

# Annual Report 2014







**YOUR MOST PROFESSIONAL  
FINANCIAL ADVISOR**



**ACAP...** offers a wide range of financial services and advisory, with core specialisations in NPL valuation and management, and corporate debt restructuring. Whether we are restructuring multi-billion baht loans or advising a major initial public offering, one thing is common - our pursuit of value. We have a solid track record of demonstrating genuine innovation in uncovering hidden value and creating value never imagined possible. This relentless pursuit of value has been one of the keys to our success.





**YOUR MOST PROFESSIONAL**

**FINANCIAL ADVISOR**







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# MESSAGE FROM CHAIRMAN



A handwritten signature in blue ink, appearing to read 'Vivat'.

Dr. Vivat Vithoontien  
The Chairman of the Board and the  
Chief Executive Officer

Shareholders of ACAP Advisory Public Company Limited who were pursuing information on changes of the Company during 2014 would find that the Company had a change to shareholding structure of its existing shareholders, especially the decrease in shareholding proportion of myself, as Chief Executive Officer of the Company, from 49.19 to 8.87 per cent. Such change could create doubt to some shareholders as to in what direction would the Company operate its business in subsequent years from now.

This should be a good opportunity to explain here for all shareholders to learn that such change was because in the past 2 years, with the Company's existing value, the Company was interested by several new investors who continuously expressed their intention to co-invest by holding

shares of the Company, until it was finally found that the best choice for the Company was by distributing my shareholding to several new investors to give them opportunities to play their roles in jointly developing the Company's business, which would enable the Company to attain enhanced potentials and strength in business competition because some shareholders were those with successful records of and long experiences in business operation. Those people would become directors or executives of the Company to administer the work jointly with some executives of the original Board to give the administration more efficiency and variety. At the same time, the reduction in my shareholding proportion would partially enable the Company to distribute more shareholding to minor shareholders, which was in compliance with guidelines of the Stock Exchange of Thailand which always promotes shareholding of minor shareholders.



However, I am still the Chief Executive Officer of and hold shares in the Company and can assure all shareholders that such structural change shall enable the Company to proceed with the business operation in a better fashion than previously and shall be able to keep the Company's value growing.

As regards the overview of the business operation in the previous year, the Company mainly earned from provision of Call Center services and concurrently profited from existing investment. The consolidated financial statement of the Company presented loss from shareholders' equity of the parent company of 42.98 million Baht, total assets of 743.70 million Baht, total

liabilities of 47.04 million Baht, shareholders' equity of the parent company of approximately 696.69 million Baht. Although the Company's operation result was a loss but the debt-equity ratio was low, at 0.07 times only, with a high financial liquidity ratio at 31.30 times. Moreover, approximately 565 million Baht cash held by the Company and subsidiaries reflected the stable financial position.

Lastly, on behalf of all executives, the Company wishes to assure all shareholders that the Company shall adhere to the principles to operate the business attentively and carefully, with interests of shareholders its first goal, and shall concurrently take part in anti-corruption activities in the society, emphasize on participation in caring for the society and surrounding communities, by providing social assistance as opportunities allow.



# FINANCIAL HIGHLIGHTS

Financial Position	2012	2013	2014
Total Assets (Million Baht)	1,030.35	791.78	743.71
Total Liabilities (Million Baht)	61.91	58.11	47.04
Total Shareholder's Equity (Million Baht)	968.43	733.67	696.66
Operational Performance			
Total Revenues (Million Baht)	233.88	142.09	167.23
Total Revenues from Services (Million Baht)	191.40	104.24	89.68
Total Cost of Services (Million Baht)	124.98	106.64	81.14
Total Administrative Expenses (Million Baht)	147.85	119.96	110.52
Total Expenses (Million Baht)	295.23	247.08	208.61
(Loss) Profit attributable to :			
Shareholders of the parent (Million Baht)	(79.48)	(107.59)	(42.98)
Net Earning per Share (Baht)	(0.68)	(0.88)	(0.34)
Book Value per Share (Baht)	7.75	5.87	5.57
Ratio Analysis			
Liquidity Ratio (Times)	29.70	26.34	31.30
Gross Profit Ratio (%)	34.70	(2.30)	9.52
Net Profit Ratio (%)	(33.98)	(75.71)	(25.70)
Return on Equity (%)	(7.85)	(12.57)	(5.98)
Return on Assets (%)	(7.39)	(11.81)	(5.60)
Debt per Equity Ratio (Times)	0.06	0.08	0.07

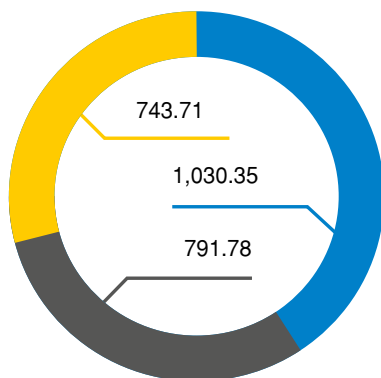




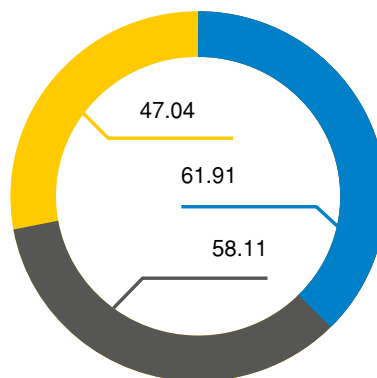
# FINANCIAL CHARTS



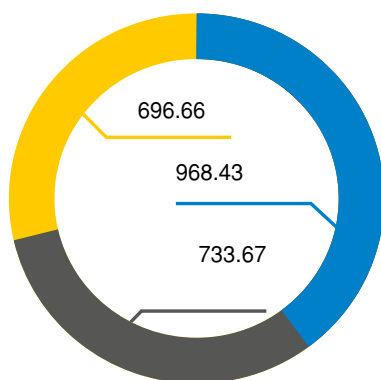
Total Assets (MB.)



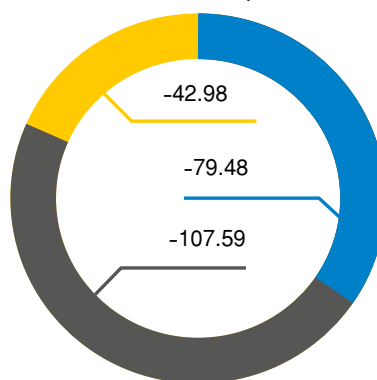
Total Liabilities (MB.)



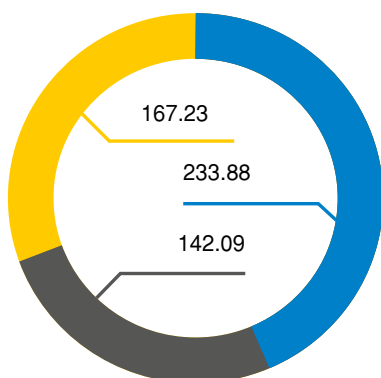
Total Shareholders' Equity (MB.)



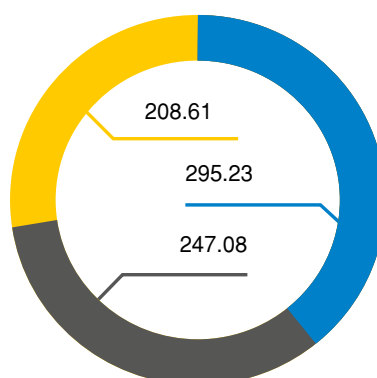
(Loss) Profit attributable to :  
Shareholders of the parent (MB.)



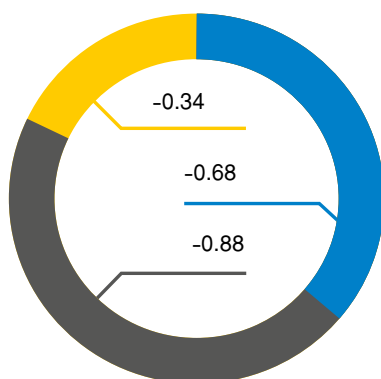
Total Revenues (MB.)



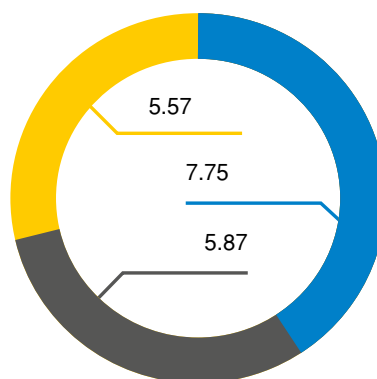
Total Expenses (MB.)



Net Earnings (Loss) / Share (B.)



Book Value / Share (B.)



2014

2013

2012

# Board of Directors



01 Dr.Vivat Vithoontien

The Chairman / Chief Executive Officer



02 Mr.Kenuo Lin

Director



03 Mr.Issarachai Decharit

Director / Executive Director



04 Mr.Chalermchai Sirinopawong

Director / Executive Director

# Board of Directors



05 Pol.Lt.Col.Pongsiri Hiruntecha

Director

---



06 Mr.Chotipong Discharoen

Director

---



07 Mr.Chatchawan Triamvicharnkul

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

---



08 Mr.Isara Wongrung

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

---



# Executive Directors



01 Dr.Vivat Vithoontien

Chief Executive Officer

---



02 Mr.Issarachai Decharit

Executive Director

---



03 Mr.Chalermchai Sirinopawong

Executive Director

---

## Executive Directors



04 Ms.Sugunya Sukjaroenkraisri

Executive Director

---



05 Mrs.Nongluck Kowatana

Executive Director

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06 Mr.Tinnakorn Punpanichgul

Executive Director

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# Capital Structure

## The Company's Capital and Shareholders

### 1. The Company's Capital

As of December 31, 2014, 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 February 16, 2015 is summarized as follows :

No.	Shareholder Name	As of February 16, 2015	
		No. of Shares	% Total
1.	Mr.Kenuo Lin	19,000,000	15.20
2.	Dr.Vivat Vithoontien	11,090,030	8.87
3.	Sutaschuto Group <sup>1</sup>	9,618,700	7.69
4.	Mr.Kaneeearch Dandumrongsuk	6,830,400	5.47
5.	Mr.Nithan Piyarat	6,284,000	5.03
6.	Mrs.Wantanee Ungkasorn	6,249,800	5.00
7.	Ms.Sugunya Sukjaroenkraisri	6,247,000	5.00
8.	Mr.Surasak Sukjaroenkraisri	5,852,800	4.68
9.	Mr.Anake Pinvanichkul	2,812,210	2.25
10.	Thai NVDR	2,612,700	2.09
11.	Other shareholders	48,402,360	38.72
<b>Total</b>		<b>125,000,000</b>	<b>100.00</b>

**Remark :** <sup>1</sup> Shareholder proportion of Sutaschuto Group comprises :

		As of February 16, 2015	
		No. of Shares	% Total
1.	Mr.Saringkarn Sutaschuto	7,981,500	6.39
2.	Mr.Saranroj Sutaschuto	1,637,200	1.30
<b>Total</b>		<b>9,618,700</b>	<b>7.69</b>



### 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.

Details of dividend payment for operating year 2014 compared with previous years.

