

รายงานประจำปี 2552

ANNUAL REPORT 2009



ACAP ADVISORY PUBLIC COMPANY LIMITED

บริษัท เอเคป แอ็ดไวซอรี่ จำกัด (มหาชน)



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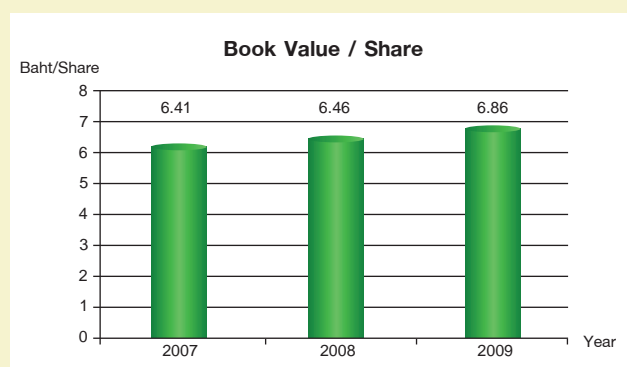
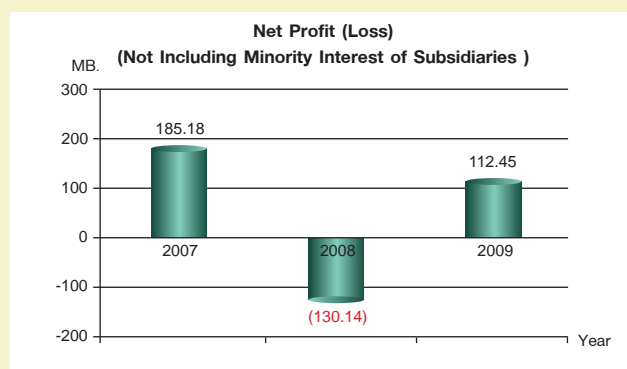
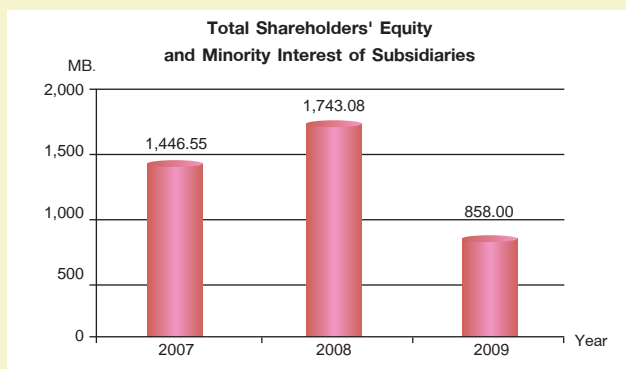
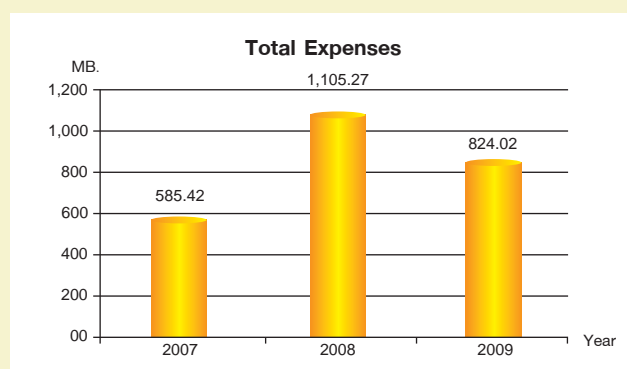
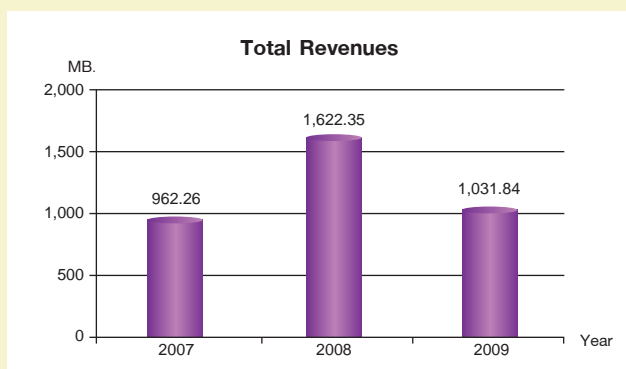
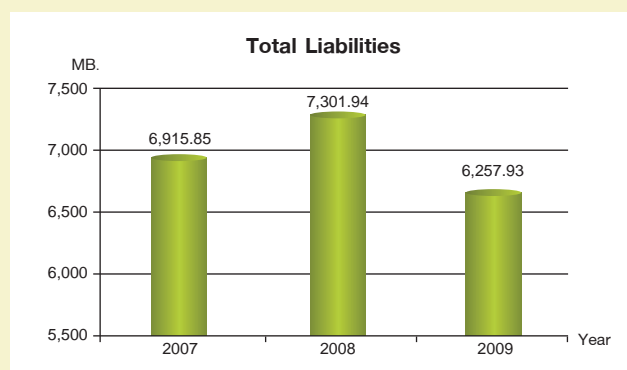
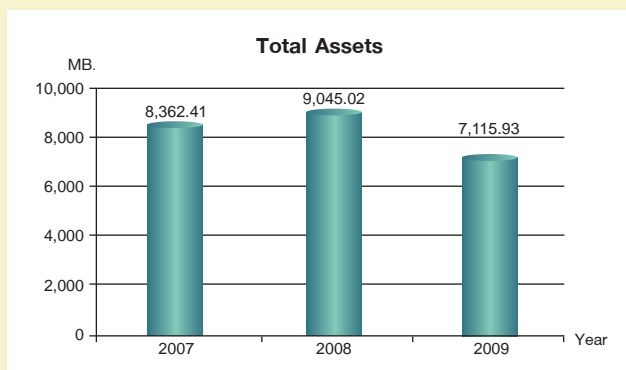


Financial Highlights

Financial Position	2007	2008	2009
Total Assets (Million Baht)	8,362.40	9,045.02	7,115.93
Total Liabilities (Million Baht)	6,915.85	7,301.94	6,257.93
Total Shareholder's Equity and Minority Interest of Subsidiaries (Million Baht)	1,446.55	1,743.08	858.00
Operational Performance	2007	2008	2009
Total Revenues (Million Baht)	962.26	1,622.35	1,031.84
Total Revenues from Services (Million Baht)	564.73	1,313.65	612.91
Total Cost of Services (Million Baht)	127.73	203.15	176.05
Total Administrative Expenses (Million Baht)	457.70	873.12	619.49
Net Profit (Loss) Not Including Minority Interest of Subsidiaries (Million Baht)	185.18	(130.14)	112.45
Net Earning per Share (Baht)	1.81	(1.04)	0.90
Book Value per Share (Baht)	6.41	6.46	6.86
Ratio Analysis	2007	2008	2009
Liquidity Ratio (Times)	3.15	2.69	0.73
Gross Profit Ratio (%)	86.73	87.48	82.94
Net Profit Ratio (%)	19.24	(8.02)	10.90
Return on Equity (%)	38.94	(17.78)	13.50
Return on Assets (%)	3.91	(1.50)	1.39
Debt per Equity Ratio (Times)	4.78	4.19	7.29



Financial Charts





Message from The Chairman

The 2.3% decline in Thai GDP in 2009 indicates that the country's economy is still being affected by the global financial crisis which started two years ago. In addition, prolonged political tension is another impediment to the recovery of the economy. As a consequence, the Company has inevitably been impacted by these problems and the Board of Directors has had to tread carefully in managing the business. The economic slowdown has directly impacted employment levels and personal consumption which in turn impacts the Company. Much of the Company's business performance depends on the income and consumption of the workforce segment of the population.

With these problems and obstacles impeding the Company's growth, the Company has partially adjusted its business plans by not expanding its asset management service and by not bidding for new non-performing asset portfolios. Rather, the Company focused on managing its existing non-performing asset portfolios. In its asset management business in 2009, the Company was able to finalise debt settlements and restructuring plans on loans with a total principal value of THB 16,041 million, including THB 8,332 million in accounts that were closed, THB 4,056 million in accounts with restructuring plans approved and accounts pending settlement, and THB 3,652 million in accounts with existing debt restructuring agreements with servicing ongoing.

For the personal and consumer finance business, the Company achieved total debt collection of THB 1,200 million in 2009. Due to current economic conditions and a highly competitive environment, the Company slowed down approvals of new consumer loans and other personal credit, and concentrated on collecting repayments on existing accounts. In order to counter the decline in revenue from this segment, the Company expanded its service offering by providing debt collection and call centre services to other companies and financial institutions which started at the end of 2009. The Company is confident that the revenue from these new businesses would adequately offset the decline in revenue from its personal and consumer finance business.

At the end of December 2009, the Company purchased 91,874,994 common shares of Capital OK Co., Ltd., or 49% of total issued shares, from CAP OK's other major shareholder, ORIX Corporation. As a result, the Company now holds 99.99% of total issued shares in CAP OK. The objective of this investment is to enable the Company to steer CAP OK towards sustainable growth.



Regarding financial results of the Company and subsidiaries in 2009, total assets decreased from THB 9,045 million at end of 2008 to THB 7,116 million at end of 2009, and total liabilities decreased from THB 7,302 million at end of 2008 to THB 6,258 million at end of 2009. Revenue declined from THB 1,622 million during 2008 to THB 1,032 million during 2009, while total expenses decreased from THB 1,105 million during 2008 to THB 824 million during 2009. Net profit attributable to equity holders of the Company increased from THB (130) million during 2008 to THB 112 million during 2009. Shareholders' equity including minority interest decreased from THB 1,743 million at end of 2008 to THB 858 million at end of 2009 as a result of the Company's acquisition of the minority shareholding in CAP OK.

The Board of Directors pays attention not only to financial performance but, as the representatives of the shareholders, also to conducting business under Good Corporate Governance. This has been confirmed by the Thai Institute of Directors (IOD) with the Good Corporate Governance rating of "Very Good" given for the Company in IOD's Corporate Governance Report of Thai Listed Companies 2009.

Shareholders can be confident that the Board of Directors, the Management team and the rest of the staff will lead the Company and subsidiaries through all obstacles with stability and transparency in hopes of repaying shareholders for their kind and continuous support of the Company.

Dr. Vivat Vithoontien
Chairman

Board of Directors

Executive Directors



1. **Dr. Vivat Vithoontien**

Chairman /
Chief Executive Officer

2. **Mr. Anake Pinvanichkul**

Director / Executive Director

3. **Mr. Saringkarn Sutaschuto**

Director / Executive Director

4. **Ms. Suvimol Pumpaisanchai**

Director / Executive Director

5. **Mr. Issarachai Decharit**

Director / Executive Director

6. **Mr. Chalermchai Sirinopawong**

Director / Executive Director

7. **Mr. Parankoon Waiyahong**

Director / Executive Director

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Directors



Independent Directors



8. Mr. Harukazu Yamaguchi

Director

9. Mr. Hideo Ichida

Director

10. Mr. Hideaki Shimizu

Independent Director

11. Mr. Nicholas Alexander Hamilton

Independent Director

12. Mr. Suraphol Sindhuvanich

Independent Director / Chairman of the Audit Committee /
Member of the Nominating and Compensation Committee

13. Ms. Narumol Wangsatorntanakun

Independent Director / Member of the Audit Committee /
Chairman of the Nominating and Compensation Committee

14. Mr. Chatchawan Triamvicharnkul

Independent Director / Member of the Audit Committee /
Member of the Nominating and Compensation

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Important Events in 2009

Increase in Shareholding in Capital OK Co., Ltd. to 99.99%

On 21 December 2009, the Company received approval from the Company's shareholders to acquire additional common shares in Capital OK Co., Ltd. in the amount of 91,874,994 shares, or 49.01% total shares issued and paid up, from the Company's other major shareholder, ORIX Corporation. As a consequence, the Company, which was already holding 50.99% of shares, now has 99.99% of total shares issued and paid up.

Changes to ACAP Services Co., Ltd.

Company subsidiary, ACAP Services Co., Ltd., had its registered capital increased to THB 10 million and its name changed to Global Service Center Co., Ltd. ("GSC"). This was to reflect its expansion into providing receivables collection services and call center services.

Capital OK Co., Ltd. Business Diversification

The Consumer Finance business of Capital OK Co., Ltd. ("CAP OK"), expanded its business offering to include receivables collection services, call center services and credit analysis services in order to offset declining revenue in the personal and consumer financing business.

2009 Financial Results

The Company and subsidiaries in 2009 had total assets of THB 7,116 million, a decrease of THB 1,929 million from the previous year. Major components of assets are investments in non-performing assets, cash or cash equivalents, loans to subsidiaries for purchase of non-performing assets, loans for personal and consumer finance and interest receivable which altogether amount to THB 6,700 million.

The Company and subsidiaries also had total liabilities of THB 6,258 million, a decrease of THB 1,044 million from the previous year. Most of the liability comprise long-term loans from financial institutions and loans from related companies amounting to over THB 5,900 million. As at the end of 2009, the Company and subsidiaries had paid-up capital of THB 125 million, with 125 million shares issued and paid up at a par value of THB 1 per share. Shareholders' equity, including minority interest in subsidiaries, was THB 858 million, a reduction of THB 885 million due mainly to the Company's acquisition of the minority equity interest portion in CAP OK.



The Company and subsidiaries reported total revenues of THB 1,032 million, a decrease of THB 590 million from the previous year. Of this THB 1,032 million, THB 146 million was revenue from services of non-performing assets management. THB 324 million was from interest received on loans owned by ACAP AMC and STAR AMC, while THB 142 million was from interest received on personal and consumer loans and credit card accounts owned by CAP OK. Other revenue of THB 419 million was from recovery of doubtful debts and a gain on the acquisition of the minority interest in CAP OK.

The Company and subsidiaries reported total expenses of THB 824 million, which is THB 281 million below the previous year. This decrease was primarily because of the reductions in selling and administrative expenses and the cost of services, which are the major expenses from the asset management business and the consumer financing business.

The slowing down of bidding for new non-performing asset portfolios has resulted in a decrease in the provision for non-performing assets. As a consequence, the Company reported an increase in shareholders' equity from THB -130 million to in 2008 to THB 112 million in 2009.

To finance the Company's acquisition of CAP OK shares from ORIX in 2009, the Company borrowed THB 760 million. This resulted in an increase in the Company's Debt-to-Equity Ratio from 4.19 times in 2008 to 7.29 times in 2009. However, the source of the loan was CAP OK, a wholly-owned subsidiary of the Company. The Company's Current Ratio decreased from 2.69 times to 0.73 times. Meanwhile, the Company's Return-on-Equity increased from (17.78%) to 13.50% year over year and Return-on-Assets increased from (1.50%) to 1.39%.

THE BOARD OF DIRECTORS

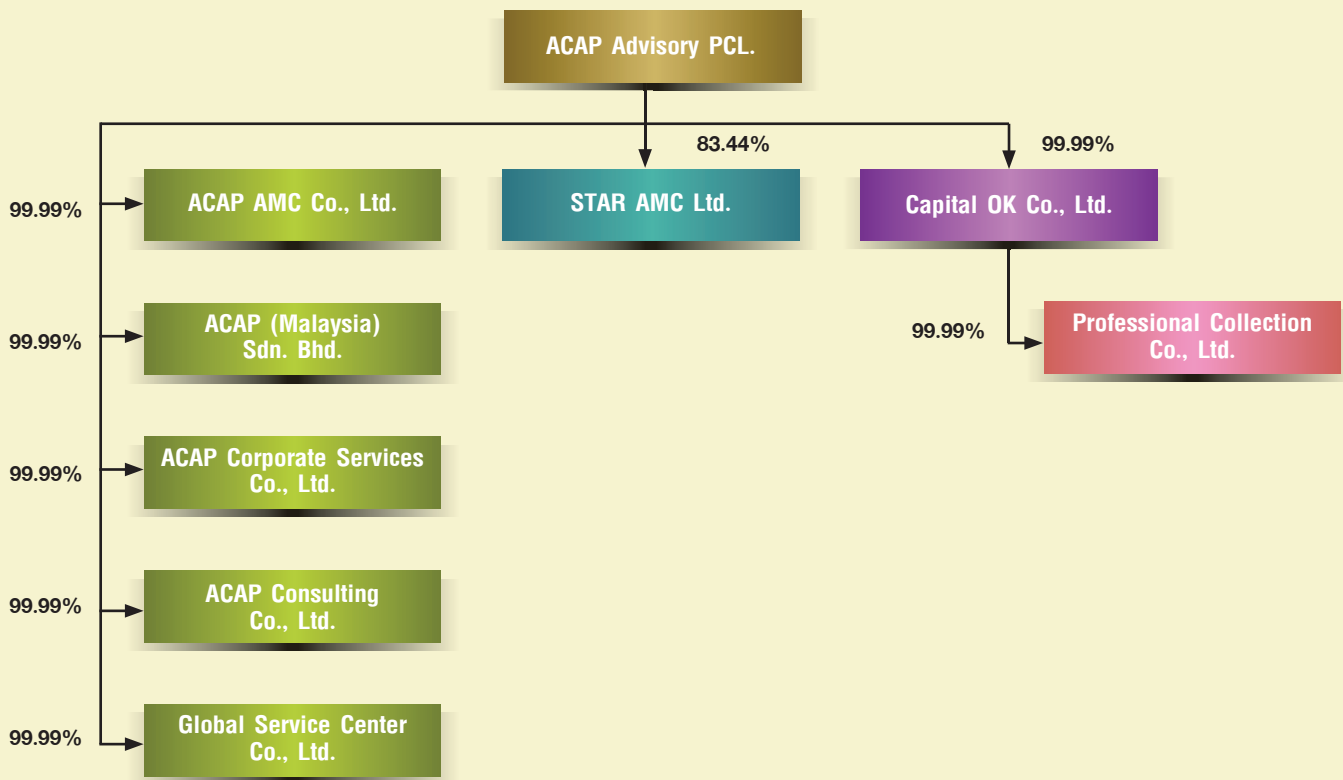


NATURE OF BUSINESS

1. Company Profile

ACAP Advisory Public Company Limited, formerly known as Asian Capital Advisers Company Limited, was established in 1998 by Dr. Vivat Vithoontien, an experienced professional in finance. Initially the Company provided corporate finance and investment banking advisory services to companies and individuals facing financial difficulties during the 1997 economic crisis. The Company provided services such as debt restructuring, creditor negotiations and fund raising. The Company’s business subsequently expanded into non-performing loan (NPL) asset management services in response to the growing number of NPLs held by financial institutions and thus creating demand for this service from skilled professionals. The corporate history of the Company is shown below.

2. The Company and Subsidiaries





Wholly-Owned Subsidiaries (99.99% shareholding)

1. ACAP Asset Management Company Limited (“ACAP AMC”) – THB 25 million registered and paid-up capital. This company obtained permission from the Bank of Thailand on February 3, 2006 under Asset Management Royal Decree of B.E. 2541 to provide non-performing asset management services.

2. ACAP (Malaysia) SDN. BHD. (“ACAP MALAYSIA”) – MYR 500,000 (approximately THB 5,500,000) registered and paid-up capital. This company provides non-performing asset management services in Malaysia.

3. ACAP Corporate Services Company Limited (“ACS”) – formerly Asian International Planners Co., Ltd. (“AIP”) – THB 10 million registered and paid-up capital. This company is certified by the S.E.C. to provide financial advisory service and is certified by the Business Reorganization Office of the Ministry of Justice to provide business rehabilitation planning and administration.

4. ACAP Consulting Company Limited (“ACON”) – THB 1 million registered and paid-up capital. This company provides legal advisory and related services to the Company and subsidiaries, as well as to other clients.

5. Global Service Center Company Limited – formerly ACAP Services Company Limited – THB 10 million registered and paid-up capital. This company invests in assets and systems that support the non-performing asset management operations of the Company and has expanded its business to provide receivables collection and call centre services to other companies and financial institutions.

6. Capital OK Company Limited (“CAP OK”) – THB 1,875 million registered and paid-up capital. This company provides consumer finance services such as unsecured personal loan, sales finance, credit cards and hire purchase under the brand “Capital OK”.

Majority Owned Subsidiaries

7. Star Asset Management Limited (“STAR AMC”) – THB 25 million registered and paid-up capital and 83.44% of issued shares held by the Company. This company is licensed by the Bank of Thailand under Asset Management Royal Decree of B.E. 2541 [1998] to provide asset management services.

Other Subsidiaries

8. Professional Collection Company Limited (“PCOL”) – THB 20 million registered and paid-up capital and 99.99% of issued shares held by CAP OK. This company provides debt collection services to CAP OK.



3. Revenues Structure

ACAP Advisory PLC and Subsidiaries

Type of Revenues	Service Providers	2007		2008		2009	
		Audited		Audited		Audited	
		M.Baht	%	M.Baht	%	M.Baht	%
Revenue from service providing	ACAP / ACAP AMC / STAR AMC / ACAP (Malaysia) / CAP OK	111.50	11.59	131.29	8.09	145.97	14.15
Interest received from NPL management business	ACAP AMC / STAR AMC	395.09	41.06	776.54	47.87	324.44	31.44
Interest received from consumer finance services	CAP OK	58.14	6.04	405.81	25.01	142.50	13.81
Other income*	ACAP / CAP OK	397.53	41.31	308.71	19.03	418.93	40.60
Total Revenue		962.26	100.00	1,622.35	100.00	1,031.84	100.00

* Main components of other income:

1. Recovery of bad debts written-off
2. Negative goodwill

4. The Company's Services

The Company and its subsidiaries provide services primarily in 3 business areas, namely: 1) Non-performing Asset Management; 2) Personal and Consumer Finance; and 3) Corporate Finance and Investment Banking Advisory. Each business is managed by staff with experience and skills in relevant specialist areas in finance.

4.1 Non-performing Asset Management

Since the Asian Financial Crisis in the late 1990's, Thailand has been tremendously impacted by debt problems of Thais and Thai businesses in various industries. Thus, the Company believes that providing asset management servicing of non-performing loans (NPL) is a growth business. Financial institutions often have difficulty resolving their NPLs because they may lack the skills and the staff to do the job effectively.

Before entering the asset management business, the Company originally built a strong reputation in providing advisory services for debt restructuring. In addition, its status of being independent from local financial institutions, has made it well accepted by both creditors and debtors. As a logical next step, the Company expanded its business to asset management services by offering to manage NPLs for financial institutions and other asset management companies. The Company's management service includes contacting and negotiating with debtors, overseeing the legal enforcement and auction process and selling repossessed collateral. The scope of the Company's asset management service is summarised as follows:



- Act as representative of the creditor in negotiating with debtors to conclude repayment schedules and debt restructuring plans according to guidelines prescribed by the creditor;
- Manage the collection of debts per conditions stated in debt restructuring plans;
- Manage the collection process once the debtor has defaulted;
- File litigation documents and undertake the enforcement process of collateral up to and including selling the collateral through the public auction process;
- Manage repossessed assets;
- Maintain related information of each debtor, the collateral, debt restructuring and settlement conditions, and other information necessary for providing complete and up-to-date information to the creditor.

The Company provides asset management services to other financial institutions as well as to its subsidiary companies.

A. Asset Management Services Provided to Other Financial Institutions

An important factor in the success of the Company's asset management services is its investment in sophisticated computer software systems beginning in 2004. The Company also continuously develops its own software systems and programs which are customised to the portfolios being managed. This results in highly efficient and cost effective asset management operations. The Company has also registered copyrights for these software programs with ACAP Services Co., Ltd. as the owner of these intellectual assets, which then leases them back to the Company and subsidiaries engaged in the asset management business.

The Company has about 100 employees working in asset management operations under the responsibility of the Deputy Managing Director of Asset Management. The selection and recruitment of staff differs from those in the financial and investment banking advisory business since non-performing loan portfolios have various types of debtors with different characteristics. To efficiently operate its asset management business and successfully handle debtors in various NPL portfolios, the Company must have specialist staff skilled in various aspects of asset management business.

The Company divides its asset management business into two major sections – the asset management team and the operations team. Both teams are divided into smaller work units such as Debt Management, Asset Sales, Litigation Management, Appraisal, Finance and Accounting, Legal and Loan Contract Documentation, Information Technology, Administration and Human Resources, and Internal Audit.

As of the end of 2009, the Company had eight active servicing contracts with asset management companies that own NPL portfolios. These portfolios altogether at year-end had a total outstanding principal value of THB 41,494 million. In addition, ACAP (Malaysia) Sdn. Bhd., a wholly owned subsidiary company based in Malaysia, provides asset management services to a local financial institution for a portfolio with an outstanding principal value of THB 2,500 million.



During 2009, the Company concluded debt resolutions, completed enforcements on collateral and serviced ongoing restructured loans totalling THB 16,041 million in principal value (excluding ACAP Malaysia Sdn. Bhd. operations). Of this total principal value, THB 8,332 million was on accounts that were closed during the year, THB 4,056 million was on accounts with restructuring plans that had been approved and accounts pending closing (including THB 294 million on accounts with collateral placed under auction), and THB 3,652 million was on accounts under ongoing servicing of existing restructured loans.

- **Fee Structure**

Fees charged for asset management services normally will be in the form of two types of fees as follows:

1. A cash collection fee which is a percentage based fee calculated on the net cash recovered from a portfolio and is collected from the portfolio owner on a quarterly basis.
2. An asset management fee, or base fee, which is the fee charged to cover overhead expenses such as human resources and office expenses and is collected from the portfolio owner on a monthly basis.

B. Asset Management Services Provided to Company Subsidiaries

The Company provides asset management services to two subsidiary companies, wholly-owned ACAP AMC and 83.44% owned STAR AMC. Both subsidiary companies are licensed by the Bank of Thailand to operate as Asset Management Companies under Asset Management Decree B.E. 2541 (1998). This enables the companies to bid for and acquire loan assets from financial institutions. The companies in turn subcontract the management of certain portfolios to the Company. The Company is servicing two NPL portfolios owned by ACAP AMC and two NPL portfolios owned by STAR AMC with a combined outstanding principal value of THB 370 million.

Fees charged to subsidiary companies for asset management services typically follow the same structure as for other financial institutions.



For the purpose of acquiring loan portfolios, ACAP AMC and STAR AMC have obtained credit facilities from various foreign financial institutions and from the Company as follows:

Subsidiary Company	Financial Institution	Relationship between Financial Institution and the Company	Credit Limit (MB)	Outstanding Credit as of Dec. 31, 2009 (MB)	Portfolio
ACAP AMC	Foreign Financial Institution	None	3,127.45	1,902.85	U01
	Foreign Financial Institution	None	1,560.00	1,452.94	T01
	The Company	Parent company	50.00	46.33	
STAR AMC	Foreign Financial Institution	Having a common director	60.70	8.32	S01 & S02
			456.50	233.86	S03
			899.62	433.03	S04
	The Company	Parent company	37.00	20.44	S03
	Foreign Financial Institution	Company shareholder and having a common director	2,614.61	1,103.50	K01
	The Company	Parent company	50.00	21.05	
	Foreign Financial Institution	Company shareholder	864.37	791.54	

At present, ACAP AMC has entered into loan agreements with a foreign financial institution to purchase two NPL portfolios with a total credit limit of THB 4,687 million and with a loan received from the Company in the amount of THB 50 million. STAR AMC has entered into loan agreements with a foreign financial institution which is a Company shareholder and with a related foreign financial institution with a total credit limit of THB 4,895.80 million to purchase 5 non-performing loan portfolios. STAR AMC also has loan agreements with the Company for an additional credit limit of THB 87 million.

Revenue Generated from Ownership of NPL Portfolios

As owners of NPL portfolios, ACAP AMC and STAR AMC generate revenues from the collection of principal and accrued interest payments from debtors. Collections may be subcontracted to the Company as part of the asset management contract or collections may be performed by the AMC. At present, ACAP AMC owns two non-performing loan portfolios which are serviced by the Company and STAR AMC owns five non-performing loan portfolios, of which two are managed by STAR AMC and the remaining three are subcontracted to the Company.



C. Litigation Management and Legal Services

Operating the non-performing asset management business inevitably involves filing for litigation, enforcing seizure of collateral, preparing legal contracts and related agreements for debt repayment and other legal work. Wholly-owned subsidiary, ACAP Consulting Co., Ltd. (“ACON”), coordinates and supervises litigation services conducted by third-party legal firms. ACON receives compensation in the form of service fees for this type of litigation management. ACON in some cases also conducts the litigation and enforcement work directly. ACON also provides legal advisory services to state entities, other financial institutions and other parties, such as registration work, legal case work, and tax law, SME law and labor law.

4.2 Personal and Consumer Finance

The personal and consumer finance business is managed by Capital OK Co., Ltd. (“CAP OK”) which is 99.99% owned by the Company. The business comprises four types of personal finance products as follows:

1. Personal Loans

This type of loan is unsecured and offers repayment periods from 12 – 60 months with minimum monthly instalments starting from THB 400. This loan is marketed as “Ready Cash”, “Instalment Loan” or “Revolving Credit” and allows borrowers to withdraw money up to the approved credit limit. Interest is then charged on the withdrawn amount outstanding.

2. Sales Finance

This type of loan is granted to customers for the purpose of purchasing goods or services. The repayment is made in instalments within a specified period and charged at a defined flat fee rate depending on the type of product or service. Such products, for example, can be electrical appliances, computers, car accessories or mobile phones. Terms and conditions are determined by credit approval policy.

3. Credit Card

Up until March 2009, the credit card business featured an affinity card issued jointly with Thai Air Asia (“TAA”). The TAA Card gave special privileges to cardholders such as collecting points to redeem for air tickets for flights to domestic and international locations. The TAA Card was discontinued at the end of March 2009.

CAP OK has also issued another credit card, the CAP OK Platinum Card, to increase its customer base.

Revenue from the credit card business is generated from interest charged monthly on credit balances outstanding on customers’ accounts.



4. Hire Purchase

CAP OK grants this type of loan for motorcycle purchases. Repayment is made in instalments as agreed and scheduled in the payment plan. The loan limit granted is based on the down payment. The instalment period is calculated based on the customer's financial status, motorcycle model and price. The interest charged is a flat fee rate as qualified by the customer. In some cases, the customer may be required to have a guarantor if his qualifications deviate from the credit approval policy.

Future Services

CAP OK plans to expand into new business in providing front-end customer service and back office functions to large companies such as financial institutions, mobile phone network providers and utility companies.

CAP OK has made significant investments over the years in IT, communications and operating systems infrastructure suitable for servicing high customer volumes. Together with its expertise in servicing and collecting personal credit, CAP OK is in an excellent position to expand into providing services such as receivables collection, call centre services and credit approval services.

This is similar to the expansion plans of GSC but they will be targeting different client companies with different customer profiles.

4.3 Corporate Finance and Investment Banking Advisory

Corporate finance and investment banking advisory is the business in which the Company became established. It involves providing financial advisory services such as for debt restructuring, merger and acquisition, sourcing of capital, NPL portfolio valuations and cash monitoring. The advisory business is now conducted by the Company's wholly-owned subsidiary, ACAP Corporate Services Co., Ltd. ("ACS"), which is licensed by the S.E.C. to operate as advisor in issuing and offering securities, listing a company on the S.E.T., and on mergers and acquisitions. ACS is also a qualified advisor for rehabilitation planning and plan administration under the Bankruptcy Act.

ACS's S.E.C. license is effective from December 3, 2008 to December 2, 2013. ACS has four licensed financial advisors certified by the S.E.C and ten staff involved in the financial advisory business. The majority of this business comes from client word-of-mouth recommendations, strong relationships between ACS management and the senior management of a wide range of other businesses, and recommendations from other financial institutions. Before accepting an assignment, ACS holds discussions with the potential client to analyse the problem and the client's objectives. Next, the Company assigns staff to conduct initial due diligence to start further analysing the problem and to verify the client's information. ACS then prepares a financial advisory service agreement which specifies scope of work, fees and terms and conditions. Once the agreement is signed, ACS conducts a detailed due diligence and begins providing advisory service based on the client's objectives and the agreed scope of work.



1. Debt Restructuring Services

- ACS develops debt restructuring plans, and can act as the clients' representative or mediator for negotiating, advising and scheduling the debt restructuring plan between creditors and debtors.
- In case the debtor restructuring plan is under the Central Bankruptcy Court, ACS is approved by the Rehabilitation Center of the Execution Department, the Ministry of Law, as an authorised and licensed rehabilitation planner and plan administrator in providing financial advisory services under Ministry of Law regulations.
 - In its role as Planner, ACS provides advice, information and document preparation for debt restructuring and rehabilitation planning, and other necessary documents for creditors and related parties to consider before approving the plan.
 - As a Plan Administrator, ACS manages the debtor's business and assets including purchasing, selling or other transactions concerning the client's assets. ACS may use the client's assets as collateral or guarantee to achieve the client's business objectives, and will file a petition to the Court for the client to exit the Rehabilitation Plan after it has fulfilled its obligations under the plan.

2. Investment Banking Advisory

- ACS provides advisory services on investment opportunities based on the client's needs, their financial structure, and the current investment trend and market conditions.
- Other types of investment banking advisory that ACS provides include:
 - Advisory services for issuing and offering investments in the form of equity instruments, debt instruments, and hybrid securities such as preferred shares, convertible debentures and warrants.
 - Advisory services for listing securities on the Stock Exchange of Thailand (SET)
 - Advisory services for mergers and acquisition or any transactions related to the SET and/or the S.E.C.
 - Advisory services for seeking business alliances
 - Advisory services for project finance

3. Other Financial Advisory Services

- Due diligence services for business operations, non-performing asset portfolio valuations, etc.
- Cash monitoring services
- Valuation services
- Project feasibility studies
- Management structure advisory
- Internal financial planning systems and cash management services
- Independent opinion on issues related to S.E.C. and SET regulations for listed companies



Financial and Investment Banking Advisory Fees

Fees charged for financial and investment banking advisory typically comprise two components:

1. A retainer fee based on a number of factors including the time and staff required for the project. The retainer fee will be charged on a fixed or monthly basis until the project is completed which normally takes approximately 6-12 months.
2. A success fee generally based on a percentage of the project value which is paid upon project completion.

5 Marketing and Competitiveness

The Company foresees that its core business operations in NPL asset management, financial and investment banking advisory, and personal finance should face higher competition as there are a number of new operators entering these businesses including government owned companies, private owned companies, and subsidiaries of the commercial banks. Therefore, the Company is adjusting and preparing for higher competition in order to keep the Company and its subsidiaries growing in the future.

5.1 Customer Types The majority of the Company's and subsidiaries' customers have been facing economic and financial problems, including the need to raise new funds for their business operations or for personal consumption. The impact of the slow-down in economic growth, weakening demand and political tensions in Thailand resulted in an increase in non-performing loans (NPLs). It is expected that the level of NPLs will significantly increase over the next 2-3 years making it likely that financial institutions will increase the auctions of their NPL portfolios for sale to asset management companies in the near future. During this economic slowdown, ACAP AMC and STAR AMC should have a greater opportunity to participate in bidding for NPL portfolios not only in Thailand but also for NPL portfolios from the ASEAN region the economic downtrend has impacted this region as well as the world in general. One of the Company's competitive advantages is that it has ACAP (Malaysia) Sdn. Bhd., a wholly-owned subsidiary, operating in the asset management business in Malaysia.

It is also expected that during this period of economic downtrend the financial advisory and investment banking business may benefit from debt restructuring assignments for companies that are especially impacted, namely those in the export, travel and hotel businesses. There is also an anticipation that the demand for personal loan and consumer finance will likely increase as interest rates decline. However, CAP OK's marketing and credit policies shall continue to be strict in order to prevent an increase in doubtful debts as customers may be impacted from the macro-economic problems.



5.2 Competitive Strategy

• Non-performing Asset Management

In managing NPLs, the Company carefully negotiates with debtors by offering various alternatives for solving their problems that is ideally suited for each individual debtor's financial status and repayment ability. For example, the Company will prepare a debt restructuring plan by fully considering a retail debtor's repayment ability, while careful consideration is given to a company or corporate debtor's business viability and repayment ability with the aim to enable the debtor's business to operate normally during implementation of the debt restructuring plan. In this business the Company relies on its competitive strengths, including:

- With the help of ACS and ACON, unrivalled success in acquiring NPL portfolios on behalf of investor clients. This is made possible through ACS' and ACON's expertise in financial and legal due diligence, valuation and bidding of NPL portfolios in the region.
- Subsidiaries that provide high quality support services, such as litigation management and BOT reporting and compliance.
- Financial institution partners that are ready to grant financing to ACAP AMC and STAR AMC to enable them to participate in the bidding process of NPL portfolios.
- Independence - being neither a subsidiary nor an affiliate any local financial institution thereby mitigating potential conflicts of interest with clients.
- Skilled and talented staff with substantial experience in debt recovery, asset management and lending.
- Implementation of efficient systems and structures that are transparent and facilitates internal control.
- Investment in sophisticated computer systems and information technology that allow clients to monitor the financial and accounting aspects of their portfolios.

• Personal and Consumer Finance

Since early 2008 CAP OK has adjusted its business strategy to reduce credit defaults by substantially tightening its credit approval policy. At the same time, CAP OK has increased the effectiveness of its debt collection operations by instituting customized collection strategies and by improving total quality management of its collection teams. Moreover, CAP OK has helped customers facing repayment problems due to the economic downturn by offering them debt restructuring plans which enables them to make repayments and to maintain a clean credit history.

At present, CAP OK has made provisions for doubtful and non-performing accounts of 64% of the total outstanding accounts receivable balance. For 2010, CAP OK will maintain its focus on a tight credit approval policy and process and will not expand its customer base but will monitor existing customers and offer additional financing as their loans are paid-off.



CAP OK has a number of competitive advantages in the personal and consumer finance business.

- **Wide Product Offering**

CAP OK offers a wide variety of financial products such as personal finance, installment loans and credit cards to serve the financial needs of customers.

- **Quick Approval Process**

The time taken during the credit approval process is considered an important factor in the customer's decision on whether to apply for financial products. CAP OK strives to provide financial services to customers with a short approval period while also thoroughly assessing the customer's background and repayment ability.

- **Customer Service Network**

CAP OK provides nationwide customer service through 10 branches in major cities such as Chonburi, Chiang Mai, Udonthani, and Suratthani.

- **Strict Monitoring Process**

After credit approval, CAP OK continuously follows-up on customers to assess their financial status and needs as well as to use this information for creating new products to serve customer demand.

- **Corporate Finance and Investment Banking Advisory**

To compete effectively in the financial advisory business, companies must have high quality staff that are skilled and experienced. ACS' area of expertise in particular has always been in the area of restructuring, reorganization and mergers and acquisitions. ACS therefore has not been reliant on underwritings or advisory for public listings. Thus, despite the slowdown in the primary capital markets, ACS has been able to obtain customers for debt restructuring services, and other debt related corporate finance services.

