kyochon". The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 1 October 2013.

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- d) D. Pizza Plc. (a subsidiary) entered into a franchise agreement with Domino's Pizza International, LLC. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Cambodia. The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 4 December 2014.

34.4 Commitment related to management service agreement

Subsidiaries- Fenix Pizza Company Limited, Fico Coffee Company Limited, Fenix Iron Fairies Company Limited have commitments in respect to management service agreement with a related company for the period of 10 years ending 31 December 2021 with the service fees of Baht 1.2 million per year.

34.5 Guarantees

As at 31 December 2014, the Company has contingency liabilities in respect of debt guarantees to three local financial institutions. The Company, as a guarantor, shall commit to guarantee the satisfaction and discharge of any and all debts, liabilities and obligations of any kind owing at the date or thereafter from the principal to the financial institution under the credit facility incurred by the associates, Red Planet Hotels (Thailand) Limited, Red Planet Hotels Two (Thailand) Limited, Red Planet Hotels Three (Thailand) Limited and Red Planet Hotels Four (Thailand) Limited in the facility amount of Baht 92 million, Baht 72 million, Baht 60 million and Baht 95 million, respectively. The Company receives a debt guarantee from Red Planet Hotels Limited, an associate, incorporated in the Cayman Islands, committing to guarantee all obligations by the Company to four associate companies in addition to indemnities and warranties to the Company.

35. Financial instruments

35.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, trade accounts payable and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

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Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans and borrowings with interest. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements as at 31 December 2014						
	Fixed interest rate		Floating	Non-		
	Within	1-5	interest	interest		Interest
	1 year	years	rate	bearing	Total	rate
	(Million Baht)					(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	57	30	87	0.125-1.75%
Trade and other receivables	-	-	-	39	39	-
Accrued income	-	-	-	10	10	-
Short-term loan to unrelated party	-	-	-	5	5	-
Restricted bank deposits	-	-	3	-	3	0.5%
	-	-	60	84	144	
Financial liabilities						
Trade and other payables	-	-	-	138	138	-
Short-term loans from unrelated parties	3	-	-	-	3	7.5%,15%
						MLR, MLR-0.35% and MLR-1%
Long-term loans	-	-	171	-	171	
Long-term loan from unrelated party	57	-	-	-	57	7.5%
Long-term loans from related parties	-	44	-	-	44	1%, 7.5%
Liabilities under finance lease agreements	-	1	-	-	1	1.92%-5.01%
	60	45	171	138	414	

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Consolidated financial statements as at 31 December 2013

	Fixed interest rate		Floating	Non-	Total	Interest rate
	Within 1 year	1-5 years	interest rate	interest bearing		
			(Million Baht)			(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	65	7	72	0.125%-2.25%
Trade and other receivables	-	-	-	28	28	-
Accrued income	-	-	-	10	10	-
Short-term loan to unrelated party	-	-	-	5	5	-
Restricted bank deposits	-	-	3	-	3	0.5%
	-	-	68	50	118	
Financial liabilities						
Trade and other payables	-	-	-	120	120	-
Short-term loans from unrelated parties	4	-	-	-	4	7.5%, 15%
Short-term loans from related parties	1	-	-	-	1	8%
						MLR, MLR-0.35% and MLR-1%
Long-term loans	-	-	138	-	138	
Long-term loan from unrelated party	-	57	-	-	57	7.5%
Long-term loans from related parties	-	31	-	-	31	1%, 7.5%
Liabilities under finance lease agreements	-	2	-	-	2	1.92%-5.01%
	5	90	138	120	353	

Separate financial statements as at 31 December 2014

	Fixed interest rate		Floating	Non-	Total	Interest rate
	Within 1 year	1-5 years	interest rate	interest bearing		
			(Million Baht)			(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	4	24	28	0.40-0.63%
Trade and other receivables	-	-	-	22	22	-
Accrued income	-	-	-	2	2	-
Short-term loan to related parties	-	-	499	-	499	1%, 4%, 7.5%, MLR-3%, MLR+0.5%, MLR+1%
Restricted bank deposits	-	-	3	-	3	0.5%
Long-term loans to related parties	-	87	-	-	87	12.5%
	-	87	506	48	641	
Financial liabilities						
Trade and other payables	-	-	-	9	9	-
Share payable	-	-	-	50	50	-
Long-term loans	-	-	165	-	165	MLR-0.35% and MLR-1%
Long-term loan from unrelated party	-	57	-	-	57	7.5%
Long-term loans from related parties	-	44	-	-	44	1%, 7.5%

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Separate financial statements as at 31 December 2014

Fixed interest rate		Floating	Non-	Total	Interest rate
Within 1 year	1-5 years	interest rate	interest bearing		
		(Million Baht)			(% p.a.)
-	101	165	59	325	

Separate financial statements as at 31 December 2013

Fixed interest rate		Floating	Non-	Total	Interest rate
Within 1 year	1-5 years	interest rate	interest bearing		
		(Million Baht)			(% p.a.)