Dividend Details	2012	2013	2014
1. Net Profit (THB million)	(220.09)	787.63	(92.61)
2. Number of Shares (million)	125.00	125.00	125.00
3. Dividend paid per share			
3.1 Interim Dividend (THB/share)	-	1.00	-
3.2 Annual Dividend Paid (THB/share)	-	-	-
4. Total Dividend Paid (THB million)	-	125.00	-



# NATURE OF BUSINESS

## 1. Policy and business overview

### 1.1 Vision, objective and target in the operation of the business of the Company and affiliates

Vision: To become a reputable company with good quality services from provision of various financial advisory services under Thai management.

Objective: To solve financial problems for customers directly to the point and completely by personnel with expertise and experiences on financial aspect and bring about the success of the business of the Company and subsidiaries.

Target: To create returns and added values from business operation for the Company on a continuous basis every year with management principles under the good corporate governance.

### 1.2 Important of the Company Development

ACAP Advisory Public Company Limited (“the Company” or “ACAP”), formerly known as Asian Capital Advisers Company Limited, was established in 1998 by Dr. Vivat Vithoontien, an experienced professional in finance, to engage in the business of corporate finance and investment banking advisory services. Since its inception, the Company has expanded its range of business to non-performing (NPL) asset management services. The corporate history of the Company is shown below.

#### Year 1998

- The Company is founded under the name Asian Capital Advisers Company Limited (“ACAP”) to provide debt restructuring service and other corporate finance and investment banking advisory services.

#### Year 2001

- Asian International Planner Limited (“AIP”) is established as a Company subsidiary with registered capital of THB 4 million and with 99.99% of shares held by the Company. AIP provides rehabilitation plan preparation and administration services.

#### Year 2003

- In August, ACAP becomes a public limited company and its name is changed to ACAP Advisory Public Company Limited. Its registered capital is increased to THB 100 million.

#### Year 2004

- ACAP Services Company Limited is established as a Company subsidiary with registered capital of THB 1 million and with 99.99% shareholding by the Company to invest in properties and software system and rent them out to the Company in its asset management operation.

#### Year 2005

- December 14, 2004, the Company’s shares are listed on the Market for Alternative Investment (MAI). Its registered capital is increased to THB 100 million, of which 23 million shares are sold through an initial public offering (IPO).

#### Year 2006

- ACAP Asset Company Limited is certified by the Bank of Thailand to undertake asset management services under Asset Management Royal Decree of B.E. 2541 [1998]. Its registered capital is increased to THB 25 million and its name is changed to ACAP Asset Management Company Limited ("ACAP AMC").
- ACAP Consulting Company Limited ("ACON") is established as a Company subsidiary, with registered and paid-up capital of THB 1 million and with 99.99% shareholding by the Company, to provide legal advisory services.

#### Year 2007

- ACAP (Malaysia) Sdn. Bhd. is established as a Company subsidiary, with registered and paid-up capital of MYR 500,000 or THB 5.5 million and 99.99% shareholding by the Company, to undertake NPL management services in Malaysia.
- The Company invests in Capital OK Company Limited ("CAP OK") by acquiring 38,249,997 shares at THB 100 par value or 50.99% of total issued shares.
- The Company issues 25 million new shares at THB 1 par value in a private placement, accounting for 20% of the newly registered and paid-up capital of THB 125 million at the total of 125 million shares.

#### Year 2008

- Asian International Planner Limited ("AIP") changed its name to ACAP Corporate Services Company Limited ("ACS").
- ACS is certified by the S.E.C. to provide financial advisory services.

#### Year 2009

- ACAP Services Company Limited name is changed to Global Service Center Company Limited ("GSC") in order to expand into providing receivables collection and call center services to other companies and financial institutions.
- The Company increases its investment in CAP OK from previous its holding of 50.99% to 99.99% of issued shares by purchasing 49.01% of issued shares from existing CAP OK shareholder, ORIX Corporation, which is also major shareholder of the Company.

#### Year 2010

- In February, ACS has registered with the Thai Consultant Database Center of the Ministry of Finance to be a financial advisor type A, license number 3093, as a result of which ACS is eligible to be considered for work by the public sector.
- ACAP (ASIA) Asset Management Company Limited was established as a subsidiary. The shares are owned primarily by two of its other subsidiaries, CAP OK and ACAP (Malaysia). It is licensed by the Bank of Thailand to conduct asset management business regulated under the Asset Management Royal Decree B.E. 2541. It was established to participate in future NPL portfolio acquisitions



#### Year 2011

- Aurum Capital Advisory Pte. Ltd. (AURUM) is established as a subsidiary of the Company. The firm is based in Singapore with 63.97% of share holding by the Company and provides investment banking services.

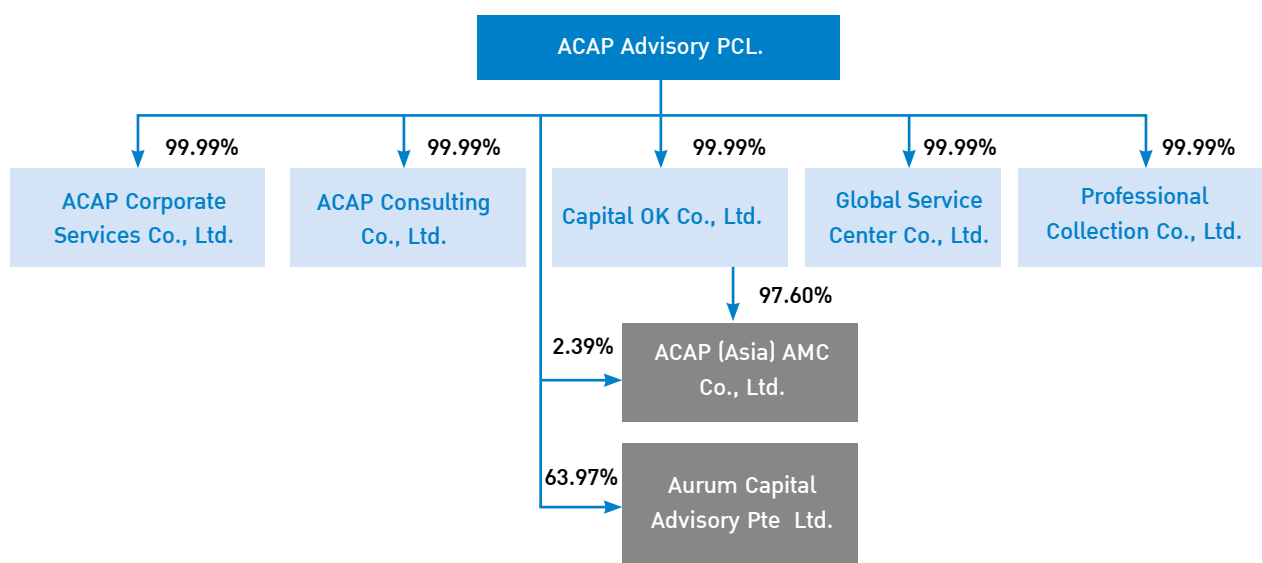
#### Year 2013

- The Company sold all its shares in ACAP Asset Management Company Limited., a 99.99% owned subsidiary of the Company
- The liquidation of ACAP (Malaysia) Sdn. Bhd. In Malaysia, a 99.99% owned subsidiary of the Company

#### Year 2014

- Dr. Vivat Vithoontien, Chief Executive Officer of the Company who was the top major shareholder, reduced his shareholding proportion from 49.19 per cent to 8.87 per cent.
- The Company purchased all shares of PCOL from CAP OK, a subsidiary, at 99.99 per cent of that company, representing 99.99 per cent of the registered capital of PCOL, so that the Company directly held shares in PCOL at the rate of 99.99 per cent.

## 2. The Company and Subsidiaries



ACAP Advisory Public Company Limited has in total 7 subsidiary companies, of which it has 99.99% share holding in 5 companies, 63.97% share holding in 1 company, and share holding through other subsidiaries in 1 company. Details of each subsidiary are as follows:

#### Wholly-Owned Subsidiaries (99.99% share holding)

1) ACAP Corporate Services Company Limited (“ACS”) - formerly Asian International Planners Co., Ltd. (“AIP”) - THB 31 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.

2) 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.

3) 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.

4) Capital OK Company Limited (“CAP OK”) - THB 412.50 million registered and paid-up capital. The firm was granted authorisation by Bank of Thailand to operate as a service provider of personal finance or retail consumer loans such as personal loans, sales finance, credit cards and hire purchase under the brand “Capital OK”. At present, the company has ceased providing personal and retail finance services since 2009.

5) Professional Collection Company Limited (“PCOL”) - THB 62.05 million registered and paid-up capital. Its main stream of revenue is from interest earned on bond investments. The firm also provides debt collection services to a government financial institution.

#### Majority Owned Subsidiaries (63.97% share holding)

6) Aurum Capital Advisory Pte Limited (“Aurum”) - USD 475,000 registered and paid-up capital. 63.97% of issued shares are held by the Company. This company provides Investment Banking services in Singapore and region. However, Aurum has ceased providing Investment Banking services since in the mid year of 2014 because Aurum had continuously losses from its management.

#### Other Subsidiaries

7) ACAP (Asia) Asset Management Company Limited. (“ACAP Asia AMC”) - THB 25 million registered and paid-up capital. 97.60% of issued shares are held by CAP OK and 2.39% are held by the Company. It is licensed by the Bank of Thailand to perform the asset management business regulated under the Asset Management Royal Decree B.E. 2541. The firm is prepared to participate in acquisitions of NPL portfolios.

## The Company and subsidiaries provide financial advisory services as follows :

### 1. Non-performing Asset Management

The Company and subsidiaries provide non-performing asset management services to owners of NPL portfolios, generally other asset management companies and other financial institutions, by monitoring and collecting debt from the debtors in the portfolio, including taking legal action, foreclosure of collateral and sale of collateral via public auction. In addition, apart from servicing third party portfolios, the Company can also service portfolios acquired by subsidiaries ACAP Asia AMC.

### 2. Financial Advisory and Investment Banking Services

ACS, a subsidiary of the Company, provides financial advisory services to medium and large companies and institutional investors. The services include debt restructuring, rehabilitation planning and plan administration, fund raising, mergers & acquisitions, cash flow review and advisory under SEC and SET regulations, such as share listings and public offerings of debt and equity instruments.