- ACS delivers value to its clients by combining skills, market knowledge and innovative solutions
- ACS has highly qualified and expert staff with many years of experience who understand the nature of the financial advisory and investment banking business and who have good relationships with both creditors and debtors.
- ACS has licensed financial advisors who have completed the Financial Advisory Program and are certified by Thailand's Investment Banking Association.
- ACS undergoes every painstaking process, from problem analysis to due diligence to extensive counterparty negotiations to ensure that only truly optimal solutions are reached for its clients.

5.3 Distribution Channels

- **Non-performing Asset Management**

The Company grows its asset management business by actively seeking new NPL portfolios for interested investors, including subsidiaries ACAP AMC and STAR AMC. The Company and subsidiaries closely research and follow trends in non-performing loan markets, and can quickly prepare for the intensive due diligence and bidding process when a suitable portfolio is put up for sale. The Company actively seeks new portfolios from financial institutions in Thailand and Malaysia, and in the near future other Southeast Asian ("SEA") countries.



- **Personal and Consumer Finance**

Although CAP OK has a much stricter credit approval policy now, customers can still apply for personal loans at CAP OK's head office in Bangkok and at branch locations nationwide in Ayudhaya, Chiang Mai, Nakorn Pathom, Pitsanulok, Udonthani, Nakorn Ratchasima, Surathani, Hadyai, Chonburi and Nakhon Si Thammarat.

- **Finance and Investment Banking Advisory**

Executives of ACS and of the other companies maintain strong networks with the boards and senior management of various local and foreign companies and investors. It is through this network that ACS finds or is introduced to clients requiring financial advisory services. Many of ACS' existing clients return to ACS to receive other advisory services. This includes creditors of ACS' debt restructuring clients after they have seen that ACS can create unique win-win solutions for both the debtor and the creditor.

In addition, with a consistent track record of successful transactions advised, ACS has gained a reputation in Thailand for providing high quality advisory services resulting in a number of clients seeking out ACS by word of mouth.

5.4 Target Customers

- **Asset Management**

Customers in the asset management business are investors of NPL portfolios and lending institutions holding NPLs in their loan portfolio. These investors and lenders can be government-owned or private companies, and sometimes will outsource asset management services to servicers like the Company in order to reduce cost and access debt collection expertise and sophisticated information technology.

Asset Management Contracts of the Company and Subsidiaries as of December 31, 2009

NO.	Port.	NPL Portfolio Owner	Portfolio Servicer	Contract Period		NPL Value ¹ (M Baht)
				Beginning	Ending	
1	S0 ¹	STAR AMC	STAR AMC	2006	-	187
2	S0 ²	STAR AMC	STAR AMC	2006	-	183
3	S03 ²	STAR AMC	ACAP Advisory Plc.	2006	2011	1,608
4	S04 ²	STAR AMC	ACAP Advisory Plc.	2006	2011	1,645
5	T01 ³	ACAP AMC	ACAP Advisory Plc.	2007	2010	4,115
6	U01 ³	ACAP AMC	ACAP Advisory Plc.	2007	2010	14,538
7	KL01 ³	Malaysian Financial Institution	ACAP Malaysia Sdn. Bhd.	2007	2010	2,500
8	P01	AMC in Thailand	ACAP Advisory Plc.	2008	2011	4,728
9	K01	STAR AMC	ACAP Advisory Plc.	2008	2011	7,712
10	S05	AMC in Thailand	ACAP Advisory Plc.	2008	2011	3,619
11	S06	AMC in Thailand	ACAP Advisory Plc.	2008	2011	3,528
Total						44,363

¹ Book Value of Debt

² Port S03 agreement extended from 2009-2011 and Port S04 agreement extended from 2010-2011

³ In process of service agreement renewal



- **Personal and Consumer Finance**

Customers for the personal and consumer finance business are individuals who need funds for various personal activities, such as education, travel, home improvement, etc. Borrowers range in age from 20 – 55 years and, based on current the credit policy, have a job with stable income of at least THB 40,000 per month. To apply, applicants are required to submit monthly salary slips to a credit officer who will also review the occupation to ensure the applicant does not have an occupation considered to be risky.

- **Corporate Finance and Investment Banking Advisory**

ACS' clients are medium to large size corporations in all sectors of industry including manufacturing, food and agriculture, real estate and financial institutions. They seek expertise on complex transaction structures and top notch match making ability with local and foreign investors and funders. Some debt restructuring customers have multibillion baht syndicated loans that require extensive creditor negotiations and refinancing by large foreign institutional funders.



Completed Financial Advisory Projects of the Company and Subsidiaries as of December 31, 2009

No.	Company/ Subsidiary	Client's Business	Type of Services	Contract Period		Debts/Funds Sourced * (THB million)
				Beginning	Ending	
1	ACAP	Computer & Electronics	Debt Restructuring + Sources for funds	2001	2002	2,400 400
2	ACAP	Furniture	Plan administration consultant + Sources for funds	2001	2002	1,040 100
3	ACS (AIP)	Real Estate	Plan & Plan administration	2001	2002	17,000
4	ACAP	Telecommunication	Debt Restructuring + Plan administration consultant	2002	2003	516
5	ACAP	Real Estate	Debt Restructuring	2002	2003	1,500
6	ACAP	Construction equipment	Debt Restructuring	2002	2003	1,400
7	ACAP	Construction equipment	Debt Restructuring Sources for funds	2002	2003	700 167
8	ACAP	Textile	Debt Restructuring	2002	2003	18,000
9	ACS (AIP)	Transformers	Debt Restructuring and Plan & Plan administration Sources for funds	2002	2004	1,650 400
10	ACAP	Canned Seafood	Debt Restructuring+ Sources for funds	2002	2004	3,986 600
11	ACAP	Canned Seafood	Debt Restructuring + Sources for funds	2002	2004	1,600 600
12	ACAP	Electrical Appliances	Debt Restructuring	2003	2003	416
13	ACAP	Construction	Plan administration consultant	2003	2004	1,100
14	ACAP	Real Estate	Debt Restructuring + Plan administration consultant	2004	2005	66,000
15	ACS (AIP)	Importer and distributor of chemical products	Debt Restructuring + Sources for funds	2004	2005	700 300
16	ACAP	Rubber Latex	Cash flow review	2004	2006	n. a.
17	ACAP	Lenses and Glasses	Private Placement + IPO	2004	2006	200 200
18	ACAP	Transformers	Sources for funds	2005	2006	1,680
19	ACAP	Financial Institution	Debenture bond offering	2005	2005	50,000
20	ACS (AIP)	Canned Fruit	Debt Restructuring + Sources for funds	2005	2006	1,100 400



No.	Company/ Subsidiary	Client's Business	Type of Services	Contract Period		Debts/Funds Sourced * (THB million)
				Beginning	Ending	
21	ACAP	Transformers	Financial Consultant	2006	2007	n. a.
22	ACS (AIP)	Machinery parts	Plan administration consultant + Sources for funds	2006	2007	2,665 400
23	ACS (AIP)	Food	Planner	2006	2008	19,033
24	ACAP	Electronics	Plan administration consultant + Sources for funds	2007	2007	3,221 772
25	ACAP	Food	Debt Restructuring + Sources for funds	2007	2007	1,359 63
26	ACS	Orange Farm	Plan administration consultant	2008	2009	112.24
27	ACS	Orange Farm	Plan administration consultant	2008	2009	906.56
28	ACS	Canned Fruit	Tender Offer Advisor	2009	2009	77.71
Total						202,764.51

Remark : * Project value equals the debt or fundraising size

Work in Progress Financial Advisory Projects of the Company and Subsidiaries as of December 31, 2009

No.	Company/ Subsidiary	Client's Business	Type of Services	Contract Starts in Year	Debts / Funds Sourced * (M Baht)
1.	ACS	Manufacture of motorcycles	Plan administration consultant + Sources for funds	2007	2,665.21 400.00
2.	ACS	Building and repairing of ships	Plan administrator	2008	821.55
3.	ACS	Manufacture of steel pole, highmast pole, lighting luminaire, steel pipe, Guard Rail	Plan administration consultant	2009	1,399.34
4.	ACS	Manufacturers of lace	Debt Restructuring	2009	910.88
5.	ACS	Manufacture of electronic valves and tubes and other electronic components	Debt Restructuring + Sources for Funds	2010	3,993.96 550.00
6.	ACS	Wholesale of machines, household appliances	Plan administration consultant +	2010	1,186.70
7.	ACS	Manufacture of Top-Up Mobile Phone Vending Machine	System accounting consultant	2010	n.a.
Total					11,927.64

Remark : * Project value equals the debt or fundraising size

Project value may change before project completion



5.5 Pricing Policies

In determining fees for financial advisory services, ACS basically considers the complexity of the project and the number of personnel needed. For debt restructuring clients, the Company also considers the client's capacity for generating cash flow and the project value. The fee will usually be in the form of a monthly retainer fee plus a success based fee based on a percentage of the transaction value.

Fees for retail customers under the personal and consumer finance business will be in form of monthly interest charges on credit balances outstanding, penalty fees, and service fees. CAP OK charges a range of interest rates on personal loans depending on the loan size, borrower profile and market rates, while interest charged on credit card balances is generally a flat rate for all accounts. The interest charged on personal loans is limited to no more than 28% interest p.a. and on credit card balances no more than 20% p.a. per ceiling rates announced by the Bank of Thailand.

For the non-performing asset management business, the Company charges its clients a base fee, or management fee, based on operating expenses required for servicing the loans and administering the NPL assets, and an incentive fee based on a percentage of debt collections. The base fee varies based on portfolio size, loan types and geographic locations of the borrowers.

6. Industry Outlook and Competition

Debt Restructuring and Non-Performing Asset Management Industry

The asset management industry was formed as a direct consequence of the 1997-98 economic crisis in Thailand. The crisis affected the financial and economic structure of the country in two ways. Firstly it negatively affected the liability structures and financial liquidity of many firms, especially those with foreign currency denominated debts, forcing them to enter the rehabilitation and/or bankruptcy process. It also affected the financial condition of ordinary workers who became unemployed during the economic crisis. Secondly, it resulted in substantial increases in non-performing loans (NPLs) held by financial institutions as large numbers of corporate and individual debtors faced financial difficulties and defaulted.

The government's response was to attempt to resolve the problem of increased bad debts by separating NPLs from the banking system and supporting banks by setting up government-owned asset management companies (AMCs), whereby the banks could transfer their NPLs to these AMCs or they could set up dedicated units themselves to manage their NPLs in-house. In addition, the government modified the Bankruptcy Act by adding the rehabilitation process into the bankruptcy process to hasten settlement of debtors' liabilities. Several important laws and royal decrees were enacted or amended by the government during 1997-2001 to alleviate the NPL problem (not including the establishment of the Financial Sector Restructuring Authority) and which resulted in the creation of new organisations and systematic processes for resolving the problems of both debtors and financial institutions. These laws and royal decrees include:



- **Emergency Decree on Financial Sector Restructuring B.E. 2540 (1997)** – The act was aimed by the Ministry of Finance at establishing the Asset Management Company or AMC, to manage NPLs transferred from Trust or Extinguished Financial Institutions that were held by the government’s financial rehabilitation and development fund (Financial Institutions Development Fund or “FIDF”).
- **Asset Management Royal Decree B.E. 2541 (1998)** – The act was aimed to protect the Asset Management Company in terms of assets and collateral transferred from financial institutions.
- **Bankruptcy Act (Amended B.E. 2542 (1999))** – The amended Act included the rehabilitation process which specified that a rehabilitation plan must be established and that the rehabilitation planner/administrator must manage the debtor’s assets and operate under this act.
- **Thai Asset Management Corporation Decree B.E. 2544 (2001)** – This decree was intended to hasten the process of separating NPLs from the banking and financial institution system. The Thai Asset Management Company Limited (“TAMC”) was established under this decree to manage transferred NPLs and carry out debt restructuring and management. The decree specified that all banks and asset management companies who are more than 50% owned by the government must transfer their non-performing assets to TAMC. However, any new NPLs emerging after the end of December 2000 were not covered by this TAMC Decree. The Decree also defined the transfer price, including dividend methodology, and scope of responsibilities of transferor and transferee in case of loss.

These enacted laws and royal decrees opened up new business opportunities in debt restructuring advisory, rehabilitation planning and management, and non-performing asset management services.

Industry Structure

The impact of these laws created a new industry and business opportunities. The industry structure involves client customers at three levels.

Level 1: Debtor - The debtor of a financial institution who is required to negotiate with the creditor to restructure its debts. Although some debtors can manage this by themselves, in many cases the debt is complex and thus advice from a specialist is required. Many cases enter into the rehabilitation process of the Bankruptcy Court so the debtor can continue to legally operate, which requires the appointment of a rehabilitation planner and plan administrator. Hence, new opportunities for debt restructuring professionals opened up.

The Company, in conjunction with ACS, is one of the few service providers to offer a comprehensive range of non-performing asset management services complemented by debt restructuring, rehabilitation planning and administration services, and other related financial advisory and investment banking services.

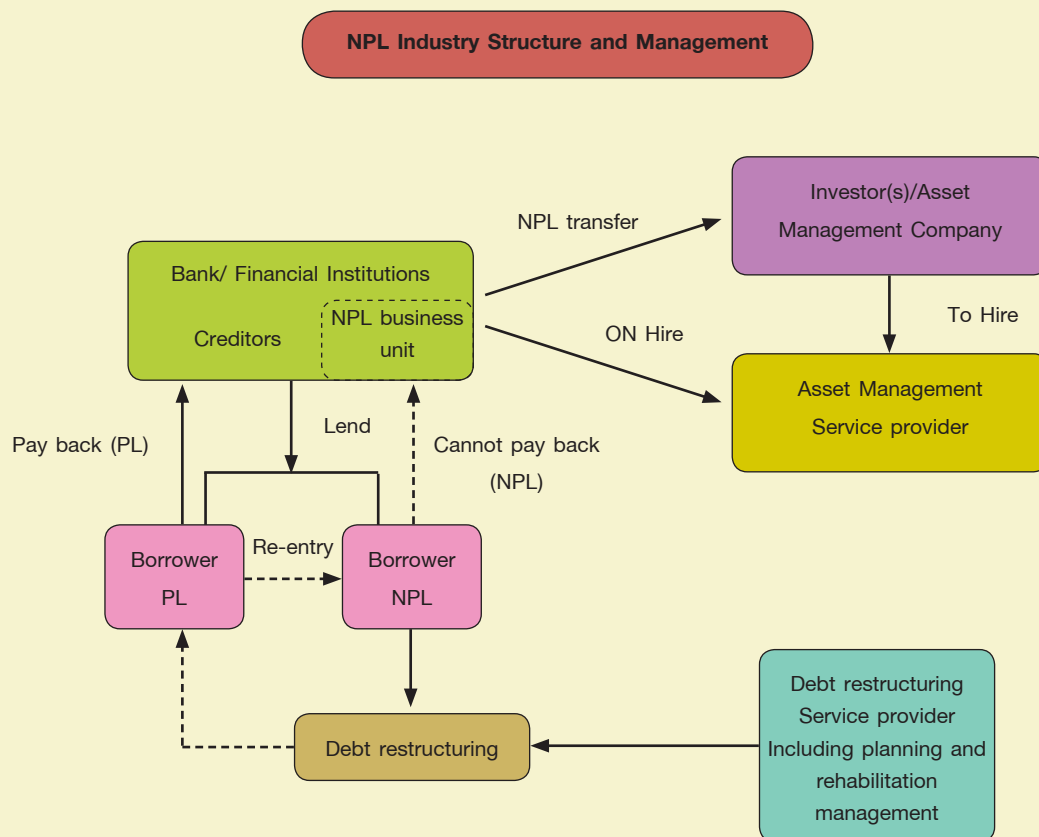
Level 2: Creditor - Most creditors are private commercial and/or government-owned banks. When loans of these banks became NPLs, they normally transferred some portions of their NPLs to the established asset management companies such as AMC or TAMC. However, some banks have not yet transferred significant portions of their NPLs, and still have large numbers of NPLs in their loan portfolios or they have restructured some NPLs that subsequently became re-entry NPLs. Generally, banks preferred to establish new specialised business units in-house to manage their NPL holdings. However, due to the high investment costs in information technology



and the difficult- to-acquire specialised skills needed to effectively manage NPLs, more recently there has been a tendency among the banks to hire independent NPL asset management specialists, such as the Company, to manage their NPLs.

Level 3: Asset Management Company/Organization (Owner/Manager of NPLs Transferred from Banks) – At this level, the government-owned Asset Management Companies have large numbers of NPLs and lack sufficient staff, expertise and IT resources to manage the transferred NPLs efficiently, as in many cases there are large numbers of relatively small NPLs spread throughout the country. Therefore, since asset management activities, including collection activities, legal enforcement actions and collateral management are expensive and can be complex, there has been a growing trend for the government-owned Asset Management Companies to hire independent specialists, such as the Company and its subsidiaries, to provide high quality NPL asset management services.

Hence, the growing demand from the level 2 and 3 parties has created more opportunities for independent, specialist non-performing asset management.





Market Size and Competition

The demand for debt restructuring and non-performing asset management services depends, among other factors, on the proportion of total NPLs in the financial system.

According to recent data from the Bank of Thailand (“BOT”) released on February 19, 2010, Gross NPLs outstanding (loans classified as Substandard, Doubtful, and Loss as per the BOT’s classification) in Thailand’s financial system, which includes commercial banks, foreign commercial banks, and securities companies (excluding credit foncier companies), at the end of the 4th quarter of 2009 was THB 379,461 million or 4.84% of total loans in financial system. These outstanding NPLs were mainly from the industrial sector, at THB 147,732 million, followed by the commercial, personal consumption, and real estate sectors, each with total outstanding NPLs of THB 50,000 – 55,000 million.

NPLs in 2009 increased over the previous year by THB 51,171 million. According to the BOT’s data at end of the 4th quarter of 2009, the sector with the largest absolute increase in NPLs was the industrial sector, where NPLs grew by THB 18,944 million, and accounted for 37.02% of the total increase in NPLs. Of the THB 18,944 million increase in industrial NPLs, THB 4,770 million were re-entry NPLs and THB 9,260 million were new NPLs. The consumer goods and commercial sectors also had large absolute increases in NPLs of THB 11,077 million and THB 6,808 million (or 21.65% and 13.30% of the total increase), respectively. Details of the increase in NPLs in 2009 by major sector are as follows:

Industry Type	As of End-4 th Quarter 2009 (THB million)			
	New NPL	Re-Entry NPL	Other	Total NPL
1. Agriculture, Fishery and Forest	228	276	123	627
2. Mining	164	380	2	546
3. Industrial Sector	9,260	4,770	4,914	18,944
4. Construction	532	338	61	931
5. Commercial Sector	3,560	2,269	979	6,808
6. Banking and Finance	3,463	3	185	3,651
7. Real Estate	1,394	1,076	437	2,907
8. Public Utility	370	258	27	655
9. Services	3,224	1,461	340	5,025
10. Personal Consumption	8,012	2,524	541	11,077
Total	30,207	13,355	7,609	51,171

Source: Data as of Dec. 31, 2009 and reported by Bank of Thailand on February 19, 2010.



The government has targeted to reduce Gross NPLs in the financial system to 2%-3% of total loans outstanding by end of 2013. This contrasts with the current amount of Gross NPLs of approximately at 4.84% of total loans outstanding, a number that is expected to rise as the global recession further impacts Asia in general and Thailand particularly. There are three main reasons why the government's long-term NPLs target may not be reached: 1) the current slowdown of economic growth in Thailand; 2) the BOT's more stringent NPL classification policy; and 3) spill-over effects from the deepening recession in the global economy. Furthermore, the Company foresees NPLs rising in the banking and financial systems of emerging market countries such as in ASEAN countries (including Thailand) as well as in India, China and Korea.

Debt Restructuring and Rehabilitation Planning and Administration Business

There are a considerable number of debt restructuring cases to be initiated which are the target market for Debt Restructuring and Rehabilitation Planning and Administration Services. The Central Bankruptcy Court has the authority to appoint a planner or a plan administrator in these cases. The appointed planner and plan administrator may be the existing debtors, creditors, or professional planners. A professional planner and plan administrator can be appointed for each case, but they must be qualified with the Business Reorganization Office under the Execution Department of the Ministry of Justice. As of December 31, 2008, there were 13 authorized professional planners, including Company subsidiary ACS. In most cases these firms will act simultaneously as the planner and plan administrator.

ACS is considered one of the major providers of debt restructuring, and rehabilitation planning and administration services among other authorised planners such as CJ Morgan Co., Ltd., Churchill Pryce Planner Co., Ltd., and Silom Planners Co., Ltd. For debt restructuring outside of the bankruptcy process, there is no specified qualification required for debt restructuring consultants. At present, the Company's competitors for this business are mainly multinational companies and several local companies. The competition is intense when competing for debt restructurings of large companies as the large amount of debt outstanding gives the chance to receive higher service fees and enhances the service provider's reputation. In any case, the Company and its subsidiaries have the competitive advantage of being a comprehensive, one-stop service provider with a solid reputation from both debtors and creditors, as well as having strong relationships with leading business groups and a reputation for high quality service and independence.

Non-Performing Asset Management Providers

At present, there are a number of companies that act as non-performing asset management service providers or non-performing asset management companies, some of which are subsidiaries of commercial banks set up to take care of their own NPLs while some are government-owned asset management companies that outsource management activities to other service providers. Non-performing asset management and servicing companies operating in Thailand are listed as follows:



- Bangkok Commercial Asset Management Co., Ltd.	- Inter Capital Alliance Asset Management Co., Ltd.
- NFS Asset Management Co., Ltd.	- MAX Asset Management Co., Ltd.
- Bangkok Capital Alliance Co., Ltd.	- Ratchayothin Assets Management Co., Ltd.
- Sukhothai Asset Management Co., Ltd.	- Sinsuptawee Asset Management Co., Ltd.
- Chatuchak Asset Management Co., Ltd.	- Palarp Asset Management Co., Ltd.
- Ayuddhaya Asset Management Co., Ltd.	- Sathorn Asset Management Co., Ltd.
- Sukhumvit Asset Management Co., Ltd.	- Phethai Asset Management Co., Ltd.
- ACAP Advisory Public Co., Ltd.	- Phayathai Asset Management Co., Ltd.
- ACAP Asset Management Co., Ltd.	- STAR Asset Management Ltd.
- Capital Advisory Services (Thailand) Limited	

Most of the servicing and asset management companies set up under the Asset Management Royal Decree were established by financial institutions to manage their own non-performing assets. However, there are a few independent asset management companies that also act as servicers similar to the Company, one of them is Palarp Asset Management Co., Ltd.

The Company views the degree of competition as increasing in intensity as many new asset management companies have entered into the market. Moreover, the Asset Management Company Royal Decree allows asset management companies to act as service providers as well as the holders/owners of the non-performing assets portfolios. This allows the asset management companies have a competitive advantage over the service providers given that the asset management companies can either manage their own non-performing asset portfolios or outsource their management to others. Since the Company has two subsidiaries that are asset management companies, namely ACAP AMC and STAR AMC, it has a competitive advantage as the Company can subcontract as the service provider for its subsidiaries.

The Company's key success factors in the non-performing asset management business are as follows:

1. The Company has highly qualified and experienced staff who understand the nature of the non-performing asset management business and who are able to determine the optimal balance for resolutions between the debtor and the creditor, provide cost effective, high quality and timely service, and alleviate losses to the financial institution. The staff are trained to work in quality-oriented project teams specialising in different debtor segments and top performers are promoted to be team leaders.
2. The Company has made substantial investments in Information Technology systems that operate on the same standards as those of the banks and other large financial institutions and are fully customised for maximum efficiency in the management of NPLs.



3. The Company is committed to be a leading professional asset management service firm that provides effective and successful solutions for all of its clients.

4. The Company offers competitive pricing for its services which reduces the cost of managing non-performing assets for its clients.

5. The Company can act as a non-performing asset management service provider for subsidiaries ACAP AMC and STAR AMC and to third party AMCs. It can also act as the bidder for non-performing asset portfolios on behalf of these AMCs.

Non-performing Asset Management Under Direction of Government Agencies

At present there are a number of government-owned Asset Management Companies, namely Bangkok Commercial Asset Management Co., Ltd. (BAM), Sukhumvit Asset Management Co., Ltd. (SAM), and Thai Asset Management Co., Ltd. (TAMC). These non-performing asset management companies purchase non-performing assets or acquire non-performing assets that were transferred from financial institutions to reduce the burden of the banks and financial institutions and allow them to focus on their portfolios of performing loans. These non-performing asset management companies can either manage non-performing asset portfolios by themselves or outsource to other companies to provide such services.

Personal and Consumer Finance Industry

In the past year, the competitiveness of the personal and consumer finance business has declined due to the global economic recession which caused a slow-down in Thailand. Both commercial banks and non-bank financial institutions have stopped focusing on expanding their consumer credit and personal loan business due to reduced consumer demand, Bank of Thailand's regulations restricting interest, penalty fee and service fee charges being capped at no greater than 28% p.a., and the financial cost of rising bad debts. However, there is still some expansion in the credit card business of some large commercial banks as they try to lure retail customers away from some of the non-banks - examples include the Family Card issued by Siam Commercial Bank (SCB) and a new credit card launched by Thanachart Bank.

Credit Cards

In credit card business, the Company's major competitors are commercial banks and other non-bank financial institutions. For the past several years, the number of credit cards issued by commercial banks and credit card business operators in Thailand has been continually rising. From the Bank of Thailand's report on credit card issuance and credit card loans as of December 2009, there were a total of 13,226,236 credit cards in the system, an increase of 517,708 cards or 3.99% from the same period in 2008.



Of the total credit cards outstanding, 5,464,088 credit cards were issued by Thai commercial banks, an increase of 448,056 cards or 8.93% in 2009, and 1,323,098 credit cards were issued by foreign commercial banks, an increase of 42,385 cards or 3.31% in 2009, while there was a total of 6,702,216 credit cards issued by non-bank credit card operators, an increase of 112,037 cards or 1.70% during 2009. As for credit card utilization, for the year ended December 2009 the total was THB 101,590 million or an increase of THB 15,090 million or 17.44% from 2008. The majority of utilization came from Thai commercial banks' credit cards which totaled THB 61,789 million, an increase of 14,098 million or 29.56% during 2009. The utilization of foreign commercial banks' credit cards totalled THB 11,244 million, an increase of THB 293 million or 2.67%, while the utilization of non-banks' credit cards totalled THB 28,556 million, an increase of THB 699 million or 2.51%.

These figures showed that there is intense competition in credit card business both from local and foreign financial institutions just as there are in other segments of the Personal and Consumer Finance business.

Personal and Consumer Loans

In Personal and Consumer Loans, the Company's major competitors are commercial banks and other mainly foreign affiliated financial institutions such as GE Money (Thailand) Co., Ltd., Easy Buy Plc., Cetelem (Thailand) Co., Ltd. and Promise (Thailand) Co., Ltd. Recently personal and consumer finance credit extension has been sluggish as shown in the Bank of Thailand's data that as of year-end 2008 there were a total of 8,754,695 accounts, a decrease of 1,577,487 accounts or 15.27% from year-end 2008. Most of this reduction in accounts was from the decline in non-bank accounts which totaled 6,369,574 accounts at year-end 2009, a decrease of 1,273,244 accounts or 16.66%, while foreign commercial banks had a total of 695,395 accounts, a decrease by 72,524 accounts or 9.44%. However, Thai commercial banks reported a decrease of 231,729 accounts or 12.06% for a total of 1,689,726 accounts at year-end 2009. The total value of personal and consumer finance accounts was THB 214,058 million at year-end 2009, a decrease by 15,079 million or 6.58%. The non-banks accounted for a total of THB 95,897 million, a decrease of THB 7,006 million or 6.81%, and the foreign commercial banks had a total of THB 18,637 million, a decrease of 2,793 million or 13.03%. The total value of credit financing from Thai commercial banks accounted for THB 99,524 million at year-end 2009, a decrease of THB 5,280 million or 5.04%. Overall accounts that were 3-months or more overdue totalled THB 6,500 million, a decrease of THB 1,753 million or 21.24% from the same period time in year 2008.

Instalment Credit

At present, the purchase of goods through instalment payment plans of non-bank companies has significantly decreased due to consumers turning to purchase goods through credit card instalment plans. One reason might be due to the banks' credit cards' attractive marketing campaigns either in terms of discounts, points awards programs and/or lower interest rates as the banks have lower issuance costs compared to non-bank companies. Moreover, the greater convenience for credit checking has been an important factor for retail shops and businesses to consider selling products through credit card instalment plans. Furthermore, the non-bank credit instalment operators are more careful in granting new loans as credit quality deteriorates during the economic slowdown. CAP OK and its non-bank competitors, such as AEON, Power Buy and Easy Buy, have had to adjust themselves to the



various types of competitive and market conditions. However, CAP OK has mitigated the intense competition by focusing on the granting of new personal loans to specific group of customers who have good payment records at special interest rates to motivate and maintain this customer base.

Hire Purchase

The operators in Hire Purchase Business can be divided into 2 types: 1) operators who provide hire purchase for its own manufactured products, such as Singer (Thailand) Co., Ltd.; and 2) operators who provide hire purchase for partners' products, such as the Company. The Company focuses its hire purchase business only on motorcycles. CAP OK's competitors in this business include GE Money (Thailand) Co., Ltd., Easy Buy Plc., Cetelem (Thailand) Co., Ltd., Singer Thailand Plc., and MIDA Asset Plc.

Financial Advisory Industry

In the past year, the economic slowdown both locally and abroad has created unfavourable conditions to conduct investment banking, especially in seeking source of funds by issuing stocks. Many entrepreneurs fear impacts from various negative economic factors such as the global recession, volatile oil and commodities prices, the fragile Thai political situation with the newly formed government, the appreciation of Thai Baht, and the ongoing tension in Thailand's southern territory. All of which has caused delays in investment decision-making. As a consequence, entrepreneurs have shown little interest in offering their shares given that they are uncertain about investors' demand, so the value of IPOs has significantly decreased in 2009. According to S.E.C. information, the value of IPOs issued in Thailand during 2006 – 2009 can be summarised as follows:

	2006	2007	2008	2009
IPO value (THB million)	35,578	11,600	17,919	6,170

Source : Securities and Exchange Commission (S.E.C.)

* Estimated data of common shares as of February 18, 2010

The trend of financial advisory services is expected to follow that of the capital markets, which are expected to recover once the government's multitude of economic stimulus efforts takes effect and consumer and business confidence returns. At present, in addition to newly set up financial advisory companies, there are many securities companies focusing their services in the financial advisory and investment banking business. At year-end 2009, there were 77 financial advisory companies authorised by the Securities and Exchange Commission (S.E.C.). To compete effectively in the financial advisory business, companies must have high quality, skilled and experienced staff. Although, the Company has a competitive disadvantage in that it is not an authorised underwriter, it maintains good relationships with many qualified underwriters which enables the Company to give confidence to its clients regarding issuing shares to the public. Furthermore, despite this slowdown in financial advisory for security issuance, subsidiary ACS, is able to provide other important services to customers such as debt restructuring, merger and acquisition and other corporate finance services.



7. Providing Suitable Products and Services

The Company and its subsidiaries have highly qualified and expert staff with many years of experience who understand the nature of the financial advisory and investment banking business and who have good relationships with both creditors and debtors. For example, the Company has 4 licensed financial advisors who completed the Financial Advisory Program and who are certified by Thailand's Investment Banking Association.

The major work processes in this business operation start from studying the clients' problems including a study of the related laws and regulations to help solve each client's problems, conducting due diligence, interviewing management, reviewing necessary document, and preparing cash flow projections and performing related analyses. The team will work closely with other related business units (for details of each work process, please see 4 The Company's Services).

For the non-performing asset management business, the Company has a solid, experienced team whose members have worked at institutions on both the selling side and the buying side of NPL asset management transactions since the bidding process from the Financial Sector Restructuring Authority began 10 years ago. Thus, the Company's asset management team is highly skilled in managing non-performing assets.

Meanwhile, experience in debt collection from the asset management business enables the Company's management to operate synergistically in the Personal Loan and Consumer Finance business. Moreover, the Company's major shareholder, ORIX Corporation, has skills and expertise in credit management in Japan. Thus, the total management team consists of professionals who have direct experience in the credit business locally and from abroad and who can apply their expertise to CAP OK's business.

8. Unfinished Projects

Due to the nature of non-performing asset management work, personal consumer financial business and financial advisory work, which include continuity of service, some services are classified as "unfinished projects". Currently, work in progress for non-performing asset management business comprise eight loan portfolios subcontracted by the Company and one loan portfolio under management of ACAP Malaysia Sdn. Bhd., with total principal debt outstanding of THB 43,993 million.

Under the financial advisory and investment banking business there are seven work in progress projects as of December 31, 2009 with total debt or fund raising value of THB 11,927 million.



Risk Factors

1 Risk of Early Termination of Contracts

A) Non-Performing Asset Management Contracts

The non-performing loan (NPL) management service is a major source of the Company’s revenue, which comes from fees in proportion to cash collected from repayments, disposals of NPLs or sale of collateral assets. The Company would receive the revenue throughout the NPL management contracting period. At the end of 2009, the Company and subsidiaries have total of nine (9) NPL management contracts, comprising of eight (8) contracts by the Company with the outstanding principal balance of THB 41,493 million at the time of the acquisition and one (1) contract by ACAP Malaysia Sdn. Bhd., a wholly owned subsidiary with 99.99% shareholding, for a financial Institution in Malaysia with the outstanding principal balance of approximately THB 2,500 million. In case of early termination of contracts, the revenue of ACAP for the NPL management business would be materially impacted.

B) Other Contracts

Other contracts of the Company which are exposed to risk of early termination are those related to financial advisory, investment banking and legal advisory services of the subsidiaries. As a nature of servicing business, clients may terminate their contracts during the service providing period.

Mitigation

The Company has studied and evaluated the risk of early contract termination for each NPL management contract. In order to mitigate the risk from decreases in NPL management revenue or from contract termination as a result of debt collection issues, the Company has applied preventive measures by focusing on providing NPL management service for its subsidiaries, namely ACAP Asset Management Co., Ltd. (ACAP AMC) and STAR Asset Management Co., Ltd. (STAR AMC). The two asset management companies operate under the Asset Management Royal Decree of B.E. 2541 [1998], which enables them to participate in NPL auctions from other financial institutions. The risk of early contract termination is mitigated by the Company by providing services for its subsidiaries ACAP AMC and STAR AMC. However, in case there is a contract termination, the effect on the Company’s revenue is mitigated by revenue from other businesses such as financial advisory, investment banking and the consumer finance business operated by Capital OK Company Limited, the Company’s subsidiary. Moreover, with its expertise in NPL management service, the Company expects to offer the service for financial institutions other than its own subsidiaries for sustainable revenue generation.



As for other contracts, the Company reduces the risk of early termination by specifying in the servicing contract that if the reason of termination is not the Company's fault, the Company has the right to continue receiving its retainer fee for a certain period and that the client must inform the Company in advance. This would enable the Company to receive partial revenue to cover the initial expenses.

2 Risk from Dependency on Major Clients

NPL Management Business

ACAP AMC and STAR AMC, the Company's subsidiaries, are the Company's major clients and major source of revenue with outstanding principal balance of NPLs of approximately THB 30,000 million. The Company would stop receiving such revenue when the service contracts expire and if it cannot acquire new NPL management contracts, the Company's revenues may be adversely affected.

Financial Advisory, Investment Banking and Other Businesses

Other revenues come from subsidiaries, providing financial advisory and investment banking. Most of the revenues come from debt restructuring and investment activities and from legal advisory, accounting for approximately 10% of the Company's total revenue. Therefore the Company's clients in financial advisory and investment banking business are not considered major clients. As for the consumer finance business, another major source of revenue, it is based on retail customers, so there is no large corporate client contributing to this business.

Mitigation

The Company's major clients are in the NPL asset management which normally relies on large and long-term business from its clients. The Company's services are unique and require special expertise that clients cannot easily substitute with other service providers, unlike consumer products or commodity products. Moreover, the clients need to receive consulting services for debt restructuring which continue for periods of 1-3 years in NPL asset management, consumer finance or financial advisory and investment banking.

However, the Company has mitigated the risk in NPL management service by constantly studying and preparing bids for additional NPL portfolios. The establishment of subsidiary asset management companies, ACAP AMC and STAR AMC, provides more opportunity for the Company to participate in the bidding process of large non-performing loan portfolios. ACAP AMC and STAR AMC enter approximately 2 or 3 auctions per year for NPL portfolios being sold by financial institutions, which, if successful, would be serviced by the Company. The Company and its subsidiaries expect to be able to grow in this business by providing NPL management services for other financial institutions and by diversifying to other related businesses.

For the financial advisory and investment banking business, which may depend on major clients, revenue contributed to the Company's total revenue is relatively small. The Company also pays attention to each service contract, ensuring payment of fees upon successful completion. Moreover, the Company is seeking to expand its revenue from other business lines such as consumer finance via Capital OK, and expand its client base by targeting



small, medium and large sized companies across various business sectors, which is considered one of the risk mitigation alternatives.

3 Personnel Risk

The Company and subsidiaries rely heavily on the competencies, expertise and customer relationships of its directors and other senior staff, both in terms of their relationship with other businesses and the management work. The loss of such human resources, especially at the management level may affect the future success of the Company's business.

Mitigation

The Company treats every Director as an established member. Also, every Director is a shareholder. Most have been working with the Company since establishment and the probability of resignation is relatively low, especially for Dr. Vivat who is the major shareholder and has no other businesses. In the past only one director resigned from the Company. However, the Company was able to replace that director in a very short time with a highly qualified individual that specialises in the Company's business. At present, the Company's Board of Directors consists of seven executive board members, and members who represent the major shareholders. Although these members have no involvement in management, they provide valuable advice and consultation as these members have many years of experience as managers in various companies from finance to real sectors.

For other senior management (Vice President level and up), the Company has sufficient staff in these positions to take care of each business area. Each senior staff is capable of rotating positions as the Company prefers a team-based work structure. Each business area has many staff that can support the continuity of work when there is a resignation of staff, without affecting the efficiency and smooth functioning of the business operation. Moreover, the Company is able to select and recruit qualified replacements.

The Company has paid great attention in human resource matters by creating a secure employment environment for management and staff in order to reduce staff turnover. The Company has provided on-the-job training for both management and staff to ensure development of the knowledge and skills. Moreover, the Company has signed employment contracts with every management and staff and offers attractive and competitive remuneration based on the performance and skills of each staff.