Financial assets

Cash and cash equivalents	-	-	14	1	15	0.40-0.63%
Trade and other receivables	-	-	-	7	7	-
Accrued income	-	-	-	3	3	-
Short-term loan to related parties	-	-	246	-	246	1%, 4%, 7.5%, MLR-3%, MLR+0.5%, MLR+1%
Restricted bank deposits	-	-	3	-	3	0.5%
Long-term loans to related parties	-	76	-	-	76	12.5%
	-	76	263	11	350	

Financial liabilities

Trade and other payables	-	-	-	10	10	-
Short-term loans from unrelated parties	1	-	-	-	1	7.5%
Short-term loans from related parties	-	-	7	-	7	-
Long-term loans	-	-	131	-	131	MLR-0.35% and MLR-1%
Long-term loan from unrelated party	-	57	-	-	57	7.5%
Long-term loans from related parties	-	31	-	-	31	1%, 7.5%
	1	88	138	10	237	

Foreign currency risk

The Group has no significant exposure to foreign exchange risk. As a result, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk since management believes that future movements in market foreign exchange will not materially affect the Group's operating results.

35.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature and loans and borrowings bear interest rates close to market rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

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A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

36. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 0.3:1 (2013: 0.3:1) and the Company's was 0.2:1 (2013: 0.2:1).

37. Event after the reporting period

In accordance with the Extraordinary General Meeting of Shareholders No.2/2014 held on 17 December 2014, the Company allocated 275,675,474 new ordinary shares at an offering price of Baht 1.10 per share, totalling Baht 303,243,021 to the existing shareholders who subscribed the Rights Offering shares of the Company and approved the issuance of Warrants to purchase new ordinary shares of the Company No.4 (E-W4) of 2,205,403,790 units issued to the shareholders who received the allotment of the Rights Offering shares as detailed below:

Number of warrants:	2,205,403,790 units
Offering price:	Subscription ratio of 6 ordinary shares to 8 warrants at an offering price at an Baht 0.00 per warrant (free of charge)
Conversion ratio:	10 warrant per 1 ordinary share
Exercise price:	Baht 1.50 per ordinary share
Exercise period:	The holders of warrants can exercise their right one time at the warrant expiration date. The last exercise date can be made on 2 February 2016.
Tenor of warrant:	One year from the issuance date (from 3 February 2015 to 2 February 2016).

The Company allocated 2,205,403,790 warrant units of E-W4 at an offering price of Baht 0.00 per warrant, and issued to the shareholders on 5 February 2015.

Warrants to purchase ordinary shares of Evolution Public Company Limited No. 4 (E-W4) have been authorised by the Stock Exchange of Thailand for trading on the Market for Alternative Investment (MAI) commencing on 16 February 2015.

The Company has registered the change in the registered share capital from Baht 2,350,000,000, divided into 2,350,000,000 ordinary shares with a par value of Baht 1 per share to the new registered share capital of Baht 2,887,153,921, divided into

Evolution Capital Public Company Limited and its subsidiaries
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2,887,153,921 ordinary shares with a par value of Baht 1 per share. The Company registered the increase of share capital with the Ministry of Commerce on 15 January 2015.

The Company has registered the change in the issued and paid-up capital from Baht 1,654,052,845, divided into 1,654,052,845 ordinary shares with a par value of Baht 1 per share to the new issued and paid-up capital of Baht 1,929,728,319, divided into 1,929,728,319 ordinary shares with a par value of Baht 1 per share. The Company registered the increase of share capital with the Ministry of Commerce on 4 February 2015.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2015.

President, Directors and Executive Management Background

No	Name / Surname	Age	Education	Percentage of Shares	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
1	Mr. Krit Srichawla	38	<u>Bachelor Degree</u> BBA. American University of Hawaii, USA	5.82% (96,297,600 shares)	Nephew of Mr. Amorn Srichawla	2012 - Present	President	Evolution Capital PCL
			<u>Master Degree</u> MBA. American University of Hawaii			1994 - Present	President	Fico Corporation Co., Ltd. - Hospitality/Property Development/Trading
2	Mr. Simon Morris Gerovich	38	<u>Bachelor Degree</u> B.A., <i>cum laude</i> , Applied Mathematics Harvard University, USA	-	-	2007 - Present	Director	Evolution Capital PCL
			Thai Institute of Directors -DAP			2005-2007	Managing Director	Sphinx Partners Co., Ltd. - Real Estate Consultancy
						2000-2005	Derivative Trader	Goldman Sachs (Japan) - Investment Bank
3	Mr. Mark Michael Reinecke	47	<u>Bachelor Degree</u> LLB. London School of Economics, UK	-	-	2007 - Present	Director/ Chief Executive Officer	Evolution Capital PCL
			Thai Institute of Directors -AP			2013 – Present	Chief Investment Officer (Acting)	
						2002 - Present	Director	Kudu Co., Ltd. - Holding Company
4	Mr. Amorn Srichawla	44	<u>Bachelor Degree</u> Bachelor in Chemistry and Textile, Bangkok Technical College, Thailand	5.52% (91,269,600 shares)	Uncle of Mr. Krit Srichawla	2012 – Present	Director	Evolution Capital PCL
						1994 – Present	Director	Fico Corporation Co., Ltd. - Hospitality/Property Development/Trading