### 3. Other Service

The Company has expanded its service business to be more diverse through its subsidiaries as to compensate for the earning due to stoppage of the business line for consumer goods and consumption and other businesses in the event of smaller workload. The service of other work is the outsourcing business to the customers characterized by being a call center which is acting as a coordination center between customers and users of the products or the customers' services such as the provision of service as a call center of the credit card business, mobile phone business, the business of the provider of basic public utilities service; the service of payment collection, the customers relations service center, the service in connection with the application for approval of various credits, etc. Besides the service works, ACON, which is the subsidiary, has also invested in cosmetics and beauty products distribution; but it is the initial investment to trial the response of the market as to what extent the market grows and how much income it creates. If, in the future, the business of distribution of cosmetics and beauty products can increasingly create good returns, there would be considered increased selling of investment in this business.

## The Business Ceased Operation Temporarily

### Consumer Finance Business

This portion of the business is operated by the subsidiary: CAP OK, characterized by the provision of various services in Personal Loan, Sales Finance, Credit Card and Hire Purchase.

A sub-credit business is the business which requires rather high amount of cash flow. There are several major operators entering into the business to the extent of increasingly fierce competition, thus affecting increased risk involved in this business coupled with the company considering that the grant of credit characterized by the absence of security has

the rather high risk of not being paid. Therefore the subsidiary company, CAP OK, has considered discontinuing the credit business for consumer products and consumption or credits to small customers for the time being by seeking approval from the Bank of Thailand to discontinue the business in December 2009. Incidentally, as the subsidiary CAP OK still has the license to operate the business, if in the future, it would further continue this business, it can resume the business immediately without applying for a new license to start these small credit businesses anew from the Bank of Thailand.

### 3. Revenues Structure

#### ACAP Advisory Public Company Limited and Subsidiaries

Type of Revenues	2012		2013		2014	
	Audited		Audited		Audited	
	M.Baht	%	M.Baht	%	M.Baht	%
Service Income	168.92	72.23	104.24	73.36	89.68	53.63
Interest income from non-performing asset management	22.48	9.61	-	-	-	-
Other income*	42.47	18.16	37.85	26.64	77.55	46.37
<b>Total Revenue</b>	<b>233.87</b>	<b>100.00</b>	<b>142.09</b>	<b>100.00</b>	<b>167.23</b>	<b>100.00</b>

The structure of income of the Company and subsidiaries originate from core businesses as follows :

1. Incomes from provision of services were mostly from services of subsidiaries, whether being financial and banking advisory services, Call center services and debt collection services. Subsidiaries providing such services were ACS, GSC and ACOL.
2. Other incomes were from those of the Company and subsidiary CAP OK, such as incomes from short-term investment, incomes from interests on loans and investment in government bonds, etc.

### 4. Service Offerings

The Company and its subsidiaries provide services primarily in 3 business areas, namely: 1) Non-performing Loan Asset Management, 2) Finance Advisory and Investment Banking Advisory and 3) Other Services. Each business is managed by staff with experience and skills in relevant specialist areas in finance. Currently, the consumer finance business operated by Capital OK Company Limited subsidiary has ceased since the 2009. However, the firm still hold a license for operating a consumer finance business and will recommence operations upon any forthcoming opportunity. Details of each type of the service offered are described as follows:

#### 4.1 Non-performing Loan Asset Management

For many years, Thailand has been tremendously impacted by debt problems in public and various industrial sectors. Thus, the Company believes that providing asset management service of non-performing loans (“NPL”) is a growth business. Financial institutions often have difficulty resolving their NPL because of limitations in 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 NPL for financial institutions and other asset management companies. The Company’s services include 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 portfolio owner.บันทึก

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 or debt management is its investment in sophisticated computer software systems beginning in 2004. The Company also continuously develops its own software systems and programs to improve efficiency. This results in highly efficient and cost effective asset management operations. The Company has registered copyrights for these software programs and Global Service Center Co., Ltd. is the owner of these intellectual assets. GSC then leases them back to the Company and subsidiaries engaged in the asset management business.

Asset management operations are 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 has staff skilled in various aspects of asset management business. The numbers of staff is varied depends on the quantity of portfolios being administered by the Company.



The Company structures its NPL asset management services into two major sections - the asset management team and the operations team. Both teams are divided into smaller units such as Debt Management, Asset Sales, Litigation Management, Appraisal, Finance and Accounting, Legal and Loan Contract, Information Technology, Administration and Human Resources, and Internal Audit. These sections consist of experienced executives and specialised staff who run the operations and collect debt. This structure enhances the Companies ability to collect debt successfully within the duration specified in the contract. Staffs in these sections are deployed in NPL asset management only.

At the end of 2014, the Company did not have any subordinate assets management contract at all owing to the expiry of every old subordinate assets management contract, meanwhile, without continual inflow of additional new assets management contracts. Although in the past year, the Company had been soliciting new debt portfolios for continuous management; but due to increased competition coupled with rather paltry number of portfolios, the Company had no new debt portfolios for management at all.

#### **Fee Structure**

Two types of fees are normally charged for asset management services 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. However, in the portfolio management contracts with customers, this fee portion is a percentage calculated on cash received directly from debtor only.
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 hirer on a monthly basis.

#### **B. Acquisition of NPL portfolios**

Participation in NPL auctions will be conducted by subsidiaries ACAP (Asia) AMC. The aforementioned subsidiary company is 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 NPL portfolios from financial institutions. The companies in turn subcontract the management of certain portfolios to the Company, since the Company already has a well developed asset management platform that can be expanded to accommodate almost any portfolio.

Prior to each NPL portfolio auction, the Company will undergo extensive study and research on that portfolio. These studies include the value of the collateral, financial records, debtor's track record, etc. This information will be used in determining the auction price of such portfolio. In each auction, apart from the competition with other bidders, there would be consideration of the debt collection possibility in such NPL portfolio in order to benefit the most when managing the portfolio. For funding investment in certain NPL portfolios, the Company's subsidiaries sometimes seek financing from other financial institutions.

### **Revenue Generated from Ownership of NPL Portfolios**

Asset management company subsidiaries own NPL portfolios that were acquired in auctions by financial institution. These portfolios generate revenues from the interest payments from debtors. Collections may be subcontracted to the Company as part of an asset management contract or collections may be performed by the AMC itself.

### **C. Litigation Management and Legal Services**

Operating the non-performing loan asset management business involve filing for litigation, seizure of collateral, preparing legal contracts and related agreements for debt repayment and other legal work. This type of work is provided by, a wholly-owned subsidiary, ACAP Consulting Co., Ltd. ("ACON"). ACON receives compensation in the form of service fees for this type of legal work and also for litigation management of NPL portfolios. ACON also provides legal advisory services to state entities, other financial institutions, and other parties, such as registration work, litigation, and tax law, SME law and labour law.

## **4.2 Corporate Finance and Investment Banking Advisory**

Corporate finance and investment banking advisory involve debt restructuring, merger and acquisition, sourcing of funds, 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 an advisor in issuing and offering securities, listing a company on the SET, 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, 2013 to December 2, 2018. ACS has three licensed financial advisors certified by the S.E.C. and five staffs involved in the financial advisory business. The majority of projects in financial advisory service come from clients' word-of-mouth, 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, management will hold 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 analyse the problem and to verify the client's information. It then prepares a financial advisory service agreement which specifies scope of work, fees, and terms and conditions. Once the agreement is signed, a detailed due diligence will be conducted and advisory service commences based on the client's objectives and the agreed scope of work.

Corporate finance and investment banking advisory services are detailed as follows :

#### **1) Debt Restructuring Services**

- Developing debt restructuring plans, including acting as the clients' representative or mediator in negotiations between creditors and debtors, and advising and scheduling debt repayment. This includes debt restructuring plans under the Central Bankruptcy Court. ACS subsidiary is licensed by the Business Reorganization Office, Legal Execution Department, as a rehabilitation planner and plan administrator under the laws of Ministry of Justice.

- 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 client's business and assets including purchasing, selling and other transactions concerning the client's assets. ACS may use the client's assets as collateral to benefit the client's business operations. After a client has fulfilled its obligations under the Plan, ACS files a petition to the Court to allow the client to exit Rehabilitation.

## 2) Investment Banking Advisory

- ACS provides advisory on sources of funds 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 securities in the form of equity instruments, debt instruments, and hybrid securities such as preferred shares, debentures, convertible debentures, and warrants.
  - Advisory services for listing securities on the SET
  - Advisory services for mergers and acquisition or any transactions related to the SET and/or the S.E.C.
  - Advisory services for developing business alliances
  - Advisory services for project finance

## 3) Other Related Financial Advisory Services

- Due diligence on companies and non-performing loan portfolios
- Cash monitoring services
- Company valuation services
- Project feasibility studies
- Management structure advisory
- Financial planning systems and internal cash management services
- Independent opinion on issues related to S.E.C. and SET regulations for listed companies

### **Corporate Finance and Investment Banking Advisory Fees**

Fees charged for corporate finance and investment banking advisory services typically comprised two components:

1. A retainer fee based on a number of factors including the time and staff required for the project, and the client's expected cash flow. The retainer fee will be charged on a fixed or monthly basis until the project is completed and normally takes approximately 6-12 months. Additionally, competition in the market is another factor to be considered in determining the retainer fee.
2. A success fee generally based on a percentage of the project value which is paid upon project completion and in some cases is determined based on the size of the project.

### 4.3 Other Services

Other diverse aspects of service work such as outsourcing business are provided to clients characterized by being the service of Call Center acting as a coordinate center between the clients and the users of products or the client's services such as providing service as being a call center of the credit card business, the mobile phone business, the business of the provider of basic public utility service, debt collection service, the service of customer relations center, the service in connection with application procedure for various credit approval, etc.

#### Other Service Fees

Service fees to be earned under contracts for providing other service works are charged according to the contracts for providing general services, not predicated on the success of work, while the earning from sale of cosmetics is characterized by the income from trading.

## Temporarily Ceased Business Operations

### Consumer Finance Business

Subsidiary Capital OK Company Limited (CAP OK) had discontinued its consumer finance business since December 2009. This is due to the economic recession during the past 4-5 years together with the entrance of new competitors in the market. The cessation is temporary until economic and market conditions permit recommencement of operations.. The firm was granted authorisation from Bank of Thailand for this cessation. However, CAP OK's business license is still valid and it can recommence operations immediately without requirement for obtaining a new license.

Services previously offered by CAP OK are described as follows:

#### 1. Personal Loans

This type of loan is an unsecured loan which offered repayment period from 12 to 60 months with minimum monthly instalments starting at THB 400. CAP OK offered two personal loan products: 'Ready Cash', which is an instalment loan and 'Revolving Credit' that allowed clients to withdraw money up to the approved credit limit. Interest is then charged on the withdrawn amount only.

#### 2. Sales Finance

This type of loan was granted to customers for the purpose of purchasing goods or services. Repayment is in the form of 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

CAP OK joined with affiliates to issue affinity cards that gave special privileges to cardholders including issuance of CAP OK Platinum Card to increase the size of the credit card customer base.