4 Risk of Missing Collection Target, Delay or Default in Service Fee Payment

As revenue from NPL management service is a major source of revenues for the Company and subsidiaries, one of the risks involved is missing debt collection targets. Additionally, the Company is exposed to risk of delay or default in financial advisory service fee payments as most of the clients already have liquidity or financial problems, lack sources of fund, or are likely to enter into the debt restructuring process.



Mitigation

The Company is aware of the uncertainty in achieving debt collection targets, so it carefully studies details of NPL portfolios such as collateral details and quality of the debtors in the due diligence process to assess the potential recovery. Moreover, the Company would offer a bid price significantly below the aggregate collateral value of the particular NPL portfolio in order to mitigate the risk. In case that the Company cannot collect the debt, it is able to enforce selling of the collateral at the price not less than the bid price which means that the risk of loss from NPL management should be minimal.

Measures taken to minimize the risk of delay or default in financial advisory service fee payment include assessing clients' repayment ability from cash flow generation, sustainability of the business, and so on before accepting the clients' mandate letters. The Company's monthly fee would be charged on the basis of cash flow projection which should cover initial costs of the Company. The Company charges a retainer fee (monthly service fee) for the service during the contract's duration, and a success fee on completion of the service. If the Company cannot collect its fees from the clients, it would stop providing service but the revenue received would still cover the Company's expenses.

5 Risk from Dependency on Operating License

The Company and its subsidiaries require various types of licenses either to participate in bidding for NPL portfolios from financial institutions or to provide financial advisory and investment banking services. Such operations must obtain the consent of and license from the related government agencies, such as the Bank of Thailand for bidding for NPL portfolios or from the Securities and Exchange Commission (SEC) for the financial advisory and investment banking service, including the Business Reorganisation Office of the Ministry of Justice for the Plan Preparation and Plan Administration services under the Bankruptcy and Business Reorganisation Act. The Company and its subsidiaries have been operating with all necessary licenses. However, the licenses to operate as financial advisor issued by the SEC and the license to operate as Rehabilitation Planner and Plan Administrator are subject to expiration and must be renewed periodically. As a consequence, the Company and its subsidiaries may have an exposure to the risk of not being able to renew the expired licenses.

Mitigation

The Company and its subsidiaries have continuously reviewed the expiry dates of all licenses to ensure that the Company and its subsidiaries are eligible for business operation. At present, ACAP Corporate Services Co., Ltd. has been granted a license by the SEC to operate its financial advisory service since December 3, 2008 for a 5-year period which will expire on December 2, 2013. Thus, the subsidiary can operate as financial advisor and investment banking service provider for nearly four (4) years. In case such license is nearing expiration, the Company expects to be able to immediately renew the license since it has maintained the proper qualifications and good track record of services. As for ACS's license from the Business Reorganisation Office for planning which expires in 2009 and plan administration which expires in 2012, no renewal problem is foreseen as it has maintained its appropriate qualification. Thus, the risk from losing operating licenses is considered low.



6 Risk from Changing Business Cycle

The economic cycle during economic recovery or expansion may impact the Company and subsidiaries' revenue from NPL management business due to a decrease in NPL volumes. This may affect acquisition of new NPL portfolios which is directly related to the Company's major source of revenue as well as other business operated by the subsidiaries, such as debt restructuring which tends to decline in such circumstances. On the other hand, an economic downturn may adversely impacts areas such as fund raising advisory for business expansion which is likely to decrease.

Mitigation

The Company's management is aware of the impact of the economic cycle. However, the Company and subsidiaries are able to service the clients in every stage of the cycle due to diversification of the services provided such as NPL management, debt restructuring service, fund raising service and mergers & acquisitions. During an economic expansion period, the Company's revenue from debt restructuring may be impacted. However, this may be offset by revenue from other financial advisory and investment banking services of the subsidiaries, such as fund raising, mergers & acquisitions, and other financial advisory services. Furthermore, debtors in NPL management and customers in the consumer finance business have a higher repayment capability in improving economic conditions.

The economic downturn adversely impacts debt collection of clients in both NPL management and consumer finance. Such economic conditions, however, also enables the Company to expand its NPL portfolios at a higher rate, as well as increase debt restructuring revenue. In other words, the Company can adjust its financial advisory services as per changing economic conditions. With competent and experienced staff, the Company is ready to operate in changing conditions due to the diversified nature of its financial advisory services.

7 Risk of Decrease in Stock Price if Existing Shareholders, Directors and Management Committee of The Company Sell Their Stocks

At present, major shareholders with more than 10% shareholding of paid-up capital are the Vithoontien Group, which includes Dr. Vivat Vithoontien, the Chairman and CEO, and ORIX Corporation of Japan. As of December 31, 2009, the Vithoontien Group and ORIX Corporation have 36.39% and 20.00% shareholding, respectively. Others in the 10 major shareholders, who are directors and financial institutions, hold a total of 26.12% of paid-up capital. This shareholding structure could be a cause for concern regarding a potentially declining stock price if major shareholders and management dispose their share portions.

Mitigation

Shareholders who are the Company's directors have worked with the Company since establishment, with the common purpose of managing the Company to create added value for the business they jointly own. Each director would be motivated by the incentive related to the Company's growth rather than disposal of their shares to make short-term capital gain.



The foreign financial Institution shareholders, who are well-known in the industry, do not have short-term investment strategies. Rather, they invest for return through a long-term investment horizon by expanding in other countries as a basis for future growth. Additionally, in order to reduce this risk, the offering price of the Company's shares for these shareholders is higher than the current share value. Therefore, there is minimal risk that these Foreign Financial Institutions would dispose shares in the short-term.

For business operation, the Company has invited representatives from the Foreign Financial Institution shareholders to be directors but they have no decision making authority and the Company does not depend on any essential technology and/or personnel from these shareholders, except for occasionally seeking of financial support to bid for NPL portfolios. However, if the foreign financial institutions sell their shares in the future, there should be no material impact to the Company's business operation since the Company has the expertise in finding sources of funds from various groups of investors and other well-known financial institutions.

8 Risk from Subsidiary Entering into Loan Facility Agreements with a Financial Institution which Shares the Same Director as the Company

At the end of 2009, STAR AMC, the subsidiary company, has a total of 5 loan facility agreements with related financial institutions; one (1) loan facility agreement with a foreign institution which is a shareholder of the Company, and four (4) loan facility agreements with a related foreign institution which is a shareholder of the Company and a common director the Company. These loan facility agreements total THB 2,570 million and have been used to purchase NPL portfolios. Thus, the Company is exposed to risk if the subsidiary cannot repay the debts as per agreed.

In the meantime, ACAP AMC, the subsidiary, has remaining obligations according to two loan agreements with a foreign financial institution with total limit approximately THB 3,355.79 million. As a consequence, the Company may expose to risk in case the subsidiary is unable to make repayment as per the loan agreements.

Mitigation

The default risk is mitigated by the structure of the loan facility agreements themselves. Debt repayments depend on the amount of proceeds that STAR AMC can collect from its NPL portfolios, which has been carefully studied in the due diligence processes. The results confirm that the aggregate collateral values of the NPL portfolios owned by STAR AMC are greater than the financing amount received from the financial institution. Therefore, STAR AMC can be confident that the financing amount should be fully repaid.



9. Risk from Exchanging Foreign Currency

At the end of 2009, a subsidiary had certain loan agreements denominated in US Dollars from a related party, for which the Company may possibly experience exchange loss as a result of fluctuating foreign currency rates.

Mitigation

In order to mitigate any losses from future currency fluctuations, the subsidiary has hedged the U.S. dollar by purchasing futures options for the amount of USD 23.6 million at the foreign exchange rate of THB 33.43 : USD 1, thereby mitigating the subsidiary exposure to foreign currency fluctuations.



Shareholders Structure

1. The Company's Capital

As of December 31, 2009, the Company has registered and fully paid-up capital of THB 125 million consisting of 125 million common shares each with THB 1 par value.

2. Shareholders

The list of the top 10 shareholders as of December 31, 2009 is summarized as follows:

No.	Shareholder Name	As of December 31, 2009	
		No. of Shares	% Total
1.	Dr. Vivat Vithoontien Group ¹	45,490,040	36.39
2.	ORIX Corporation	25,000,000	20.00
3.	Mr. Saringkarn Sutaschuto	5,981,500	4.79
4.	Mr. Anake Pinvanichkul	5,900,010	4.72
5.	Japan Asia Investment Group ²	7,000,000	5.60
6.	State Street Bank and Trust Company (London) (IFC Holding) ³	6,000,000	4.80
7.	Citibank Nominees Singapore Pte.Ltd. (Standard Bank Plc. Holding) ⁴	5,000,000	4.00
8.	Pumpaisanchai Group ⁵	2,765,000	2.21
9.	Ms. Sujittra Taechanawakul	3,962,400	3.17
10.	Khumnerdngam Group ⁶	1,975,000	1.58
11.	Other shareholders	15,926,050	12.74
Total		125,000,000	100.00

Remark: ¹ Shareholder proportion of Dr. Vivat Vithoontien Group comprises:

		No. of Shares	% Total
1.	Dr. Vivat Vithoontien	21,084,166	16.87
2.	Jonathan Vithoontien	9,702,932	7.76
3.	Claire Vithoontien	9,702,932	7.76
4.	Mrs. Wonsook Suzy Kim	5,000,000	4.00
5.	Mr. Vichien Vithoontien	10	-
Total		45,490,040	36.39

Remark: ² Shareholder proportion of Japan Asia Investment Group comprises:



Japan Asia Investment Company Limited and JAIC Asia Holding Pte Limited (Singapore) are related investment companies with their head office in Japan. Japan Asia Investment Company Limited, established in 1981, is well known as one of the top venture capital companies in Japan with 6 branches around the country and with subsidiary companies in Singapore, Indonesia, South Korea, Taiwan, Hong Kong, Thailand and the USA.

		No. of Shares	% Total
1.	Japan Asia Investment Company Limited	4,000,000	3.20
2.	JAIC Asia Holdings Pte. Limited (Singapore)	3,000,000	2.40
Total		7,000,000	5.60

Remark: ³ State Street Bank and Trust Company (London) is the custodian for the shareholding of International Finance Corporation (IFC). IFC is a member of the World Bank Group and was established in 1956 to promote private sector activities in the developing countries by focusing on 3 major areas: a) providing financial support to private sector projects; b) providing support to businesses in developing countries seeking funds in the international markets; and c) providing financial consulting and technical support to businesses and government in the developing countries.

Remark: ⁴ Citibank Nominees Singapore Pte.Ltd. is the representative of shareholding for Standard Bank Public Company Limited, of which Standard Bank and the Company have a common director, Mr.Nicolas Alexander Hamilton.

Remark: ⁵ Shareholder proportion of Pumpaisanchai Group comprises:

		No. of Shares	% Total
1.	Ms. Suvimol Pumpaisanchai	2,730,000	2.18
2.	Ms. Duangthip Pumpaisanchai	35,000	0.03
Total		2,765,000	2.21

Remark: ⁶ Shareholder proportion of Khumnerdngam Group comprises:

		No. of Shares	% Total
1.	Mr. Manus Khumnerdngam	1,375,000	1.10
2.	Mrs. Surapee Khumnerdngam	600,000	0.48
Total		1,975,000	1.58



3. Dividend Policy

The dividend policy of the Company and subsidiaries is that the dividend payout ratio shall be at a rate of no less than 50% of the Company's annual net profit after deducting income tax and legal reserves. The dividend payment policy may be adjusted from time to time based upon the Company's future investment plans and other factors. The annual dividend payment must be approved by a shareholder resolution, while the Board of Directors has authority to approve the interim dividend payment which must be reported in the minutes for the next shareholder meeting.

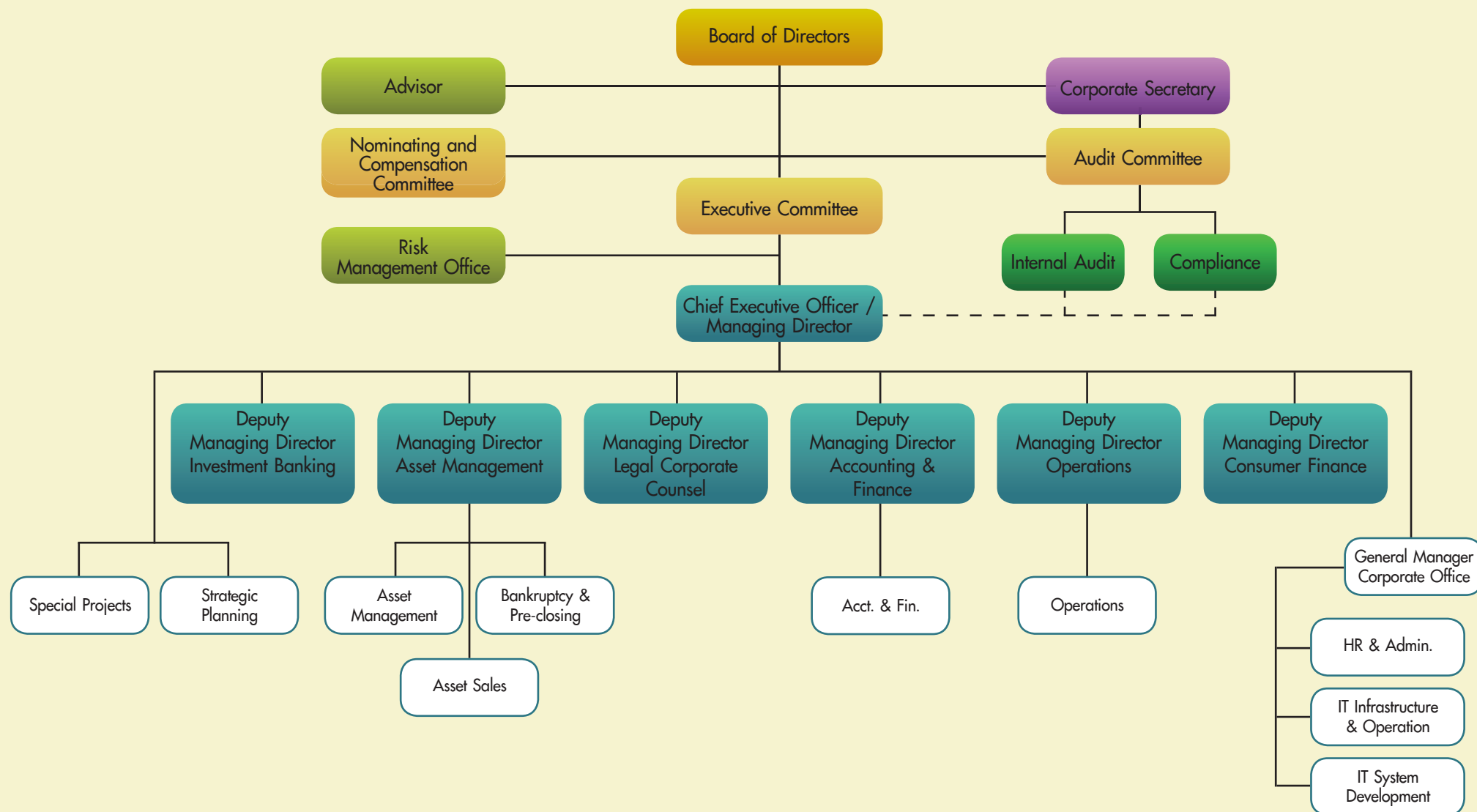
The Board of Directors meeting no. 1/2010 on February 23, 2010 had resolution to seek approval to the Annual General Shareholders meeting to abstain dividend payment for operating year 2009.

Details of dividend payment for operating year 2009 compared with previous years.

Dividend Details	2008	2009
1. Net Profit (THB million)	69.36	37.36
2. Number of Shares (million)	125	125
3. Dividend paid per share		
3.1 Interim Dividend (THB/share)	-	-
3.2 Annual Dividend Paid (THB/share)	0.50	-
4. Total Dividend Paid (THB million)	62.50	-

Management

1. Organisation Structure (as of February 23, 2010)





1.1 BOARD OF DIRECTORS

The committee structure comprises the Board of Directors and sub-committees, namely the Executive Director Committee, the Audit Committee and the Compensation Committee.

1) The Board of Directors

The Board of Directors comprises members who possess relevant skills and experience. Currently, there are fourteen Members of the Board of which seven are Executive Directors and seven Non-Executive Directors.

Non-Executive Directors are not directly involved in managing the Company, do not hold a management or permanent employee position in the Company, and do not hold delegation authority per the Company's Article of Association.

Executive Directors are directly involved in managing the Company, are permanent employees of the Company and hold authority per the Company's Article of Association.

As of December 31, 2009, there were fourteen Members of the Board as follows:

No.	Name	Position
1.	Dr. Vivat Vithoontien	Chairman / Chief Executive Officer
2.	Mr. Anake Pinvanichkul	Executive Director
3.	Mr. Saringkarn Sutaschuto	Executive Director
4.	Ms. Suvimol Pumpaisanchai	Executive Director
5.	Mr. Issarachai Decharit	Executive Director
6.	Mr. Chalermchai Sirinopawong	Executive Director
7.	Mr. Parankoon Waiyahong	Executive Director
8.	Mr. Harukazu Yamaguchi	Director
9.	Mr. Hideo Ichida	Director
10.	Mr. Suraphol Sindhuvanich	Independent Director / Audit Committee Chairman / Nominating and Compensation Committee Member
11.	Ms. Narumol Wangsatorntanakul	Independent Director / Audit Committee Member / Nominating and Compensation Committee Chairman
12.	Mr. Chatchawan Triamvicharnkul	Independent Director / Audit Committee Member / Nominating and Compensation Committee Member
13.	Mr. Hideaki Shimizu	Independent Director
14.	Mr. Nicholas Alexander Hamilton **	Independent Director

** Mr. Nicholas Alexander Hamilton was appointed as Director, in replacement of Mr. David Feld, by the Board of Directors meeting no. 3.2009 on August 13, 2009.

The Company also has an Advisor to the Board.

No.	Name	Position
1.	Dr. Phisit Leeahtam	Advisor



AUTHORISED PERSONS

Delegation of Authority of the Company is granted to Dr. Vivat Vithoontien concurrently with any one of the following Executive Directors, Mr. Issarachai Decharit, Mr. Chalermchai Sirinopawong, Mr. Anake Pinvanichkul, Mr. Saringkarn Sutaschuto, Ms. Suvimol Pumpaisanchai or Mr. Parankoon Waiyahong, and accompanied by the company seal. Alternatively, authority is granted to one of Mr. Issarachai Decharit, Mr. Chalermchai Sirinopawong or Mr. Parankoon Waiyahong concurrently with one of Mr. Anake Pinvanichkul, Mr. Saringkarn Sutaschuto or Ms. Suvimol Pumpaisanchai and accompanied by the company seal.

Qualifications of the Board of Directors

To effectively oversee company business, the Company's Board of Directors is comprised of individuals with relevant experience, knowledge, expertise and ability to oversee operations. Moreover, the Board of Directors use best efforts, take accountability and dedicate themselves in managing the business, including acquiring a thorough understanding their roles and responsibilities.

Thus, in order to form an appropriate board structure, the Company requires board composition and individual qualifications as follows:

1. The composition of the Board of Directors shall be suitable for flexibility in managing the business, the number thereof shall be a minimum of five directors, and not less than half of all directors shall reside in the Kingdom of Thailand. The nomination of directors shall be made in a Shareholder's meeting except for a nomination of the replacement of an outgoing director which will be made by the Board of Directors.
2. The Board of Directors shall comprise at least three independent directors or at least one-third of the Board of Directors to adequately ensure check and balance of the committee. Moreover, there shall be at least one independent director who is a professional in Accounting and Finance.
3. Directors shall have relevant knowledge and capability, and shall be qualified in diverse fields to have a broad view for finding new business opportunities and planning risk management with different points of view. The Board shall comprise of at least one specialist in each of the following fields: finance or banking, accounting and law.
4. Directors shall not have any legal dispute or problem that impairs their performance as a director, neither in the past nor in the present.
5. Directors shall not hold director positions in more than five listed companies. In the event that any director must hold more director positions than the number stipulated herein, such director shall declare his or her reason to the Board of Directors and disclose such information to shareholders through the annual information report and annual report.
6. Directors shall be qualified and shall not have exhibited characteristics of ineptitude in managing the business as specified in the regulations for public limited companies.
7. The Company shall disclose information concerning the Board of Directors through the Securities and Exchange of Thailand and through the Company's website. Moreover, information on any changes to the Board of Directors or Senior Management shall immediately be released on the online system of the Securities and Exchange Commission.



Duties and Responsibilities of the Board of Directors

The Board of Directors has the authority and responsibility to manage the Company to comply with law, Company's objectives, regulations and shareholder meeting resolutions with integrity and prudence, and to protect the Company's and shareholders' rights and benefits as follows:-

1. To convene the annual ordinary shareholders' meeting within 4 months from the last date of the accounting period.
2. To convene Board of Director's meetings at least quarterly.
3. To arrange for the preparation of audited financial statements as of end of the Company's accounting period to be proposed at the shareholders' meeting for approval.
4. To empower, under Board of Directors regulations, a director or directors or others to act on behalf of the Board of Directors or to have authority for only a specified period that the Board of Directors deems appropriate. In the meantime, the Board of Directors is able to terminate, revoke, change or alter such authorised persons as the Board of Directors deems appropriate.

Moreover, the Board of Directors may empower the Executive Director Committee with the authority to manage the business within the scope of responsibilities of the Executive Director Committee. Nevertheless, such authority should not raise any conflict of interest with the Company or subsidiary companies except those transactions under policy and approved by the Board of Directors.

5. To define objectives, mission, strategy, guidelines, business plan and budget. To regulate Executive Director Committee management and administration according to policy assigned by the Board of Directors except for transactions which are legally mandated by shareholder meeting resolutions. Such transactions include any share increase, share split, bond issuance, share sale or transfer either totally or partially, share acquisition, and amendment of the Memorandum and Articles of Association.

Furthermore, the Board of Directors has the responsibility to monitor compliance with the Securities and Stock Exchange of Thailand Act, Stock Exchange of Thailand regulations regarding related party transactions of material assets or any other applicable laws related to the Company's businesses.

6. To review and evaluate the management structure, appoint members of the Executive Director Committee, the Managing Director and members of other committees as deemed appropriate.
7. To continuously evaluate the performance to achieve the business plan and budget.
8. To refrain from running any business within the same industry that may compete against the Company's businesses either personally or for someone else, either by assuming a partner role in any general partnership organization or unlimited partner role in any limited partnership organisation. The only exception is when consent has already been given in a shareholders' meeting before such director is appointed.
9. To notify the compliance unit as soon as he/she has either directly or indirectly been involved in any transaction or contract with the Company, or changed their holdings of shares or bonds issued by the Company or subsidiary companies.



However, the authority of the Board of Directors does not extend to the approval of any transactions potentially perceived to be in conflict of interest between the Board of Directors or related persons thereof and the Company or subsidiary company according to the SET rules and regulations. Such transactions can be approved only by shareholders' resolution according to the Company's Article of Association or related laws.

Term of Office of the Board of Directors

At every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire or a random drawing shall be employed if there are more than one-third of directors to be retired. However, a member who retires by rotation may be reappointed by shareholders.

Board of Directors Self Assessment

In the past year, the fourteen directors conducted a performance evaluation by reviewing the Company's performance in relation to the Company's target, directors' understanding of the Company's businesses, appropriateness of the Board structure and qualifications of the directors, directors' meetings, relationships among directors and management, directors' independent opinion, and directors' attention to the new directors. The overall results of the evaluation were highly satisfactory.

Each director provided an anonymous opinion in the evaluation form which was submitted directly to the office of the Corporate Secretary. The Corporate Secretary summarise the overall assessment and presented the findings to the Board of Directors. The Board considered the positive and negative aspects of the assessment as well as specific problems to help make improvements and corrections and make a positive impact on the Company and its shareholders.

2) The Executive Director Committee

As of December 31, 2009, the Executive Director Committee comprised seven members as follows:

No.	Name	Position
1.	Dr. Vivat Vithoontien	Chairman and Chief Executive Officer
2.	Mr. Anake Pinvanichkul	Executive Director and Deputy Managing Director of Asset Management Department
3.	Mr. Saringkarn Sutaschuto	Executive Director and Deputy Managing Director of Consumer Finance Department
4.	Ms. Suvimol Pumpaisanchai	Executive Director and Deputy Managing Director of Investment Banking Department
5.	Mr. Issarachai Decharit	Executive Director and Deputy Managing Director of Legal Department
6.	Mr. Chalermchai Sirinopawong	Executive Director and Deputy Managing Director of Accounting / Finance Department
7.	Mr. Parankoon Waiyahong	Executive Director and Deputy Managing Director of Operations Department



Duties and Responsibilities of the Executive Director Committee

The duties and responsibilities of the Executive Director Committee, as set forth by the Board of Directors, are to run the Company's day to day business operations, implement Company policy, implement business plans and budgets, structure the management organisation and delegate management authority, establish guidelines to cope with the prevailing economic situation, and to audit and monitor business operations as stated in the policy. A summary of the important functions and responsibilities are as follows:

1. To review the annual budget proposed by department heads before proposing to the Board of Directors for review and approval. Additionally, to review and approve any urgent changes in the annual budget before a Board of Director's meeting can be held, then to report the amended budget at the next Board of Director's meeting.
2. To approve transactions that are less than or equal to 10 million baht.
3. To approve payments less than or equal to 10 million baht, or investments in non-performing assets portfolios of less than 50 million baht per portfolio.
4. To approve important investments stated in the annual budget principally approved by the Board of Directors.
5. To give advice to the management team for developing the master plan and policy for finance, investment, marketing, personnel management and other operations.
6. To allocate the budget for bonuses approved by the Board of Directors for employees or people involved in the business of the Company.
7. To oversee the Company's day to day business operations and administration.
8. To execute business transactions on behalf of the Company as required by the Company's Article of Association registered with the Ministry of Commerce.

However, the authority of the Executive Committee does not extend to the approval of any transactions potentially perceived to be in conflict of interest between the Executive Committee or related persons thereof and the Company or subsidiary company according to the SET rules and regulations. Such transactions can be approved only by the Board of Directors or by shareholders' resolution according to the Company's Article of Association and related laws.


Chief Executive Officer (CEO) / Managing Director (MD)

The Board of Directors appointed Dr. Vivat Vithoontien as the Chief Executive Officer (CEO) which is the same position as Managing Director to oversee the business operations in accordance with company objectives and business plan as set forth by the Board of Directors, with the following functions and responsibilities:



Functions and Responsibilities of the Chief Executive Officer

1. To oversee the Company's overall business operations in order to achieve the Company's missions and objectives.
2. To develop business strategies and plans for proposal to the Board of Directors and to implement approved business strategies and plans.
3. To implement and fulfill responsibilities and policies assigned and set forth by the Board of Directors.
4. To issue instructions, orders, regulations, announcements, and memos to manage business operations of the Company for achieving profit and other objectives, including maintaining discipline in the organization.
5. To approve and/or delegate authority to other executives or employees to undertake business transactions under normal commercial terms that do not negatively affect the Company's assets.
6. To direct executives and employees to implement the Company's business policy and directives set forth by the Board of Directors.
7. To seek out business opportunities in corporate finance, securities, investment, business consulting, financial and accounting advisory, investment advisory and other new business opportunities to increase the Company's and shareholders' income.
8. To review the deployment of the Company's rights and assets for use in entering liabilities with other parties, companies or financial institutions and propose to the Board of Directors for approval.
9. To consider and approve payments for operating expenses within the parameters approved by the Board of Directors.
10. To consider and approve investments in financial instruments and securities by the Company within the parameters approved by the Board of Directors.
11. To review and preliminarily approve potential investments in financial instruments and securities by the Company outside of the parameters approved by the Board of Directors.
12. To preliminarily approve investment guidelines for business expansion and joint investments with other investors and present to the Board of Directors for approval.
13. To approve important investments established in the annual budget or principally approved by the Board of Directors.
14. To oversee that the work of employees is in line with policies, rules and regulations of the Company as well as to promote good corporate governance in carrying out business.
15. To support the development of knowledge and skills of employees to enhance corporate potential.
16. To appoint consultants or advisors as necessary for the operation of the business, including the appointment of lawyers to file lawsuits on behalf of the Company or subsidiaries.
17. To consider and approve transactions related to business operations, such as selling and purchasing goods or services at market prices, charging fees at commercial rates and determining credit terms according to standard practice, etc.
18. To approve the appointment, transfer and termination of executive employment contracts.
19. To approve the appointment of certain officers authorised to sign Company cheques and purchase orders, financial instruments such as shares, bonds, convertible bonds, warrants, unit trusts, contracts and accounting and financial documents.

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20. To implement adhoc projects assigned by the Board of Directors.
 21. To delegate other individuals to manage necessary and appropriate businesses or operations as deemed fit within the functions and responsibilities assigned by the Board of Directors.
 22. To delegate tasks to Deputy Managing Directors or other executives.

However, the authority of Chief Executive Officer or such authorised person does not extend to the approval of any transaction potentially perceived to be in conflict of interest (according to the S.E.C rules and regulations) with the Company or subsidiaries, except for transactions that are executed on general commercial terms approved by the Board of Directors, are in compliance with regulations of the Stock Exchange of Thailand and which concern the acquisition or sale of assets of the Company or subsidiaries.

Performance Assessment of the Chief Executive Officer by the Board of Directors

During 2009, thirteen members of the Board of Directors excluding the Chief Executive Officer conducted an evaluation of the Chief Executive Officer's performance by evaluating business operations, amount of time dedicated to managing the businesses, internal control, responsiveness to opinions from management, risk management policy, and Board of Director meeting attendance. The evaluation forms were anonymous to ensure independent evaluation. The forms were submitted directly to the office of the Corporate Secretary who summarised the evaluation and presented the results to the Board of Directors

The overall performance of the Chief Executive Officer in the past year was found to be highly satisfactory. Recommendations and advice from other directors were also made to the Chief Executive Officer in order to improve the performance of the Board of Directors, the Executive Director Committee, management and employees.

Independent Directors

The Company has five independent directors namely Mr. Surapol Sindhuanich, Ms. Narumol Wangsatorntanakun, Mr. Chatchawan Triamvicharnkul, Mr. Hideaki Shimizu and Mr. Nicholas Alexander Hamilton. All independent directors are qualified according to the definition of Independent Directors which exceeds the requirements of S.E.C regulations, the Stock Exchange of Thailand and/or the Capital Market Supervisory Board as follows:

1. A director who has no involvement in the Company's business operations and is not hired as an employee, staff or advisor with regular salary from the Company, subsidiary, related company or the Company's major shareholder.
2. A director who has no benefit either directly or indirectly in the Company's financial status and management.
3. A director who is not a related person or close relative of Company management staff or the Company's major shareholder.
4. A director who is not appointed as the Company's representative to protect only the interests of the Company's directors, major shareholder, or shareholders related to the Company's major shareholder.



5. A director who holds 0.5% or less of the paid up capital of the Company, company group, subsidiary, and related company. This amount would also include shareholding by related persons (by means of marriage status and legally registered relatives such as father, mother, spouse and heirs).
6. A director who can perform duties, provide opinions and report performance as appointed by the Board of Directors without being under the control of Company management or the Company's major shareholder, including related persons (any person related to the Company such as clients, creditors, debtors, significant business related person or close relatives which affects their independent status)
7. A director who can provide independent opinion or reports as appointed without being influenced by any potential profit, and without being under the control of any person or group of people including any situation that may lead to the inability to provide such independent opinion.

3) Audit Committee

As of December 31, 2009, three members of the Audit Committee comprised independent board members with different skills, abilities and professions, namely engineering, economics and accounting and finance to consider financial statements of the Company and subsidiaries, review internal audit results with the Internal Audit Department, meet with auditors and the Accounting Department head to consider all related transactions. Members of the Audit Committee are as follows:

No.	Name	Position
1.	Mr. Suraphol Sindhuvanich	Chairman of the Audit Committee
2.	Ms. Narumol Wangsatorntanakun	Audit Committee Member
3.	Mr. Chatchawan Triamvicharnkul	Audit Committee Member

In addition, the Company has an internal audit advisor, Mr. Kamol Ratanachai, Vice President of Internal Audit Department, TSFC Securities Limited, to provide advice to the Company on internal audit systems as well as advise on internal audit policy for efficiency in auditing.

Audit Committee Qualifications

Members of the Audit Committee shall meet the independence and experience requirements of the Company and shall not be deemed a prohibited person as defined by the Public Limited Companies Act, the Securities and Exchange Acts, as well as other related laws, as follows:

1. Being a non-executive director and receiving no permanent remuneration from the Company, its subsidiaries, its associates, its related companies or its major shareholders as an employee, officer or advisor.
2. Having no direct or indirect benefit, either financially or operationally, in transactions with the Company, its subsidiaries, its associates, its related companies or its major shareholders.
3. Being unrelated parties to executives or major shareholders of the Company.
4. Being a director who is not appointed to protect only the interests of the Board, the executives, major shareholders or shareholders related to the major shareholders.



5. Holding shares worth no more than 0.5% of the total paid-up capital of the Company, its subsidiaries, its associates or its related companies. The amount of shares deemed held by a member of the Audit Committee includes those belonging to related persons (persons connected by blood, marriage or legislative adoption, that is father, mother, spouse, children).
6. Being able to perform duties assigned by the Board and to voice his/her opinions independently without the influence of executives, major shareholders or related parties (persons with connection or involvement with the Company thus preventing the Audit Committee from independent and efficient performance of duties, such as the Company's clients, creditor, debtors, or significant business partner) or relatives of the aforementioned persons.
7. Being able to express or report his/her opinions regarding assigned missions independently without considering the gain or loss on his/her assets or positions, and being independent from the influence of any person, any group or any situation.
8. Having sufficient time to devote and carry out his/her duties as an Audit Committee member and to continuously seek knowledge to improve his/her performance

Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee, as set forth by the Board of Directors, are as follows:

1. To review the Company's financial reports with integrity to ensure they comply with generally accepted accounting standards and have adequate information disclosure.
2. To examine the Company's internal audit system to ensure it is appropriate and effective.
3. To examine the Company's operational procedures to ensure compliance with the Securities and Stock Exchange of Thailand Act as well as Provisions and Regulations of the Stock Exchange of Thailand and the Securities Exchange Commission.
4. To seek and propose the appointment of the external auditor, determine remuneration, conduct performance evaluations and ensure that the independent status of the auditor is maintained.
5. To monitor to prevent any conflicts of interests between related parties.
6. To review information disclosures on conflict of interest or related party transactions.
7. To approve the charter of the internal audit, risk management, and compliance departments, including approval of audit plans, work processes, head counts and annual budgets.
8. To approve staff promotions, demotions, terminations and to review staff performance. Additionally, to maintain the independent status of the internal audit, risk management, compliance departments.
9. To implement other related tasks assigned by the Board of Directors and agreed by the Audit Committee such as:



- To review and evaluate the appropriateness of the Company's rules and regulations, including monitoring the Company's compliance with laws and regulations and with policy set forth by the Board of Directors.
 - To review the Company's financial management policy and risk management.
 - To review the executive code of conduct and practice.
 - To review, together with other executives, reports which must be publicly disclosed such as the Management Report and Analysis.
10. To prepare the good governance report for disclosure in the Company's annual report as concurred by the Chairman of Audit Committee.
11. To implement any other related tasks as stated by law and regulation or assigned by the Board of Directors.

The above duties and responsibilities of the Audit Committee are ultimately the responsibility of the Board of Directors. The Board of Directors is also ultimately responsible for reporting the Company's business operations to shareholders and external parties.

Audit Committee Self Assessment

In 2009, the Audit Committee conducted a self assessment and presented the results at Board of Director's meeting no. 1/2010 on February 23, 2010 with the aim to further improve the Audit Committee's performance. The results can be summarised as following:

1. Audit Committee Composition

The Audit Committee found its composition to be fully up to standard and in line with the Audit Committee Charter approved by the Board of Directors. All members of the Audit Committee had sufficient time to devote to performance of duty. Each member of the Audit Committee had sufficient knowledge and experience suited to each mission. In addition, at least one member of the Audit Committee was a professional in finance, accounting and auditing.

2. Audit Committee Training and Dedication of Resources

The Audit Committee found its training and dedication of resources to be fully up to standard. Throughout the year, the Audit Committee was provided sufficient information and relevant training.

3. Audit Committee Meetings

The Audit Committee found its meetings to be fully up to standard. In 2009, the Audit Committee organised 12 meetings. Meeting agendas and related background information were submitted to each member of the Committee in a timely manner to enable full and proper consideration of the issues. Committee members who attended the meetings did not have any conflict of interest in subject matters for resolution. The Audit Committee also convened additional meetings with management and external auditors as deemed appropriate. In addition, inquiries into relevant legal issues which may significantly affect the Company's financial statements were conducted in its quarterly meetings with the Company's legal department.



4. Audit Committee Reports

The Audit Committee found its reports to be fully up to standard. The Audit Committee had reported its activities to the Board of Directors on regular basis. In addition, the Audit Committee made a formal annual report on its work and performance during the year to the Company's shareholders and investors.

5. Audit Committee Activities

The Audit Committee found its activities to be fully up to standard. The Audit Committee undertook responsibilities pursuant to its Charter, which are summarised as follows:

- 5.1 Co-reviewed with the Company's management the procedure for risk evaluation relating to significant errors in financial statements, either intentional or unintentional.
- 5.2 Queried management, external auditors and the internal audit manager on appropriateness of currently used accounting principles, changes which did not result from alteration of accounting principles or regulations; effects on interim financial statements and reports, including problem resolution, significant changes on annual financial statements, adequacy of the existing reserve accruals, and management forecasts that have a significant effect on financial statements.
- 5.3 Ensured the Company made accurate and complete disclosure of information regarding related transactions or transactions that may cause a conflict of interest.
- 5.4 Monitored the Company's financial disclosures to ensure that they accurately represent the financial position of the Company and that they were prepared in accordance with generally accepted accounting principles and were submitted to the Stock Exchange of Thailand (SET) within the required time period.
- 5.5 Convened separate meetings with external auditors to seek their opinion upon matters such as evaluation of accounting staff and internal auditors, in addition to other advice.

6. Audit Committee's Relationship with External Auditors and the Internal Audit Manager

The Audit Committee found its relationship with external auditors and the internal audit manager to be fully up to standard. The Audit Committee was involved in the selection of the Company's external auditors, and the review, appointment and task assignment of the internal audit manager. In addition, the Audit Committee reviewed and approved the internal audit plan, revisions to the internal audit plan, and the manpower and budget plan of the internal audit department.

7. Audit Committee's Relationship with the Compliance Manager

The Audit Committee found its relationship with the compliance manager to be fully up to standard. The Audit Committee was involved in task assignment of the compliance manager. In addition, the Audit Committee reviewed the compliance plan, revisions to the compliance plan, and the manpower and budget plan of the compliance department.