President, Directors and Executive Management Background

No	Name / Surname	Age	Education	Percentage of Shares	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
5	Mr. Sanjay Singh	54	Bachelor Degree Bachelor of Technology, Banaras Hindu University, India	0.66% (10,847,640 shares)	-	2012 - Present	Director/ Chief Executive Officer - Food Businesses	Evolution Capital PCL
						2010 - Present	Managing Director	Fico Corporation Co., Ltd. - Hospitality/Property Development/Trading
						2008 - 2010	Director/ Executive Vice President - Real Estate Investment	Capital Advisory Services (Thailand) Ltd. - Real Estate Management
6	Mr. Hugh Andrew*	48	Bachelor Degree Corporate Real Estate, Corenet Global	-	-	2012 - Present	Director	Evolution Capital PCL
7	Mr. Witit Sujjapong	61	Master Degree M.S. in Economics, Hitotsubashi University, Japan	0.05% (600,000 shares)	-	2006 - Present	Chairman of Audit Committee/ Independent Director	Evolution Capital PCL
			Bachelor Degree B.S. in Economics, Hitotsubashi University, Japan			2005 - Present	Audit Committee /Director	Easy Buy PCL. - Consumer Finance
			Thai Institute of Directors - Director Certification Program (DCP57)			2006 - Present	Director	Advanced Concept Plating Co., Ltd. - Electronic parts manufacturer
8	Mr. Krish Dettter	46	Bachelor University of Southern California, Los Angeles, U.S.A.	0.04% (570,300 shares)	-	2007 - Present	Audit Committee /Independent Director	Evolution Capital PCL
			Thai Institute of Directors - Director Certification Program (DCP)			2007 - Present	Managing Director	Espy Capital Co., Ltd. -Sanitary ware
						2002 - 2006	Vice President, Head of Capital Markets Department	SCB Securities Co., Ltd. - Investment Banking

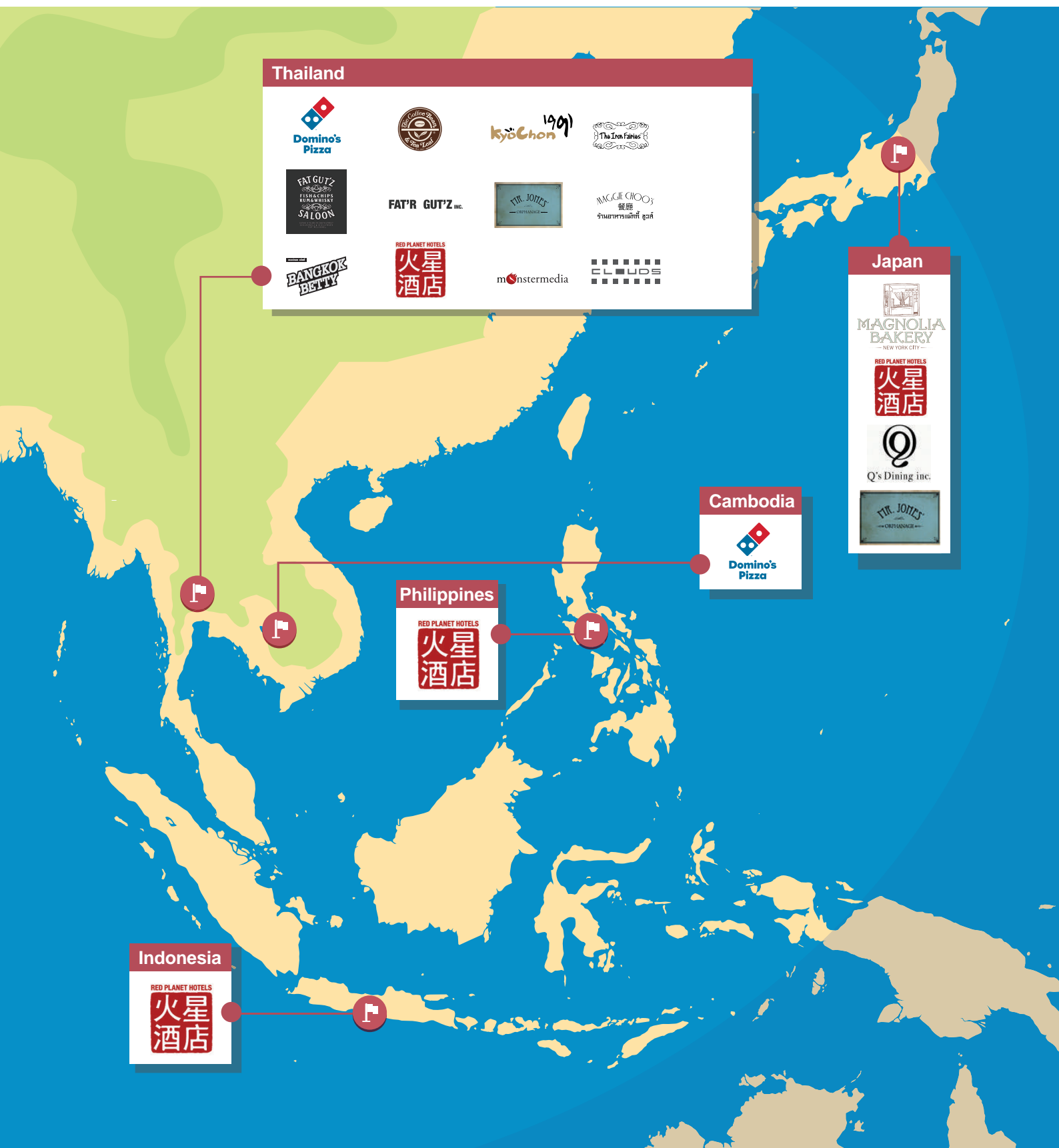
President, Directors and Executive Management Background