#### 4. Hire Purchase

CAP OK granted this type of loan for motorcycle purchases. Repayment is made in form of instalments within a specified period. The loan limit granted is based on the down payment. The instalment period is calculated based on the customer's financial status, motorcycle's brand, 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 do not meet the credit approval policy.

#### Revenue Generated from the Consumer and Personal Finance Business

Revenue recognition from the Consumer and Personal Finance business is the recognition from the interest accrued from any credit given in the past.

### 5. Marketing and Competitiveness

The Company's core business operations in NPL asset management, financial and investment banking advisory are facing a number of new operators entering into these markets, including government and private owned companies, and subsidiaries of the commercial banks. Therefore, the Company is adapting and preparing for intense competition in each business line in order to keep the Company and its subsidiaries growing in the future.

#### 5.1 Customer Characteristic Types

Many companies in Thailand have been facing economic and financial problems over the last few years, including the need to raise funds for their business operations. These companies may be affected by various issues and ongoing problems such as hotel or tourism businesses that were severely impacted by the political protest situation, the decrease in exports resulting from the appreciating Thai Baht, disastrous effects from the flood situation, increasing prices of products, etc. These factors will contribute to several problems, such as increased debt and lack of market liquidity. The Company believes that these issues will affect the amount of non-performing loans (NPL). It is expected that within 2-3 years, the level of NPLs in Thailand should not decrease significantly. Moreover, the Company sees new opportunities in the NPL market from financial institutions which are likely to resume auctioning their NPL portfolios. During this time of economic and financial uncertainty, ACAP Asia AMC should have ample opportunity to participate in future bidding for NPL portfolios.

#### 5.2 Competitive Strategy

- **Non-performing Loan Asset Management**

In managing NPLs, the Company carefully negotiates with debtors by offering various solutions that are ideally suited for each debtor's financial status and repayment ability. For example, the Company will prepare a debt restructuring plan by fully considering the debtor's repayment ability with the aim to enable the debtor's business to operate normally after entering debt restructuring process. The Company also relies on its other competitive strengths, including:



- Licensed asset management companies. The Company's subsidiaries are qualified to participate in NPL portfolio auctions by financial institutions.
- Financial support. The Company has relations with a number of financial institutions which can provide financing NPL portfolio acquisitions.
- Independence. The Companies and subsidiaries are not directly affiliated with any local financial institution mitigates potential conflicts of interest with clients.
- Skilled and talented staff. Company staff has substantial relevant experience in debt recovery, asset management and lending.
- Internal control. The Company has implemented efficient systems and structures that are transparent and proficient in internal control.
- Information Technology. The Company invested in sophisticated computer systems and information technology that allow clients to monitor the financial and accounting aspects of their portfolios.

#### ● **Financial and Investment Banking Advisory**

The Company concentrates on problem analysis of clients. In particular, it provides advice on financial matters from staff with years of experience in corporate finance and investment banking. The main strategy of this advisory service is to gain a thorough understanding of the client's problem and offer appropriate financial solutions that will lessen the degree of the problem and eventually achieve the client's objectives within a given timeframe.

In addition, the Company offers a full range of advisory services – from debt restructuring services, including those under the Bankruptcy Court, , to sourcing of funds for business expansion. Offering a full range services is an important advantage in financial advisory industry.

#### ● **Other Services**

Call center services, started in late 2009, are provided by GSC subsidiary. GSC was able to start up this operation at low cost by transferring systems and staff from CAP OK. All of them are professionals with experience in debt collection and are fully trained for customer service duties. This allows GSC to work with great efficiency and have experience in giving customers the best solution. Hence, the service has gained trust from clients.

### **5.3 Distribution Channels**

#### ● **Non-performing Asset Management**

The Company provides its Non-performing Asset Management service to both its subsidiaries and to other management companies or financial institutions by actively seeking new NPL portfolios for the subsidiaries to bid for when a suitable portfolio is put up for sale by financial institutions and banks either domestic or international.

- **Financial and Investment Banking Advisory**

ACS's core business is providing financial advisory service to clients that have financial difficulty or are in the preparation process of debt restructuring, or are seeking business expansion or sources of funds for either investment or use as a working capital. The clients come from a variety of industry sectors, for instance, agriculture, textile, tourism and many others. The Company and subsidiaries provide services to medium and large sized companies. They offer a wide range of services, allowing them to create a large network of clients across many industry sectors.

- **Other Services**

For the call center services, GSC focuses on telecommunications clients and financial institutions since they have large customer bases and are large service providers to government and private sectors. GSC's call center services include debt collection service, customer relations service, credit approval service, among others.

#### 5.4 Target Customers

- **Non-Performing Loan Asset Management**

Customers in the asset management business are investors of NPL portfolios. Such portfolios are put up for sale by asset management companies and financial institutions, both government and private owned. In order to replace outgoing portfolios, the Company closely follows any news regarding auctions of new portfolios.

Customers may also be the original asset management company or financial institution. Some institutions outsource asset management services to servicers like the Company in order to reduce cost or to let specialists handle the debt collection. Currently, the Company has no asset management service contract.

- **Financial 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 exceptional 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.

Advisory clients can be classified into two major groups as follows:

Existing clients - Many of ACS' existing clients return to ACS to receive other advisory services after they have seen that ACS can create unique win-win solutions for both the debtor and the creditor. Moreover, these clients also recommend ACS to other clients.

New clients - ACS finds most of its new clients through word of mouth from existing customers and through introductions by its network of relationships with local and foreign companies and investors. To find other clients, ACS gathers information from different databases or from the news to locate the best prospects.

Some of the Completed Financial and Investment Banking Advisory Projects of  
The Company and Subsidiaries as of December 31, 2014

No.	Company / Subsidiary	Client's Business	Type of Service	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	Planner & Planning administration	2001	2005	17,000
4	ACAP	Telecommunications	Debt Restructuring + Planning administration consultant	2002	2003	516
5	ACAP	Real Estate	Debt Restructuring	2002	2003	1,500
6	ACAP	Construction equipment	Debt Restructuring	2002	2003	700
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 Rehabilitation Planning & Administration Sources for funds	2002	2004	1,650 400
10	ACAP	Canned Seafood	Debt Restructuring+ Sources for funds	2002	2004	5,586 1,430
11	ACAP	Electrical Appliances	Debt Restructuring	2003	2003	416
12	ACAP	Construction	Planning administration consultant	2003	2004	1,100
13	ACAP	Real Estate	Debt Restructuring + Planner consultant	2004	2005	66,000
14	ACS (AIP)	Importer and distributor of chemical products	Debt Restructuring + Sources for funds	2004	2005	700 300
15	ACAP	Rubber Latex	Cash flow review	2004	2006	n.a.
16	ACAP	Lenses and Glasses	Private Placement + IPO	2004	2006	200 200
17	ACAP	Transformers	Sources for funds	2005	2006	1,350
18	ACAP	Financial Institution	Debenture bond offering	2005	2005	50,000

No.	Company / Subsidiary	Client's Business	Type of Service	Contract Period		Debts / Funds Sourced * (THB million)
				Beginning	Ending	
19	ACS (AIP)	Canned Fruit	Debt Restructuring + Sources for funds	2005	2006	1,100 400
20	ACAP	Transformers	Financial Consultant	2006	2007	70
21	ACS (AIP)	Machinery parts	Planner consultant + Sources for funds	2006	2007	2,665 400
22	ACS (AIP)	Food	Planner	2006	2008	19,033
23	ACAP	Electronics	Planner consultant + Sources for funds	2007	2007	3,221 772
24	ACAP	Food	Debt Restructuring + Sources for funds	2007	2007	1,359 63
25	ACS	Manufacture of motorcycles	Planner consultant + Sources for funds	2007	2009	2,665 400
26	ACS	Orange Farm	Planner consultant	2008	2009	1,019
27	ACS	Building and repairing of ships	Plan administrator	2008	2010	821
28	ACS	Canned Fruit	Tender Offer Advisor	2009	2009	80
29	ACS	Manufacture of lace	Debt Restructuring	2009	2012	911
30	ACS	Research Institution	Structure Capital Advisory	2010	2011	n.a.
31	ACS	Frozen Seafood	Business Valuation Consultant	2010	2011	n.a.
32	ACS	Manufacture of electronic valves and tubes and other electronic components	Planning administration consultant	2010	2011	4,000
33	ACS	Shoes manufacturer	Planner consultant	2010	2012	445
34	ACS	Agro Industry	Sources for Funds	2011	2013	30
35	ACS	Television Media	Independent Financial Advisory	2012	2012	n.a.
36	ACS	Agriculture	General Advisory	2012	2012	n.a.
37	ACS	Sea Food	General Advisory	2012	2012	n.a.
38	ACS	Communication	Independent Financial Advisory	2012	2012	n.a.
39	ACS	Textile	Debt Restructuring	2012	2013	631
40	ACS	Communication	Planning Administration Consultant	2013	2013	n.a.
41	ACS	Communication	Business Valuation Consultant	2013	2013	n.a.

No.	Company / Subsidiary	Client's Business	Type of Service	Contract Period		Debts / Funds Sourced * (THB million)
				Beginning	Ending	
42	ACS	Telecommunication	Business Valuation Consultant	2013	2014	n.a.
43	ACS	Shoes manufacturer	Sources for Funds	2013	2014	904
44	ACS	Steel Industry	Independent Financial Advisory	2014	2014	n.a.
45	ACS	Services	IPO	2014	2014	289
Total						213,133

Remark: \* Project value equals the debt or fundraising size

#### ● Other Services

The target clients of the outsourcing business will typically be telecommunication network providers and financial institutions that provide loans and credit cards since such clients require a support unit to liaise with customers and give information on such things as new sale promotions. Setting up new unit especially for that purpose can possibly cost more than outsourcing. GSC subsidiary, has experienced personnel in this area can offer this as an advantage to prospective clients.

### 5.5 Pricing Policies

In determining fees for financial advisory services, ACS basically considers the complexity of the project, the number of personnel needed and going rates offered in the market. For debt restructuring fees, the Company 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.

For the non-performing loan asset management business, the Company charges its clients a base fee, or asset 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 location of the borrowers.

## 6. Industry Outlook and Competition

### Debt Restructuring and Non-Performing Loan 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 (NPL) 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 NPL to these AMCs or they could set up dedicated units themselves to manage their NPL 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 NPL 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 operates under this act.
- **Thai Asset Management Corporation Decree B.E. 2544 (2001)** - This decree was intended to hasten the process of separating NPL from the banking and financial institution system. The Thai Asset Management Company Limited ("TAMC") was established under this decree to manage transferred NPL 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 NPL 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 loan asset management services.

### Industry Structure

The impact of abovementioned laws created a new industry and business opportunities. The industry structure involves parties at three levels.