4) Nominating and Compensation Committee


Resolution of the Board of Directors meeting no. 4/2008 dated August 13, 2008, approved the appointment of the Compensation Committee comprising three members who serve as independent directors and members of the Audit Committee. Board of Directors meeting no. 1/2009 on February 26, 2009 appointed the same committee to nominate directors and senior management and changed the name from Compensation Committee to Nominating and Compensation Committee. As of December 31, 2009, the Nominating and Compensation Committee comprised the following members:

No.	Name	Position
1.	Ms. Narumol Wangsatorntanakun	Chairman of the Nominating and Compensation Committee
2.	Mr. Suraphol Sindhuvanich	Nominating and Compensation Committee Member
3.	Mr. Chatchawan Triamvicharnkul	Nominating and Compensation Committee Member

Nominating and Compensation Committee Qualifications

Members of the Nominating and Compensation Committee must meet independence and experience requirements of the Company and must not be deemed a prohibited person as defined by the Public Limited Companies Acts, the Securities and Exchange Acts, as well as other related laws, as follows:

1. Being a non-executive director and receiving no permanent remuneration from the Company, its subsidiaries, its associates, its related companies or its major shareholders as an employee, officer or advisor.
2. Having no direct or indirect benefit both financially and operationally in any transactions with the Company, its subsidiaries, its associates, its related companies or its major shareholders.
3. Being unrelated parties to executives or major shareholders of the Company.
4. Being a director who is not appointed to protect only the interests of the Board, executives, major shareholders or shareholders related to the major shareholders.
5. Holding shares worth no more than 0.5% of the total paid-up capital of the Company, its subsidiaries, its associates or its related companies. The amount of shares held by a member of the Nominating and Compensation Committee includes those belonging to his/her related persons (persons connected by blood, marriage or legislative adoption, that is father, mother, spouse, children).
6. Being able to perform duties assigned by the Board and to voice his/her opinions independently without the influence of executives, major shareholders or related parties (persons with connection or involvement with the Company thus prevent the Nominating and Compensation Committee from independent and effective performance of duties, such as the Company's clients, creditors, debtors or significant business partners) or relatives of the aforementioned persons.
7. Being able to express or report his/her opinions regarding assigned missions independently without considering the gain or loss on his/her assets or positions, and being independent from the influence of any person, any group or any situation.

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8. Having sufficient time to devote and carry out his/her duties as a Nominating and Compensation Committee member to further improve his/her performance.

Duties and Responsibilities of the Nominating and Compensation Committee

The Nominating and Compensation Committee undertakes duties and responsibilities as defined by the Board as follows:

1. Nominating Committee
 - 1.1 To consider the appropriateness of the structure and composition of the Board.
 - 1.2 To determine the qualifications of directors, the managing director / CEO, the criteria for the nomination of persons for such positions, and to review the qualifications and evaluate the performance of directors, the managing director / CEO who complete their term of service.
 - 1.3 To set out methodology and procedures for preparing the persons qualified for being appointed as a director, the managing director / CEO.
2. Compensation Committee
 - 2.1 To determine proper and fair compensation policy for directors, managing directors / CEO and any specific committee as appointed by the Board.
 - 2.2 To propose appropriate compensation, rewards, meeting allowances, pensions, bonuses, and other fringe benefits for the Company's directors, executives and Board appointed committees to the Board for consideration. The Board shall then make recommendations to shareholders for approval.
 - 2.3 To evaluate the CEO's performance and determine the compensation and other fringe benefits for the CEO.
 - 2.4 To help the Company achieve its business objectives, the Board may from time to time assign the Compensation Committee to perform other functions with respect to compensation and other fringe benefits for senior executives as follows:
 - 2.4.1 Determine compensation policies for senior executives and coordinate with the Human Resource Department in the execution of such policies in accordance with the Company's business goals.
 - 2.4.2 Assure that the compensation and benefits paid to senior executives are comparable to competitive market practice.
 - 2.4.3 Help the Company retain its key senior executives.



The Nominating and Compensation Committee Self Assessment

The Nominating and Compensation Committee is responsible for conducting an annual self-assessment of their performance. The assessment results for performance during the year 2009 are summarised below:

1. Composition of the Nominating and Compensation Committee was found to be fully up to standard given that the Committee complied with regulations and procedures set forth by the Board of Directors. All members of the Nominating and Compensation Committee dedicated sufficient time for business operations.
2. Training and dedication of resources were found to be fully up to standard given that the Committee received sufficient training and information.
3. Meetings of the Nominating and Compensation Committee were found to be fully up to standard. The Committee held a total of three meetings during 2009. There was sufficient information and meeting agendas discussed during each meeting and there were no potential conflicts of interest among the attendants.
4. Reporting of the Nominating and Compensation Committee was found to be fully up to standard given that performance reports were regularly submitted to the Board of Directors and an activities report during the year was disclosed to shareholders and other investors in the Annual Report.
5. Activities of the Nominating and Compensation Committee was found to be fully up to standard given that the Committee fully complied with the Charter as follows:
 - 5.1 Coordinate with the Board of Directors in considering qualifications of nominees for the Company's directors replacing outgoing directors whose term of directorship is expiring, review the Board of Directors structure to ensure the portion of independent directors comply with S.E.C regulations, and set remuneration for committees and sub-committees.
 - 5.2 Review the remuneration policy for management and staff to ensure appropriateness, fairness and motivation for company staff.

2. Director and Executive Director Recruitment

For the annual director and executive director election, the Company provided opportunity for shareholders to submit the name of qualified individuals for nomination as new directors. Considerations were based on qualifications, experience and skills related to the Company's business operations. At the same time, consideration was also made for reappointing directors whose term of directorship were ending. Such nominations were initially considered by the Nominating and Compensation Committee for their appropriateness. Qualified individuals were then submitted to the Board of Directors' for consideration and further submitted to the annual shareholders meeting for approval in accordance with following procedure:

1. Each shareholder is entitled to one vote per share.
2. During the shareholder meeting, a single candidate or a group of candidates may be proposed. Each shareholder has voting rights as stated above but is not allowed to split his/her voting rights.
3. Directors are appointed by majority vote. In the case where equal votes are counted for competing candidates, the chairman of the meeting will cast a deciding vote.



In the case where a director position is vacant by reason other than expiry of term of directorship such as by death or resignation, the Nominating and Compensation Committee will select qualified individuals and submit the names to the Board of Directors for consideration. A new director is then appointed without calling a shareholders' meeting.

The Nominating and Compensation Committee may also select qualified individuals for senior management positions for consideration by the Chief Executive Officer.

Company Secretary

In order to comply with the Securities and Stock Exchange of Thailand Act (4th edition) B.C. 2551 section 89/15 regarding the setting up of the Company Secretary by the board of directors, Board of Director meeting no. 4/2008 dated August 13, 2008 approved the appointment of Mr. Ithidej Chuerangsun as the Company Secretary. The Company Secretary assumes the following responsibilities:

1. Coordinate Board of Director's meetings and shareholders' meetings.
2. Coordinate executive director meetings and agendas.
3. Prepare and file the following documents:
 - 3.1 Directors' records.
 - 3.2 Meeting invitations, minutes of board of director meetings, and annual reports.
 - 3.3 Shareholder meeting invitations and minutes of shareholders' meetings.
4. Filing the gain or loss report as reported by the directors or management.
5. Provide board of directors with information as required by law and regulations of the Securities and Stock Exchange of Thailand Act, as well as regulations of the Stock Exchange of Thailand.

3. Director and Management Remuneration

Cash Remuneration

3.1 Directors

During 2009, the Company set policy for director remuneration as follows:

1. Each director (except for Mr. Hideaki Shimizu who declined the director's remuneration) will receive a meeting allowance of THB 20,000 per person per meeting of which the directors who also hold a management position will receive such meeting allowance besides their regular salary.

	2008 (THB/ meeting)	2009 (THB/ meeting)
Board of Director meeting allowance	20,000	20,000



2. Each member of the Audit Committee will receive a meeting allowance of THB 10,000 per person per meeting.

	2008 (THB/ meeting)	2009 (THB/ meeting)
Audit Committee meeting allowance	10,000	10,000

3. Each member of the Nominating and Compensation Committee will receive a meeting allowance of THB 10,000 per person per meeting.

	2008 (THB/ meeting)	2009 (THB/ meeting)
Nominating and Compensation Committee meeting allowance	-	10,000

Before changing the committee name from Compensation Committee to Nominating and Compensation Committee, members of committee did not receive any meeting allowance. After the committee name changed on February 26, 2009, each member of the committee will receive a meeting allowance of THB 10,000

4. The Company will pay a special remuneration to all members of the Board of Directors at the same rate as the previous year of one percent of the Company's net profit, in addition to payment of the meeting allowances. The special remuneration is paid after the Company's annual report is approved in the annual shareholders' meeting in the following year and the one percent of net profit is divided equally among all directors.

3.2 2009 Remuneration of Non-Executive Directors

All non-executive directors holding their position as of December 31, 2009 receive the meeting allowance and special remuneration except for Mr. Hideaki Shimizu who declined the meeting allowance and special remuneration, as he is the representative of one of the Company's shareholders, Japan Asia Investment Co., Ltd.

Details of the remuneration for non-executive directors are as follows:

Name	Remuneration for 2008 (THB)				Remuneration for 2009 (THB)			
	Board of Directors	Audit Committee	Nominating and Compensation Committee	Special	Board of Directors	Audit Committee	Nominating and Compensation Committee	Special
<u>Non-Executive Directors</u>								
1. Mr. Harukazu Yamaguchi	80,000	-	-	-	80,000	-	-	49,542
2. Mr.Hideo Ichida	-	-	-	-	-	-	-	-
<u>Independent Directors</u>								
3. Mr. Hideaki Shimizu	-	-	-	-	-	-	-	-
4. Mr. Nicholas Alexander Hamilton	-	-	-	-	-	-	-	-
<u>Independent Directors and Audit Committee Members</u>								
5. Mr. Suraphol Sindhuvanich	100,000	110,000	-	39,054	80,000	120,000	10,000	49,542
6. Ms. Narumol Wangsatorntanakun	80,000	120,000	-	39,504	80,000	110,000	10,000	49,542
7. Mr. Chatchawan Triamvicharnkul	100,000	120,000	-	39,054	80,000	120,000	10,000	49,542
Total	360,000	350,000	-	117,162	320,000	350,000	30,000	198,168

3.3 2009 Remuneration of Executive Directors

In 2009, the Company's remuneration structure for its seven executive directors was as follows:

Type of Remuneration	2008		2009	
	No. of directors	Total remuneration (Baht)	No. of directors	Total remuneration (Baht)
Salary	7	24,240,000	7	24,240,000
Special remuneration	7	1,731,379	7	1,356,794
Director remuneration	7	700,000	7	560,000
Provident Fund	7	1,804,700	7	1,198,700
Total	7	28,476,079	7	27,355,494

Remark: The executive directors were not paid any other type of remuneration, such as commissions or other types of compensation, except as stated above.

The Company's seven executive directors, namely the Chief Executive Officer and Deputy Managing Directors of various departments, namely the Asset Management Department, Personal Consumer Finance Department, Investment Banking, Legal Department, Finance and Accounting Department and Operations Department, were not compensated for other responsibilities assigned to them.



4. Corporate Governance

As the shareholders' representative, the Board of Directors confirms that the Company is in full compliance with the SET's guidelines for implementation of good corporate governance. The Company's operational procedure manual is placed on the Company's website for disclosure to shareholders. The Board of Directors believe that, given the Company's professional management system, experienced board, talented management team with good vision and sense of fiduciary duty, checks and balances, transparent administration, and respect for shareholders' rights and equitable treatment, the Company can add more value and provide higher returns to shareholders in the long run. Furthermore, assessment results for the Company in the Corporate Governance Report to Thai Listed Companies 2009 was "Very Good" based on an assessment during 2008-2009 organized by the Thai Institute of Directors (IOD).

In another independent assessment, the Company's commitment to shareholder rights and procedural standard of the Company's annual shareholders' meeting in 2009 was reviewed by the Thai Institute of Investment. As a result a score of 95 points was given which is considered excellent.

The Company's policies on good corporate governance follow below.

Section 1: Shareholders' Rights

- 1) The Company recognises the principal of respect for shareholders' rights including the right of shareholders to attend an annually held general shareholder's meeting at least once a year. In 2009, the Company held a general shareholders' meeting on the 28th of April and one extraordinary shareholder meeting. Meeting venues were set up for convenient access by shareholders. We ensured effective dissemination of information to shareholders by hiring Thailand Securities Depository Company Limited, the Company's share registrar, to send schedules of shareholder meetings, notices of meetings and minutes of shareholder meetings with sufficient information and related documents to shareholders 21 days before the meeting date.
- 2) On meeting days, the Company facilitated shareholder voting by using a barcode system to register and count votes, as well as providing duty stamps for powers of attorney.
- 3) On meeting days, meeting attendance registration took place two hours before the meeting time. The Company also allowed shareholders to join the meeting after the meeting had already started and they were included among attendees with voting rights.
- 4) The Company arranged notices of meetings with related documents together with three types of proxies: type A, type B and type C, which were posted in our website www.acap.co.th to help shareholders to choose the appropriate proxy. Additionally, the Company proposed at least one independent director to be a proxy holder to be nominated on behalf of shareholders not able to attend the meetings. The Company disseminated all facts and reasons of the nominated independent director, in case there were differences of opinion in the Board, both in Thai and English, to provide all shareholders equal treatment and with sufficient information.



- 5) At the Company's 2009 annual general shareholders' meeting, eleven out of fourteen executive directors and non-executive directors attended the meeting. Two foreign directors, one executive director and one audit committee member did not attend this meeting. At extraordinary shareholder meeting no. 1/2009, eleven out of fourteen directors attended. The three directors who did not attend were foreign, non-executive directors. All three Audit Committee members attended the meeting. Moreover, representatives of the Company's auditors, and independent financial advisors attended every meeting that required shareholders' resolution.
- 6) For transparency and accuracy in vote counting, the company invited representatives from another auditing company which was not the Company's auditor, to provide auditing service for the vote counting.
- 7) At the beginning of each meeting, the Chairman of the meeting explained all meeting rules including the method of specifically counting the numbers of eligible voting rights for each specific meeting agenda according to Company rules. During the meeting, shareholders are treated equally, and are allowed unlimited opportunity for discussion and expressing opinions and suggestions. The Board straightforwardly answered all questions of each meeting agenda. All minutes of the meetings are precisely and comprehensively recorded with a conclusion of each meeting agenda's resolutions. On the same day of the meeting, the meeting minutes and resolutions are disseminated via the SET's ELCID system to shareholders and the public in both Thai and English. Copies of full meeting minutes are provided to the Office of the SEC within 14 days after the meeting date. They are also posted on the Company's web site in both Thai and English.
- 8) No agenda was added to any meeting without prior notice to the shareholders, especially material agenda requiring sufficient time to study for decision making. Meeting agenda were presented as stated in meeting invitations.

Section 2: Equitable Treatment of Shareholders

We recognise and respect rights of all shareholders to fair practice without discrimination, with voting based on the number of shares held and free from influence by major shareholders. The Company's guidelines are as follows:

- 1) The Company allows shareholders to nominate anyone, including independent directors proposed by the Company, to be proxy holders and attend meetings to maintain the shareholder's voting rights.
- 2) Before every shareholders' meeting, the Company allow minority shareholders to add any meeting agenda or any matters including suggestions onto our website without discrimination for at least 30 days prior to the meeting. Such additions are reviewed by management before being submitted to the Board of Directors. There were no submissions of agendas from shareholders during 2009.
- 3) In case a minority shareholder would like to nominate any individual for a director position, they are allowed to do so by notifying of such on the Company's website at least 30 days prior to the shareholders' meeting in order for the Board of Directors to consider their qualifications and place the nomination in the agenda for the next shareholders' meeting.
- 4) In order for shareholders to have sufficient time to consider the shareholders' meeting agenda, the



company will deliver the meeting invitation and attached documentation in both Thai and English at least 21 days prior to the meeting. The same invitation and attached documentation will also be posted on the Company's website.

- 5) For agendas involving a vote for directors, the Company allows shareholders to vote for each director individually.
- 6) During the meeting, the Company encourages comments and questions by opening floor and allowing sufficient time for shareholders to come forward with their comments and questions.
- 7) The Company pays serious attention to protect the Company's inside information from abuse by directors, executives, and staff for personal profit or for running any related business that competes against the Company, regardless of the type of transaction, including buying or selling of related securities or undertaking any other action to the detriment of shareholders. A policy for the use of insider Information is clearly stated in the Company's staff Code of Ethics.
- 8) When any director or executive undertakes any transaction involving Company listed shares, he or she must inform our compliance unit, which then prepares a statement of shareholding of those directors, including of their spouses and dependent children, for the Office of the SEC. All directors and executives must abide by the Company's Code of Ethics, including strict avoidance of transactions in Company listed shares one month before and one week after financial statements are publicly disseminated.

Section 3: Responsibilities to the Stakeholders

We recognise the rights of all related persons no matter whether they are shareholders, employees, counterparties and creditors, clients, competitors, the community and society. Our policy to ensure that they are fairly treated is as follows:

- Shareholders:
- The Company aims to continuously generate reasonable profits for shareholders by running the business to consistently produce high turnover and also by operating the business with transparency. Accordingly, the Company adheres to the following practices:
1. Running the Company to gain profit and steady turnover to benefit shareholders as entrusted to us.
 2. Managing the business based on the principles of duty of loyalty and duty of care with capable, experienced and skilled people.
 3. Not perform any act that may cause undue risk or possible damage to the Company and the shareholders without approval from the shareholders.
 4. Not using information of the Company which is not yet public for the benefit of any individual or other related person.
 5. Disclosing the report of Company's status and annual report to all shareholders equally, regularly, completely and on time.
 6. Paying attention to opinions or suggestions from shareholders which are reasonable and



beneficial to the development of the Company.

7. Honouring the rights of shareholders, such as the right to attend meetings, to propose agendas for meetings, to nominate director candidates, to have access to appropriate information, to express opinions, to receive information sufficiently in advance for making decisions, to petition, among others.

Employees:

The Company recognises the importance of employees since they are crucial to maintaining and growing the organization. The Company aims to continuously develop and strengthen the work culture and atmosphere. In order to instil confidence in employees, the Company established the following guidelines:

1. Conduct fairness in every matter to all employees without discrimination of race, religion, nationality, gender, age or education.
2. Provide fair compensation in salary and/or bonuses to all employees.
3. Maintain a clean and safe work environment for employee well-being and security of their property.
4. Neither directly or indirectly infringe on the liberty and rights of any person.
5. Support and develop employee skills by providing training and updating knowledge of employees on a regular basis.
6. Listen to opinions and suggestions from employees in every level equally and impartially.
7. Comply strictly with laws and regulations concerning employee provisions.
8. Treat all employees with courtesy and respect.
9. Keep channels open for employees to make complaints or inform of any matter involving a possible violation of any rule or law.

Counterparties and Creditors:

The Company's business is run under cooperative benefit with its business partners. Such cooperation and fairness is fostered through the following practices:

1. Comply with agreed commercial terms strictly and honestly under stipulated conditions, rules and laws.
2. Find solutions in cooperation with partners to reach a compromise in case any commercial dispute or other problem has occurred.
3. Not to seek or receive any benefit which may compromise the Company's loyalty to the business partner.

The Company strictly adheres and conforms to laws and other rules relating to its obligations with creditors by following these guidelines:



1. Consistently comply with conditions of contract with creditors in regards to the debt repayment or other terms.
2. Not conceal the financial status of the Company for the purpose of avoiding or postponing overdue repayments.
3. Not distort any facts or amend any document which benefits the Company and causes damage to the creditor.
4. Inform creditors in advance of any pending contractual defaults in order to jointly find a solution to the default.

Clients:

Success in business comes from satisfying our customers. Therefore, the Company must maintain strong and caring relationships with its customers. It must adhere to principles of integrity and maintain high moral standards and respect. It strives to exceed the various needs of each customer with utmost care and effort, and hold a long-term view of each relationship. The Company applies the following practices in dealing with customers:

1. Provide only the products and services that the Company is capable and skilled in providing.
2. Charge a fair fee for products and services that is not excessive when compared to the quality provided.
3. Inform customers of the terms and conditions of services clearly, accurately, transparently and without any misrepresentation.
4. Provide customers with fair and impartial advice without the intention of taking any advantage in providing such advice.
5. Comply with conditions as agreed with customers. In the event of force majeure, inform the customer in advance if possible in order to mutually find a solution.
6. Strictly and regularly protect the confidentiality of customer information and not use such information for self benefit.

Competitors:

The Company respects all business competitors and rules of competition with honesty through the following guidelines:

1. Refrain from defaming any competitor or using any other method that may misrepresent facts of competitor.
2. Refrain from using proprietary products or information from a competitor and claiming that it belongs to the Company.
3. Refrain from taking a competitor's customer in a dishonest manner.
4. Comply with rules and regulations in relation to good business practice.



The Community and Society:

The Company places great importance on Corporate Social Responsibility (CSR) and strives to play a part in improving society. The Company was established by a group of Thai individuals, and is bonded with Thai society and patriotic to its home country. The Company runs its business while caring for the environment and society. Its Corporate Social Responsibility (CSR) Policy can be seen in its Good Governance Statement on the company website.

To support the CSR policy, the Company regularly organises activities for social causes. In 2009, the company donated money and necessary goods to disabled people in Phrapradaeng, Samutprakarn. Moreover, the Company responds to the financial needs of major disasters which might take place in Thailand or abroad.

Section 4: Information Disclosure and Transparency

The Company's policy on information disclosure is to make it transparent, punctual, complete and accurate according to the standard of information disclosure efficiency stated in the SET's listed company requirements. This policy is the responsibility of our executive directors who recognise that it does affect investors' decision making. To treat public investors equally in access to company information, the Company disseminates its information disclosures, including our annual report and our 56-1 form, through the SET's and SEC's information disclosure media along with the company website, www.acap.co.th, in both Thai and English. The policy on information disclosure is stated as follows:

- 1) The Company widely discloses its executive directors' roles and responsibilities, including their remuneration packages, to its shareholders in the annual information disclosure form 56-1.
- 2) When a new director is appointed, the Company will fully reveal his/her profile and directorship tenure in the notices of meetings to its shareholders.
- 3) Our Board of Directors is responsible for our financial statement reports, including financial figures in the annual report. Our Board of Directors and Audit Committee issue acknowledgement clauses in all our financial statement reports and annual reports.
- 4) All related party transactions are disclosed in our financial statement reports. Our Audit Committee reviews and monitors related party transactions to affirm that they conform to rules, regulations, notifications, announcements and standard practices of the SET. Related party transactions must also be presented in Board of Director meetings or shareholder meetings, depending on transaction size. The Company presents transaction values, counterparty and related party, rationales, and other information related to the transactions in both Thai and English through the ELCID system of the SET to publicly inform all investors.
- 5) The Company Secretary is Mr. Ithidej Chuerangsun, who is responsible for preparing and coordinating the shareholders' meeting, and for investor relations. Shareholders, investors and analysts may contact the Company Secretary through the following channels:



The Company Secretary and Investor Relations

Tel. 02-694-4915

Fax. 02-670-1152

Email: ithidej_c@acap.co.th

Senior management also takes a role in explaining information directly to investors. The Company provides other public relation channels through SET's Information Technology system and the company website and ensures the completeness, transparency, accuracy and timeliness of the information distributed.

Section 5: Board of Directors' Responsibilities

Members of the Board of Directors and the Executive Director Committee have strong leadership skills, business vision and senior management experience in financial institutions and other key industries across both public and private sectors. The Executive Director Committee is given flexibility in making decisions to achieve the Company's strategies and objectives while being overseen by the Board of Directors and the Audit Committee.

The Board of Directors and the Audit Committee mutually set policy and direction to efficiently accomplish pre-established business plans and budgets. They also closely supervise internal compliance, internal audit, risk management, and financial statement reporting to comply with good corporate governance. They maintain appropriate risk management standards and continuously monitor them for the benefit of the Company and its shareholders.

To create transparency and prevent conflicts of interest, the Board of Directors has established policies regarding related party transactions, the use of insider information and other important issues as follows:

• Conflict of Interest Transactions

- When the Company reports transactions that may be in conflict of interest, related transactions or related person transactions, these transactions must be approved by the Board of Directors and the Audit Committee must provide initial opinion for such transactions. The approval of these transactions is based on optimal benefit to the Company, fairness, transaction rationale, and market prices and rates. In addition, any related persons who may undertake a transaction potentially in conflict of interest must not be involved in any part of the approval process. To be involved in any related party transactions as defined by the rules, announcements, notifications, provisions or regulations of the Stock Exchange of Thailand, the Company must also abide by Stock Exchange of Thailand rules and regulations.

• Inside Information Use Guidelines

- The Company restricts access to inside information to specific staff on an as needed basis only. All directors are aware of the duty and responsibility of the restrictions of use of inside information for their personal benefit. They are required to file reports of change in shareholdings to the Office of the Securities Exchange Commission as per Section 59 and Provisions and Regulations of the Securities and Stock Exchange of Thailand Act.



- Directors and staff having possession of any inside information must not release it to any external persons or any non-involved persons to prevent manipulation of the Company's listed shares.

- **Business Ethics**

- Directors are required to conform to the Code of Best Practices for Listed Companies established by the Stock Exchange of Thailand. Directors must use their knowledge, competences and experiences for the benefit of the Company's business. They must apply business ethics in running the business. They must act in accordance with law, the Company's objectives and regulations, and shareholder meeting resolutions with honesty and integrity, both towards the Company and towards any major connected parties. Business ethics also apply to other staff in honesty of conduct and equal treatment of the Company and other connected parties including the public community and society. The Company closely monitors compliance with this practice.

- **Check and Balance by Non-Executive Directors**

- Of the fourteen members of the Board of Directors, seven directors are paid executives and seven directors are not employed by the Company. Out of the latter seven persons, five are independent directors which make up one third of the Board of Directors. Out of five independent directors, three are in the Audit Committee monitoring the Company's internal audit, financial statement reporting and other compliances with the Company's pre-established regulations and policies. Moreover, the Audit Committee works closely with the Internal Audit Department to monitor business operations conducted by the Executive Director Committee for compliance and transparency. The Company also has two directors who represent the Company's financial institutions shareholders and closely monitor and review management's operations for reporting to their respective institutions. The non-executive director contingent comprises half of the Board of Directors and the Company is confident in this level of check and balance.

- **Combined Roles and Responsibilities**

- As a small company with a flat organisation chart, the Chairman and the Managing Director positions are held by the same person. Moreover, the same Independent Directors who are members of the Audit Committee, are also members of the Nominating and Compensation Committee. However, the functions and responsibilities of the Board of Directors, Executive Director Committee, Audit Committee, Nominating and Compensation Committee as well as the Managing Director are separate and distinct. The Audit Committee and the Internal Audit Department are independent in their compliance task to ascertain that the Managing Director and the Executive Directors do not have complete power and that material transactions follow a check and balance process and are approved by the Board of Directors or by shareholder resolution. The given scope of authority of the Managing Director or the Board of Directors does not allow them to approve any transaction qualified as a conflict of interest or related party transaction with the Company or its subsidiaries.



- **Directorships in Other Companies**

- The Company places the importance on the amount of a director's time that is dedicated to the Company's business operations. Directors who serve director positions in other companies may negatively impact their work efficiency within the Company. As such, the Company has set forth a policy for such directors as follows:

- Executive directors may take director positions in up to four companies provided that such directors are able to dedicate sufficient time to assume their responsibilities within the management team to the greatest extent possible for the benefit of the Company.
- Independent directors and director representatives of major foreign shareholders can take director positions in up to five companies.

In case a Company director must take director positions in more companies than the policy allows, such director must report the reason and necessity to the Board of Directors. If the Board of Directors deems such directorships to not significantly impact the director's performance, the director may be allowed to occupy such directorships. The performance of such directors will be monitored by the Board of Directors and reported in the Compliance of Corporate Governance Report in the Company's 56-1 report and annual report.

- **Board of Director and Executive Director Remuneration**

- The Company's remuneration policy is to maintain that the Board of Director and Executive Director remuneration packages are appropriate and reasonable for directors and executives in view of their contribution to the Company. The packages must also be in line with industry standards.

- The executive remuneration packages must be approved by the Board of Directors including both monetary and non-monetary compensation, and are based on both the Company's performance and individual's performance.

- **Director Meetings**

Board of Directors Meetings

- The Board of Directors holds regular meetings every three months or four times per year and extraordinary meetings for any urgent cases. The Corporate Secretary will set the agenda for the meeting and deliver meeting documentation to the Board of Directors at least 10 days in advance to allow sufficient time to study and analyse each agenda. Each director has the opportunity to express their opinion to facilitate decision making of the Board of Directors by taking into account the returns of shareholders and involved parties. Minutes of each meeting are recorded and reported. Meeting resolutions are disseminated to relevant parties within the prescribed timeframe. In 2009, there were a total of four meetings with attendance as followings:

No.	The Board of Directors	2009 Attendances
1	Dr. Vivat Vithoontien	3/4
2	Mr. Anake Pinvanichkul	4/4
3	Mr. Saringkarn Sutaschuto	4/4
4	Ms. Suvimol Pumpaisanchai	3/4
5	Mr. Issarachai Decharit	4/4
6	Mr. Chalermchai Sirinopawong	4/4
7	Mr. Parankoon Waiyahong	4/4
8	Mr. Hideaki Shimizu	3/4
9	Mr. Nicholas Alexander Hamilton*	0/4
10	Mr. Suraphol Sindhuvanich	4/4
11	Ms. Narumol Wangsatorntanakun	4/4
12	Mr. Chatchawan Triamvicharnkul	4/4
13	Mr. Harukazu Yamaguchi	4/4
14	Mr. Yuki Oshima	0/4

*Former director, Mr. David Feld resigned from his director position on June 15, 2009 and the Board of Director meeting no. 3/2009 on August 13, 2009 appointed Mr. Nicholas Alexander Hamilton to replace Mr. Feld for the remaining term of directorship.

- Present at the four Board of Directors meetings in 2009 were most of the Executive Directors (No. 1-7) as well as all of the Audit Committee members (No. 10-12).
- Mr. Yuki Oshima, representative of ORIX Corporation, is based abroad and could not attend any of the meetings in 2009. However, Mr. Harukazu Yamaguchi, another representative of ORIX Corporation, is based in Thailand and was able to attend all of the meetings.



Executive Director Committee Meetings

- The Executive Director Committee comprises 7 Executive Directors as stated in the Executive Director Committee section. The Executive Directors hold meetings once a month and occasionally on a weekly basis to follow up on the progress of business operations. There were no significant agenda items at the Executive Directors meetings at the beginning of the year and minutes of these meetings were not formally recorded. Attendance details of formal meetings during past year are as follows:

No.	Executive Director Committee	2009 Attendances
1	Dr. Vivat Vithoontien	7/7
2	Mr. Saringkarn Sutaschuto	7/7
3	Mr. Anake Pinvanichkul	7/7
4	Ms. Suvimol Pumpaisanchai	7/7
5	Mr. Issarachai Decharit	7/7
6	Mr. Chalermchai Sirinopawong	7/7
7	Mr. Parankoon Waiyahong	5/7

Mr. Parankoon Waiyahong was absent from two of the meetings due to business trips abroad to manage the Company's subsidiary in Malaysia, ACAP (Malaysia) Sdn. Bhd.

Audit Committee Meetings

Attendees of the Audit Committee meetings include Audit Committee members, the Internal Audit Department, the Compliance Department and the Managing Director of Finance & Accounting. Meetings are held on a monthly basis. The Company's auditor also attended meetings when necessary. In 2009, there were twelve Audit Committee meetings and the attendance record of Audit Committee members was as follows:

Audit Committee	2009 Attendances
Mr. Suraphol Sindhuvanich	12/12
Ms. Narumol Wangsatorntanakun	11/12
Mr. Chatchawan Triamvicharnkul	12/12



Nominating and Compensation Committee Meetings

Nominating and Compensation Committee meetings usually take place on a quarterly basis in part to conduct performance evaluations. The Chairman of the Compensation Committee may also call extraordinary meetings, in case any urgent issues need to be discussed. In 2009, there were three Nominating and Compensation Committee meetings with attendance as follows:

Nominating and Compensation Committee	2009 Attendances
Mr. Suraphol Sindhuwanich	3/3
Ms. Narumol Wangsatorntanakun	3/3
Mr. Chatchawan Triamvicharnkul	3/3

• Sub-Committees

- As mentioned in section 8.1, the Company has three sub-committees: the Executive Director Committee, the Audit Committee and the Nominating and Compensation Committee. The Executive Director Committee comprises seven members who are assigned by the Board of Directors to run the Company with given the roles, functions and responsibilities. The Audit Committee comprises three members who possess qualifications and are assigned tasks as defined by the Stock Exchange of Thailand. Audit Committee members are independent directors who also serve on the Nominating and Compensation Committee, and their roles in each committee are clearly defined. Board of Directors meeting no. 1/2009 dated February 26, 2009 appointed the Nominating Committee to conduct the recruitment of directors and senior management, and the name of the committee was changed from Compensation Committee to the Nominating and Compensation Committee.

• Orientation of New Directors

After a new director is elected, the Chief Executive Officer will introduce the new director to management and other directors as well as present company information and other relevant information such as the Corporate Governance Manual. The new director will be informed of the roles and responsibilities of directors, business ethics and internal control. In case the new director has not attended the Director Certification Program (DCP) or Audit Committee Program (in case of Audit Committee) from the Institute of Directors (IOD) as well as other training courses that may be helpful to their performance, the Company will take charge of this matter.

• Compliance and Internal Audit

- The Company place great importance on the internal audit function at both management and operational levels. Relevant roles, obligations and management authority are defined in writing. To protect the Company from damage, the Compliance and Internal Audit Departments undertake an evaluation process to quickly identify mistakes and to reduce business and operational risk at both management and operational levels. The measurements conform to guidelines of the Stock Exchange of Thailand which are defined in five parts:



- Part 1) Organisational Control and Environment Measures
- Part 2) Risk Management Measures
- Part 3) Management Control Activities
- Part 4) Information and Communication Measures
- Part 5) Monitoring

- **Risk Management Policy**

The Board of Directors has appointed the Risk Management Department to directly control and monitor risk management in various areas such as Financial Risk, Operational Risk, Business Risk and Event Risk. The Risk Management Department established the Risk Management Policy to be used as operational guidelines and for conducting risk assessment reports to be reported directly to the Board of Directors. The department also coordinates with the Compliance Department, the Internal Audit Department, and the Audit Committee to evaluate unexpected risk events in order for the Company to effectively prevent such risks. After the Executive Director Committee has reported a risk event, the Committee will further consider and submit recommendations to the Board of Directors.

- **Investment Policy**

The Company's investment policy is based on the premise that any investment must bring positive returns the Company and its shareholders. All investments are carefully considered and analysed. The Investment Policy is clearly stated with details for various types of investment transactions and is disclosed on the Company's website.

- **Board of Directors Reports**

- The Board of Directors is responsible for overseeing important aspects of the Company's business and for monitoring the Company's consolidated financial statements and all publicly released financial information including the Annual Report. The financial statements are carefully and consistently prepared and are based on generally accepted accounting principles in Thailand. The Board also ensures adequacy of information in the Notes to Financial Statements.

- The Board of Directors maintains an effective internal audit system to affirm that the Company's accounting and bookkeeping is accurate and complete, to ensure that capital adequacy is sufficiently maintained and to identify weak points in the system to protect against possible fraudulent activity.

- At present, the Board of Directors has the opinion that the Company's Compliance and Internal Audit systems are satisfactory and are confident that the Company's financial statements are accurate and reliable.



- **Succession Plan**

- The appointment of individuals for open positions, especially in management, will be the responsibility of the Nominating and Compensation Committee which nominates qualified individuals. The Company considers both internal and external qualified individuals.

With regards to resignations, company policy requires resigning individuals to inform the Company at least 30 days in advance in order for the Company to have sufficient time to recruit a qualified replacement.

For general succession planning, the Nominating and Compensation Committee will submit nominees to the Board of Directors based on their skills and ability together with the name of the second runner-up from the same department. However, the Company also considers external nominees who possess relevant skills and ability that are compatible with the Company's business operation. The recruitment and selection process for all positions is on a transparent basis.

5. Control of Inside Information

The Company has a strict Chinese-wall policy to prevent internal information leaking from inter-departmental operations and personnel. These and other possible conflicts of interest are addressed as follows:

1. Different departments are distinctly and physically separated, especially those departments handling sensitive non-public information to avoid inside information leakage.
2. A list of restricted securities is maintained which the Company, staff and executives are not permitted to make use of in any personal transactions, such as securities of listed companies which are currently under advisory of the Company. Such restricted list prevents staff from using this information illegally for their own benefit.
3. Internal Confidentiality Policy
 - Different passwords are required to log on to different systems.
 - Code names must be set up for each Client.
 - Disclosure of client information shall not take place without written consent from such client.
 - Only staff specifically assigned to a case at hand has access to the information of that case. If other departments need to use the information, they must first ask permission from their department heads.
 - In case there are clients that are in the same industry or in conflict with each other, the Company assigns different financial advisors to each client. The financial advisors must keep their information classified and confidential.
4. Maintenance of Documents and Information
 - Client profiles and operational information are filed separately and kept safely to prevent loss or damage, as well as to prevent illegal use of the information.
 - All information in hard-copy form is kept safely in filing cabinets of the relevant department.
 - All information in soft-copy form is stored in a computer database where access is restricted by passwords assigned only to relevant staff. Soft files stored on other information media, such as diskette tapes, and are kept safely in filing cabinets of the relevant department.



- Only specifically assigned staff have access to documents relevant to them. In case others need to use such information, they must make their request explaining their rationale and obtain prior approval from their department head.
- Document storage and destruction of confidential information require prior approval of department heads. In addition, in the case of information being stored in a central filing center, the documents must be enclosed in a sealed box.

5. Requesting or Providing Information

- To request information from or to provide information to another department, the requestor and provider must first obtain permission from their department heads. The requesting staff can only ask for the information relevant to his/her assignment or task. Furthermore, the exchange of this information must be reported to the Compliance Unit.
- The departments in possession of non-disclosed information or confidential client data must not publicly disclose such information or use it for personal benefit. All exchanged information must be based on a “Need to Know” basis.

6. All staff and executives are prohibited from using any inside information regarding client financial information to trade in the clients’ listed or non-listed shares from the date that they know such inside information to the date that the financial information is publicly disclosed. They are also not allowed to use the inside information for market price manipulation or front running trading.

Additionally, all directors and executives are required to file reports of share holding of themselves, their spouses and dependent children, and report any changes in share holding to the Office of the S.E.C. as per Section 59 and Provisions and Regulations of the Securities and Stock Exchange of Thailand Act B.E. 2535. All directors and executives are required to submit the copy of such report to the Company on the same day they submit such report to the Office of the S.E.C.