No	Name / Surname	Age	Education	Percentage of Shares	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
9	Mr. Viroj Tangjetanaporn	54	Bachelor Degree Bachelor in Finance, University of New South Wales, Australia	-	-	2012 - Present	Audit Committee /Independent Director	Evolution Capital PCL
			Thai Institute of Directors - Director Accreditation Program (DAP)/ Audit Committee Programme (ACP)			2011 - Present	Director	PropMaxx Co., Ltd.
						2007 - Present	Chairman of Audit Committee/ Independent Director	UOB Kay Hian Securities (Thailand) PCL - Investment Banking
						2013 - Present	Director	Evolution Capital PCL
10	Mr. Akarat Na Ranong	61	Master Degree Business Administration (Management), Marshall University, U.S.A.	-		2011 - Present	Lecturer	Mahidol University - College of Music
						2011 - Present	Independent Director / Chairman of Audit Committee / Nominating and Remuneration Committee	Krungthai Card PCL - Consumer Finance
						2011 - Present	Independent Director / Audit Committee	Finansa PCL - Financial Advisory and Management
			Bachelor Degree Economics, Chulalongkorn University			2011 - Present	Independent Director / Audit Committee	Finansa Securities Co., Ltd. - Investment Banking
11	Ms. Pattama Joednapa*	35		0.01% (81,697 shares)	-	2011 - Present	Independent Director / Audit Committee	Finansa Asset Management Co., Ltd. - Fund Management
						2010 - Present	Independent Director / Chairperson of the Audit Committee	Matching Maximize Solution PCL - Media & Publishing
						2007 - 2014	Chief Financial Officer	Evolution Capital PCL.
			Master Degree Master of Science in Finance Chulalongkorn University, Thailand					

President, Directors and Executive Management Background

No	Name / Surname	Age	Education	Percentage of Shares	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
			Bachelor Degree Bachelor of Business Administration (Accounting) Srinakharinwirot University, Thailand			2005 – 2007	Senior Accountant	Sphinx Partners Co., Ltd. - Real Estate Consultancy
12	Mr. Chokdee Wisansing	50	Bachelor of Commerce, Lincoln University Canterbury, New Zealand	-	-	Present	Chief Operating Officer	Evolution Capital PCL
			Bachelor Degree Bachelor of Arts (Economics, Thammasat University – Bangkok, Thailand			2011 - 2014	Chief Operating Officer	Yum Restaurants International (Thailand) Co., Ltd.
13	Ms. Katrina Bignasca	40	Bachelor Degree Bachelor of Commerce (Accounting) sub-major Law, University of Western Sydney, Nepean NSW	-	-	Present	Chief Financial Officer	Evolution Capital PCL
						2013 - 2014	Chief Financial Officer	Biodegradable Packaging for Environment PCL

Note: Mr. Hugh Andrew resigned on November 2014; Ms. Pattama Joednapa resigned on June 2014



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