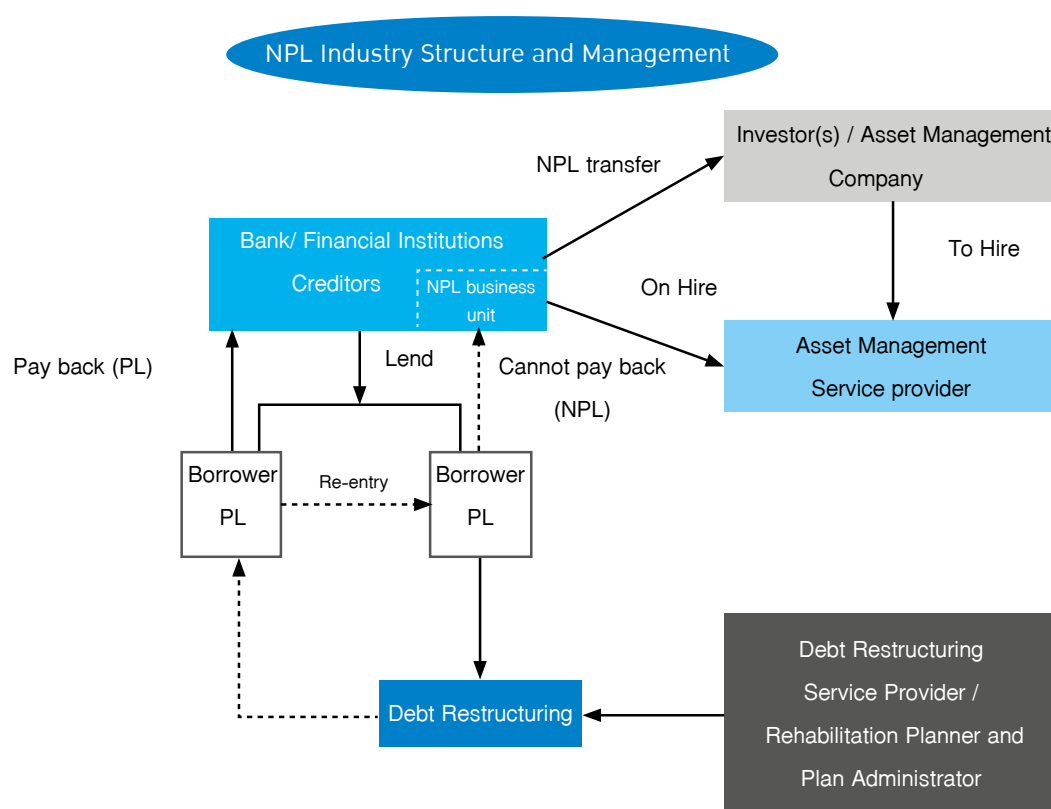
**Level 1 : Debtor** - The debtor of a financial institution who is required to negotiate with the creditor to restructure their debts. Although some debtors can manage this by themselves, in many cases the debt is complex and thus advice from a specialist is required. Many cases enter into the rehabilitation 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 loan 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 NPL, they normally transferred some portions of their NPL to the established asset management companies such as AMC or TAMC. However, some banks have not yet transferred significant portions of their NPL, and still have large numbers of NPL in their loan portfolios or they have restructured some NPL that subsequently became re-entry NPL. 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 NPL Transferred from Banks)** - At this level, the government-owned Asset Management Companies have large numbers of NPL and lack sufficient staff, expertise and IT resources to manage the transferred NPL 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 loan asset management.



## Market Size and Competition

### Corporate Debt Restructuring and Rehabilitation Planning and Administration

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, 2013, there were 14 authorized professional planners and 18 plan administrators, including ACS, the Company's subsidiary. In most cases these firms will act simultaneously as the planner and plan administrator.

ACS is considered one of the major service providers in the area of debt restructuring, and rehabilitation planning and administration 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 Loan Asset Management Service

The market size for debt restructuring and non-performing loan asset management depends on economic conditions. Economic recessions provide an increase in work in both debt restructuring and NPL asset management. Businesses and individuals are both affected during economic downturns. As a result, unemployment increases and leads to higher growth of NPLs. When the economy recovers after the government successfully implements new policies to stimulate the economy, the number of NPLs is likely decrease. In the past 1-2 years both the government sector and financial institutions have issued policies to control amount of bad debt, and NPLs decreased compared to the previous year. However, the uncertainty of world's economy and economic growth slow down in the past year are key factors that may increase the number of NPLs in the near future.

According to updated information from the Bank of Thailand ("BOT") released on February 20, 2015, Gross NPL outstanding (loans classified as Substandard, Doubtful, and Loss as per the BOT's classification) in Thailand's financial system, which includes commercial banks, branch of the foreign commercial banks, at the end of the 4th quarter of 2014 was THB 277,184 million or 2.15% of total loans in the financial system. This amount of Gross NPL has increased compared to the same period last year, by approximately THB 11,536 million. These NPL outstanding were mainly from the Personal and Consumer Finance sector, at THB 83,451 million, followed by the production sector in the amount of 75,753 million. This number includes both individual and business debtors.

NPL in 2014 increased over the previous year by THB 53,620 million. According to the BOT's data at end of the 4th quarter of 2014, the sector with the largest absolute increase in NPL was the personal and consumer finance sector, where NPL grew by THB 24,731 million, and accounted for 46.12% of the total increase in NPL. Of the increase in industrial NPL, THB 3,188 million were re-entry NPL and THB 20,901 million were new NPL. The Commercial Sector also had large absolute increases in NPL of THB 10,178 million (or 18.98% of the total increase), respectively. Details of the increase in NPL in 2014 by major sector are as follows:

Industry Type	As of End-4th Quarter 2014 (THB million)			
	New NPL	Re-Entry NPL	Other	Total NPL
1. Agriculture, Fishery and Forest	203	232	24	459
2. Mining	75	0	27	102
3. Production Sector	5,740	1,752	1,919	9,411
4. Construction	778	225	331	1,334
5. Commercial Sector	7,332	1,820	1,026	10,178
6. Finance and Insurance	22	9	8	39
7. Real Estate	1,129	331	2,420	3,880
8. Public Utility and Transport	511	153	184	849
9. Services	1,556	745	333	2,634
10. Personal Consumption	20,901	3,188	642	24,731
11. Other	4	1	0	5
<b>Total</b>	<b>38,251</b>	<b>8,456</b>	<b>6,914</b>	<b>53,621</b>

Source: Data as of December 31, 2014 and reported by Bank of Thailand on February 20, 2015.

#### Non-Performing Loan Asset Management Service

The market size of this service mostly will be determined by the amount of debts under legal case or the amount of outstanding payment. The service also includes the management of marketing regarding foreclosure of collateral. According to the BOT's preliminary data, NPL remaining in the system total THB 277,184 million (2.15% of total financial institution debt). This represents an increase of THB 53,621 million. Of this number, THB 38,251 million are new NPL (or 71.34% of the total increase). In addition, there are NPLs that have been restructured totalling THB 8,456 million (or 15.77% of the total increase). The amounts of NPL for the current year was increased to THB 53,621 million compared to THB 50,316 million in 2013. However, at the end of 2014, the size of new NPL decreased from THB 12,975 million to THB 8,456 million. This shown that Thailand still has a substantial amount of NPLs in its financial system which indicates a good outlook for the non-performing asset management business.

At present, there are a number of companies that are licensed by the Bank of Thailand as asset management companies, some of which are subsidiaries of commercial banks set up to take care of their own NPLs, some are government-owned asset management companies and others are owners of NPLs and other assets. Asset management companies operating in Thailand are listed as follows :

- Bangkok Commercial Asset Management Co., Ltd.
- NFS Asset Management Co., Ltd.
- Alpha Asset Management Capital Ltd.
- Sukhothai Asset Management Co., Ltd.
- Chatuchak Asset Management Co., Ltd.
- Ayuddhaya Asset Management Co., Ltd.
- Sukhumvit Asset Management Co., Ltd.
- ACAP (Asia) Asset Management Co., Ltd.
- ACAP Asset Management Co., Ltd.
- Lynn Phillips Asset Management Co., Ltd.
- Inter Capital Alliance Asset Management Co., Ltd.
- MAX Asset Management Co., Ltd.
- Ratchayothin Assets Management Co., Ltd.
- Sinsuptawee Asset Management Co., Ltd.
- Palarp Asset Management Co., Ltd.
- Sathorn Asset Management Co., Ltd.
- Phethai Asset Management Co., Ltd.
- Phayathai Asset Management Co., Ltd.
- STAR Asset Management Ltd.
- Asset Management Standard Chartered Bank (Thai)

Most of the asset management companies set up under the Asset Management Royal Decree were established by financial institutions to manage their own NPLs. 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 loan portfolios. This allows the asset management companies to have a competitive advantage over the NPL service providers given that the asset management companies can either manage their own non-performing loan portfolios or outsource their management to others. Since the Company has two subsidiaries that are asset management companies, namely ACAP ASIA AMC, the Company has potential to compete effectively as it is able to manage NPL portfolios for its subsidiaries.

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

1. The Company has highly qualified and skilled staffs who understand the nature of the non-performing loan 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 personnel are qualified to train and create new teams to support new projects and the Company promotes talented staff to be team leaders.
2. The Company has made substantial investments in Information Technology systems for efficient data management that function at the same standard as the banks and other large financial institutions.
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 service fees and is able to reduce the cost of managing non-performing loan asset management for its clients.
5. The Company has enhanced its opportunities to provide asset management services as it can service ACAP ASIA AMC as well as third party AMCs. The Company can also provide bidding services for these AMCs.



### Non-performing Loan Asset Management under the 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 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. To date, approximately 3-4% of NPL remains in the financial system. The main factors that cause NPL to remain high are the economic downturn, strict classification criterion of Bank of Thailand, and fluctuation of global financial markets. Moreover, the Company believes that NPL is necessary in financial system, especially in country with high rate of economic growth or emerging countries, for example, Asian region including India, China, Korea, etc. NPL in Thailand is in sufficient amount and tends to increase, which will eventually impact to economic situation either in political aspect, natural disaster or foreign exchange rate of the Baht. NPL remaining in the economic system for each year is adequate to generate revenue and growth to the Company including other transactions relating to loan asset management, which is the key business opportunity to the Company.

### Financial Advisory Industry

In the past year, the Thai economic trends had not shown clear sign of recovery. Partially, it reflects the operating result of companies listed in the Thai Stock Exchange, which in the majority, their operating results were slowing down coupled with political upheavals. These are responsible for the accompanying delay in various investment policies. Clearly obvious is the outflow of overseas fund, foreign investors taking less interest in the capital market of Thailand rendering the inevitable impact on the financial advisory service in relation to raising fund, the issue of financial instruments.