6. Human Resources

6.1 Management and Staff

As of December 31, 2009, the Company employed a total of 145 staff in asset management and financial advisory services, excluding staff in the personal finance division under CAP OK. The Company allocates staff based on individual skills and ability and to be in line with the business expansion and investment plans. Staff levels can be seen in the tables below.



	Position	Headcount
1.	Chief Executive Officer / Managing Director	1
2.	Directors	6
3.	General Manager	1
4.	Executive Vice President	1
5.	Senior Vice Presidents	2
6.	Vice Presidents	8
7.	Assistant Vice Presidents	7
8.	Managers	36
9.	Assistant Managers	6
10.	Unit Heads	29
11.	Support Staff	48
	Total	145

Staff Counts in Company subsidiaries as of December 31, 2009 are as follows:

Subsidiary	% Shareholding	Headcount
ACAP Corporate Services Co., Ltd. (ACS)	99.99	11
ACAP Asset Management Co., Ltd. (ACAP AMC)	99.99	9
STAR Asset Management Co., Ltd. (STAR AMC)	83.44	5
ACAP Malaysia Sdn. Bhd. (ACAP MALAYSIA)	99.99	15
Global Service Center Co., Ltd. (GSC) (previously named ACAP Services Co., Ltd.)	99.99	61
ACAP Consulting Co., Ltd. (ACON)	99.99	21
Capital OK Co., Ltd. (CAP OK)	99.99	175
Professional Collection Co., Ltd. (P COL)	99.99 held by CAP OK	112



6.2 Remuneration

(1) Staff Salary and Benefits (excluding Executive Directors and Subsidiaries)

For the year stated

(Unit : Baht)

Types of Remuneration	2008	2009
Salary	60,085,586	56,458,798
Special Remuneration (bonus, overtime and food, transportation and gasoline reimbursement)	4,328,355	2,669,519
Provident Fund Contribution	2,331,279	2,094,658
Total	66,745,220	61,222,976

(2) Other Remuneration (if any)

The Company does not offer other types of remuneration, including commissions, to staff, apart from the salary and benefits disclosed above.



Internal Control

The Company has taken several measures to ensure its internal control processes function effectively. This includes a balanced composition of the board of directors, an audit committee made up of independent directors and dedicated monitoring and risk management departments which report directly to director-level committees.

The Company's five Independent Directors make up one-third of the Board of Directors. Three of these independent directors make up the Audit Committee, namely Mr. Suraphol Sindhuanich, Miss Narumol Wangsatormtanakun and Mr. Chatchawan Triamvicharnkul. They execute their responsibilities independently with no restrictions in obtaining information, and receive full cooperation from senior management and staff. One of the duties of the Audit Committee is to review and audit the Company's financial statements in order to maintain transparency and provide independent oversight.

For monitoring and control, the Company has an Internal Audit Department and a Compliance Department which report directly to the Audit Committee and attend monthly Audit Committee meetings. The Company also has a Risk Management Department which reports directly to the Executive Committee.

Internal Audit Department

The Internal Audit Department audits and evaluates internal operations of the Company by monitoring compliance with internal policy and procedure. The department also compares operations with plan to determine whether the Company's goals and objectives are being achieved, and performs other auditing assignments as requested by the Audit Committee. The Internal Audit Department works closely with operations staff and reports their observations directly to the Audit Committee.

The Company has also hired an independent internal audit consultant to help strengthen its internal audit systems, its internal audit policy, and improve its overall auditing efficiency.

Compliance Department

The Compliance Department monitors, evaluates and controls the Company's operation systems to ensure compliance with all relevant laws and regulations. The department reports evaluation results concerning risk prevention and control plans for each department directly to the Audit Committee and the Board of Directors.

Moreover, the Company has systems in place to prevent leakage of information between different operating units (i.e., Chinese Wall policy) by segregating the section that holds confidential information into a separate area, setting up a code name for each client, allocating and limiting the team for each project to avoid conflicts of interest. Staff are trained regarding regulations concerning the safeguarding of confidential information (as disclosed in the section on corporate governance). The Company also has a secure documentation management system in place so only internal auditors or authorised juristic persons can inspect documents when necessary.



Risk Management Department

The Risk Management Department develops and monitors the Company's risk management program. This involves coordinating with and advising each department on risk evaluation and risk management, and also assisting in the creation of their risk prevention and control plans.

The Audit Committee together with the Internal Audit Committee reviewed, evaluated and audited the Company's internal control systems in 2009 - during the Audit Committee's meeting of 1/20010 held on 21 January 2010. The results were reported to the Executive Committee at meeting 1/2010 on 25 January 2010 and the Board of Directors at meeting 1/2010 on 23 February 2010. The evaluation concerned five areas: 1) Organisation Controls and Environment Measures, 2) Risk Management Measures, 3) Management Control Activities, 4) Information Technology and Communication Measures, and 5) Monitoring.

The Audit Committee concluded that the Company has sufficient internal control systems that are able to support the Company's operations according to the principles of Good Corporate Governance. In addition, the Audit Committee has reviewed and approved the Company's financial statements and has reported this issue to the Board of Directors.

Related Party Transactions

1 Revenue and Expenses between the Company, Subsidiaries and Related Companies

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the Company	GSC paid Financial and Accounting Service Fee to the Company.	1.20	7.85	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.
		The Company received Interest Income from loan to GSC.	0.27 12.54	0.03 9.32		
		The Company leased assets from the subsidiary company for using in the non-performing asset management business.				
		The Company received dividends as 99.99% shareholder	-	5.00	These inter-company transactions were with subsidiary companies.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company.
ACAP Asset Management Co., Ltd. ("ACAP AMC")	99.99% owned subsidiary of the Company	The Company is the service provider of non-performing asset management for ACAP AMC and the Company received:			These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.
		- Base Fee	36.98	42.75		
		- Cash Collection Fee	38.49	3.50		
		- Court Case Management Fee	0.96	0.96		

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
STAR Asset Management Ltd. ("STAR AMC")	83.44% owned subsidiary of the Company	The Company is the service provider of non-performing asset management for STAR AMC and the Company received: - Base Fee - Cash Collection Fee - Court Case Management Fee	44.08 5.97 3.02	33.52 0.52 2.96	These transactions were in accord with the usual business and trade practice and given the benefit to the Company.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.
ACAP Consulting Co., Ltd. (ACON)	99.99% owned subsidiary of the Company	The Company was reimbursed by ACON as part of expense allocations among the companies in the group.	0.07	0.02	These inter-company transactions with subsidiary companies	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.
		The Company paid ACON for Court Case Management and Legal Execution Service Fees.	2.18	2.16	were in accord with the usual business and trade practice.	
ACAP Corporate Services Co., Ltd. (ACS)	99.99% owned subsidiary of the company	The Company received Interest Income from loans to ACS.	0.04	0.01	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
ACAP Malaysia Sdn., Bhd. (ACAP MALAYSIA)	99.99% owned subsidiary of the company	The Company received dividends as 99.99% shareholder.	9.69	9.62	These inter-company transactions with subsidiary companies.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company.
Capital OK Co., Ltd. (CAP OK)	99.99% owned subsidiary of the company	The Company received Service Fee from CAP OK for serving software systems.	-	0.77	These inter-company transactions were in accord with the usual business and trade practice.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.
		The Company received Service Fee from CAP OK for management.	18.00	18.00		
		The Company paid Interest Income from loans to CAP OK.	-	0.45	This inter-company transactions was with subsidiary companies.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company.

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
Professional Collection Co., Ltd. (PCOL)	99.99% owned by CAP OK	The Company received Service Fee from PCOL for serving software systems	-	0.07	This transaction was in accord with the usual business and trade practice.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.
Inter Capital Alliance Asset Management Co., Ltd. ("ICA AMC")	A related company having the same directors	The Company is the service provider of non-performing asset management for ICA AMC and the Company received: - Base Fee - Cash Collection Fee ACON received Court Case Management Fee	48.35 6.84 4.80	57.14 9.99 9.86	These transactions were in accord with the usual business and trade practice.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.
Standard Bank Plc.	A related company having the same directors	STAR AMC paid Interest to Standard Bank Plc.	47.07	64.62	This transaction was in accord with the usual business and trade practice.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.
Standard Bank Asia Limited	A related company having the same directors	STAR AMC paid Bank Service Fee to Standard Bank Asia Limited	68.75	6.13	This transaction was in accord with the usual business and trade practice.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.

2 Assets and Liabilities between the Company, Subsidiaries and Related Companies

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the company	Accrued Administrative Expense which the Company managed for GSC.	-	3.90	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and causes no loss of benefit to the Company.
		The Company returned the excess of the Service Fee.	-	4.27		
ACAP Corporate Services Co., Ltd. (ACS)	99.99% owned subsidiary of the company	The Company advanced money for ACS.	1.25	0.76	The Company advanced money (some amount was from Interest Income from loan to subsidiary) on behalf of ACS to use as guarantee in providing services as a planner and/or plan administrator. The Company did not charge any interest to the subsidiary.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and causes no loss of benefit to the Company.
		The Company received Accounting and Administrative Expense from ACS.	9.00	8.00	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	
		The Company loan ACS for working capital	-	3.00		

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
ACAP Malaysia Sdn., Bhd. (ACAP MALAYSIA)	99.99% owned subsidiary of the company	ACAP MALAYSIA repaid the advance payments to the Company.	9.69	0.08	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and causes no loss of benefit to the Company.
ACAP Asset Management Co., Ltd. ("ACAP AMC")	99.99% owned subsidiary of the company	Account Receivable due to Non-Performing Asset Management service.	4.18	1.73	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and causes no loss of benefit to the Company.
		Account Receivable due to Advance Payment and Interest Income.	0.88	1.04		
		Current portion of loans granted by the Company to ACAP AMC for use in the Non-Performing Asset Management business.	48.14	46.33	The loans were extended to support ACAP AMC's asset management business and interest was charged at normal rate.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and causes no loss of benefit to the Company.

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
STAR Asset Management Ltd. ("STAR AMC")	83.44% owned subsidiary of the company	Account Receivable due to non-performing asset management services.	3.93	3.64	These transactions were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is in accord with the usual business and trade practice.
		Account Receivable due to Advance Payment and Interest Income.	2.24	1.02		
		Incentive Fee due to Non-Performing Asset Management service.	-	0.95		
		The Company transferred a long term loan, originally extended to ACAP AMC, to STAR AMC in conjunction with transfer an NPL portfolio from ACAP AMC to STAR AMC.	72.23	41.48	The loans were extended to STAR AMC to support its asset management business and interest was charged at normal rate.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and causes no loss of benefit to the Company.

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
ACAP Consulting Co., Ltd. (ACON)	99% owned subsidiary of the company	The Company gave Short-term loan to ACON as working capital.	6.80	1.80	These transactions were in accord with the usual business and trade practice to support its subsidiary's business. Interest was charged at normal rate.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company. The interest was charged annual rate at 1.75 – 2.50 percent which is reasonable and causes no loss of benefit to the Company.
Capital OK Co., Ltd. (CAP OK)	99% owned subsidiary of the company	Administrative Fee which the Company must receive from CAP OK.	-	1.50	These transactions were in accord with the usual business and trade practice and given the benefit to the Company.	The Audit Committee has an opinion that these transaction are in accord with the usual business and trade practice, reasonable, and given the benefit to the Company.
		The Company paid Interest Expense for loan from CAP OK. The Company noted Service Fee from serving software system.	-	1.15		
		CAP OK loan the Company to purchase CAP OK 's common stock from ORIX.	-	760.00	This transaction gave benefit to the Company because it is an inter-company transaction.	The transaction was charged at normal rate of interest and given the benefit to the Company. It was approved by shareholders.

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
Professional Collection (PCOL)	99.99% owned by CAP OK	The Company noted Service Fee from serving software system	-	0.06	These transactions were in accord with the usual business and trade practice and given the benefit to the Company.	The Audit Committee has an opinion that these transaction are in accord with the usual business and trade practice, reasonable, and given the benefit to the Company.
Inter Capital Alliance Asset Management Co., Ltd. ("ICA AMC")	Related company having the same directors	Accounts Receivable due to non-performing asset management services.	39.20	2.55	These transactions were in accord with the usual business and trade practice and given the benefit to the Company.	The Audit Committee has an opinion that these transaction are in accord with the usual business and trade practice and given the benefit to the Company.
		Accounts Receivable of subsidiary company due to court case management services.	4.58	1.73		
		Accounts receivable due to advance payments to third parties on behalf of ICA AMC.	8.49	3.05		
		Incentive fee from Non-Performing Asset Management Service.	-	0.48		
Standard Bank Plc.	Related company having the same director	STAR AMC borrowed loan facilities from Standard Bank Plc. to finance the acquisition of NPL assets	10.02	13.59	The company provided financial support for subsidiary. This transaction was charged at normal rate.	The transaction was charged at normal rate of interest and given the benefit to the Company.
		Adjustment for Interest Expense from subsidiary company	-	18.95		

3 Borrowings between the Related Companies

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2008	2009		
STAR AMC and Standard Bank Plc	STAR AMC borrowed from a related company (having a common directors)	Loan for purchase NPL portfolio.	2,536.28	1,778.71	This transaction was to provide financial support to subsidiary from related company. This transaction was charged at normal rate.	The Audit Committee has an opinion that this is a transaction between subsidiary company and related company which given the benefit to the Company at reasonable rate.



4 Guarantee obligation

-None-

5 Procedure in approving related party transactions

Related party transactions must be approved by the Audit Committee and Board of Directors, under which the parties that may be in conflict of interest cannot exercise their voting rights. Moreover, the approved items must be in compliance with prevailing laws, regulations, orders, related notifications, including the requirements of the Security Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

6 Anticipated future related party transactions

At present, the Company has sufficient liquidity and working capital to support its business operation. However, under circumstances where the Company and its subsidiaries require financial support of the Company's directors, the Company would propose the matter to the Board of Directors and inform the Audit Committee. The Board of Directors and the Audit Committee would consider the necessity and reasonableness of such transactions to ensure that the transactions do not impair the rights of the Company, its subsidiaries and its shareholders.

The Company has plans to manage other NPL portfolios in the future, which require leasing equipment and assets from ACAP Services Co., Ltd., a subsidiary company, for such projects.

Details of Directors, Management and Authorized person of the Company

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
1.	Mr.Vivat Vithoontien Chief Executive Officer and Chairman (Authorized Directors)	49	Ph.D. in Economics New York University, USA MA in Economics New York University, USA Director Accreditation Program (DAP) No. 28/2004	-	16.87% ¹ of Issued and Paid-Up Share Capital	1998-Present 2007-Present 2007-Present 2007-2008 2007-2008 2005-2008 2004-2008 2001-2008 2005-2006 2004-2005 2004-2005 2004-2005 2003-2004 2001-2002 1999-2001	Chief Executive Officer Director Director Director Director Managing Director Managing Director Managing Director Board of Directors Director Director Director Director Advisor to Senate Sub -Commit- tee for Privatization Chief Investment Officer /Senior Vice President	ACAP Advisory Plc. Capital OK Co., Ltd. ACAP (Malaysia) Sdn. Bhd. Professional Collection Co., Ltd. STAR Asset Management Ltd. ACAP Asset Management Co., Ltd. ACAP Services Co., Ltd. ACAP Corporate Services Co.,Ltd. State Railway of Thailand T.E.M. Business Operation Co., Ltd. 2 TEM Assets Recovery Co., Ltd. 2 N.C.C. SPV Co., Ltd. 2 CAT Telecom Plc. Senate Thai Petrochemical Industry Plc.

Remark 1. Vivat Vithoontien Group held 36.39%

2 Act as director on behalf on ACS (old name is Asian International Planner Limited) as the Plan Administrator of the client

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
2.	Mr.Anake Pinvanichkul Director and Deputy Managing Director of Asset Management Department (Authorized Directors)	45	MBA, Stern School of Business New York University, USA. Director Accreditation Program (DAP) No. 23/2004	-	4.72% of Issued and Paid-Up Share Capital	2002-Present 2009-Present 2009-Present 2008-Present 2007-Present 2007-Present 2004-Present 2004-Present 2002-Present 2002-Present 2005-2006	Executive Director Director Director Director Director Director Director Director Director Director Director	ACAP Advisory Plc. Capital OK Co., Ltd. Professional Collection Co., Ltd. Inter Capital Alliance AMC Ltd. ACAP (Malaysia) Sdn. Bhd. ACAP Asset Management Co., Ltd. Global Service Center Co., Ltd. Thai Metal Trade Plc. SME Estate Co., Ltd. ACAP Corporate Services Co., Ltd. ACAP Asset Management Co., Ltd.
3.	Mr.Saringkarn Sutaschuto Director and Deputy Managing Director of Finance Consumer (Authorized Directors)	44	MBA, Western Illinois Univer- sity, USA Director Accreditation Program (DAP) No. 28/2004	-	4.79% of Issued and Paid-Up Share Capital	2002-Present 2007-Present 2007-Present 2007-Present 2005-Present 2004-Present 2002-Present 2004-2005 2004-2005 1998-2002	Executive Director Managing Director Managing Director Director Director Director Director Director Director Head of Investment Banking	ACAP Advisory Plc. Capital OK Co., Ltd Professional Collection Co., Ltd. ACAP (Malaysia) Sdn. Bhd. ACAP Asset Management Co., Ltd. Global Service Center Co., Ltd. ACAP Corporate Services Co., Ltd. T.E.M. Business Operation Co., Ltd. ² TEM Assets Recovery Co., Ltd. ² Rabobank International

Remark 2 Act as director on behalf on AIP, as the Plan Administrator of the client

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
4.	Ms.Suvimol Pumpaisanchai Director and Deputy Managing Director of Investment Banking Department (Authorized Directors)	56	MBA, Kasetsart University Director Accreditation Program (DAP) No. 27/2004	-	2.18% of Issued and Paid-Up Share Capital	2002-Present 2009-Present 2007-Present 2007-Present 2005-2006 2002-Present 1999-2002	Executive Director Director Director Director Director Director Managing Director	ACAP Advisory Plc. Capital OK Co., Ltd. ACAP (Malaysia) Sdn. Bhd. ACAP Asset Management Co., Ltd. ACAP Asset Management Co., Ltd. ACAP Corporate Services Co., Ltd. Devon Associate (Thailand) Co., Ltd.

Remark Ms.Suvimol Pumpaisanchai Group held 2.21%

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
5.	Mr.Issarachai Decharit Director and Deputy Managing Director of Legal Department (Authorized Directors)	50	Thai Barrister at Law – Institute of Legal Education of the Thai Bar B.A. (Law) Bachelor of Law – Chulalongkorn University Director Accreditation Program (DAP) No. 27/2004	-	0.73% of Issued and Paid-Up Share Capital	2003-Present 2009-Present 2009-Present 2007-Present 2006-Present 2005-Present 2004-Present 2002-Present 1984-Present 1998-2006 2003-2003 1984-2003	Executive Director Director Director Director Director Director Managing Director Advisor Member Director Director Deputy Managing Director Legal Department	ACAP Advisory Plc. Capital OK Co., Ltd. Professional Collection Co., Ltd. ACAP (Malaysia) Sdn. Bhd. ACAP Consulting Co., Ltd. ACAP Assets Management Co., Ltd. ACAP Corporate Services Co., Ltd. Apibun Legal Co., Ltd. Lawyers Council of Thailand TPI Oil Co., Ltd. Rayong TPI Services Co., Ltd. Thai Petrochemical Industry Plc.

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
6.	Mr.Chalermchai Sirinopawong Director and Deputy Managing Director of Accounting and finance Department (Authorized Directors)	50	Bachelor of Accounting, Chulalongkorn University Director Accreditation Program (DAP) No. 27/2004	-	0.54% of Issued and Paid-Up Share Capital	2003-Present 2009-Present 2009-Present 2009-Present 2008-Present 2007-Present 2004-Present 2505-2506 1995-2002	Executive Director Director Director Director Director Director Director Director Vice President of Accounting Department	ACAP Advisory Plc. Capital OK Co., Ltd. Professional Collection Co., Ltd. Global Service Center Co., Ltd. ACAP Consulting Co., Ltd. ACAP (Malaysia) Sdn. Bhd. ACAP Corporate Services Co., Ltd. ACAP Asset Management Co. Ltd. Datamat Plc.
7.	Mr.Parankoon Waiyahong Director and Deputy Managing Director of Operating Department (Authorized Directors)	53	Master of Art, International Politics and Economics University of Detroit, Michigan, USA Director Accreditation Program	-	0.54% of Issued and Paid-Up Share Capital	2004-Present 2008-Present 2008-Present 2007-Present 2007-Present 2007-Present 2007-Present 2505-2506 2004 - 2004 2000 - 2003	Executive Director Director Director Director Director Managing Director Managing Director Director SME Division Head Branches Division Head	ACAP Advisory Plc. Inter Capital Alliance AMC Ltd. STAR Asset Management Co., Ltd. Capital OK Co.,Ltd. Professional Collection Co., Ltd. ACAP (Malaysia) Sdn. Bhd. ACAP Asset Management Co., Ltd. ACAP Asset Management Co., Ltd. UOB Radanasin Bank Plc. UOB Radanasin Bank Plc.

Remark Mr.Parankoon Waiyahong Group held 0.82%

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
8.	Mr.Hideaki Shimizu Independent Director	52	Bachelor of Arts in Economics Faculty of Political Science & Economics, Waseda University, Tokyo, Japan	-	-	2003-Present 2010-Present 2007-2010 2003-2007 2001- 2003 2000- 2001 1998-2000	Independent Director Senior Advisor General Manager Director & Chief Representative of Bangkok President General Manager President Director	ACAP Advisory Plc. SCS Global Consulting KK (Japan) Japan Asia Investment Co., Ltd. (Japan) JAIC Asia Holding Pte Ltd JAIC Asia Capital Pte Ltd., Singapore Japan Asia Investment Co., Ltd. (Japan) PT.JAIC Indonesia
9.	Mr.Nicholas Alexander Hamilton Independent Director	42	Upper Second Class BA (Honours) degree University of London, England	-	-	2009-Present 2009-Present 2006-2009 2000-2006 1999-2000	Independent Director Managing Director, Principal Investment Management Chief Executive, Asia Managing Director, Securitisation and Credit Managing Director, Securitisation and Credit	ACAP Advisory Plc. Standard Merchant Bank (Asia) Ltd. Singapore Standard Merchant Bank (Asia) Ltd. Singapore Bayerische Hypo-und Vereinsbank AG, Singapore Bayerische Hypo-und Vereinsbank AG, New York, USA.
10.	Mr.Harukazu Yamaguchi Director	47	BS., Administration : Hosei University, Japan	-	-	2008-Present 2008-Present 2005-Present 2003-Present 2008-2009 2008-2009 2003-2008	Director President Director Executive Director Director Director Managing Director	ACAP Advisory Plc. ORIX Auto Leasing (Thailand) Co., Ltd. Thai Incinerate Service Co., Ltd. Thai ORIX Leasing Co., Ltd. Capital OK Co.,Ltd. Professional Collection Co.,Ltd. ORIX Auto Leasing Co., Ltd.

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
11.	Mr.Hideo Ichida Director	49	Advanced Management Program (AMP174), Harvard Business School BSEc, Kobe University of Commerce	-	-	2009-Present 2008-Present 2009-Present 2009-Present 2000-2008 1995-2000 1991-1995	Director Executive Vice President Director Director Managing Director Managing Director Manager	ACAP Advisory Plc. ORIX Corporation, Japan Capital OK Co., Ltd. Professional Collection Co., Ltd. ORIX Corporation, Japan ORIX Aviation Systems Limited, Ireland ORIX Corporation, Japan
12.	Mr.Suraphol Sindhuvanich Independent Director and Chairman of Audit Committee, Nominating and Compensation Committee	52	Master of Engineering King Mongkut's Institute of Technology North Bangkok Director Accreditation Program (DAP) No. 13/2004 Finance for Non-Finance Director No. 16/2005 Audit Committee Program No. 8/2005	-	0.08% of Issued and Paid-Up Share Capital	2009-Present 2004-Present 1997-Present 2008-2009 2001-2002	Nominating and Compensation Committee Independent Director and Chairman of Audit Committee Managing Director Compensation Committee Advisor	ACAP Advisory Plc. ACAP Advisory Plc. SVS Consultant Co., Ltd. ACAP Advisory Plc. Asian International Planner Co., Ltd.
13.	Ms.Narumol Wangsatorntanakun Independent Director and Audit Committee, Chairman of Nominating and Compensation Committee	55	Master of Engineering University of Wisconsin, U.S.A. Master of Economics Marquette University, U.S.A. Director Accreditation Program (DAP) No. 13/2004 Audit Committee Program No. 8/2005	-	-	2009-Present 2004-Present 2002-Present 2008-2009 1995-2002	Chairman of Nominating and Compensation Committee Independent Director and Audit Committee Chief Operating Officer Compensation Committee Chief Information Officer and Executive Director	ACAP Advisory Plc. ACAP Advisory Plc. Thai Smart Card Co., Ltd. ACAP Advisory Plc. Kim Eng Securities (Thailand) Plc.

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (31/12/09)	5 Years' Working Experience		
						Period	Position	Company
14.	Mr.Chatchawan Triamvicharnkul Independent Director and Audit Committee, Nominating and Compensation Committee	45	MBA , Finance, NIDA	-	-	2009-Present	Nominating and Compensation Committee	ACAP Advisory Plc.
			Graduate Diploma-Auditing, Chulalongkorn University			2008-Present	Consultant	New Entrepreneurs Creation Project (NEC) / NIDA
			Certified Public Accountant (Thailand) No.6398 (CPA)			2004-Present	Independent Director and Audit Committee	ACAP Advisory Plc.
			Certified Professional Internal Auditors of Thailand (CPIAT), The Institute of Internal Auditors of Thailand			2009-Present	Head of Corporate Finance Group	TT&T Plc.
			Director Accreditation Program (DAP) No. 20/2004			2008-2009 2002-2009	Compensation Committee Chief Audit Executive and Secretary to Audit Committee	ACAP Advisory Plc. TT&T Plc.
			Audit Committee Program No. 2/2004			2000-2002	Head of Budgeting Division and Secretary to Budget Committee / Senior Manager	TT&T Plc.
15.	Ms.Patrabadee Pienvech Vice President, Financial and Accounting Department	46	Bachelor of Accounting Ramkamhaeng University	-	-	2005-Present	Vice President, Finance & Accounting Department	ACAP Advisory Plc.
			Licensed of Financial Advisor Approved by The Association of Securities Companies			2002-2005	Assistant Vice President, Finance & Accounting Department	ACAP Advisory Plc.
						1995-2002	Manager, Accounting Department	Datamat Plc.

Information of occupied position of Directors, Management and Authorized person of the Company and subsidiaries

Name	ACAP Advisory Plc.	ACAP Corporate Services Co., Ltd.	Global Service Center.Ltd.	ACAP Asset Management Co., Ltd.	ACAP (Malaysia) Sdn. Bhd.	STAR Asset Management Ltd.	ACAP Consulting Co., Ltd.	Capital OK Co., Ltd.	Professional Collection Co., Ltd.
1. Mr.Vivat Vithoontien	X,@, XX, I, II, III, V				/, //, ///, V			/, //, ///, V	
2. Mr.Anake Pinvanichkul	I, II, III, IV, V	I, II, III, V	I, II, III, V	/, //, ///, V	/, //, ///, V			/, //, ///, V	I, II, III, V
3. Mr.Saringkarn Sutaschuto	I, II, III, IV, V	I, II, III, V	I, II, III, V	/, ///, V	/, //, ///, V			XX, I, II, III, V	XX, I, II, III, V
4. Ms.Suvimol Pumpaisanchai	I, II, III, IV, V	I, II, III, V		/, //, ///, V	/, //, ///, V			/, //, ///, V	
5. Mr.Issarachai Decharit	I, II, III, IV, V	XX, /, II, III, V		/, //, ///, V	/, //, ///, V		/, //, ///, V	I, II, III, V	I, II, III, V
6. Mr.Chalermchai Sirinopawong	I, II, III, IV, V	I, II, III, V	I, II, III, V		/, //, ///, V		/, //, ///, V	I, II, III, V	I, II, III, V
7. Mr.Parankoon Waiyahong	I, II, III, IV, V			XX, I, II, III, V	XX, I, II, III, V	/, //, ///, V		I, II, III, V	I, II, III, V
8. Mr.Harukazu Yamaguchi	I								
9. Mr.Hideo Ichida	I								
10. Mr.Hideaki Shimizu	I, VV								
11. Mr.Nicholas Alexander Hamilton	I, VV								
12. Mr.Suraphol Sindhuvanich	I, VV, VII, Q, C								
13. Ms.Narumol Wangsatorntanakun	I, VV, Q, CC, C								
14. Mr.Chatchawan Triamvicharnkul	I, VV, Q, C								
15. Ms.Pattravadee Pienvech	VI								

Remark 1. X = Chairman, @ = CEO, XX Managing Director, I = Director, II = Authorized Director, III = Management, IV = Deputy Managing Director, V = Executive Director, VI = Vice President of the Finance and Accounting Department, VV = Independent Director, VII = Chairman of Audit Committee, Q = Audit Committee, CC = Chairman of Nominating and Compensation Committee, C = Nominating and Compensation Committee

**Information of the occupied positions of Directors, Management and Authorized person
of the associates and related companies**

Names	Related Companies		
	Inter Capital Alliance Asset Management Co., Ltd.	Standard Bank Asia Ltd.	Standard Bank Plc.
1. Mr.Anake Pinvanichkul	I, II, III, V	-	
2. Mr.Parankoon Waiyahong	I, II, III, V	-	
3. Mr.Nicholas Alexander Hamilton	-	XX, I, II, III, V	III

Remark XX Managing Director, I = Director, II = Authorized Director, III = Management, V = Executive Director,

Details of subsidiaries' directors

Names	ACAP Corporate Services Co., Ltd.	Global Service Center Co., Ltd.	ACAP Asset Management Co., Ltd.	ACAP (Malaysia) Sdn., Bhd.	STAR Asset Management Ltd.	ACAP Consulting Co., Ltd.	Capital OK Co., Ltd.	Professional Collection Co., Ltd.
1. Dr.Vivat Vithoontien				I, II, III, V			I, II, III, V	
2. Mr.Anake Pinvanichkul	I, II, III, V	I, II, III, V	I, II, III, V	I, II, III, V			I, II, III, V	I, II, III, V
3. Mr.Saringkarn Sutaschuto	I, II, III, V	I, II, III, V	I, III, V	I, II, III, V			XX, I, II, III, V	XX, I, II, III, V
4. Ms.Suvimol Pumpaisanchai	I, II, III, V		I, II, III, V	I, II, III, V			I, II, III, V	
5. Mr.Issarachai Decharit	XX, I, II, III, V		I, II, III, V	I, II, III, V		I, II, III, V	I, II, III, V	I, II, III, V
6. Mr.Chalermchai Sirinopawong	I, II, III, V	I, II, III, V		I, II, III, V		I, II, III, V	I, II, III, V	I, II, III, V
7. Mr.Parankoon Waiyahong			XX, I, II, III, V	XX, I, II, III, V	I, II, III, V		I, II, III, V	I, II, III, V
8. Mr.Prakai Cholahan		I, II, III, V						I, II, III, V
9. Mr.Sujarit Israngkura			I, II, III, V					
10. Ms.Orawan Wongcharuenchusan			I, II, III, V					
11. Mr.Montree Sengpanich			I, II, III, V					
12. Mr.Kumondur Santhanam Sriram					I, II, III, V			
13. Mr.Anon Boonsongprasert					I, II, III, V			
14. Ms.Chutikarn Panomthai					I, II, III, V			
15. Mr.Suthep Tharawas						XX, I, II, III, V		
16. Mr.Pisit Leeahtam							I	

Remark XX Managing Director, I = Director, II = Authorized Director, III = Management, V = Executive Director,



Financial Status and Operating Results Analysis

1. Summary of Audit Reports

Auditors

2008-2009	Mr.Boonlert Kamolchanokkul	Certified public accountant registration No. 5339 PricewaterhouseCoopers ABAS Limited
	Or Mrs.Anothai Leekitwattana	Certified public accountant registration No. 3442 PricewaterhouseCoopers ABAS Limited
	Or Mrs.Unakorn Phruithithada	Certified public accountant registration No. 3257 PricewaterhouseCoopers ABAS Limited
2007	Mrs. Suvimon Kritayakian	Certified public accountant registration No. 2982 Office of DIA Internati;onal Auditing
	Or Mrs. Vilairat Rojnuckarin	Certified public accountant registration No. 3104 Office of DIA International Auditing
	Or Ms. Somjintana Pholhirunrat	Certified public accountant registration No. 5599 Office of DIA International Auditing

Audit report

Year 2008-2009

In the auditor’s report on the audited consolidated and company financial statements for year 2008-2009 by Mr. Boonlert Kamolchanokkul, Certified Public Accountant registration No. 5339, PricewaterhouseCoopers ABAS Limited, it is the auditor’s opinion that the consolidated and company financial statements present fairly, in all material respects, the consolidated and company financial position as at 31 December 2008-2009 and the results of operations and cash flows for the year, in accordance with generally accepted accounting principles.

Year 2007

In the auditor’s report on the audited consolidated and company financial statements for year 2007 by Mrs. Suvimon Kritayakian, Certified Public Accountant registration No. 2982, Office of DIA International Auditing, it is the auditor’s opinion that the consolidated and company financial statements present fairly, in all material respects, the consolidated and company financial position as at 31 December 2007 and the results of operations and cash flows for the year, in accordance with generally accepted accounting principles.

2. Table showing the Company's performance over the past three years

ACAP ADVISORY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2007 2008 and 2009

ASSETS

	Company Only						Consolidated					
	2007	%	2008	%	2009	%	2007	%	2008	%	2009	%
	Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s	
Current Assets												
Cash and cash equivalents	120,467	23.10%	110,083	21.11%	245,098	17.59%	1,520,633	18.18%	1,783,293	21.33%	1,438,982	20.22%
Short-term investments	-		-		11,831	0.85%	37,471	0.45%	11,219	0.13%	51,861	0.73%
Accounts and notes receivable-net	8,243	1.58%	216	0.04%	105	0.01%	101,589	1.21%	13,773	0.16%	18,495	0.26%
Current portion of investment in non-performing assets – net	-		-		-		364,527	4.36%	429,612	5.14%	615,406	8.65%
Current portion of loans to non-performing assets – net	-		-		-		518,756	6.20%	458,016	5.48%	354,062	4.98%
Current portion of loan to consumers and interests receivable – net	-		-		-		850,523	10.17%	437,067	5.23%	113,237	1.59%
Accounts receivable related companies	30,161	5.78%	56,311	10.80%	21,327	1.53%	-		43,783	0.52%	4,282	0.06%
Amount due from related companies	5,226	1.00%	22,570	4.33%	5,948	0.43%	-		8,499	0.10%	21,992	0.31%
Other receivable	-		-		-		65,673	0.79%	-		-	
Short-term to related companies	12,627	2.42%	11,300	2.17%	4,800	0.34%	-		-		-	
Current portion of loan to related companies	-		-		46,333	3.32%	-		-		-	
Other current assets - net	2,340	0.45%	1,850	0.35%	1,475	0.11%	31,041	0.37%	81,537	0.98%	103,686	1.46%
Total current assets	179,064	34.33%	202,330	38.79%	336,917	24.17%	3,490,213	41.74%	3,266,799	39.07%	2,722,003	38.25%

	Company Only						Consolidated					
	2007	%	2008	%	2009	%	2007	%	2008	%	2009	%
	Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s	
Non-current Assets												
Investment in non-performing assets-net	-		-		-		4,357,394	52.11%	5,072,382	60.66%	3,572,131	50.20%
Loans to non-performing assets-net	-		-		-		2,836	0.03%	339,388	4.06%	660,749	9.29%
Loans to consumers and interest-receivable-net	-		-		-		389,824	4.66%	109,909	1.31%	20,999	0.30%
Long-term loans to related companies	86,458	16.58%	120,370	23.08%	41,484	2.98%	-		-		-	0.00%
Investment in subsidiary companies	196,582	37.69%	202,582	38.84%	973,265	69.83%	-		-		-	0.00%
Long-term investments	30,000	5.75%	-		-		31,148	0.37%	1,927	0.02%	1,840	0.03%
Building improvement and equipment – net	26,053	5.00%	33,508	6.42%	33,249	2.39%	218,213	2.61%	148,345	1.77%	80,600	1.13%
Intangible assets-net	43	0.01%	2,053	0.39%	4,715	0.34%	136,216	1.63%	78,340	0.94%	34,464	0.48%
Goodwill-net	-		-		-		(301,778)	(3.61)%	6,889	0.08%	2,538	0.04%
Other non-current assets-net	3,352	0.64%	3,347	0.64%	4,059	0.29%	38,339	0.46%	21,038	0.25%	20,605	0.29%
Total non-current assets	342,488	65.67%	361,860	69.38%	1,056,772	75.83%	4,872,192	58.26%	5,778,218	69.10%	4,393,926	61.75%
Total Assets	521,552	100.00%	564,190	100.00%	1,393,689	100.00%	8,362,405	100.00%	9,045,017	100.00%	7,115,929	100.00%

BALANCE SHEETS
AS AT DECEMBER 31, 2007, 2008 and 2009
Liabilities and Shareholders' Equity

	Company Only						Consolidated					
	2007	%	2008	%	2009	%	2007	%	2008	%	2009	%
	Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s	
Liabilities and Shareholders' Equity												
Current Liabilities												
Accounts and notes payable	-		-		-		11,600	0.14%	5,300	0.06%	769	0.01%
Amount due to related companies	-		15	0.00%	6,910	0.50%	37,668	0.45%	26,010	0.29%	14,069	0.20%
Current portion of long-term loans from financial Institutions	-		-		-		-		38,947	0.43%	3,406,602	47.87%
Current portion of long-term loans from related companies	-		-		-		-		882,216	9.75%	-	
Short-term loan from related companies	-		-		-		800,000	9.57%	-		-	
Current portion of financial lease contracts	1,150	0.22%	2,340	0.41%	2,346	0.17%	22,642	0.27%	6,087	0.07%	3,536	0.05%
Other current liabilities	13,345	2.56%	10,416	1.85%	99,192	7.12%	234,750	2.81%	253,966	2.81%	310,329	4.36%
Total current liabilities	14,495	2.78%	12,771	2.26%	108,448	7.78%	1,106,660	13.23%	1,212,526	13.41%	3,735,305	52.49%
Non-current Liabilities												
Liabilities under financial lease contract-net	537	0.10%	5,540	0.98%	3,191	0.23%	5,508	0.07%	6,730	0.07%	3,191	0.04%
Long- term loans from financial institutions	-		-		-		4,532,242	54.20%	3,545,705	39.20%	740,721	10.41%
Long- term loans from related companies	-		-		760,000	54.53%	1,271,442	15.20%	2,536,979	28.05%	1,778,709	25.00%
Total non-current liabilities	537	0.10%	5,540	0.98%	763,191	54.76%	5,809,192	69.47%	6,089,414	67.32%	2,522,621	35.45%
Total Liabilities	15,032	2.88%	18,311	3.25%	871,639	62.54%	6,915,852	82.70%	7,301,940	80.73%	6,257,926	87.94%

	Company Only						Consolidated					
	2007	%	2008	%	2009	%	2007	%	2008	%	2009	%
	Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s	
Shareholders' Equity												
Issued and paid-up share capital 125,000,000 common shares of Baht 1 each	125,000	23.97%	125,000	22.16%	125,000	8.97%	125,000	1.49%	125,000	1.38%	125,000	1.76%
Premium on share capital	337,742	64.76%	337,742	59.86%	337,742	24.23%	337,742	4.04%	337,742	3.73%	337,742	4.75%
Unrealised gain on change in fair value of investment	-		-		1,307	0.09%	-		-		1,307	
Currency translation differences	-		-		-		(219)	0.00%	(557)	(0.01)%	(1,889)	-0.03%
Retained earnings												
Appropriated	10,372	1.99%	12,500	2.22%	12,500	0.90%	10,372	0.12%	12,500	0.14%	12,500	0.18%
Unappropriated	33,406	6.41%	70,637	12.52%	45,501	3.26%	182,642	2.18%	333,394	3.69%	383,343	5.39%
Total shareholder's equity	506,520	97.12%	545,879	96.75%	522,050	37.46%	655,537	7.84%	808,079	8.93%	858,003	12.06%
Minority interest of subsidiaries	-		-		-		791,016	9.46%	934,998	10.34%	-	0.00%
Total shareholder's equity and minority interest of subsidiaries	506,520	97.12%	545,879	96.75%	522,050	37.46%	1,446,553	17.30%	1,743,077	19.27%	858,003	12.06%
Total liabilities and shareholders' equity	521,552	100.00%	564,190	100.00%	1,393,689	100.00%	8,362,405	100.00%	9,045,017	100.00%	7,115,929	100.00%

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2007, 2008 AND 2009

	Company Only						Consolidated					
	2007	%	2008	%	2009	%	2007	%	2008	%	2009	%
	Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s		Baht, '000s	
Revenues												
Services	152,189	75.36%	206,387	83.40%	154,444	75.25%	111,504	11.59%	131,295	8.09%	145,969	14.15%
Interest receives from NPL management	-		-		-		395,089	41.06%	776,536	47.86%	324,442	31.44%
Interest receives from consumer loans	-		-		-		58,141	6.04%	405,815	25.01%	142,500	13.81%
Other income	49,757	24.64%	41,086	16.60%	50,808	24.75%	397,530	41.31%	308,708	19.03%	418,933	40.60%
Total revenues	201,946	100.00%	247,473	100.00%	205,252	100.00%	962,264	100.00%	1,622,354	100.00%	1,031,844	100.00%
Expenses												
Cost of services, asset management and loans	89,064	44.10%	43,606	17.62%	45,949	22.39%	127,726	13.27%	203,151	12.52%	176,054	17.06%
Administrative expenses	56,513	27.98%	86,785	35.07%	83,579	40.72%	457,698	47.56%	873,121	53.82%	619,495	60.04%
Management remunerations	-		29,000	11.72%	28,474	13.87%	-		29,000	1.79%	28,474	2.76%
Total expenses	145,577	72.09%	159,391	64.41%	158,002	76.98%	585,424	60.84%	1,105,272	68.13%	824,023	79.86%
Profit before financial costs and income tax	56,369	27.91%	88,082	35.59%	47,250	23.02%	376,840	39.16%	517,082	31.87%	207,821	20.14%
Financial costs	1,913	0.95%	526	0.21%	968	0.47%	213,611	22.20%	479,920	29.58%	105,188	10.19%
Profit before income tax	54,456	26.97%	87,556	35.38%	46,282	22.55%	163,229	16.96%	37,162	2.29%	102,633	9.95%
Income Tax	7,591	3.76%	18,197	7.35%	8,918	4.34%	9,575	1.00%	23,318	1.44%	24,902	2.41%
Net profit for the year	46,865	23.21%	69,359	28.03%	37,364	18.20%	153,654	15.97%	13,844	0.85%	77,731	7.53%
Attributable to :												
Equity holders	46,865	23.21%	69,359	28.03%	37,364	18.20%	185,184	19.24%	(130,138)	(8.02)%	112,449	10.90%
Minority interest of subsidiaries	-		-		-		(31,530)	(3.28)%	143,982	8.87%	(34,718)	
Basic earnings per share	0.46		0.55		0.30		1.81		(1.04)		0.90	

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007, 2008 AND 2009

	Company Only			Consolidated		
	2007 Baht, '000s	2008 Baht, '000s	2009 Baht, '000s	2007 Baht, '000s	2008 Baht, '000s	2009 Baht, '000s
Cash flows from operating activities						
Profit before income tax	54,456	87,556	46,282	163,229	37,162	102,633
Adjustment for :						
Depreciation and amortization	4,514	7,865	8,871	(357,522)	149,656	107,027
Interest income	(5,510)	(7,746)	(4,234)	(461,347)	(1,203,778)	(480,503)
Interest expense	1,833	5	488	213,075	477,373	103,028
Interest expense from hire-purchase and financial lease contracts	80	521	480	536	2,352	1,471
Dividend income	-	-	(14,615)	-	-	-
Restructuring provision	-	-	-	-	-	38,971
Loss on impairment of investment in non-performing assets	-	-	-	127,778	446,163	98,588
Bad debt and doubtful accounts (reversal)	(60)	1,200	250	94,450	(353,285)	(134,799)
Bad debt and doubtful account of loans to non-performing assets	-	-	-	-	18,721	(32,507)
Loss from restructuring in loans to non-performing assets and investment in non-performing assets	-	-	-	-	17,231	22,538
Gain on acquired minority interest of subsidiaries	-	-	-	-	-	(138,597)
(Gain) on sales/impairment/write-off assets	4,583	(2,338)	(1,127)	10,702	34,561	23,429
(Gain) loss on foreign currencies translation	-	409	582	-	(703)	5,952
Profit (loss) from operating activities before changes in operating assets and liabilities	59,896	87,472	36,977	(209,099)	(374,547)	(282,769)
(Increase) Decrease in Operating Assets						
Accounts and notes receivable	46,692	6,827	(139)	(35,569)	87,816	(6,885)

	Company Only			Consolidated		
	2007 Baht, '000s	2008 Baht, 000s	2009 Baht, '000s	2007 Baht, '000s	2008 Baht, '000s	2009 Baht, '000s
Investment in non- performing assets	-	-	-	(4,611,512)	(2,522,904)	473,652
Loans to non-performing assets	-	-	-	551,070	984,904	534,778
Loans to consumers and interests receivable	-	-	-	182,973	1,046,656	555,862
Account receivable – related companies	-	(26,150)	34,984	-	(43,783)	39,501
Amount due from-related companies	5,102	-	6,301	-	-	(13,493)
Other current assets	4,389	(15,733)	(67)	53,928	(24,225)	11,976
Other non-current assets	(275)	4	(712)	(1,865)	2,447	433
Increase (Decrease) in Operating Liabilities						
Accounts and notes payable	-	-	-	7,621	(6,300)	(4,530)
Account due to related companies	-	15	6,407	-	(1,231)	(11,941)
Other current liabilities	(3,988)	(8,258)	88,851	(116,339)	(18,133)	63,696
Cash generated from (used in) operation before						
Interest and income tax received (paid)	111,816	44,177	172,602	(4,178,792)	(869,300)	1,360,280
Interest income received	5,376	6,626	4,979	460,871	1,223,141	436,875
Interest expense paid excluding finance lease contracts	(1,833)	(5)	-	(115,086)	(454,995)	(158,002)
Income tax paid	(6,263)	(13,064)	(9,554)	(9,035)	(18,774)	(18,913)
Net cash provided by (used in) operating activities	109,096	37,734	168,027	(3,842,042)	(119,928)	1,620,240
Cash flows from investing activities						
Cash paid for short-term investment	-	-	(9,744)	(37,471)	(108,585)	(49,774)
Cash paid for short-term loans to related companies	-	(12,500)	(3,000)	-	-	-
Cash paid for long-term loans to related companies	(86,458)	(50,000)	-	-	-	-
Cash paid for increase of issuing share of subsidiaries	(166,332)	(6,000)	(9,000)	-	-	-
Cash paid for acquisition of minority interest of a subsidiary	-	-	(1,683)	-	-	(761,683)

	Company Only			Consolidated		
	2007 Baht, '000s	2008 Baht, 000s	2009 Baht, '000s	2007 Baht, '000s	2008 Baht, '000s	2009 Baht, '000s
Cash paid for purchase of building improvement, equipment and intangible assets	(21,404)	(8,432)	(10,972)	(25,990)	(22,406)	(12,343)
Cash received from disposal of short-term investment	-	-	-	-	134,837	11,219
Cash received from disposal of long-term investment	-	29,591	-	-	29,849	-
Cash received from short-term loans to related companies	1,463	13,827	9,500	-	-	-
Cash received from long-term loans to related companies	-	16,088	32,554	-	-	-
Proceeds from disposal of building improvement equipment and intangible assets	4,055	2,906	-	5,036	5,685	2,326
Dividend received from investment in subsidiaries	-	-	24,632	566,337	-	-
Net cash provided by (used in) investing activities	(268,676)	(14,520)	32,287	507,912	39,380	(810,255)
Cash flows from financing activities						
Cash received from long-term loans from financial institutions	-	-	-	100,000	700,000	864,370
Cash received from long-term loans from related companies	-	-	-	4,379,814	2,614,615	-
Cash paid for short-term loans from related companies	-	-	-	-	(800,000)	-
Cash paid for long-term loans from financial institutions	-	-	-	-	(1,647,590)	(308,118)
Cash paid on long-term loans from related companies	-	-	-	-	(466,862)	(1,640,486)
Cash paid for interest expense under financial lease contracts	-	-	-	-	(2,352)	-
Cash paid for liabilities under financial lease contracts	(4,214)	(3,598)	(2,823)	(13,348)	(24,603)	(7,562)
Dividend paid to shareholders	-	(30,000)	(62,500)	-	(30,000)	(62,500)
Cash received from increase of capital	175,000	-	-	175,000	-	-
Net cash provided by (used in) financing activities	170,786	(33,598)	(65,323)	4,641,466	343,208	(1,154,296)
Net increase (decrease) in cash and cash equivalents	11,206	(10,384)	134,991	1,307,336	262,660	(344,311)
Cash and cash equivalents at beginning of the year	109,261	120,467	110,083	213,297	1,520,633	1,783,293
Exchange gain on cash	-	-	24	-	-	-
Cash and cash equivalents as at end of the year	120,467	110,083	245,098	1,520,633	1,783,293	1,438,982

3. Ratio Analysis

	Company Only						Consolidated					
	2007		2008		2009		2007		2008		2009	
<u>Liquidity Ratio</u>												
Current Ratio	12.35	Times	15.84	Times	3.11	Times	3.15	Times	2.69	Times	0.73	Times
Quick Ratio	8.88	Times	8.64	Times	2.37	Times	1.47	Times	1.48	Times	0.40	Times
Cash Flows Liquidity Ratio	6.32	Times	2.77	Times	2.77	Times	(5.18)	Times	(0.10)	Times	0.65	Times
Accounts Receivable Turnover	3.13	Times	48.80	Times	962.27	Times	6.22	Times	22.77	Times	37.99	Times
Days Receivable	115	Days	7	Days	0	Days	58	Days	16	Days	9	Days
Account Payable Turnover	n/a	Times	n/a	Times	n/a	Times	22.02	Times	24.04	Times	58.02	Times
Repayment period	n/a	Days	n/a	Days	n/a	Days	16	Days	15	Days	6	Days
Cash Cycle	n/a	Days	n/a	Days	n/a	Days	42	Days	1	Days	n.a.	Days
<u>Profitability Ratio</u>												
Gross Profit Margin	55.90	%	82.38	%	77.61	%	86.73	%	87.48	%	82.94	%
Earnings Before Interest and Tax Ratio	27.91	%	47.31	%	36.89	%	39.16	%	33.66	%	22.90	%
Other Profit Margin	24.64	%	16.60	%	24.75	%	41.31	%	19.03	%	40.60	%
Cash per Earnings Margin	1.94	Times	0.32	Times	2.02	Times	(10.20)	Times	(0.22)	Times	6.86	Times
Net Profit Margin	23.21	%	28.03	%	18.20	%	19.24	%	(8.02)	%	10.90	%
Return on Equity	11.85	%	13.18	%	7.00	%	38.94	%	(17.78)	%	13.50	%
<u>Efficiency Ratio</u>												
Return on Total Assets	11.33	%	12.78	%	3.82	%	3.91	%	(1.50)	%	1.39	%
Return on Fixed Assets	261.75	%	259.31	%	138.52	%	(129.33)	%	10.65	%	191.73	%
Assets Turnover	0.49	Times	0.46	Times	0.21	Times	0.20	Times	0.19	Times	0.13	Times

	Company Only						Consolidated					
	2007		2008		2009		2007		2008		2009	
<u>Financial Policy Ratio</u>												
Debt-to-Equity Ratio	0.03	Times	0.03	Times	1.67	Times	4.78	Times	4.19	Times	7.29	Times
Interest Coverage Ratio	27.47	Times	165.46	Times	46.81	Times	(0.09)	Times	(1.22)	Times	0.31	Times
Loan Coverage Ratio (cash basis)	0.40	Times	0.40	Times	2.00	Times	(147.83)	Times	(2.29)	Times	1.94	Times
Dividend Pay Out Ratio	0.00	%	43.64	%	166.67	%	0.00	%	(23.08)	%	55.56	%
<u>Growth Ratio</u>												
Total Assets	70.59	%	8.18	%	147.02	%	655.18	%	8.16	%	(21.33)	%
Total Liability	(28.68)	%	21.81	%	4660.19	%	751.96	%	5.58	%	(14.30)	%
Income from services	(51.97)	%	35.61	%	(25.17)	%	68.39	%	132.61	%	(53.34)	%
Selling and Administrative Expenses	198.36	%	53.57	%	(3.69)	%	1,485.49	%	90.76	%	(29.05)	%
Net Profit (Losses)	24.56	%	48.00	%	(46.13)	%	489.85	%	(170.27)	%	(186.41)	%
<u>Per Share</u>												
Book Value per share	4.95	Baht	4.37	Baht	4.18	Baht	6.41	Baht	6.46	Baht	6.86	Baht
Earning (loss) per share	0.46	Baht	0.55	Baht	0.30	Baht	1.81	Baht	(1.04)	Baht	0.90	Baht
Dividend per share	0.00	Baht	0.24	Baht	0.50	Baht	0.00	Baht	0.24	Baht	0.50	Baht



4. Operational overview and significant changes during the period

In the past few years, the slowdown of the worldwide economy has impacted various business sectors, which required the Company's Board of Directors and management to manage the operations cautiously. Overall, the Company and its subsidiaries placed emphasis the non-performing assets management business by focusing on managing existing portfolios. The results of debt restructuring as at end of 2009 (excluding ACAP Malaysia), the Company concluded negotiations with debtors with the total principal outstanding of approximately THB 16,041 million, of which THB 8,332 million were fully settled, THB 4,056 million were approved and awaiting closing, THB 3,652 million were ongoing debt restructuring plans and approximately THB 294 million were foreclosed assets awaiting sales, of which approximately THB 120 million were successfully sold.

In term of bidding to acquire new NPL portfolio, the Company has a policy to temporary slowdown participation in bidding for NPL portfolios as the economic recession worldwide which may unfavourably affect the employment environment and spending behaviour thereby impacting the ability to repay debt. As a result, the debt management policy must be carefully implemented. Moreover, as the Company still possesses many existing NPL portfolio management contracts, acquisitioning new portfolio was not a priority. Nevertheless, the management continued to look for opportunities to increase investments in NPL portfolio both locally and internationally to replace the existing agreements that are to expire due course.

For the Personal Consumer Financing business under CAP OK, the Company has restricted providing new financing and focused on collection of existing accounts. In 2009, the Company had collected debt of approximately THB 1,206 million. CAP OK has stopped providing financing as the Company saw increased competition in the retail financing space with many new entrants into the business driving down margins, putting small operators in disadvantageous position because of the lack of economy of scale. As a result, CAP OK has focused on developing an outsourcing business to replace the revenue from providing new loans taking advantage of the existing and well developed infrastructure.

The Company has decreased the proportion of financial advisory business operation as the economic slowdown had negatively impacted the investment environment. However, ACS has continued providing service for customers, focusing primarily on debt restructuring within and outside the bankruptcy court.

In December 2009, the Company had a resolution at the extraordinary general shareholders meeting to acquire 91,874,994 common shares or 49% of total CAP OK from the Company's major shareholder, ORIX Corporation at offering price of THB 8.27 per share. After the share acquisition, the Company acquired a 99.99% shareholding in CAP OK.

For the operating results in 2009 in comparison to 2008, the Company and its subsidiaries reported a decrease in total assets from THB 9,045.02 million in 2008 to THB 7,115.93 million, a decrease in total liabilities from THB 7,301.94 million to THB 6,257.93 million and an increase in total shareholders' equity (excluding minority shareholding) from THB 808.08 million to THB 858.0 million. The revenue declined from THB 1,622.35 million in 2008 to THB 1,031.84 million, while the total expenses decreased from THB 1,105.27 million to THB 824.02 million. The reported audited net profit attributable to shareholders reversed from a loss of THB 130.14 million to a gain of THB 112.45 million, of which details of business operation can be summarised as follows:



4.1 Operating results for the latest period are summarised as follows:

- **Revenues**

In 2009, the Company reported a total revenue of THB 1,031.84 million, a decrease from THB 1,622.35 million from 2008 or 36.40% decrease. The source of revenue came from the followings:

The revenue from personal consumer financing business is the revenue from doubtful debt recovery in 2009 in the amount of THB 246.89 million, which was recorded under the other realisable income section, a decrease from THB 261.19 million in 2008. The Company reported revenue from interest income in 2009 of THB 142.50 million, a decrease from THB 405.81 million from previous year or 64.88% decrease given the reason that CAP OK has policy to slow down new loan financing and focused on debt collection from existing portfolio.

The revenue from interest receivable from portfolio management for the portfolio owned by ACAP AMC and STAR AMC are recognised from interest income of the debtor under non-performing assets portfolio on an accrual basis except in the cases where there are uncertainty in collection. Under such conditions the interest income are recognised upon actual payments, which would be booked in form of investment in debtors and conversions to loans as the case may be. The debt collection itself may come directly from the subsidiaries or the Company, who provides services to its subsidiaries. In 2009, the revenue from this portion was THB 324.44 million, a decrease from THB 776.54 million in 2008 or 58.22% decrease given remaining debtors are debtors who have been in negotiation in numerous occasions but still have repayment problems. Most of these debtors will enter into public auction process to liquidate the assets and proceeds used to repay the debts.

The revenue from providing services came from financial advisory and investment banking services, legal advisory service and revenue from providing non-performing assets management services by the Company and ACAP Malaysia Sdn.Bhd., which were realised as follows:

- Base fee which can be realised on a monthly basis
- Cash Collection Fee or the commission percentage based on the cash collected from the debtors or from the disposal of collaterals which were paid on quarterly basis. The Company would book the revenue as accrued income at the end of each quarter and will reverse the entry when the Company issue invoice.
- Income from Legal advisory fee by the subsidiary in providing legal advisory services related to the asset management business.

In 2009, the Company's revenue from service fees amounted to THB 145.97 million, an increase from THB 131.29 million in 2008 or 11.18% increase, including revenues from managing NPL portfolios in the amount of THB 101.73 million and revenue from financial advisory and investment banking service in the amount of THB 30.20 million.



The other revenue of THB 418.93 million was an increase of THB 110.23 million from 2008, which were derived from the acquisition of minority shares in CAP OK at value lower than fair market value amounting to THB 138.60 million, interest receivable amounting to THB 13.87 million, revenue collected from debtors in non-performing asset portfolio amounted to THB 10.24 million and other revenue including revenue from personal consumer financing business amounting to THB 246.89 million which decrease from THB 261.19 million in 2008 as per explanation in the revenue from personal consumer financing business section.

In 2009, the Company and its subsidiaries posted a decrease in overall revenue of 36.40% compared to year 2008 driven by the worldwide economic crisis and the uncertain political situation in Thailand, which had impacted investment and employment environments which finally were refflected by the anemic economic figures and debtors repayment abilities.

Cost of Service and Administration Expenses

The cost of services in 2009 amounted to THB 176.05 million compared to THB 203.15 million in 2008 or a decrease of THB 27.10 million or 13.34%, which were primarily due to the cost reduction in personal and consumer financial business.

Contributing to the overall cost in 2009 were costs from the personal and consumer financing business amounted to THB 76.99 million, non-performing asset management business amounted to THB 81.59 million and investment banking amounted to THB 17.47 million. The largest cost component was staff salaries amounted to THB 147.02 million, a decrease from THB 165.94 million from 2008 or 11.40% decrease. Other major cost components were legal advisory fees of approximately THB 16.82 million. Other cost components included asset depreciation, office rental, I.T. equipment leases, telecommunication expenses and utilities.

The selling and administrative expense decreased from THB 902.12 million in 2008 to THB 647.97 million in 2009, a decrease of THB 254.15 million. Contributors to the overall selling and administrative expenses were mostly from personal and consumer financing business of THB 389.38 million, non-performing assets management business of THB 240.43 million and investment banking business of THB 18.16 million

The selling and administrative expenses from personal consumer financing business comprised staff expenses of THB 155.03 million, operation system expenses of THB 134.49 million, depreciation expense of THB 90.75 million, loss from business restructuring of THB 38.97 million, rental fee of THB 38.54 million, repair and maintenance of THB 23.84 million, tempered by a negative expense by way of a reversal in provision for bad debts of THB 143.12 million. The remainder balances were other expenses such as loss from asset depreciation, other fees and taxes.

The expenses under non-performing assets management business amounted to THB 240.43 million comprised staff expenses of THB 71.74 million, depreciation expense of THB 71.84 million, loss from business restructuring of THB 22.54 million and rental fees of THB 3.98 million. Other remainder balances were depreciation, rental fee, financing fee, loss form foreign exchange, advisory fee.



The lease expenses from investment banking amounted to THB 18.16 million were mostly from staff salaries approximately THB 3.36 million, other expenses were rental fee, legal advisory fees, depreciation and others.

Interest Expense

In 2009, the interest expense was THB 105.19 million, or a decrease of THB 374.73 million from expense in 2008 of THB 479.92 million. The decrease was the result of lower debt collection compared to the previous year, as the amount of interest expense is linked to the debtor's repayment ability, which declined in 2009. The interest expenses including interest payment on ACAP AMC amounted to THB 31.13 million and STAR AMC amounted to THB 71.87 million, other interest payment were on hire-purchase leases.

Profit

During 2008 and 2009, the Company and its subsidiaries reported the profits as follows:

	2008		2009	
	THB million	% over Total Services	THB million	% over Total Service
Gross Profit	1,110.50	84.53%	436.86	71.28
EBITDA	517.08	39.36%	207.82	33.91
Net Profit	(130.14)	(9.91)%	112.45	18.35

In 2009, the Company and subsidiaries reported net profit attributable to shareholders' equity of THB 112.45 million, compared to a loss attributable to shareholders' equity of THB 130.14 million the previous year. The 2008 loss was the result of the high level of provision for depreciation of non-performing assets of the subsidiaries.

Even though the Company has reported a decrease in total revenue of THB 590.51 million, the Company and subsidiaries reported an increase in profit given the decrease in total expenses amounted to THB 281.25 million. The difference also arose from the decrease in interest expense of THB 374.73 million and decrease in profit sharing to minority shareholders amounted to THB 178.70 million. In conclusion, the Company and subsidiaries reported profit attributable to shareholders' equity of THB 112.45 million

The Company reported a decrease in gross profit amounted to THB 673.64 million from 2008 or 60.66% decrease given that the main revenues contributors was from other revenue of THB 418.93 million from bad debt recovery and gain from acquisition of minority shares in subsidiary which was not the revenue from operation, while the revenue from operation in 2009 was THB 612.91 million or a decrease of THB 700.74 million from THB 1,313.65 million in 2008. The decrease in revenue from operation has higher proportion than the decrease in cost of services amounted to THB 27.10 million.



The decrease in minority shares in subsidiary resulted in higher Return on Equity (ROE) and Return of Assets (ROA) by which ROE has increased from negative 17.78% to 13.50%, and ROA increased from negative 1.50% to 1.39% which reflected the Company's ability to make profit.

4.2 Financial Status of the Company and its Subsidiaries

- **Assets, liabilities and shareholders' equity**

Assets

Because of the fact that the Company and its subsidiaries are in business of providing financing consulting services, managing non-performing assets and providing consumer loans, the majority of operating assets comprise of investments in non-performing assets, cash and cash equivalents, loans to non-performing assets, consumer loans, and accrued interest. In 2009, investment in non-performing assets was reported at THB 4,187.54 million, a decrease of THB 1,314.45 million from previous year, mostly from the decrease in debtors from debt repayments of approximately THB 475.96 million, conversion of non-performing loans of THB 742.22 million, and provision for depreciation of investment in non-performing assets approximately THB 100.51 million. Cash and cash equivalents in 2009 was THB 1,438.98 million, or a decrease of THB 344.31 million which primarily due to the loan repayment amounted to THB 1,948.61 million.

Loans to non-performing assets business in 2009 totalled THB 1,014.81 million, or an increase of THB 217.40 million from previous year which consisted of current portion of loans to non-performing assets amounted THB 354.06 million and loans to non-performing assets amounted to THB 660.75 million. This balance referred to the individual loans in the non-performing assets portfolios that have been restructured with the Company and subsidiaries.

The consumer loans and accrued interests in CAP OK loan portfolio decreased from THB 546.98 million in 2008 to THB 134.24 million in 2009 because of a decline in new loans approval as a result of stringent and rigorous credit approval process as well as improvement in CAP OK's capabilities in collecting more debt. Other minor assets comprised of assets such as short term investments and improvements in land and building.

Most of the fixed assets used for business operations comprised of office equipment, furniture and fixture, computers, and vehicles. Office space is rented and not owned, while improvements in building and equipment were recorded as assets of the Company and subsidiaries at THB 80.60 million as of the end of 2009, which represents a decrease of THB 67.74 million compared with 2008. Such decrease was from depreciation on these assets, especially on computers in the amount of THB 35 million.

For intangible assets such as software programs and goodwill, there were depreciation on software programs at THB 41.26 million, loss from depreciation amounted to THB 8.22 million and purchase of software programs at THB 5.6 million resulted in a reduction of intangible assets from THB 78.34 million at the end of 2000 to THB 34.46 million at the end of 2009.



As at the end of 2009, the Company and subsidiaries reported slightly increased Account Receivables and Notes Receivables from THB 13.77 million in 2008 to THB 18.50 million. An increase of Account Receivables amounted to THB 4.73 million was primarily due to the increase of account receivables with overdue more than one year under non-performing assets management business and investment banking business. However, the trade account receivables classified as “current up to not over 30 days overdue” and “overdue more than 180 days but less than one year” had decreased to THB 5.90 million and THB 0.69 million respectively. Nevertheless, the Company and subsidiaries had made a provision for the allowance for doubtful accounts of THB 14.04 million as per the table below:

	Consolidated		Company Only	
	2008	2009	2008	2009
	THB, thousands	THB, thousands	THB, thousands	THB, thousands
Accounts receivable				
Accrued income	-	2,600	-	105
Undue and up to 30 days	9,236	5,902	3	-
Overdue 30 days but not over 180 days	158	500	-	-
Overdue 180 days but not over 1 year	3,264	690	1,101	250
Overdue more than 1 year	12,991	22,842	10,508	11,396
Total	25,649	32,534	11,612	11,751
<u>Less:</u> Allowance for doubtful accounts	(11,876)	(14,039)	(11,396)	(11,646)
Accounts and notes receivable, net	13,773	18,495	216	105

Liabilities

From the above table, the net account receivable and notes receivable at the end of 2008 decreased to THB 13.77 million from the previous year. The accounts receivable turnover rate increased from 6.22 times in 2007 to 22.77 times in 2008 while the age of receivables reduced from 58 days in 2007 to 16 days in 2008.

The current portion of loans and accrued interest receivables at the end of 2008 declined by THB 437.07 million compared to the previous year due primarily to tightening of credit and improved debt collection in the personal and consumer loans business of Cap OK. The current portion of loans of non-performing assets under the non-performing asset management business increased THB 4.34 million as a result of increased investment in non-performing asset portfolios.

Contributing to the overall non-current assets with repayment due in more than one year were the investment in non-performing assets amounted to THB 5,072 million and the remaining was other credit facilities and loans to related businesses with Company and subsidiaries. Loans to non-performing assets increased from THB 2.8 million to THB 339.39 million as of the end of 2008. The majority of this increase was from the loans granted to debtors under debt restructuring agreements. However, loans granted to personal and consumer debtors and the



related net accrued interest receivable from the personal and consumer finance business reduced from THB 389.92 million at the end of 2007 to THB 109.91 million at the end of 2008 as a result of tightening of the credit approval process.

Most of the fixed assets used for business operations comprise office equipment, furniture and fixture, computers, and vehicles. Office space is rented and not owned, while improvements in building and equipment were recorded as assets of the Company and subsidiaries at THB 148.34 million as of the end of 2008, which represents a decrease of THB 69.87 million compared with 2007. Such decrease was from depreciation on these assets, especially on computers of THB 152 million.

For intangible assets such as software programs and goodwill, depreciation on software programs was THB 61.85 million and combined with purchase of software programs at THB 4 million resulted in a reduction of intangible assets from THB 136.22 million at the end of 2007 to THB 78.34 million at the end of 2008.

As of the end of 2007, the Company and its subsidiaries recorded negative goodwill of THB 313.02 million due to its investment in Cap OK, which was recognised in the retaining earnings balance at the beginning of the accounting period. According to the new and amendments to Thai Accounting Standards, the Company and subsidiaries recorded a goodwill balance of THB 6.89 million for the year end 2008. Moreover, there were also other non-current assets such as long term deposits and deferred expense amounting to THB 35.89 million. Total assets of THB 9,045.02 million as of the end of 2008 had increased by THB 682.61 million compared with year 2007.

Shareholders' equity

Subsidiary's shareholders' equity and minority shareholders' equity from consolidated financial statement at the end of 2009 was THB 858.00 million, a decrease from THB 1,743.08 million in 2008 or 50.78% decrease as a result of the acquisition of common shares in CAP OK from the Company's major shareholder, ORIX Corporation, at 49%. After the transaction, the Company has 99.99% shareholding in CAP OK which impacted the elimination of minority interest in subsidiary section in consolidated financial statement of THB 935.0 million. The debt to equity ratio of the Company and subsidiaries in 2009 was 7.29 times compared to 4.19 times in 2008.

• Liquidity

The increase in short term loan used for non-performing asset management business of the subsidiaries under current liabilities together with the decrease of cash, consumer loans and accrued interest from personal and consumer financing business under current assets, resulted in the decrease in liquidity ratio from 2.69 times in 2008 to 0.73 times in 2009, while quick ratio decrease from 1.48 times to 0.40 times

However, Account receivables turnover has increased from 22.77 times in 2008 to 37.99 times in 2009, which caused the average remittance period to decrease from 16 days to only 9 days given that the Company and subsidiaries has low amount of account receivables under nature of manufacturing or trading businesses. Thus, Earning per share ratio has increased from THB -1.04 to THB 0.90 in 2009 as well as the booked value that



increased from THB 6.46 to THB 6.86 which represents an improvement in the return on shareholders' equity even under the circumstance of worldwide economic slow down.

5. The Auditor's remuneration

In 2008-2009, PricewaterhouseCoopers ABS Co., Ltd. was the external auditor for the Company and its seven subsidiaries. The auditors and the audit company have no relationship with the Company and the subsidiaries. The following table shows the auditing expenses for the years 2008 and 2009.

Expense	2008			2009		
	Types The Company	Subsidiaries	Total Company and Subsidiaries	The Company	Subsidiaries	Total Company and Subsidiaries
Audit fees (THB)						
Statutory Financial Statements	560,000	2,711,000	3,271,000	588,000	3,036,000	3,624,000
Review of interim financial statement (3 quarters)	240,000	1,212,000	1,452,000	246,000	1,249,500	1,495,500
Total audit fees	800,000	3,923,000	4,723,000	834,000	4,285,500	5,119,500
Other expenses (THB)						
Verification of Por.Ngor.Dor.50	10,000	70,000	80,000	10,000	70,000	80,000
Total audit expenses	810,000	3,993,000	4,803,000	844,000	4,355,500	5,199,500

6. Main factors that may affect business operations or financial status in the future

There are important internal and external factors that may affect the business operations or financial status of the Company in the future. Important external factors include the rate of growth of the Thai and world economies and political stability. These factors have various effects to different groups of the Company's customers. If the economy does not significantly deteriorate compared to the previous year, the Company and subsidiaries should not be significantly affected.

An important internal factor that affected the Company and subsidiaries' business performances is the debt collection ability of the non-performing asset management business and personal and consumer finance business under Capital OK Co., Ltd. as these are major sources of revenue. Revenue performance would depend on the number of non-performing loans portfolios acquired and/or assigned for management under contract. The Company and subsidiaries are always on the lookout for and are prepared to bid for new non-performing loan portfolios to expand the non-performing assets management business. The Company is well prepared to handle new portfolios with sufficient human resources, quality software systems and efficient collection systems to take advantage of new non-performing assets management opportunities from government and private entities. The income from any new non-performing assets management projects depends on the size of the non-performing assets portfolio and the service fees attainable under prevailing market and competitive conditions.



Report of Directors Relating to Responsibility for Financial Statements

The Board of Directors is responsible for ACAP Advisory public Company Limited's financial statements including financial information presented in the annual report. The Financial Statements have been prepared by management in conformity with generally accepted accounting principles, with appropriated accounting policies applying consistently; and based on management's best estimated and judgments, with adequate disclosure of material issues for the best interest of shareholders and investors.

The Board of Directors has set up and maintains effective internal control system designed to provide management with reasonable assurance that transactions are recorded properly, the assets are safeguarded and that material frauds and malpractices are precluded.

The Board of Directors also appointed the Audit Committee to review the accounting policies, the accuracy and sufficiency of the company's financial reports and to ensure the adequacy and the efficiency of the internal control systems as well as the risk management system of the Company. Opinion of the Audit Committee is shown in Audit Committee's Report published in this annual report.

The Company also arranges to have independent certified public accountant as auditor audits the financial statements. The Board of Directors also provide document and information support so that the auditor can perform audits of the financial statements in accordance with generally accepted auditing standards to express his independent opinion on the true and fair of the financial positions and the results of the company's operations as stated in the financial statements. Auditor's Report is also shown in this annual report.

The Board of Directors is of an opinion that the internal control system of the Company is satisfactory and can ensure the credibility of ACAP Advisory Public Company Limited's financial report for the fiscal year ended 31st December 2009 in accordance with generally accepted auditing standards and its compliance with the laws and related legislation.

Dr. Vivat Vitoonthien
Chairman of the Board of Directors
and Chief Executive Officer

Mr. Saringkarn Sutaschuto
Director



Audit Committee's Report

The Board of Directors of ACAP Advisory Public Company Limited has appointed the Audit Committee who possess qualifications and scope of responsibilities according to the Stock Exchange of Thailand's announcement concerning Audit Committees B.E. 2541 (1998). The Company's Audit Committee is comprised of 3 independent directors who possess knowledge, skills and experience in organisational management, finance and accounting, internal audit, and tax law, and is lead by Mr. Suraphol Sindhuvanich, the Chairman of the Audit Committee, and has Ms. Narumol Wangsatorntanakun and Mr. Chatchawan Triamvicharnkul as the members.

During 2009, the Audit Committee has worked independently as per its authority and duty stated in the Audit Committee charter and as assigned by the Company's Board of Directors. The Audit Committee's major functions can be summarized as follows:

- (1) Attending the Audit Committee's meetings: In 2009, the Audit Committee organized 12 meetings, 3 of which were meetings with the Company's external auditor. Of all the meetings, Mr. Suraphol Sindhuvanich attended 12/12 meetings, and Ms. Narumol Wangsatorntanakun attended 11/12 and Mr. Chatchawan Triamvicharnkul attended 12/12 meetings.
- (2) Reviewing of the financial statements: The Audit Committee, together with the management team and the external auditor from Price Water House Coopers ABAS Co., Ltd., reviewed the Company's and the subsidiaries' quarterly and annual financial statements for 2009 (at the meeting no. 2/2010 dated February 22, 2010 with the agenda to review the 2009 Annual Report). The Audit Committee also provided recommendations and opinions to ensure completeness, correctness and compliance of the financial statement and reports as per generally accepted accounting standards which allowed the Company to submit the financial statements to the Stock Exchange of Thailand (SET) within the specified timeframe. The Audit Committee agreed with the external auditor that the Company's financial statements properly shown all necessary items as per generally accepted accounting standards. The Audit Committee also accepted and conveyed any recommendations and comments from the external auditor for consideration with the management team to improve the efficiency of the Company's accounting system and related operations.
- (3) Monitoring the internal control system: The Audit Committee reviewed and monitored the Company's internal control and internal audit system to evaluate their adequacy as per the regulations set by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The Audit Committee provided the same opinion as the Internal Audit Department and the external auditor that the Company



has sufficient internal control systems and it found no significant issues that may affect the business operations. The Audit Committee also monitored the improvement in the operations by other departments as required in the evaluation reports from the Internal Audit Department and Compliance Department to ensure that the problems or deficiencies had been improved or appropriately resolved within the required timeframe.