Currently, many securities companies centre their attention on financial advisory services and the investment banking business due to the increase in revenues and support its securities companies including growing number of new financial advisory companies. As of February 6, 2015, there were 76 financial advisory companies authorised by the Securities and Exchange Commission (S.E.C.). To compete effectively in the financial advisory business, the firms must have high quality, skilled and experienced staff. Although, the Company has a competitive disadvantage due to a lack of a license for underwriting securities, 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 having more competition in financial advisory service for issuing equity instrument, ACS is able to provide other important services to customers such as debt restructuring, merger and acquisition, and rehabilitation planner and plan administrator.

At present, the Company is seeking new opportunities to diversify its investment without relying on one particular business. The Company is ready to make an investment if it considers that such investment will generate good returns with low risk.

## 7. Service Execution

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 maintain good relationships with both creditors and debtors. For example, the Company has three licensed financial advisors who completed the Financial Advisory Program and who are certified by Thailand's Investment Banking Association.

Financial advisory and asset management business require good relationship among the Company's executives, including receive information and commercial news to understand the clients' background and to be prepared for providing advise on choices or solutions to the clients.

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 the non-performing loan asset management business, the Company has a solid, experienced team whose members have worked at financial institutions on both selling and purchasing of NPL assets. Thus, the Company's executives and working teams are well-prepared with intensive working experience in this particular area.

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 and other businesses that require similar skills and experiences, for example outsourcing business, collection business, and call center business.

## 8. Unfinished Projects

Asset management projects and financial and investment banking advisory projects including Call Center projects which are ongoing and are not expired or have been terminated are classified as "unfinished projects". Currently, all the non-performing loan asset management servicing agreements are completed. Last year, the Company did not sign any new servicing agreement. Under the financial advisory and investment banking business, in the last year, we finished the project about independent advisory and IPO project. Other remaining general advisory services are ongoing which we will have to perform our duty continuously.

# Risk Factors



## 1. Risk due to lack of a new NPL portfolio in place of the expired old NPL portfolio

A business of undertaking to provide the service in managing non-performance loan (NPL) is deemed to be a principal source of income of the Company as it rather has a high proportion of earning as the Company would receive the remuneration in cash ratio of collectible in debt payment, closure of the account receivables or sale of collateral security. This portfolio of income will be earned by the company throughout the period of providing service under the subordinate assets management service contract. Since 2012, the assets management workload of the Company has been on the decline due to the old assets management service contracts are expiring coupled with no engagement is made in the new contracts. Moreover, subsidiary companies which operate as the assets management service company do not have the in-flow of new portfolios of subordinate assets, thus, at the end of 2013, rendering the drying up of subordinate assets management service contract work. From this time onwards, if the Company does not have the inflow of new contracts of portfolio management service, it would definitely affect its financial standing and the operating results in terms of income from the subordinate assets management service contracts.

## Protection and reduction of risks

The Company is well aware of and always attaches importance to the said problem. If, in the future, the company cannot find subordinate assets portfolio in place of the expiring portfolio or make a sale in timely manner as to hedge the risk of earning from the declining management of subordinate assets service contract, the Company is planning a business to increase more income in other types of service for the Company and its subsidiary to compensate for lost portion of its earning. Furthermore, in the future, if the Company finds the opportunity of doing business in which the Company is specialized, in order to make investment and create attractive returns on investment for the Company, then the Company is ready to plunge in to study and diversify the capital investment.

## 2. Risk from having to rely on major clients

In past several years, the majority of the Company's clients considering the ratio of earning, namely, the employer which are assets management companies or financial institutions which are the owner of subordinate assets portfolio, would engage the Company to be the manager of their subordinate assets portfolios. These employers are, namely, the financial institutions, the assets management companies as well as the subsidiary companies which are also the assets management companies. When these subsidiary companies are in possession of the portfolio of subordinate assets they could acquire through bidding, they might then engage the Company as their manager.

While the provision of service as financial consultant in relation to merchant banking, some of the customers having available the fee from the success of the work in mega-projects are also similarly deemed to be a major customer. The income from these customers is deemed to be the earning clearly of definite amount and plays a contributing role in the growth in earning of the Company, in particular, during the period when the workload for the management of subordinate assets is on the declining trend. Being in this situation, the Company must create the earning from being a financial consultant and a merchant banking business instead. Therefore, if all said major customers cancel the contract or do not renew the engagement contract with the Company, it may render the drop in the Company's earning of material importance.

### Protection and reduction of risk

The Company has provided protection of the risk in the contract for the management of subordinate assets by making an emphasis on undertaking the contract to manage subordinate assets of its own subsidiary through allowing the subsidiary to enter into a successful bidding for portfolio of its own subordinate assets to reduce risk of being taken advantage of in the contract and the risk of the engagement contract being cancelled, which risk will be greater than in the case of the Company being engaged by other financial institutions or other assets management companies. That undertaking the contract to manage the subordinate assets of its own subsidiary company would give the company a better advantage. However, the Company must be yet ready to provide the service to other financial institutions as well; but there must be a study of the data and various terms and conditions of the engagement contract to give a good return to the Company to greatest extent.

For the financial consultancy and merchant banking businesses, most of major customers are customers undergoing debt restructuring or to raise fund for investment in larger projects. The Company hedges its risk by entering into an engagement contract more concisely, requiring the payment of fee, both monthly and upon completion of the work to ensure that the Company earns regular income throughout the project work. Moreover, the Company is implementing its policy to increase its earning from other types of business as to spread out its earning from several parts of the business, which is deemed to be another hedge against risk.¶

### 3. Risk in respect of personnel resource

The characteristics of the business operation of the Company and its subsidiary is the business which principally relies on the capability and skill of its executive and personnel as well as the relationship with various businesses in soliciting customers and in aspect of work management. The loss of personnel, in particular, at the executive level of the Company, may therefore impact the business success of the Company in the future.

#### Protection and reduction of risk

The principal executives of the Company are the executive board members who joined the Company to pioneer the business and they were given the opportunity to hold share in the Company. Incidentally, every executive participates in soliciting the customers for the Company; it is not the responsibility of any particular director that the Company excessively has to rely on any particular director to solicit the customers. However, if the Company encounters the resignation of the executive board directors, then the Company would consider the suitability of the management structure if a replacement has to be found for those directors who resigned as to be in agreement with the workload. If it is necessary, the Company must ready to assign the Nomination and Remuneration Committee to recruit qualified, knowledgeable, capable and expert persons in the business of the Company to assume the vacancy as soon as possible. At the present, the Company has 6 executive-level directors, which is considered appropriate to the workload of the Company.

Meanwhile, for personnel in other disciplines, the number can be either increased or reduced to be consistent with the workload at all times thanks to the laying down of the management policy on a yearly basis. The management of human resource at operational level is therefore going smoothly consistently. Incidentally, after all contracts for assets management have been exhausted, at the end of 2014, the Company had a total of 22 executives and personnel. All the personnel are able to meet the responsibility of existing workload adequately with proper division of duty in every department appropriately without affecting the operating efficiency and the operating results of the Company. If in the future, the workload of the Company is on the increase, the Company will yet be able to recruit qualified and knowledgeable personnel to join the Company.

### 4. Risk of not receiving payment or delayed payment of service charge

The business of the Company and its subsidiaries are characterized by their earning principally coming from the fee for providing service in undertaking the subordinate assets management or the dunning for debt payment. Therefore, in the event that the Company has the inflow of the workload for management of subordinate assets, there will be a risk of the Company being unable to collect debt payment according to the established target including the risk of not being able to collect the fee from the clients to which the Company has provided service in other financial consultancy as well or even though for the delayed payment of service fee. This is owing to some of the customers in the business may face problem of liquidity or the clients may come from the business being in the process of debt restructuring or is facing financial woes or previous source of fund problem.

## Protection and reduction of risk

The Company has been aware of the problem of its unpaid debt; therefore, to allow its subsidiary to enter into each bidding for subordinate assets portfolio always entails meticulous study of various portfolios, e.g., the scrutiny of the security and the quality of debt, etc., as to see the possibility of debt payment after the entry into the management of the subordinate portfolios of such debtor. Moreover, the price of each tender for portfolio is pre-determined to have value lower than the value of security for such portfolio to hedge against the risk of debt uncollectable to enable the forced sale of security at not lower than the purchased price. This means that the risk of loss from investment in the purchased portfolio for management is kept to minimum.

Meanwhile for the purpose of reducing risk of being unpaid of its fee for providing other financial consultancy services, the Company would hedge its risk with pre-assessment of the client's potential as regards the possibility of being successful in providing service, taking into account the ability to create cash flow, the ability to exist in business, etc., prior to being accepted as its client. The monthly fee to be charged to the customer is predicated mainly on the estimate of cash flow and the fee which covers initial expense of the Company will be accounted for on the basis of the monthly Retainer Fee for a sustained period of 6 months to 1 year and also the fee will be charged for the success of work. If the Company therefore is not paid the fee for providing service to the customer, then the Company would discontinue the service yet with an income available to cover the operating expense of the Company.

## 5. Risk of being to rely on various licenses

The operation of both subsidiary and the Company such as in entering into bidding for buying the portfolio of subordinate assets management or the providing of financial consultancy service under the supervision of the Office of the Securities and Exchange Commission ("SEC Office") or the work of providing service as the planner or the administrator of the business rehabilitation; for the running of these businesses, the provider of service must have a license to operate the business issued from the supervisory organizations such as the Office of the Securities and Exchange Commission ("SEC Office"); the Bank of Thailand, the Office of Business Reorganization, the Legal Execution Department, etc. The license to operate these lines of business is valid for about 2 to 5 years, however, subject to renewal, except for subordinate assets the license for which will be issued once. Therefore, if the license to operate the business becomes expired and the renewal of which is not made, it would put the operation of such line of business at risk.

## Protection and reduction of risk

The Company and its subsidiary hedge the risk by checking the expiry date of the license to operate each category of business regularly as to preclude the operation of the Company and its subsidiary from being disqualified to operate the business. Presently, the license to operate the financial consultancy business under the supervision of the Office of Securities and Exchange Commission was issued to the subsidiary company, namely, ACAPS Corporate Services (ACS). The Company was approved as the consultant for merchant banking business by the Office of Securities and Exchange



Commission and its license will expire on 2 December 2018 subject to immediate renewal as the Company is fully qualified in every respect without faulty performance. Moreover, ACS was also granted the license from the Office of Business Rehabilitation, the Legal Execution Department, to be the planner and the administrator of the business rehabilitation. The license for the planner will expire in 2016 and the license for the administrator of business rehabilitation will expire in 2017 subject to renewal on expiry date as ACS is fully qualified for renewal of the license. The risk for loss of the license for operation of each category of the business is therefore low.