- (4) Monitoring of good corporate governance and financial disclosure process: The Audit Committee has reviewed the disclosure of the Company's information as per the regulations established by the SET and the SEC and approved the annual registration statement (Form 56-1) and the annual report (Form 56-2). Moreover, the Audit Committee has also reviewed the arrangement and agenda of the shareholders' meeting to be in accordance with the relevant SET and SEC regulations. Additionally, the Audit Committee has reviewed transactions among the Company and its subsidiaries and other related-parties (i.e. related party transactions) to ensure that the Company has operated in accordance with its own compliance regulations and requirements and those of the SET and SEC, and the Audit Committee has concurred with the external auditors that those transactions were based on sound reasoning and were for the benefit of shareholders.
- (5) Monitoring the internal auditing process: the Audit Committee has monitored and reviewed the Internal Audit Department's work, annual audit plan, annual budget and manpower on a quarterly basis. The Audit Committee has also reviewed the Company's auditing process to ensure it is appropriate for the changing business environment the Company faces and to make sure that the auditing process can respond proactively. Moreover, the Audit Committee has provided support for the Company's internal auditors to receive training and attend seminars to develop their knowledge and skills in compliance, internal control and internal auditing processes including risk management. The Audit Committee also constantly reviews the internal audit charter to ensure that the Internal Audit Department can function independently can perform their duties as per professional internal audit process standards.
- (6) Reviewing of risk management practices: the Audit Committee has monitored the units responsible for the Company's risk management to ensure that the Company has an effective risk management system that can mitigate risks within the required time frame and at an acceptable level, including considering adopting of the risk management plan as a guideline for conducting the Internal Audit Department's audit planning process.
- (7) Considering and appointing of the auditor: Price Water House Coopers ABAS Co., Ltd. proposed providing financial auditing services to the Company in 2009. The Audit Committee coordinated with the management team to review the proposed company's background, its past auditing performance and the proposed



auditing expense as well as the qualifications and independence of the proposed auditor in relation to the regulations established by the SET and SEC. Based on the reviews, the Audit Committee recommended the Company's Board of Directors to appoint Mr. Boonlert Kamolchanokkul, certified public accountant registration No. 5339, and/or Mrs. Anothai Leekitwattana, certified public accountant registration No. 3442, and/or Mrs. Unakorn Phruithithada, certified public accountant registration No. 3257 of Price Water House Coopers ABAS Co., Ltd., as the Company's external auditor(s) for 2010 with the budget for auditing expense not over THB 844,400 excluding related expenses based on the actual auditing work. In case the above auditors cannot perform as expected, Price Water House Coopers ABAS Co., Ltd. can appoint other certified auditors from its firm to perform the auditing service and to provide opinions on the Company's financial statements, in replacement of the above auditors.

- (8) Developing the Audit Committee: The Audit Committee has considered and reviewed the Audit Committee charter for its suitability and compliance with relevant regulations and related laws as well as conducted a self-assessment on its performance in order to further improve its performance in the future. The evaluation criteria were based on the action taken on each issue and the effectiveness of these actions. According to the results of the performance evaluation for 2009, the overall performance of the Audit Committee was considered to be good to very good. Furthermore, the Audit Committee members have attended training and seminars for continuing the improvement and development of their knowledge and skills in the areas of compliance, internal control systems, internal audit, and risk management.

On behalf of the Audit Committee

Mr. Suraphol Sindhuwanich
Chairman of the Audit Committee
22 February 2010



AUDITOR'S REPORT

To the Shareholders of ACAP Advisory Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2009 and 2008, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the years then ended of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2009 and 2008, and the consolidated and company results of operations and cash flows for the years then ended of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited, respectively, in accordance with generally accepted accounting principles.

Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
PricewaterhouseCoopers ABAS Limited

Bangkok
23 February 2010

Balance Sheets

ACAP Advisory Public Company Limited

As at 31 December 2009 and 2008

(Unit : Baht'000)

	Notes	Consolidated		Company	
		2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents	7	1,438,982	1,783,293	245,098	110,083
Short-term investments	8	51,861	11,219	11,831	-
Accounts and notes receivable, net	9	18,495	13,773	105	216
Current portion of investment in non-performing assets, net	11	615,406	429,612	-	-
Current portion of loans to non-performing assets, net	12, 13	354,062	458,016	-	-
Current portion of loans to consumers and interests receivable, net	14	113,237	437,067	-	-
Accounts receivable - related companies	29 iv)	4,282	43,783	21,327	56,311
Amount due from related companies	29 iv)	21,992	8,499	5,948	22,570
Short-term to related companies	29 v)	-	-	4,800	11,300
Current portion of loan to related companies	29 v)	-	-	46,333	-
Other current assets, net	15	103,686	81,537	1,475	1,850
Total current assets		2,722,003	3,266,799	336,917	202,330
Non-current assets					
Investment in non-performing assets, net	11	3,572,131	5,072,382	-	-
Loans to non-performing assets, net	12, 13	660,749	339,388	-	-
Loans to consumers and interests receivable, net	14	20,999	109,909	-	-
Long-term loan to related companies	29 v)	-	-	41,484	120,370
Investment in subsidiary companies	10	-	-	973,265	202,582
Long-term investments		1,840	1,927	-	-
Building improvement and equipment, net	17	80,600	148,345	33,249	33,508
Intangible assets, net	18	34,464	78,340	4,715	2,053
Goodwill, net	18	2,538	6,889	-	-
Other non-current assets, net	16	20,605	21,038	4,059	3,347
Total non-current assets		4,393,926	5,778,218	1,056,772	361,860
Total assets		7,115,929	9,045,017	1,393,689	564,190

The notes on pages 11 to 44 are an integral part of these financial statements.

Balance Sheets (Cont'd)

ACAP Advisory Public Company Limited

As at 31 December 2009 and 2008

(Unit : Baht'000)

	Notes	Consolidated		Company	
		2009	2008	2009	2008
Liabilities and shareholders' equity					
Current liabilities					
Accounts and notes payable		769	5,300	-	-
Amount due to related companies	29 iv)	14,069	26,010	6,910	15
Current portion of long-term loans					
from financial institutions	21	3,406,602	38,947	-	-
Current portion of long-term loans					
from related companies	29 vi)	-	882,216	-	-
Current portion of financial lease contracts	20	3,536	6,087	2,346	2,340
Other current liabilities	19	310,329	253,966	99,192	10,416
Total current liabilities		3,735,305	1,212,526	108,448	12,771
Non-current liabilities					
Liabilities under financial lease					
contract, net	20	3,191	6,730	3,191	5,540
Long-term loans from financial institutions	21	740,721	3,545,705	-	-
Long-term loans from related companies	29 vi)	1,778,709	2,536,979	760,000	-
Total non-current liabilities		2,522,621	6,089,414	763,191	5,540
Total liabilities		6,257,926	7,301,940	871,639	18,311

The notes on pages 11 to 44 are an integral part of these financial statements.

Balance Sheets (Cont'd)

ACAP Advisory Public Company Limited

As at 31 December 2009 and 2008

(Unit : Baht'000)

	Notes	Consolidated		Company	
		2009	2008	2009	2008
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Authorised share capital					
125,000,000 ordinary shares					
of Baht 1each	22	125,000	125,000	125,000	125,000
Issued and paid up share capital					
125,000,000 ordinary shares					
of Baht 1each		125,000	125,000	125,000	125,000
Premium on share capital		337,742	337,742	337,742	337,742
Unrealised gain on change in fair value					
of investment		1,307	-	1,307	-
Currency translation differences		(1,889)	(557)	-	-
Retained earnings					
Appropriated	23	12,500	12,500	12,500	12,500
Unappropriated		383,343	333,394	45,501	70,637
Total shareholders' equity		858,003	808,079	522,050	545,879
Minority interest of subsidiaries		-	934,998	-	-
Total shareholders' equity and minority interest of subsidiaries		858,003	1,743,077	522,050	545,879
Total liabilities and shareholders' equity		7,115,929	9,045,017	1,393,689	564,190

The notes on pages 11 to 44 are an integral part of these financial statements.

Statements of Income

ACAP Advisory Public Company Limited

For the years ended 31 December 2009 and 2008

(Unit : Baht'000)

	Notes	Consolidated		Company	
		2009	2008	2009	2008
Revenues					
Service income	29 i)	145,969	131,295	154,444	206,387
Interest income from non-performing asset management		324,442	776,536	-	-
Interest income from loans to consumers		142,500	405,815	-	-
Other income	25	418,933	308,708	50,808	41,086
Total revenues		1,031,844	1,622,354	205,252	247,473
Expenses					
Cost of services, asset management and loans	29 ii)	176,054	203,151	45,949	43,606
Administrative expenses	26	619,495	873,121	83,579	86,785
Managment remunerations		28,474	29,000	28,474	29,000
Total expenses		824,023	1,105,272	158,002	159,391
Profit before financial costs and income tax		207,821	517,082	47,250	88,082
Financial costs	29 iii)	105,188	479,920	968	526
Profit before income tax		102,633	37,162	46,282	87,556
Income tax		24,902	23,318	8,918	18,197
Net profit for the year		77,731	13,844	37,364	69,359
Attributable to:					
Equity holders		112,449	(130,138)	37,364	69,359
Minority interest of subsidiaries		(34,718)	143,982	-	-
Earnings per share for profit (loss) attributable to the equity holders (expressed in Baht per share)					
Basic earning (loss) per share	27	0.90	(1.04)	0.30	0.55

The notes on pages 11 to 44 are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

ACAP Advisory Public Company Limited

For the years ended 31 December 2009 and 2008

(Unit : Baht'000)

Consolidated									
Notes	Issued and paid-up share capital	Premium on share capital	Currency translation differences from subsidiary in overseas	Unrealised gain on change in fair value of investment	Retained earnings		Total	Minority interest	Total
					Appropriated	Unappropriated			
Opening balance as at 1 January 2009	125,000	337,742	(557)	-	12,500	333,394	808,079	934,998	1,743,077
Acquired minority interest	10	-	-	-	-	-	-	(900,280)	(900,280)
Currency translation differences	-	-	(1,332)	-	-	-	(1,332)	-	(1,332)
Unrealised gain on change in fair value of investment	-	-	-	1,307	-	-	1,307	-	1,307
Dividend paid	24	-	-	-	-	(62,500)	(62,500)	-	(62,500)
Net profit (loss) for the year	-	-	-	-	-	112,449	112,449	(34,718)	77,731
Ending balance as at 31 December 2009	125,000	337,742	(1,889)	1,307	12,500	383,343	858,003	-	858,003

(Unit : Baht'000)

Consolidated									
	Issued and paid-up share capital	Premium on share capital	Currency translation differences from subsidiary in overseas	Unrealised gain on change in fair value of investment	Retained earnings		Total	Minority interest	Total
					Appropriated	Unappropriated			
Opening balance as at 1 January 2008	125,000	337,742	(219)	-	10,372	182,642	655,537	791,016	1,446,553
Adjustments for changes in accounting standards									
Adjustment negative goodwill previously recognised in the financial statements	31	-	-	-	-	313,018	313,018	-	313,018
Opening balance as of 1 January 2008 - After adjustment	125,000	337,742	(219)	-	10,372	495,660	968,555	791,016	1,759,571
Legal reserve	-	-	-	-	2,128	(2,128)	-	-	-
Currency translation differences	-	-	(338)	-	-	-	(338)	-	(338)
Dividend paid	24	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Net profit (loss) for the year	-	-	-	-	-	(130,138)	(130,138)	143,982	13,844
Ending balance as at 31 December 2008	125,000	337,742	(557)	-	12,500	333,394	808,079	934,998	1,743,077

The notes on pages 11 to 44 are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity (Cont'd)

ACAP Advisory Public Company Limited

For the years ended 31 December 2009 and 2008

(Unit : Baht'000)

	Note	Issued and paid-up share capital	Premium on share capital	Company Unrealised gain on change in fair value of investment	Retained earnings		Total
					Appropriated	Unappropriated	
Opening balance as at 1 January 2009		125,000	337,742	-	12,500	70,637	545,879
Unrealised gain on change in fair value of investment		-	-	1,307	-	-	1,307
Dividend paid	24	-	-	-	-	(62,500)	(62,500)
Net profit for the year		-	-	-	-	37,364	37,364
Closing balance as at 31 December 2009		125,000	337,742	1,307	12,500	45,501	522,050

(Unit : Baht'000)

		Issued and paid-up share capital	Premium on share capital	Company Unrealised gain on change in fair value of investment	Retained earnings		Total
					Appropriated	Unappropriated	
Opening balance as at 1 January 2008		125,000	337,742	-	10,372	33,406	506,520
Dividend paid	24	-	-	-	-	(30,000)	(30,000)
Legal reserve		-	-	-	2,128	(2,128)	-
Net profit for the year		-	-	-	-	69,359	69,359
Closing balance as at 31 December 2008		125,000	337,742	-	12,500	70,637	545,879

The notes on pages 11 to 44 are an integral part of these financial statements.

Statements of Cash Flows

ACAP Advisory Public Company Limited

For the years ended 31 December 2009 and 2008

(Unit : Baht'000)

	Notes	Consolidated		Company	
		2009	2008	2009	2008
Cash flows from operating activities					
Profit before income tax		102,633	37,162	46,282	87,556
Adjustment for:					
Depreciation and amortisation		107,027	149,656	8,871	7,865
Interest income		(480,503)	(1,203,778)	(4,234)	(7,746)
Interest expense		103,028	477,373	488	5
Interest expense from hire-purchase and financial lease contracts		1,471	2,352	480	521
Dividend income		-	-	(14,615)	-
Restructuring provision		38,971	-	-	-
Loss on impairment of investment in non-performing assets	11	98,588	446,163	-	-
Bad debt and doubtful account (reversal)		(134,799)	(353,285)	250	1,200
Bad debt and doubtful account of loans to non-performing assets	13	(32,507)	18,721	-	-
Loss from restructuring in loans to non-performing assets and investment in non-performing assets	26	22,538	17,231	-	-
Gain on acquired minority interest of subsidiary	10	(138,597)	-	-	-
Gain(loss) on sales/impairment/write-off assets		23,429	34,561	(1,127)	(2,338)
(Gain) loss on foreign currencies translation		5,952	(703)	582	409
Profit (loss) from operating activities before changes in operating assets and liabilities		(282,769)	(374,547)	36,977	87,472
(Increase) decrease in operating assets					
Accounts and notes receivable		(6,885)	87,816	(139)	6,827
Investment in non-performing assets		473,652	(2,522,904)	-	-
Loans to non-performing assets		534,778	984,904	-	-
Loans to consumers and interests receivable		555,862	1,046,656	-	-
Accounts receivable - related companies		39,501	(43,783)	34,984	(26,150)
Amount due from - related companies		(13,493)	-	6,301	-
Other current assets		11,976	(24,225)	(67)	(15,733)
Other non-current assets		433	2,447	(712)	4
Increase (decrease) in operating liabilities					
Accounts and notes payable		(4,530)	(6,300)	-	-
Amount due to related companies		(11,941)	(1,231)	6,407	15
Other current liabilities		63,696	(18,133)	88,851	(8,258)

The notes on pages 11 to 44 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

ACAP Advisory Public Company Limited

For the years ended 31 December 2009 and 2008

(Unit : Baht'000)

	Notes	Consolidated		Company	
		2009	2008	2009	2008
Cash flows from operating activities (Cont'd)					
Cash generated from (used in) operation before					
interest and income tax received (paid)		1,360,280	(869,300)	172,602	44,177
Interest income received		436,875	1,223,141	4,979	6,626
Interest expense paid excluding finance					
lease contracts		(158,002)	(454,995)	-	(5)
Income tax paid		(18,913)	(18,774)	(9,554)	(13,064)
Net cash provided by (used in) operating activities		1,620,240	(119,928)	168,027	37,734
Cash flows from investing activities					
Cash paid for short-term investment	8	(49,774)	(108,585)	(9,744)	-
Cash paid for short-term loan to					
related companies	29 v)	-	-	(3,000)	(12,500)
Cash paid for long-term loan to					
related companies	29 v)	-	-	-	(50,000)
Cash paid for increase of issuing share					
of subsidiaries	10	-	-	(9,000)	(6,000)
Cash paid for acquisition of minority					
interest of a subsidiary	10	(761,683)	-	(1,683)	-
Cash paid for purchase of building improvement,					
equipment and intangible assets		(12,343)	(22,406)	(10,972)	(8,432)
Cash received from disposal of					
short-term investment		11,219	134,837	-	-
Cash received from disposal of long-term					
investment		-	29,849	-	29,591
Cash received from short-term loan					
to related companies	29 v)	-	-	9,500	13,827
Cash received from long-term loan					
to related companies	29 v)	-	-	32,554	16,088
Proceeds from disposal of building improvement					
equipment and intangible assets		2,326	5,685	-	2,906
Dividend received from investment					
in subsidiaries		-	-	24,632	-
Net cash provided by (used in)					
investing activities		(810,255)	39,380	32,287	(14,520)

The notes on pages 11 to 44 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

ACAP Advisory Public Company Limited

For the years ended 31 December 2009 and 2008

(Unit : Baht'000)

	Notes	Consolidated		Company	
		2009	2008	2009	2008
Cash flows from financing activities					
Cash received from long-term loans from financial institutions	21	864,370	700,000	-	-
Cash received from long-term loans from related companies		-	2,614,615	-	-
Cash paid for short-term loans from related companies		-	(800,000)	-	-
Cash paid for long-term loans from financial institutions	21	(308,118)	(1,647,590)	-	-
Cash paid on long-term loans from related companies	29 vi)	(1,640,486)	(466,862)	-	-
Cash paid for interest expense under finance lease contracts		-	(2,352)	-	-
Dividend paid to shareholders	24	(62,500)	(30,000)	(62,500)	(30,000)
Cash paid for liabilities under financial lease contracts		(7,562)	(24,603)	(2,823)	(3,598)
Net cash provided by (used in) financing activities		(1,154,296)	343,208	(65,323)	(33,598)
Net increase (decrease) in cash and cash equivalents		(344,311)	262,660	134,991	(10,384)
Cash and cash equivalents at beginning of the year		1,783,293	1,520,633	110,083	120,467
Exchange gain on cash		-	-	24	-
Cash and cash equivalents at end of the year		1,438,982	1,783,293	245,098	110,083
Non-cash transactions					
Purchase equipment under financial lease contracts		-	9,270	-	9,270
Purchase investment in non-performing assets		-	2,614,615	-	-
Restructuring investment in non-performing assets	11	742,216	1,296,667	-	-
Adjustment negative goodwill in retained non-performing assets to be loans to non-performing assets	31	-	313,018	-	-
Purchase investment in subsidiary by borrowing from related company	29 vi)	-	-	760,000	-

The notes on pages 11 to 44 are an integral part of these financial statements.



Notes to Financial Statements

1 General information

ACAP Advisory Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

195 Empire Tower 2-3, 22nd floor, South Sathorn Road, Yanawa, Sathorn, Bangkok.

The Company is listed on the Market for Alternative Investment (MAI) in Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Company are financial advisory, non-performing assets management and consumer lendings.

The consolidated and company financial statements were authorised for issue by the Board of Directors on 23 February 2010.

2 Accounting policies

The principal accounting policies adopted in preparation of these consolidation and company financial statements are set out below.

2.1 Basis of preparation


The consolidated and the company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards (“TAS”) issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and the company financial statements have been prepared under the historical cost convention except certain transactions which are presented at fair value as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Comparative figures have been adjusted to conform with the minimum requirements announced by the Department of Business Development Regulation dated 30 January 2009 in relation to the format of Financial Statements B.E. 2552 which it is effective from 1 January 2009 and to conform with the revised accounting standards. Those figures are cash and cash equivalents, short-term investment, expenses in statements of income and statements of cash flows.

An English version of the consolidated and the company financial statements has been prepared from the consolidated and the company financial statements that are in Thai language. In the event of conflicts or differences in interpretation between the two languages, the Thai language consolidated and the company financial statements shall prevail.



2.2 New accounting standard, new financial reporting standards and amendments to accounting standards

Revised accounting and financial reporting standards that are effective for the period beginning on or after 1 January 2009 and revised accounting framework are as follows:

TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)	

The Company's management has determined that those two standards and accounting framework do not have a material impact on the financial statements being presented.

The revised accounting standards and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which have not been early adopted by the Company are as follows:

Effective for the period beginning on or after 1 January 2011

TAS 24 (revised 2007)	Related Party Disclosure (formerly TAS 47)
TAS 40	Investment Property

Effective for the period beginning on or after 1 January 2012

TAS 20	Accounting for Government Grants and Disclosure for Government Assistance
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The Company's management has determined that the revised standard and the new standards will not significantly impact the interim financial statements being presented.

On 26 June 2009, the Federation of Accounting Professions announced the revision of the numbers used in the Thai Accounting Standards to correspond with the numbers used in the International Accounting Standards.

The Company ceases amortisation of negative goodwill which has been recognised before 1 January 2008 in consolidated retained earnings at the beginning of the period. The effect of TFRS 3 "Business Combination" (Revised) (formerly TAS 43), is shown in accounting policy as mentioned in Note 31.

2.3 Group accounting - investment in subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.



If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

A test of impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying amount of the investment is higher than its recoverable amount, impairment loss is charged to the statements of income.

Investments in subsidiaries are reported by using the cost method in the Company's separate financial statements.

A list of the Group's subsidiaries is set out in Note 10.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.



2.6 Investment in securities

Investment in debt securities is classified as available-for-sale which the classification is dependent on the purpose for which the investment was acquired. Management determines the appropriate classification of its investment at the time of the purchase and re-evaluates such designation on a regular basis.

Available-for-sale securities is carried at fair value, less allowance for impairment (if any). Differences between carrying values and fair values are presented as unrealised gain or loss in the shareholders' equity. The fair value of debt securities are calculated by reference to the last quoted bid prices at the close of business on the balance sheet date.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Company's holding of a particular investment, the carrying amount of the disposed part is determined by the weight average carrying amount of the total holding of the investment.

2.7 Accounts and notes receivable

Accounts and notes receivable are carried at original invoice amount and subsequent measure at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement.

2.8 Investment in non-performing assets and allowance for impairment of investment

Investment in non-performing assets purchased from financial institutions is stated at acquisition cost net of allowance for impairment. Loss on impairment of such investment is recognised in statement of income. In case of investment in non-performing assets which was entered into debt restructuring agreement, the subsidiaries will transfer such investment to be loans to non-performing assets. The subsidiaries consider allowance for impairment of investment on the same basis of loans to non-performing asset as prescribed by the Bank of Thailand.

2.9 Loans to non-performing assets and allowance for doubtful accounts

Loans to non-performing assets are non-performing assets transferred from investment in non-performing asset of whose entering into debt restructuring or changed the condition or re-agreement in debt repayment with the Company. Loans to non-performing assets are stated at fair value as at the transferred date net of allowance for doubtful accounts. Allowance for doubtful accounts of loans to non-performing assets are recognised in statements of income.

The subsidiaries consider allowance for doubtful accounts of loans to non-performing assets in accordance with the notifications of the Bank of Thailand ("BOT") which required the asset management company to comply about the provision of allowance for doubtful accounts in order to conform to the BOT's criteria. The subsidiaries have classified loans to non-performing assets and allowance for doubtful accounts to be conformed to the guideline of the BOT in relation to the classification of loans, provision rates and the valuation of collaterals based on the outstanding period and realisable value of cash flows from disposal of collaterals. In case of loans to unsecured non-performing assets, the subsidiaries will provide the allowance for doubtful accounts by estimating cash flows expected to be received from the debtors under the restructuring plan or rehabilitation plan. If the debtors could not complied with the plan, the allowance for doubtful accounts will be provided following by BOT's criteria.



2.10 Loans to consumers and interest receivable and allowance for doubtful accounts

Loans and accrued interest receivables are carried at anticipated realisable value.

Bad debts are written off during the year in which they are identified and recognised in the income statement within selling and administrative expense.

Concentrations of credit risk with respect to receivables are limited due to the subsidiary's large number of customers, who are dispersed. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the subsidiary.

The subsidiary provides allowance for doubtful accounts between 7% to 100% and writes off when the payment is in default more than 180 days. The allowance for doubtful is based on the historical trend of each loan category's potential historical loss rate.

The above allowance for doubtful accounts policy does not conform with the accounting guideline jointly issued by the Securities and Exchange Commission and the Federation of Accounting Professions relating to allowance for doubtful accounts for consumer finance business. The guideline requires a full allowance for doubtful accounts based on those account receivables which are overdue more than 3 periods. However, the accounting guideline allows the subsidiaries to provide the allowance for doubtful accounts based on its historical information.

2.11 Troubled debt restructuring

The subsidiaries record transaction relating to troubled debt restructuring in accordance with the Accounting Standards No. 34 "Accounting for Troubled Debt Restructuring" and in conformity with the guideline of the BOT. In case of debt restructuring that the subsidiaries agreed to release the repayment condition and calculated fair value of receivables after debt restructuring by calculating present value of cash flows which expected to be received from the debtors deducting by the deferred purchased non-performing assets which equal to bid price.

Loss on debt restructuring of each receivable is recognised in statements of income when estimated cash flows received from each receivable less than bid price.

2.12 Foreclosed assets

Foreclosed assets consists of immovable and movable assets are stated at the lower of cost or market value of the acquisition assets. Where the carrying value of foreclosed assets incurred impairment, the subsidiaries will recognise the provision for impairment of foreclosed assets in total.

The subsidiaries will recognise gain (loss) on sales of foreclosed assets as income or expenses in whole amount in accordance with the notifications of the Bank of Thailand.



2.13 Intangible assets

2.13.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.13.2 Computer software

Expenditure on acquired licenses and cost of computer software are capitalised and amortised using the straight-line method over their useful lives generally 5 years or over the contract period. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

Expenditure which enhances or extends the performance computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

2.14 Building improvement and equipment

Building improvement and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each asset, to its residual value over its estimated useful life as follows:

Building improvement	5 years
Computers	3 - 10 years
Furniture and fixture	5 years
Office equipment	5 years
Vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of fixed assets determined by comparing proceeds with the carrying amount and are included in operating profit.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.



2.15 Impairment of assets

Building improvements and equipment and other assets that are not financial assets, including intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

2.16 Income tax

The Group calculates income tax based on the conditions described in Revenue Code and record income tax on an accrual basis.

Overseas subsidiary's income tax is recorded on an accrual basis which calculated on the basis of establishment of the business to be carried out in that country.

2.17 Leases - where a Group company is the lessee

Leases which substantially transfer all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in liabilities under finance lease contract. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.18 Borrowings


Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method.

2.19 Employee benefits

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.20 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.



2.21 Revenues and expenses recognition

Revenues from financial advisor and investment consultant

- Monthly fee is recognised on service of contract. The Company will cease income recognition when receivables are continuously delinquent on payment for 3 months.
- Service fee on condition of contract is recognised on success of each step of contract.
- Service fee on completion is recognised when the service is completely rendered.

Revenues from non-performing assets management

- Revenue from recovery operation expenses (Base Fee) is recognised by monthly service.
- Revenue from share of cash collection (Cash Collection Fee) is recognised on percentage of cash collection on service agreement.

Interest and fee income is recognised on an accrual basis, except loans receivable which is uncollected over three periods where interest is recognised on collection basis. The Company will recognise income on the accrual basis when the entire amount of principal and overdue interest has been paid. Interest income is recognised on a time proportion basis that takes into account the effective yield over the period to maturity and the outstanding amount of principals.

Interest income from non-performing assets both from investment in non-performing assets and loans to non-performing assets are recorded on accrual basis by using the effective interest rate except when expected cash collections and uncertain, these income are recorded when actually received.

Dividend income is recognised when the right to receive payment is established.

Other incomes and expenses are recognised on accrual basis.

2.22 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders.

2.23 Accounting for derivative financial instruments

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 33.



3 Financial risk management

Significant financial assets carried on the balance sheet include cash and cash equivalents, short-term investments, investment in non-performing assets, loans to non-performing assets and loans to consumers. Significant financial liabilities carried on the balance sheet include borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by a treasury department and risk management department which is defined by the Board of Directors covering specific areas, such as interest rate risk, credit risk, liquidity risk, operational risk and compliance with law.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Impairment on investments in non-performing assets, loans to non-performing assets and loans to consumers

The Group maintains an impairment of investments in non-performing assets, allowance for doubtful accounts of loans to non-performing assets and loans to consumers to reflect impairment of investments in non-performing assets, loans to non-performing assets, and loans to consumers relating to estimated losses resulting from the inability to make required payments. The provision on impairment and allowance for doubtful accounts are significantly impacted by the difference of estimated future cash flows and book value of specific loans, such assessment being based on consideration of historical collection experience, follow up, instances of default, consideration of market trends and/or collateral value.

4.2 Building improvement, equipment and intangible assets

Management determines the estimated useful lives and residual values for the Company's building improvement, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete assets or assets that have been abandoned or sold.

5 Capital risk management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

6 Segment information

Primary reporting format - financial information by business segment

	Consolidated				
	Advisory and Investment Banking Baht'000	Non-Performing Asset ("NPA") Management Baht'000	Consumer Finance Baht'000	Eliminate Baht'000	Total Baht'000
For the year ended 31 December 2009					
Revenues					
Third party revenue	32,333	598,883	400,628	-	1,031,844
Inter-segment revenue	3,056	(3,552)	15,498	(15,002)	-
Total revenues	35,389	595,331	416,126	(15,002)	1,031,844
Operating results	7,613	143,550	(69,916)	126,574	207,821
Financial costs	(108)	(106,739)	(936)	2,595	(105,188)
Profit (loss) before tax	7,505	36,811	(70,852)	129,169	102,633
Income tax	-	(24,902)	-	-	(24,902)
Profit (loss) before minority interest	7,505	11,909	(70,852)	129,169	77,731
Minority interest	-	-	-	-	(34,718)
Net profit (loss) for the year	7,505	11,909	(70,852)	129,169	112,449
Segment assets	1,329,425	5,701,399	1,956,676	(1,871,570)	7,115,930
Segment liabilities	890,406	6,146,277	119,369	(898,126)	6,257,926
Capital expenditure	37,672	4,629	40,932	(2,633)	80,600
Depreciation and amortisation	2,016	14,555	90,746	(290)	107,027
For the year ended 31 December 2008					
Revenues					
Third party revenue	35,167	899,915	687,272	-	1,622,354
Inter-segment revenue	20,335	181,703	-	(202,038)	-
Total revenues	55,502	1,081,618	687,272	(202,038)	1,622,354
Operating results	18,547	221,885	313,141	(36,491)	517,082
Financial costs	(220)	(465,657)	(19,300)	5,257	(479,920)
Profit (loss) before tax	18,327	(243,772)	293,841	(31,234)	37,162
Income tax	(4,596)	(18,722)	-	-	(23,318)
Profit (loss) before minority interest	13,731	(262,494)	293,841	(31,234)	13,844
Minority interest	-	-	143,982	-	143,982
Net profit (loss) for the year	13,731	(262,494)	149,859	(31,234)	(130,138)
Segment assets	583,111	6,760,473	2,062,428	(360,995)	9,045,017
Segment liabilities	38,265	7,262,935	154,269	(153,529)	7,301,940
Capital expenditure	20,215	2,933	7,273	-	30,421
Depreciation and amortisation	9,604	9,678	130,373	-	149,655

The Group divided its business into three business lines which consist of financial advisory and investment banking services, non-performing assets management and consumers finance services.

- Financial Advisory and Investment Banking Services - to provide financial advisory and investment banking services for debt restructuring, preparation and management of rehabilitation plan, fund raising, financial restructuring, seeking strategic alliance, purchase/sales and merger & acquisition while a subsidiary company engages in the business of being rehabilitation plan administrator under the Bankruptcy Act.
- Non-performing Assets management - to provide non-performing assets management in terms of negotiation and collection of non-performing loans of financial institutions and various non-performing assets management organisations. The Group also provides service of litigation for debt payment and management of disposal transferred assets for debt repayment or foreclosure of collaterals.
- Consumers finance Business - to provide consumers finance services to other customers consist of personal loans, instalment credits, credit cards and hire-purchase of motorcycle credit.

Secondary Reporting format - financial information by geographical segments

The Group business segments are managed in two countries as follows:

- Thailand, home country of the Group, which included all areas of operation to primary business segments.
- Malaysia, the area of operation in this country is non-performing assets management segment.

	Consolidated			
	Total revenue Baht'000	Total assets Baht'000	Total liabilities Baht'000	Capital expenditure Baht'000
For the year ended 31 December 2009				
Thailand	997,129	7,100,072	6,252,992	78,098
Malaysia	34,715	15,857	4,934	2,502
Total	1,031,844	7,115,929	6,257,926	80,600

	Consolidated			
	Total revenue Baht'000	Total assets Baht'000	Total liabilities Baht'000	Capital expenditure Baht'000
For the year ended 31 December 2008				
Thailand	1,587,986	9,022,118	7,296,181	28,982
Malaysia	34,368	22,899	5,760	1,439
Total	1,622,354	9,045,017	7,301,941	30,421

7 Cash and cash equivalents

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Cash on hand	457	442	103	53
Deposit held at call with banks	1,294,888	1,221,952	116,413	10,728
Fixed deposit no longer than 3 months	143,637	560,899	128,582	99,302
Total cash and cash equivalents	1,438,982	1,783,293	245,098	110,083

The interest rate of deposit held at call with banks at 0.5% per annum (2008: 0.5% - 0.75% per annum). The interest rate of fixed deposit at banks with original maturity of three month or less range at 0.5% - 1.25% per annum (2008: 1.5% - 3.875% per annum).

8 Short-term investments

	Consolidated			
	2009		2008	
	Cost/ book value Baht'000	Fair value Baht'000	Cost/ book value Baht'000	Fair value Baht'000
Fixed deposit with financial institution with original maturity over three months	40,030	-	11,219	-
Available-for-sale securities				
Subordinated debt securities	10,524	11,831	-	-
Add Mark to market adjustment	1,307	-	-	-
Total available-for-sale investment	11,831	11,831	-	-
	51,861		11,219	
	Company			
	2009		2008	
	Cost/ book value Baht'000	Fair value Baht'000	Cost/ book value Baht'000	Fair value Baht'000
Fixed deposit with financial institution with original maturity over three months	-	-	-	-
Available-for-sale securities				
Subordinated debt securities	10,524	11,831	-	-
Add Mark to market adjustment	1,307	-	-	-
Total available-for-sale investment	11,831	11,831	-	-
Total short-term investments	11,831		-	

The movement in short-term investments can be analysed as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Opening balance	11,219	-	-	-
Additions	49,774	151,324	9,744	-
Repayment during the period	(11,219)	(140,105)	-	-
Foreign currency translation	(606)	-	(606)	-
Amortisation of discount on investment	1,386	-	1,386	-
change in fair value	1,307	-	1,307	-
Ending balance	51,861	11,219	11,831	-

In April 2009, the Company invested in subordinated debt securities, called “Non-cumulative step-up perpetual preferred securities series 1”, of a foreign bank amounting to USD 0.275 million, which has a redemption value at USD 0.35 million, bearing interest rate at 9.547%. Interest is non-cumulative. Interest may not be paid if the borrower does not have sufficient profit or is limited in making payment on other obligations. These subordinate debt securities have no fixed redemption date and the borrower has a right to call for redemption. The first optional redemption date is on 30 June 2010. If the borrower does not call for redemption, the borrower will pay an interest rate at three-month LIBOR plus 4%. As at 31 December 2009, the Company classified this investment as a short-term investment and recognised change in fair value as unrealised gain in shareholders’ equity.

As at 31 December 2009, short-term investment of a subsidiary represented fixed deposit with financial institution which has a term of 6 months with the interest rate at 0.35% per annum (2008: 1.5% - 3.875% per annum). The fixed deposit amounting to Baht 40 million has been pledged with the bank for the standby letter of credit. The management has intention to return the standby letter of credit and withdraw the collateral within 1 year.

9 Accounts and notes receivables, net

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Accounts receivable				
Accrued incomes	2,600	-	105	-
Undue and up to 30 days	5,902	9,236	-	3
Overdue 30 days but not over 180 days	500	158	-	-
Overdue 180 days but not over 1 year	690	3,264	250	1,101
Overdue more than 1 year	22,842	12,991	11,396	10,508
Total	32,534	25,649	11,751	11,612
<u>Less</u> Allowance for doubtful accounts	(14,039)	(11,876)	(11,646)	(11,396)
Accounts and notes receivable, net	18,495	13,773	105	216

10 Investment in subsidiaries

A list of the subsidiaries is as follow:

Company's name	Country of establishment	Type of business	Percentage of investment	
			2009	2008
ACAP Asset Management Co., Ltd.	Thailand	Non-performing assets management	99.99	99.99
STAR Asset Management Co., Ltd.	Thailand	Non-performing assets management	83.44	83.44
ACAP Corporate Services Co., Ltd.	Thailand	Financial advisory	99.99	99.99
Global Service Center Co., Ltd (formerly name "ACAP Services Co., Ltd.")	Thailand	Asset rental service and collection services	99.99	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory	99.99	99.99
ACAP (Malaysia) Sdn. Bhd.	Malaysia	Non-performing assets management	99.99	99.99
Capital OK Company Limited Subsidiary held by subsidiary (Capital OK Company Limited)	Thailand	Consumers finance	99.99	51.00
Professional Collection Company Limited	Thailand	Collection services	99.99	51.00

The followings are details of the Company's subsidiaries.

	2009						
	Company						
	Paid-up capital/ outstanding capital Baht'000	Cost method			Investment proportion		Dividend paid by subsidiaries Baht'000
		Cost Baht'000	Impairment Baht'000	Net cost Baht'000	Amount at par Baht'000	Percentage of holding'	
ACAP Asset Management Co., Ltd.	25,000	25,000	-	25,000	25,000	99.99	-
Star Asset Management Ltd.	25,000	-	-	-	20,860	83.44	-
ACAP Corporate Services Co., Ltd.	10,000	10,000	-	10,000	10,000	99.99	-
Global Service Center Co.,Ltd (formerly name "ACAP Services Co., Ltd.")	10,000	10,000	-	10,000	10,000	99.99	5,000
ACAP Consulting Co., Ltd.	550	550	-	550	550	99.99	-
ACAP (Malaysia) Sdn. Bhd.	5,290	5,290	-	5,290	5,290	99.99	9,615
Capital OK Co., Ltd.	1,875,000	922,425	-	922,425	1,875,000	99.99	-
		973,265	-	973,265	1,946,700		14,615
	2008						
	Company						
	Paid-up capital/ outstanding capital Baht'000	Cost method			Investment proportion		Dividend paid by subsidiaries Baht'000
		Cost Baht'000	Impairment Baht'000	Net cost Baht'000	Amount at par Baht'000	Percentage of holding'	
ACAP Asset Management Co., Ltd.	25,000	25,000	-	25,000	25,000	99.99	-
Star Asset Management Ltd.	25,000	-	-	-	20,860	83.44	-
ACAP Corporate Services Co., Ltd.	10,000	10,000	-	10,000	10,000	99.99	-
Global Service Center Co.,Ltd (formerly name "ACAP Services Co., Ltd.")	1,000	1,000	-	1,000	1,000	99.99	-
ACAP Consulting Co., Ltd.	550	550	-	550	550	99.99	-
ACAP (Malaysia) Sdn. Bhd.	5,290	5,290	-	5,290	5,290	99.99	9,690
Capital OK Co., Ltd.	1,875,000	160,742	-	160,742	956,250	51.00	-
		202,582	-	202,582	1,018,950		9,690

On 11 September 2009, Global Service Center Company Limited increase of authorised share capital from 100,000 ordinary shares with a par value of Baht 10 per share to 1,000,000 ordinary shares with a par value of Baht 10 per share.

At the Extershareholder's meeting No. 1/2552 on 21 December 2009, it was approved to purchase 91,874,994 ordinary shares which represent 49% of ordinary shares of Capital OK Company Limited which is a subsidiary of the Company from ORIX Corporation. On 28 December 2009, the Company purchased such shares with the acquisition cost (including direct expense relating to the acquisition) was Baht 762 million which was lower than the net asset value of the acquired net assets of Baht 900 million as at 31 December 2009 of Capital OK Company Limited. The Company recorded the amount which was lower than the net asset value of Baht 138 million as gain on acquired minority interest of subsidiary and recognised as other income in the consolidated income statement.

11 Investments in non-performing assets

	Consolidated	
	2009	2008
	Baht'000	Baht'000
Investment in non-performing assets	4,897,145	6,113,013
Less Allowance for impairment	(709,608)	(611,019)
Net book value	<u>4,187,537</u>	<u>5,501,994</u>

	Consolidated	
	2009	2008
	Baht'000	Baht'000
Current portion	615,406	429,612
Non-current portion	3,572,131	5,072,382
	<u>4,187,537</u>	<u>5,501,994</u>

Fair value of investment in non-performing assets calculated by estimating the present value of cash flows expected to be received from disposal of collaterals because the subsidiaries can not estimate the expected cash to be received from debtors. As at 31 December 2009 and 2008, fair value of investment in non-performing assets is approximate to the acquisition cost net of allowance for impairment.

The movements in the investments in non-performing assets can be analysed as follows:

	Number of loan		Consolidated Outstanding principal balance		Investment at cost	
	2009	2008	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
For the years ended 31 December						
Beginning net book balance	982	1,102	33,659,761	37,800,629	5,501,994	4,704,727
Additions	-	86	-	11,704,069	-	2,664,615
Repayments	(21)	(7)	(12,019,099)	(8,035,245)	(475,955)	(124,518)
Eliminate transactions						
- investment in non-performing assets					2,302	-
- Allowance for impairment					1,918	-
Restructuring to loans to non-performing assets	(82)	(199)	(2,117,157)	(7,809,692)	(742,216)	(1,296,667)
Impairment on investment in non-performing assets					(100,506)	(446,163)
Closing balance	<u>879</u>	<u>982</u>	<u>19,523,505</u>	<u>33,659,761</u>	<u>4,187,537</u>	<u>5,501,994</u>

12 Loans to non-performing assets

	Consolidated	
	2009	2008
	Baht'000	Baht'000
Estimated cash flows in the future	1,704,890	1,201,612
<u>Less</u> Deferred income from loans to non-performing assets	<u>(681,890)</u>	<u>(363,512)</u>
Total	1,023,000	838,100
<u>Less</u> Allowance for doubtful accounts (Note 13)	<u>(8,189)</u>	<u>(40,696)</u>
Net book value	<u>1,014,811</u>	<u>797,404</u>
Current portion	354,062	458,016
Non-current portion	660,749	339,388
	<u>1,014,811</u>	<u>797,404</u>

Loans to non-performing assets are transferred from investment in non-performing assets at fair value on the transferred date. Therefore, the fair value of loans to non-performing assets as at 31 December 2009 and 2008 are approximate to the net carrying value. The net carrying value calculated by estimating cash flows to be received from debtors in the future and discount at the rate which the present value of estimated cash flows will be equal to the carrying value of loans to non-performing asset and less allowance for doubtful accounts.

Type of business and classification are as follows:

	Consolidated					
	2009					
	Normal	Special	Sub-	Doubtful	Doubtful	Total
	Baht'000	mentioned	standard	Baht'000	accounts	Baht'000
		Baht'000	Baht'000		Baht'000	
Agriculture and mining	-	-	1,236	-	46,892	48,128
Industrials and commerce	145,000	-	50,620	-	243,030	438,650
Property and construction	339	-	764	-	5,409	6,512
Utilities and services	-	-	-	-	510,991	510,991
Personal housing	-	-	1,516	-	11,850	13,366
Others	-	-	-	-	5,692	5,692
Eliminate transactions	-	-	-	-	(339)	(339)
Total	<u>145,339</u>	<u>-</u>	<u>54,136</u>	<u>-</u>	<u>823,525</u>	<u>1,023,000</u>

	Consolidated					
	2008					
	Normal	Special	Sub-	Doubtful	Doubtful	Total
	Baht'000	mentioned	standard	Baht'000	accounts	Baht'000
		Baht'000	Baht'000		Baht'000	
Agriculture and mining	-	-	533	-	46,981	47,514
Industrials and commerce	159,960	-	72,114	-	438,129	670,203
Property and construction	-	-	8,000	-	64,369	72,369
Utilities and services	-	-	-	-	32,820	32,820
Personal housing	-	-	-	-	7,580	7,580
Others	-	-	-	-	13,844	13,844
Eliminate transactions	-	-	-	-	(6,230)	(6,230)
Total	<u>159,960</u>	<u>-</u>	<u>80,647</u>	<u>-</u>	<u>597,493</u>	<u>838,100</u>



Consolidated 2009				
	Book value	Book value	Rate	Allowance
	Book value	after net	allowance	for doubtful
	Baht'000	collateral value	for doubtful	accounts
	Baht'000	Baht'000	accounts	accounts
			%	Baht'000
<u>Loans to non-performing assets</u>				
Normal receivables	145,339	-	1	-
Special mentioned receivables	-	-	2	-
Sub-standard receivables	54,136	137	100	137
Doubtful receivables	-	-	100	-
Doubtful accounts receivables	823,864	8,052	100	8,052
Eliminate transactions	(339)	-	-	-
Total	1,023,000	8,189		8,189

Types of business and classification are as follows:

Consolidated 2008				
	Book value	Book value	Rate	Allowance
	Book value	after net	allowance	for doubtful
	Baht'000	collateral value	for doubtful	accounts
	Baht'000	Baht'000	accounts	accounts
			%	Baht'000
<u>Loans to non-performing assets</u>				
Normal	159,960	383	1	4
Special mentioned	-	-	2	-
Sub-standard	80,647	1,349	100	1,349
Doubtful	-	-	100	-
Doubtful loss	603,723	39,343	100	39,343
Eliminate transactions	(6,230)	-		-
Total	838,100	41,075		40,696

Rate of classification according to the Bank of Thailand for loans to non-performing assets is based on outstanding balance after collateral value is deducted.

Troubled debts restructuring

As at 31 December 2009 and 2008, the subsidiaries have outstanding loan balances which have been restructuring as follows:

	Consolidated			
	2009		2008	
	Number of loans	Outstanding balance after restructuring Baht'000	Number of loans	Outstanding balance after restructuring Baht'000
As at 31 December	97	942,843	121	543,567
Restructured during the year	82	742,216	199	1,293,237
Repaid and closed during the year	(98)	(662,059)	(223)	(998,704)
As at 31 December	81	1,023,000	97	838,100

Details of the restructured debts during the year classified into the restructuring methods are as follows:

	Consolidated		
	2009		
	Number of debtors	Balance before debt restructuring Baht'000	Balance after debt restructuring Baht'000
Changes in repayment conditions	82	742,216	728,877
	82	742,216	728,877

	Consolidated		
	2008		
	Number of debtors	Balance before debt restructuring Baht'000	Balance after debt restructuring Baht'000
Changes in repayment conditions	199	1,296,667	1,282,399
	199	1,296,667	1,282,399

The subsidiaries considered that carrying value in the amount Baht 729 million and Baht 1,282 million, respectively, is fair value of debtors as at the transferring date.

For the year ended 31 December 2009 and 2008 the subsidiaries recognised loss from debt restructuring amounting to Baht 22.54 million and Baht 17.17 million, respectively.

As at 31 December 2009 and 2008, outstanding balance after restructuring of restructured loans to non-performing assets are classified by the remaining years of agreements are as follows:

	Consolidated			
	2009		2008	
	Number of debtors	Baht'000	Number of debtors	Baht'000
Within one year	57	826,015	69	485,879
More than one year	24	196,985	28	352,221
Total	81	1,023,000	97	838,100

13 Allowance for doubtful accounts of loans to non-performing assets

	Consolidated					
	2009					
	Normal Baht'000	Special mentioned Bah'000	Sub-standard Baht'000	Doubtful Baht'000	Doubtful loss Baht'000	Total Baht'000
Balance at beginning of the year	4	-	1,349	-	39,343	40,696
Decrease during the year	(4)	-	(1,212)	-	(31,291)	(32,507)
Balance at the end of the year	-	-	137	-	8,052	8,189

	Consolidated					
	2008					
	Normal Baht'000	Special mentioned Bah'000	Sub-standard Baht'000	Doubtful Baht'000	Doubtful loss Baht'000	Total Baht'000
Balance at beginning of the year	-	219	1,080	-	20,676	21,975
Increases during the year	4	-	1,337	-	18,667	20,008
Decrease during the year	-	(219)	(1,068)	-	-	(1,287)
Balance at the end of the year	4	-	1,349	-	39,343	40,696

Allowance for doubtful accounts of classified assets provided in accordance with the BOT's basis are calculated from variance of carrying value and present value of cash flows expected to receive from debtors or dispose collaterals by using the discount rate and period which expected to dispose collaterals in accordance with the BOT's basis.

14 Loans to consumers and interest receivable, net

Outstanding loans to consumers and interest receivable are summary as follows:

	Consolidated	
	2009	2008
	Baht'000	Baht'000
Overdue below 3 months	256,567	994,595
Overdue more than 3 months	113,709	147,747
Total	370,276	1,142,342
<u>Less</u> Allowance for doubtful accounts	(236,040)	(595,366)
	<u>134,236</u>	<u>546,976</u>
Current portion	113,237	437,067
Non-current portion	20,999	109,909
	<u>134,236</u>	<u>546,976</u>

As at 31 December 2009 and 2008, fair value of loans to consumers are approximate to the carrying value net allowance for doubtful accounts.

15 Other current assets

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Prepaid expenses	3,683	24,388	895	973
Foreclosed assets, net	37,313	14,854	-	-
Advance to other companies, net	24,208	18,859	14	87
Interest receivable	16,823	778	216	658
Other receivable	7,414	21,694	-	-
Others	14,245	964	350	132
	<u>103,686</u>	<u>81,537</u>	<u>1,475</u>	<u>1,850</u>

16 Other non-current assets

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Deposit	16,643	6,684	3,347	3,347
Others	3,962	14,354	712	-
	<u>20,605</u>	<u>21,038</u>	<u>4,059</u>	<u>3,347</u>

17 Building improvement and equipments

	Consolidated					Total Baht'000
	Building improvement Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	
At 1 January 2008						
Cost	65,767	237,761	51,528	52,229	35,000	442,285
<u>Less</u> Accumulated depreciation	(35,027)	(128,305)	(18,397)	(21,516)	(20,827)	(224,072)
Net book amount	<u>30,740</u>	<u>109,456</u>	<u>33,131</u>	<u>30,713</u>	<u>14,173</u>	<u>218,213</u>
For the year ended 31 December 2008						
Opening net book amount	30,740	109,456	33,131	30,713	14,173	218,213
Additions	924	8,280	1,332	2,017	13,898	26,451
Disposals, net	(5,160)	(2,389)	(470)	(112)	(378)	(8,509)
Depreciation charge	(12,540)	(48,625)	(8,645)	(10,421)	(7,579)	(87,810)
Closing net book amount	<u>13,964</u>	<u>66,722</u>	<u>25,348</u>	<u>22,197</u>	<u>20,114</u>	<u>148,345</u>
At 31 December 2008						
Cost	53,793	218,724	51,452	53,927	39,777	417,673
<u>Less</u> Accumulated depreciation	(39,829)	(152,002)	(26,104)	(31,730)	(19,663)	(269,328)
Net book amount	<u>13,964</u>	<u>66,722</u>	<u>25,348</u>	<u>22,197</u>	<u>20,114</u>	<u>148,345</u>
For the year ended 31 December 2009						
Opening net book amount	13,964	66,722	25,348	22,197	20,114	148,345
Additions	231	4,929	664	980	729	7,533
Disposals/write off, net	(737)	(1,586)	(492)	(201)	(563)	(3,579)
Depreciation charge	(7,052)	(35,080)	(7,246)	(9,930)	(6,442)	(65,750)
Impairment	(5,758)	-	(119)	(72)	-	(5,949)
Closing net book amount	<u>648</u>	<u>34,985</u>	<u>18,155</u>	<u>12,974</u>	<u>13,838</u>	<u>80,600</u>
At 31 December 2009						
Cost	50,684	199,032	49,910	52,909	35,345	387,880
<u>Less</u> Accumulated depreciation	(44,278)	(164,047)	(31,636)	(39,863)	(21,507)	(301,331)
Allowance for impairment	(5,758)	-	(119)	(72)	-	(5,949)
Net book amount	<u>648</u>	<u>34,985</u>	<u>18,155</u>	<u>12,974</u>	<u>13,838</u>	<u>80,600</u>

As at 31 December 2009, the cost before accumulated depreciation of fully depreciated building improvement and equipment that are still in use are amounting to Baht 102.40 million (2008: Baht 9.72 million).



	Company					
	Building improvement Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	Total Baht'000
At 1 January 2008						
Cost	-	3,122	14,800	5,571	16,424	39,917
<u>Less</u> Accumulated depreciation	-	(1,196)	(159)	(1,998)	(10,511)	(13,864)
Net book amount	-	1,926	14,641	3,573	5,913	26,053
For the year ended 31 December 2008						
Opening net book amount	-	1,926	14,641	3,573	5,913	26,053
Additions	-	1,450	435	707	12,950	15,542
Disposals, net	-	-	-	-	(378)	(378)
Depreciation charge	-	(654)	(1,618)	(1,145)	(4,292)	(7,709)
Closing net book amount	-	2,722	13,458	3,135	14,193	33,508
At 31 December 2008						
Cost	-	4,221	15,235	6,270	23,374	49,100
<u>Less</u> Accumulated depreciation	-	(1,499)	(1,777)	(3,135)	(9,181)	(15,592)
Net book amount	-	2,722	13,458	3,135	14,193	33,508
For the year ended 31 December 2009						
Opening net book amount	-	2,722	13,458	3,135	14,193	33,508
Additions	-	4,514	-	668	3,146	8,328
Depreciation charge	-	(1,122)	(1,656)	(1,195)	(4,614)	(8,587)
Closing net book amount	-	6,114	11,802	2,608	12,725	33,249
At 31 December 2009						
Cost	-	8,735	15,235	6,938	26,520	57,428
<u>Less</u> Accumulated depreciation	-	(2,621)	(3,433)	(4,330)	(13,795)	(24,179)
Net book amount	-	6,114	11,802	2,608	12,725	33,249

As at 31 December 2009, the cost before accumulated depreciation of fully depreciated building improvement and equipments that are still in use are amounting to Baht 8.7 million (2008: Baht 0.7 million).

18 Intangible assets

	Consolidated		Company	
	Goodwill Baht'000	Computer software Baht'000	Total Baht'000	Software Baht'000
At 1 January 2008				
Cost	(682,324)	259,613	(422,711)	61
<u>Less</u> Accumulated amortisation	380,546	(123,397)	257,149	(18)
Net book amount	(301,778)	136,216	(165,562)	43
For the year ended 31 December 2008				
Opening net book amount	(301,778)	136,216	(165,562)	43
Additions	-	3,970	3,970	2,166
Amortisation charge	-	(61,846)	(61,846)	(156)
Impairment loss	(4,351)	-	(4,351)	-
Recognised in retained earnings at the beginning of the period (Note 31)	313,018	-	313,018	-
Closing net book amount	6,889	78,340	85,229	2,053
At 31 December 2008				
Cost	13,052	261,661	274,713	2,227
<u>Less</u> Accumulated amortisation	-	(183,321)	(183,321)	(174)
Allowance for impairment loss	(6,163)	-	(6,163)	-
Net book amount	6,889	78,340	85,229	2,053
For the year ended 31 December 2009				
Opening net book amount	6,889	78,340	85,229	2,053
Additions	-	5,608	5,608	3,205
Amortisation charge	-	(41,262)	(41,262)	(543)
Impairment loss	(4,351)	(8,222)	(12,573)	-
Closing net book amount	2,538	34,464	37,002	4,715
At 31 December 2009				
Cost	13,052	242,524	255,576	5,432
<u>Less</u> Accumulated amortisation	-	(199,838)	(199,838)	(717)
Allowance for impairment loss	(10,514)	(8,222)	(18,736)	-
Net book amount	2,538	34,464	37,002	4,715

19 Other current liabilities

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Accrued withholding tax	96,134	1,446	92,760	875
Accrued income tax	8,412	7,258	2,920	7,148
Other accrued expense	69,672	88,402	2,333	1,218
Interest payable	15,488	37,411	-	-
Other payable	24,912	32,103	1,047	961
Suspense accounts from receivable are in process of disposing	28,179	79,891	-	-
Restructuring provision	38,971	-	-	-
Others	28,561	7,455	132	214
	<u>310,329</u>	<u>253,966</u>	<u>99,192</u>	<u>10,416</u>

20 Obligation under long term lease contracts

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Minimum lease payments obligation under long-term lease contracts	7,228	13,930	6,009	8,832
<u>Less</u> Deferred interest	<u>(501)</u>	<u>(1,113)</u>	<u>(472)</u>	<u>(952)</u>
	<u>6,727</u>	<u>12,817</u>	<u>5,537</u>	<u>7,880</u>
Current portion due within one year	3,536	6,087	2,346	2,340
Non-current portion due after one year	3,191	6,730	3,191	5,540
	<u>6,727</u>	<u>12,817</u>	<u>5,537</u>	<u>7,880</u>

21 Long-term loans from financial institutions

	Consolidated	
	2009 Baht'000	2008 Baht'000
Begining balance	3,584,652	4,532,242
Increase during the year	864,370	700,000
Repayment during the year	(308,118)	(1,647,590)
Unrealised gain (loss) from exchange rate	6,419	-
Ending balance	<u>4,147,323</u>	<u>3,584,652</u>
Current portion	3,406,602	38,947
Non-current portion	740,721	3,545,705
	<u>4,147,323</u>	<u>3,584,652</u>



In February and April 2007, the ACAP Asset Management Company Limited, a subsidiary, has borrowed from the Company (Note 29 v) and VTB Capital Plc. (formerly name “VTB Bank Europe Plc.”) for investing in non-performing assets. The criteria of borrowings from financial institution are as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Interest expense of long-term investment from financial institution will be calculated on a quarterly basis at the rate of 90% of the excess from the principal repayment in each quarter collected from non-performing assets deducted with direct expenses as mutually agreed with lenders.
- The facility will expire in 3 years unless the two parties agree to extend the facility for a future period.

During 2008, Capital OK Company Limited, a subsidiary, has a long-term borrowing with a local financial institution amounting to Baht 700 million which will mature within 7 July 2009. Such borrowing shall be paid in 17 installments on every monthly repayment date commencing from 7 March 2008, bearing interest at the rates of BIBOR-1 month plus 0.55% per annum.

On 15 December 2009, Star Assets Management Ltd., has a borrowing from a financial institution amounting to USD 26 million to partially repay of borrowing from related parties and to manage investment in non-performing asset. This borrowing bear interest rate at 3 - month LIBOR plus 4.5% and repayment of principal and interest on a quarterly basis on the last working day each quarter. Star Assets Management Ltd., is obligated at a minimum to repay the borrowing as follows:

- 15% of USD 26 million by 31 December 2010
- 75% of USD 26 million by 31 December 2011
- 100% of USD 26 million by 30 June 2012

Star Assets Management Ltd., has to maintain the ratio of purchase price of the remaining portfolio assets to the principal outstanding borrowing is no less than 2.25 : 1 at any time after the first 12 months following the first draw down.

The borrowing in USD has been hedged by using foreign currency forward contracts to protect foreign currency risk (Note 33).

22 Share capital

At the extrashareholders’ meeting (No. 2/2551) on 18 September 2008, it was approved the reduction of authorised share capital of ordinary shares from 200,000,000 shares to 125,000,000 shares with a par value of Baht 1. Total number of ordinary shares reduction amounting 75,000,000 shares is authorised ordinary shares which have not yet been issued and paid-up. Consequently, after the reduction of authorised share capital, the Company remains the authorised, issued and paid up share capital amounting to Baht 125,000,000. The Company registered the reduction of authorised share capital with the Ministry of Commerce on 1 October 2008.



23 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered share capital. The legal reserve is non-distributable.

24 Dividends paid

At the 2009 annual ordinary shareholders' meeting which was held on 28 April 2009, it approved to pay the dividend to the shareholders of Baht 0.50 per share from the 2008 annual net profit after set aside a legal reserve for the year ended 31 December 2008, totalling Baht 62.5 million.

25 Other income

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Recovery of bad debts written-off	246,888	261,187	-	-
Gain on acquired minority interest of subsidiary (Note 10)	138,597	-	-	-
Interest income	13,667	22,093	5,620	7,747
Other income (Note 29 i)	19,780	25,428	45,188	33,339
Total	418,932	308,708	50,808	41,086

26 Administrative expenses

The following expenditure items, classified by nature, have been charged in arriving at operating profit:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Operating expenses	237,379	254,475	8,214	7,528
Personnel expenses	230,139	260,005	67,939	67,819
Depreciation and amortisation charges	102,962	115,789	9,130	7,865
Rental expenses	56,507	52,256	21,952	24,943
Repair and maintenance expenses	24,937	29,190	1,135	954
Bank charge expenses	3,652	31,249	46	50
Bad debt and doubtful accounts (reversal)	(96,226)	(353,285)	250	1,200
Impairment loss on investment in non-performing asset (Note 11)	98,588	446,163	-	-
Bad debt and doubtful accounts of loans to non-performing assets (reversal) (Note 13)	(32,507)	18,721	-	-
Loss from debt restructuring	22,538	17,231	-	-

27 Basic earning (loss) per share

Basic earning (loss) per share is calculated by dividing the net profit (loss) attributable to equity holders by the weighted average number of ordinary shares issued during the year.

	Consolidated		Company	
	2009	2008	2009	2008
Net profit (loss) attributable to ordinary shareholders (Baht'000)	112,449	(130,138)	37,364	69,359
Weighted average number of ordinary shares issued during the year (Shares)	125,000	125,000	125,000	125,000
Basic earning (loss) per share (Baht)	0.90	(1.04)	0.30	0.55

There are no potential dilutive ordinary share issued for the years ended 31 December 2009 and 2008.

28 Staff provident fund

The Group and the Company paid to provident fund for the year ended 31 December 2009 in the amount of Baht 4.62 million and Baht 3.73 million, respectively (2008: Baht 8.3 million and Baht 3.1 million, respectively).

29 Related party transactions

The Company is located in Thailand and registered as a listed company in the Market for Alternative Investment (MAI). The major shareholders of the Company are Dr. Vivat Vitoontien and family and Orix Corporation, which represent 36.39% and 20.00% of total registered share capital, respectively.

Pricing policy

Fees charged for services in management of non-performing assets for subsidiaries and related companies are as follows:

- Revenue from service-base fee is chargeable basing on agreed-upon procedure which is calculated from budget expenses.
- Revenue from service-collection fee are chargeable basing on agreed-upon procedure at 7% - 10% of collected money after deduction of related direct expenses.

Other income is per normal business similar of other customers. Interest income/expense incurred from borrowings, cost of services and administrative expenses are carried out at the agreed rate as per contracts.



As at 31 December 2009 and 2008, the relationship of related parties are as follows:

Company Name	Relationship	Cause of relationship
ACAP Asset Management Co., Ltd.	Subsidiary	Shareholder/mutual management
Star Asset Management Ltd.	Subsidiary	Shareholder/mutual management
ACAP Corporate Services Co., Ltd.	Subsidiary	Shareholder/mutual management
Global Service Center Co., Ltd. (former named "ACAP Services Co., Ltd.")	Subsidiary	Shareholder/mutual management
ACAP Consulting Co., Ltd.	Subsidiary	Shareholder/mutual management
ACAP (Malaysia) Sdn. Bhd.	Subsidiary	Shareholder/mutual management
Capital OK Co., Ltd.	Subsidiary	Shareholder/mutual management
Professional Collection Company Limited	Subsidiary held by subsidiary	Shareholder/mutual management
Orix Corporation Co., Ltd.	Shareholder	Associate/mutual director
Standard Bank Asia Ltd.	Related company	Mutual director
Standard Bank Plc.	Related company	Mutual director
Inter Capital Alliance Asset Management Co., Ltd.	Related company	Mutual management

The following significant transactions were carried out with related parties:

i) Income for the years ended 31 December

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Service income				
Base fee				
- ACAP Asset Management Co., Ltd.	-	-	42,749	39,683
- Star Asset Management Ltd.	-	-	33,525	44,083
- Inter Capital Alliance Asset Management Co., Ltd.	57,143	48,347	57,143	48,347
Collection fee				
- ACAP Asset Management Co., Ltd.	-	-	3,496	38,491
- Star Asset Management Ltd.	-	-	516	5,969
- Inter Capital Alliance Asset Management Co., Ltd.	9,993	6,835	9,993	6,835
Professional fee				
- ACAP Asset Management Co., Ltd.	-	-	960	960
- Star Asset Management Ltd.	-	-	2,960	3,015
- Inter Capital Alliance Asset Management Co., Ltd.	9,855	4,800	-	-
Other Service fee				
- ORIX Corporation Co., Ltd.	-	2,000	-	2,000
- Inter Capital Alliance Asset Management Co., Ltd.	-	11,900	-	11,900
- Capital OK Co., Ltd.	-	-	768	-
- Professional Collection Company Limited	-	-	75	-
Total service income	76,991	73,882	152,185	201,283



	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Other income				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	7,850	1,200
- Capital OK Co., Ltd.	-	-	18,000	18,000
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	20	74
- ACAP Corporate Services Co., Ltd.	-	-	-	63
- Star Asset Management Co., Ltd.	-	-	4	1
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	-	1,444
- Star Asset Management Ltd.	-	-	-	3,438
- ACAP Consulting Co., Ltd.	-	-	-	61
- ACAP Corporate Services Co., Ltd.	-	-	12	44
- Global Service Center Co., Ltd.	-	-	34	270
Dividend income				
- ACAP Corporate Services Co., Ltd.	-	-	5,000	-
- ACAP (Malaysia) Sdn. Bhd.	-	-	9,615	9,690
Total other income	-	-	40,535	34,285

Pricing policy for service income from asset management and interest income received from related companies are set from loan agreement and service agreement as disclosed in Note 29 vi). Other income were carried out at the negotiated condition.

ii) Expenses for the years ended 31 December

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Cost of service				
Professional fee				
- ACAP Consulting Co., Ltd.	-	-	2,160	2,179
Total cost of service	-	-	2,160	2,179
Administrative expenses				
Rental and maintenance equipment				
- Global Services Center Co., Ltd.	-	-	9,322	12,544
Bank charge				
- Standard Bank Asia Ltd.	-	26,063	-	-
Total administrative expenses	-	26,063	9,322	12,544



iii) Finance costs for the years ended 31 December

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
- Standard Bank Plc.	64,621	47,066	-	-
- Standard Bank Asia Ltd.	6,131	68,754	-	-
- Capital OK Co., Ltd.	-	-	448	-
	70,752	115,820	448	-

iv) Outstanding balances arising from sales/purchases of services as at 31 December

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Accounts receivable				
related companies				
- ACAP Asset Management Co., Ltd.	-	-	1,734	4,180
- Star Asset Management Ltd.	-	-	3,642	3,925
- ACAP Corporate Services Co., Ltd.	-	-	8,000	9,000
- ACAP Consulting Co., Ltd.	-	-	-	3
- Capital OK Co., Ltd.	-	-	1,500	-
- Inter Capital Alliance Asset Management Co., Ltd.	4,282	43,783	2,551	39,203
Global Service Center Co., Ltd.	-	-	3,900	-
	4,282	43,783	21,327	56,311
Amount due from related companies				
- ACAP Asset Management Co., Ltd.	-	-	1,041	875
- Star Asset Management Ltd.	-	-	1,017	2,236
- ACAP Corporate Services Co., Ltd.	-	-	762	1,250
- ACAP Consulting Co., Ltd.	-	-	-	6
- Global Service Center Co., Ltd.	-	-	-	15
- ACAP (Malaysia) Sdn. Bhd.	-	-	82	9,690
- Capital Ok Co., Ltd.	-	-	-	6
- Inter Capital Alliance Asset Management Co., Ltd.	3,047	8,499	3,046	8,492
- Standard Bank Plc.	18,945	-	-	-
	21,992	8,499	5,948	22,570
Amount due to related companies				
- Standard Bank Plc.	13,593	10,017	-	-
- Standard Bank Asia Ltd.	-	15,973	-	-
- Capital Ok Co., Ltd.	-	20	1,152	-
- Professional Collection Co., Ltd.	-	-	64	-
- Global Service Center Co., Ltd.	-	-	4,273	-
- Star Asset Management Ltd.	-	-	945	-
- Inter Capital Alliance Asset Management Co., Ltd.	476	-	476	-
- ACAP Consulting Co., Ltd.	-	-	-	15
	14,069	26,010	6,910	15

v) Loans to related parties

For the year ended 31 December 2009 and 2008, the Company has loan to subsidiaries as follows:

	Company		
	Short-term loans		
	2008	Addition during the year	Repayment during the year
	Baht'000	Baht'000	Baht'000
			2009
			Baht'000
ACAP Consulting Co., Ltd.	6,800	-	(5,000)
Global Service Center Co., Ltd.	4,500	-	(4,500)
ACAP Corporate Services Co., Ltd.	-	3,000	-
Total	11,300	3,000	(9,500)

	Company		
	Long-term loans		
	2008	Addition/ during the year	Repayment/ during the year
	Baht'000	Baht'000	Baht'000
			2009
			Baht'000
<u>Current portion of long-term loans</u>			
ACAP Asset Management Co., Ltd.	-	48,136	(1,803)
<u>Long-term loans</u>			
ACAP Asset Management Co., Ltd.	48,136	-	(48,136)
Star Asset Management Ltd.	72,234	-	(30,750)
Total	120,370	-	(78,886)

Due to the Company jointly lent loans to subsidiary for purchasing investment in non-performing assets with other borrowers, which are related companies or financial institution. The criteria of loan repayment, interest and incentive fee calculation were carried out at variable rate of return.

vi) Loans from related parties

During the years ended 31 December 2009 and 2008, the Company and subsidiaries have loans from related parties as follows:

as follows:

Consolidated				
Long-term loans				
	Addition during the year	Repayment during the year		
2008 Baht'000	Baht'000	Baht'000	2009 Baht'000	
<u>Current portion of long-term loans</u>				
Standard Bank Asia Ltd.	882,216	(740,758)	(141,458)	-
<u>Long-term loans</u>				
Standard Bank Plc.	2,536,979	740,758	(1,499,028)	1,778,709
Company				
Short-term loans				
	Addition during the year	Repayment during the year		
2008 Baht'000	Baht'000	Baht'000	2009 Baht'000	
<u>Long-term loans</u>				
Capital OK Co., Ltd.	-	760,000	-	760,000

Long-term loans from Standard Bank Asia Ltd.

Star Asset Management Ltd., a subsidiary, has the following loan facility agreements with Standard Bank Asia Ltd., a related company.

(1) Borrowings for investing in non-performing assets (SCB1-3)

As at 31 December 2008, the subsidiary has outstanding loan with the Company (Note 29 v) and Standard Bank Asia Limited. amounting to Baht 23 million and Baht 342 million, respectively in order to invest in non-performing assets. The criteria of borrowings and incentive fee are as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Interest expense will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders.
- Incentive fee will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders.



On 2 December 2009, the subsidiary has entered into an agreement to change the borrower from Standard Bank Asia Ltd. to Standard Bank Plc and has extended the final repayment from 25 October 2009 to 31 December 2013.

As at 31 December 2009, the subsidiary has outstanding loan from the Company and Standard Bank Plc amounting to Baht 20 million and Baht 242 million.

(2) Borrowings for investing in non-performing assets (SCB4)

As at 31 December 2008, the subsidiary has outstanding loan with Standard Bank Asia Ltd. amounting to Baht 539 million. The criteria of borrowings and incentive fee as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Interest expense will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders.
- Incentive fee will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders.

On 2 December 2009, the subsidiary has entered into an agreement to change the borrower from Standard Bank Asia Ltd. to Standard Bank Plc and has extended the final repayment from 25 October 2009 to 31 December 2013.


As at 31 December 2009, the subsidiary has an outstanding loan with Standard Bank Plc. amounting to Baht 433 million.

Long-term loans from Standard Bank Plc for investing in non-performing assets (KBANK)

As at 15 February 2008, Star Asset Management Ltd., its subsidiary, engaged in the loan facility agreement with the Company (Note 29 v) and Standard Bank Plc. amounting to Baht 50 million and Baht 2,615 million, respectively, in order to invest in non-performing assets. The criteria of borrowings and incentive fee are as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Incentive fee will be calculated at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment, direct expenses as mutually agreed with both lenders, estimated cost of funding which referred from the LIBOR rate plus 2 per cent per annum and the agreed apportion of estimated decreases (increases) in present value of net cash flow of each non-performing asset.
- Interest expense will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders (including incentive fee). However, the interest expense of borrowings would not greater than the maximum interest rate of Thai applicable law.

As of 31 December 2009, the outstanding borrowings with the Company and Standard Bank Plc amounted to Baht 21 million and Baht 1,103 million, respectively (2008: Baht 41 million and Baht 2,537 million, respectively).



Long-term bank from Capital OK Co., Ltd.

At the Extershareholder's meeting No. 1/2552 on 21 December 2009, it was approved to enter into an agreement to borrow from Capital OK Company Limited which is a subsidiary of the Company to finance the purchase of the shares of Capital OK Company Limited (Note 10). Long-term loan is due for repayment in five years. Then interest rate shall be the average Minimum Lending Rate (MLR) for the largest four commercial banks in Thailand. Interest on the loan shall be repayable semi-annually.

vii) Guarantee

As at 31 December 2008, Standard Bank Asia Ltd., a related company, has issued a standby letter of credit facility provided to guarantee for repayment short-term loan to a subsidiary of the Company. The facility agreement is amounted to Baht 700 million.

30 Commitments

As at 31 December 2009 and 2008, there were commitments from operating lease agreements of office building, warehouses and equipment and other service agreements as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Within 1 year	109,341	68,433	7,110	13,480
More than 1 year but less than 5 years	22,268	44,425	-	5,784
Total	131,609	112,858	7,110	19,264

31 Significant changes in the revised accounting standards starting from 1 January 2008

The Company has the negative goodwill in the consolidated balance sheet as at 31 December 2007 from business combinations incurred before 1 January 2008 amounting to Baht 313.02 million. According to the revision of Thai Financial Reporting Standard No. 3, "Business Combination" (Revised) (formerly TAS 43), such outstanding negative goodwill must be recognised in retained earnings at the beginning period starting from 1 January 2008. The Company recognised the outstanding balance of negative goodwill in retained earnings as at 1 January 2008 in order to comply with the revised accounting standard as notified by the Federation of Accounting Professions.

32 Directors' remuneration

Directors' remuneration which included salary, bonus, director fee and special remuneration for the year ended 31 December 2009 for the Group and the Company was Baht 28.47 million (2008: 29 million).



33 Financial instruments

A financial instrument is any contract that gave rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company and its subsidiary companies have no policy to speculate or trade in off-balance sheet derivative financial instruments.

Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company. The amount of maximum credit risk exposure is the carrying value deducted by allowance for doubtful accounts.

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that businesses are made to customers with an appropriate credit history.

The Group's main business is to purchase or accept the transfer of non-performing assets for management or sale later on. The Group considers that there is no material risk on the concentration of loans as they cover a large number of customers or counterparts and spread out over many types of businesses. In case of recognition of financial assets in the balance sheet, their book values after deduction of allowance for doubtful debts and allowance for adjusted value arisen from debt restructuring as appeared in the balance sheet are treated as highest value of risk that may occur in case of non-compliance with contracts.

The Group has a risk on giving credits relating to receivables since they range from financially secured and good payment record to those having financial problems e.g. companies under restructuring debts. The Group, however, believes that it has low risk in receivables inability to pay debts since the Group follows careful policy in giving credits. In addition, there are quite a number of receivables. The Group does not, therefore, expect any significant damage from debt collection.

Interest rate risk

Interest rate risk is the exposure to the risk associate with the effects of fluctuations in prevailing levels of market interest rates on the Group's financial instruments.

The Group determined the interest rate risk of financial instruments as follows:

- There is no interest rate risk for fixed deposits at banks due to the original maturity of six months or less.
- Interest income from non-performing assets and interest expense of long-term loans are substantially independent from change in market interest rates because it is dependent upon the ability to attain the profitability from debt restructuring and collection from non-performing assets.
- Interest income from loans to consumers are charged at fixed rate which do not exceed the maximum rate of loans to consumer.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and short-term investments. For non-performing assets management, the subsidiaries can borrow long-term loans to finance the investment in non-performing assets. In addition, long-term loans can be extended when the facility expires.



Foreign currency risk

In order to manage the risks arising from fluctuations in currency exchange rates, a subsidiary has hedged its foreign currency risk incurred from the borrowing from financial institution that the subsidiary has to repay in USD by using foreign currency forward contracts. As at 31 December 2009, the settlement dates on open foreign currency forward contracts ranged within one year. The foreign currency amounts to be received and contractual exchange rates of the outstanding contracts were as follows:

Average exchange rate	Foreign currency (USD Million)	Million Baht
USD 1 = Baht 33.43	23.6	790

As at 31 December 2009, the aggregate fair value of the outstanding foreign currency forward contracts which have been calculated by the counterparty bank to terminate the contracts at the balance sheet date were negative at Baht 2.84 million.

Fair value

The Group determined the fair value of financial instruments on the basis as follows:

- Cash and cash equivalents and short-term investments

Fair value of cash and cash equivalents are approximate to the carrying amount as they are highly liquid.

- Investments in non-performing assets, loans to non-performing assets and loans to consumers

Fair value of investments in non-performing assets, loans to non-performing assets and loans to consumers approximate to the net carrying amount which is described in Note 11, 12 and 14, respectively.

- Long-term loans from financial institutions and from related companies

The management is unable to calculate the fair value of long-term loans for investing in non-performing assets because interest expense of long-term loans is calculated at the percentage of the excess from the principal repayment from non-performing assets as disclosed in Note 21 and 29. The management could not reliable estimate the expected cash to be received from non-performing assets.