## 6. Risk due to change in the cycle of business

The economic change particularly during the recession period without economic expansion may affect the business or the earning of the Company as during the said period, the business activity and investment by private sector and the government would be on the downturn and would render the decline in public earning and spending power. Therefore, it is unavoidable that the Company's business in the part of the contracted management of subordinate assets would be affected in terms of debt collection from the debtors as well as the business in relation to investment consultancy. The impact would render the decline in the number of clients. Ultimately, the earning of the Company may be reduced.

### Protection and reduction of risk

The executive of the Company is well aware of the business cycle risk, in particular, during the period of economic downturn. However, the Company's and the subsidiary's diverse business operations as a financial consultant help contribute to the substitution of earning for each duration of the economic change, e.g., in the event of the period during which the economy went into recession. The decline in investment for both of public and private sector may cause the public to experience problems in cost of living; the Company's business in the aspect of assets management which entails collection of payment from debtors may face the problem of payment collection while the earning from the fee for raising the source of fund would as well be on the decline owing to the slow-down of investment. However, in the said economic situation, it may render, in the future, the increase in amount of subordinate quality assets in the economic system proportionately. This means that the Company would have increased in its workload of the management of subordinate quality assets in the future.

Moreover, the economic recession would increasingly cause debt problems for clients. As a result, they would be increasingly forced to use the service from the Company in relation to the business of debt restructuring. Being as such, the Company could create earning from this part of clients in substitution for the reduction in the income to be earned from customers to whom the service in relation to investment is given.

Conversely, in the economic situation in which it is expanding, the business of providing service in the management of subordinate quality assets has the opportunity to create income from debt collection including the earning from providing service in raising the source of fund needed for investment in various projects. These earnings would come in to substitute for the income from debt restructuring.

It can be seen therefore that the characteristics of doing business of providing service in financial consultancy by the Company and its subsidiary can be changed according to the economic situation at all times; in particular, the fact that the Company has a command of capable and experienced personnel in all aspects of the business, makes it ready to accommodate the financial consultancy business in various formats to be consistent with the change in the economic system at all times.

## **7. Risk owing to the drop in share price if the major shareholders who are directors of the Company and the institutional shareholders selling off their shares.**

In the previous year, Dr. Vivat Vithoontien, a major shareholder and a director, sold his shares by reducing his shareholding proportion from 49.19 per cent of the paid-up registered capital to 8.87 per cent. After such reduction, the Company had a new director who is a major shareholder, Mr. Kenuo Lin, holding shares in a proportion of 15.20 per cent. The reduction in the shareholding proportion of Dr. Vivat Vithoontien did not cause any decrease to the price of the Company's shares, but the price was better instead. However, investors could be concerned on the risk of decreasing price of the Company's shares in the Stock Exchange in the future if any major shareholder who is a director sold his shares again.

### **Protection and reduction of risk**

After the reduction of shareholding proportion of Dr. Vivat Vithoontien to 8.19 per cent of the paid-up registered capital of the Company, there was only one major shareholder who is a director, namely Mr. Kenuo Lin, holding 15.20 per cent of the shares, which reflected that the Company's shares were distributed to other individuals. Consequently, if any major shareholder who is a director would sell his shares in the future that should not have any material impact upon the price of the Company's shares. The Company had increasing number of minor shareholders, from 400-500 to over 1,500 minor shareholders.

In addition, the Company had no major financial institution shareholder and did not rely on any significant technology or personnel of financial institution shareholder, except for financial support by way of loans for investment in the Company's business, for example, loan for funding of bids for non-performing asset ports etc. Consequently, should there be any sale of shares of such financial institution shareholders in the future, there would be no impact upon the Company's operation because the Company was competent in finding funding sources from investors and other reputable financial institutions.

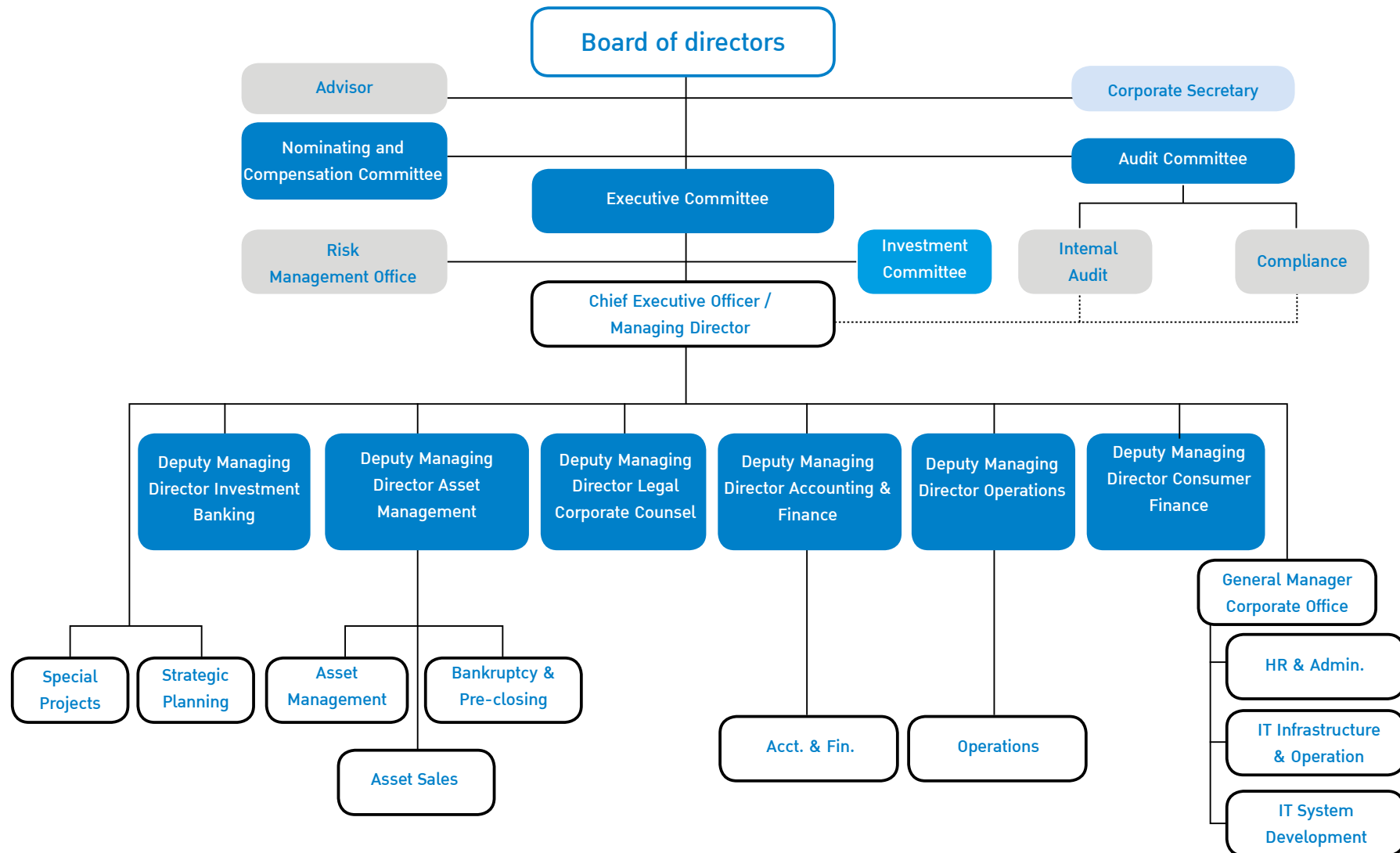
## **8. The risk owing to the subsidiary company entering into a contract for support of credit line from financial institution**

As the operation of the subsidiary which is an assets management company must use a large amount of fund to bid for purchase of each assets portfolio, the subsidiary company must seek fund support from various finance institutions which are alliance of the Company. Therefore there is the risk of not getting the credit line, thus affecting the opportunity to enter into the bidding for the quality subordinate assets portfolio or the risk of default on loan in the future, provided that the subsidiary's operation of managing the said subordinate assets is not successful.

## Protection and reduction of risk

In seeking fund support to finance the bidding for subordinate assets portfolio, the financial institutions which grant the credit line are mainly the institutional shareholders of the Company, but they are not the major shareholders. Therefore to consider granting the loan besides being general business operation of the financial institution which earns interest in return for granting loan, it also is in a way giving support to the operation business of the Company, while such financial institution is also the shareholder. While at the same time, the Company has introduced the hedging measure against risk by entering into various loan agreements to be more concise and appropriate and create maximum benefit for both sides. Incidentally, the payment of the loan in each remaining agreement depends on the amount collectable from the management of each subordinate assets portfolio having been bought. In respect of the portfolio to be bought before entering into bidding, the Company has meticulously studied all collaterals by attaching importance to the portfolio with higher security when compared with the credit line used for bidding and having been supported by said financial institution. Therefore for payment of loan to the financial institution of the two subsidiary companies, it is convinced that repayment of the said loan could be certainly made.

# Organisation Structure



The Committees's structure comprises the Board of Directors and four sub-committees : the Executive Committee, the Audit Committee, the Nominating and Compensation Committee and the Investment Committee as follows :

## 1. Board of Directors

As regards the performance of the Board of Directors during 2014, the Board of Directors comprised 9 qualified, competent and experienced directors, 1/3 of whom, or 3 directors, were independent audit directors. Although the Board had in-coming and out-going directors during the year but the Company still maintained the original numbers of executive and non-executive directors. (Attachment 1-2 : Details of Directors, Management and Authorized person and Secretary of the Company and Subsidiaries.)

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.

Three of the non-executive directors are independent directors. The three independent directors 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.

Of the 9 directors, there were 3 executive directors, namely Dr. Vivat Vithoontien, Mr. Issarachai Decharit and Mr. Chalermchai Sirinopawong, and 5 non-executive directors, 3 of whom were independent and audit directors, jointly perform their duties during 2014 in auditing the internal control system, financial reports as well as the compliance with regulations and polies established. Moreover, the Audit Committee would work jointly with the Internal Audit Department to monitor the Executive Committee performance to see it was proper and transparent. However, on 18 December 2014, the Chairman of the Audit Committee resigned, and as at 31 December 2014 the Company had 8 directors to the Board as follows.

As of December 31, 2014, there were nine members of the Board as follows:

No.	Name	Position
1.	Dr.Vivat Vithoontien	Chairman / Authorized Director
2.	Mr.Kenuo Lin <sup>1</sup>	Director / Authorized Director
3.	Mr.Issarachai Decharit <sup>2</sup>	Director / Authorized Director
4.	Mr.Chalermchai Sirinopawong	Director / Authorized Director
5.	Pol.Lt.Col.Pongsiri Hiruntecha <sup>3</sup>	Director / Authorized Director
6.	Mr.Chotipong Discharoen <sup>4</sup>	Director / Authorized Director
7.	Mr.Chatchawan Triamvicharnkul <sup>5</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member

No.	Name	Position
8.	Mr.Isara Wongrung <sup>6</sup>	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee
	Mrs.Pennipa Dabbaransi <sup>7</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member
	Mr.Suraphol Sindhuvanich	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member
	Ms.Narumol Wangsatorntanakul	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee

<sup>1</sup> Mr.Kenuo Lin was appointed as Director on July 4, 2014

<sup>2</sup> Mr.Issarachai Decharit has resigned from the Director position on September 30, 2014 and He was appointed as Director again on November 7, 2014

<sup>3</sup> Pol.Lt.Col.Pongsiri Hiruntecha was appointed as Director on October 1, 2014

<sup>4</sup> Mr.Chotipong Discharoen was appointed as Director on December 18, 2014

<sup>5</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>6</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>7</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

(Attachment 1, 2 : Details of Directors, Management, Authorized person and Secretary of the Company)

#### Authorised Persons

Delegation of Authority of the Company's authorized signatories as follows: Anyone of Mr.Vivat Vithoontien or Mr.Issarachai Decharit or Mr.Chalermchai Sirinopawong jointly signs with anyone of the other directors, with the exception of Mr.Chatchawan Triamvicharnkul and Mr. Isara Wongrung who are independent directors, with the Company's seal affixed.

## 2. The Executive Director Committee

As of December 31, 2014, the Executive Director Committee comprised six members as follows:

No.	Name	Position
1.	Dr. Vivat Vithoontien	Chairman and Chief Executive Officer
2.	Mr. Issarachai Decharit	Executive Director and Deputy Managing Director of Legal Department
3.	Mr. Chalermchai Sirinopawong	Executive Director and Deputy Managing Director of Accounting / Finance Department
4.	Ms. Sugunya Sukjaroenkraisri <sup>1</sup>	Executive Director
5.	Mrs.Nongluck Kowatana <sup>2</sup>	Executive Director
6.	Mr.Tinnakorn Punpanichgul <sup>3</sup>	Executive Director

<sup>1</sup> Ms. Sugunya Sukjaroenkraisri was appointed as Executive Director on October 1, 2014

<sup>2</sup> Mrs.Nongluck Kowatana was appointed as Executive Director on October 1, 2014

<sup>3</sup> Mr.Tinnakorn Punpanichgul was appointed as Executive Director on November 7, 2014

(Attachment 1 : Details of Directors, Management, Authorized person and Secretary of the Company)



### 3. The Audit Committee

Each meeting of the Audit Committee during 2014 was attended by all 3 audit directors, comprising independent directors with different expertise in each professional field, i.e. engineering, economic and accounting and financial, to review financial statements of the company and subsidiaries, review the internal audit results jointly with the Internal Audit Department, attend meeting with auditors and director of Accounting Department, consider related transactions, etc. However, the Chairman of the Audit Committee of the Company resigned on 18 December 2014, and the Company appointed Mr. Chatchawan Triamvicharnkul to the office of the Chairman of the Audit Committee on 29 January 2015. During 2014 the active Audit Committee comprised the following individuals.

No.	Name	Position
1.	Mr. Chatchawan Triamvicharnkul <sup>1</sup>	Chairman of the Audit Committee
2.	Mr. Isara Wongrung <sup>2</sup>	Audit Committee Member
	Mrs. Pennipa Dabbaransi <sup>3</sup>	Chairman of the Audit Committee
	Mr. Suraphol Sindhuvanich	Chairman of the Audit Committee
	Ms. Narumol Wangsatorntanakun	Audit Committee Member

<sup>1</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>2</sup> Mr. Isara Wongrung was appointed in replacement of Ms. Narumol Wangsatorntanakul on October 1, 2014

<sup>3</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

### 4. The 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. Consequently, on 18 December 2014, the Chairman of the Audit Committee of the Company, who was 1 of the members of the Nominating and Compensation Committee, resigned which caused the Company to expedite appointing an independent director to perform as a nominating and compensation director as well as an audit director, During 2014 the Nominating and Compensation Committee comprised the following individuals.

No.	Name	Position
1.	Mr. Isara Wongrung <sup>1</sup>	Chairman of the Nominating and Compensation Committee
2.	Mr. Chatchawan Triamvicharnkul	Nominating and Compensation Committee Member
	Mrs. Pennipa Dabbaransi <sup>2</sup>	Nominating and Compensation Committee Member
	Ms. Narumol Wangsatorntanakun	Chairman of the Nominating and Compensation Committee
	Mr. Suraphol Sindhuvanich <sup>2</sup>	Nominating and Compensation Committee Member

<sup>1</sup> Mr. Isara Wongrung was appointed in replacement of Ms. Narumol Wangsatorntanakul on October 1, 2014

<sup>2</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

## 5. The Investment Committee

Investment Committee shall be composed of four members, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of ACAP, one other member of the Executive Committee and one additional member with relevant knowledge and expertise in investment management and analysis. As of December 31, 2014, the Investment Committee comprised the following members:

No.	Name	Selected from
1.	Dr.Vivat Vithoontien	Chief Executive Officer
2.	Mr.Chalermchai Sirinopawong	Chief Financial Officer
3.	Mr.Saringkarn Sutaschuto	Executive Committee Member
4.	Mr.James Landy	Senior Vice President

## 6. 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. (Attachment 1 : Responsibilities of the Company Secretary)๙)

## 7. Director and Management Remuneration

### Cash Remuneration

#### 7.1 Directors

During 2014, the Company set policy for director remuneration as follows:

- Each director 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.

	2013 (THB/ meeting)	2014 (THB/ meeting)
Board of Director meeting allowance	20,000	20,000

- Each member of the Audit Committee will receive a meeting allowance of THB 20,000 per person per meeting.

	2013 (THB/ meeting)	2014 (THB/ meeting)
Audit Committee meeting allowance	20,000	20,000

- Each member of the Nominating and Compensation Committee will receive a meeting allowance of THB 20,000 per person per meeting.

	2013 (THB/ meeting)	2014 (THB/ meeting)
Nominating and Compensation Committee meeting allowance	20,000	20,000

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.

## 7.2 Remuneration of Non-Executive Directors

As of December 31, 2014, the details of the remuneration for non-executive directors are as follows:

Name	Remuneration for 2013 (THB)				Remuneration for 2014 (THB)			
	Board of Directors	Audit Committee	Nominating and Compensation Committee	Special	Board of Directors	Audit Committee	Nominating and Compensation Committee	Special
Mr. Suraphol Sindhuanich *	120,000	220,000	60,000	339,184	40,000	80,000	20,000	-
Ms. Narumol Wangsatorntanakun *	120,000	240,000	60,000	339,184	40,000	80,000	20,000	-
Mrs. Pennipa Dabbaransi *	-	-	-	-	40,000	80,000	40,000	-
<u>Independent Directors and Audit Committee Members</u>								
1. Mr. Chatchawan Triamvicharnkul	120,000	240,000	60,000	339,184	160,000	240,000	100,000	-
2. Mr. Isara Wongrung	-	-	-	-	40,000	60,000	20,000	-
<b>Total</b>	<b>420,000</b>	<b>700,000</b>	<b>180,000</b>	<b>1,179,551</b>	<b>320,000</b>	<b>540,000</b>	<b>200,000</b>	<b>-</b>

\* They have resigned in 2014.

## 7.3 Remuneration of Executive Directors

In 2014, the Company's remuneration structure for its six executive directors was as follows:

Type of Remuneration	2556	2557
	Total remuneration (Baht)	Total remuneration (Baht)
Salary	18,797,520	15,522,689
Special remuneration	-	7,876,279
Director remuneration	660,000	600,000
Provident Fund	986,076	728,440
<b>Total</b>	<b>20,443,596</b>	<b>24,727,408</b>

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

## 8. Human Resources

### 8.1 Management and Staff

As of December 2014, the Company had reorganized its employee structure by decreasing certain amount of staffs. Most of the employees are operations staff officers in asset management division. This is owing to the disposition of NPL portfolios owned by the subsidiary, together with the Company had no new portfolios to operate. As of December 31, 2014, the Company employed a total of 22 staffs, excluding the subsidiaries' staffs. 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.

No.	Position	Headcount
1.	Chief Executive Officer / Managing Director	1
2.	Directors	5
3.	Executive Vice President	1
4.	Vice Presidents	1
5.	Assistant Vice Presidents	2
6.	Managers	2
7.	Unit Heads	1
8.	Support Staff	9
<b>Total</b>		<b>22</b>

Staff Counts in Company subsidiaries as of December 31, 2014 are as follows:

Subsidiary	% Shareholding	Headcount
ACAP Corporate Services Co., Ltd. (ACS)	99.99	5
Global Service Center Co., Ltd. (GSC)	99.99	93
ACAP Consulting Co., Ltd. (ACON)	99.99	2
Capital OK Co., Ltd. (CAP OK)	99.99	17
Professional Collection Co., Ltd. (P COL)	99.99	0
ACAP (Asia) Asset Management Co., Ltd. (ACAP ASIA)	97.60 held by CAP OK 2.39 held by ACAP	0
Aurum Capital Advisory Pte Ltd. (Singapore)	63.97	0

## 8.2 Remuneration

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

As of December 31, 2014		(Unit : Baht)
Types of Remuneration	2013	2014
Salary	12,871,160	10,226,673
Special Remuneration (bonus, overtime and food, transportation and gasoline reimbursement)	1,897,035	4,174,195
Provident Fund Contribution	604,742	547,846
<b>Total</b>	<b>15,372,937</b>	<b>14,948,714</b>

### (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.

# Corporate Governance



## Corporate Governance Policy

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 2014 was "Very Good" based on an assessment during 2013-2014 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 2014 was reviewed by the Thai Institute of Investment. As a result a score of 100/100 points was given for three consecutive years (2011-2014).

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

## Section 1 : Shareholders' Rights

The Company places importance on and respects the rights of all shareholders without favoring any group of shareholders and facilitates shareholders in exercising all rights they deserve in accordance with the Company's practice, e.g. the right to trade or transfer securities they hold, the right to buy back shares, the right to equal profit sharing, the right to receive sufficient information of the Company, the right to participate in meetings of shareholders of all types and institution investors, the right to express their opinions, the right to participate in making decision on significant matters of the Company, e.g. dividend distribution, director appointment or removal, determination of directors' remunerations, appointment of auditor and determination of auditing fee, approval of significant transactions impacting upon the Company's business operation direction, amendments to the Memorandum of Association and the Articles of Association etc., including the right to awareness of agreements between the Company and shareholders (Shareholders Agreement) with significant impact upon the Company. Apart from the afore-mentioned basic rights, the Company also took actions in promoting and facilitating shareholders in exercising their rights as follows.



1) The right of shareholders to attend an annually held general shareholder's meeting at least once a year but in 2014 the Company organized 2 shareholder meetings, i.e. Annual General Meeting of Shareholder on 29 April 2014, and Extraordinary Shareholder Meeting No. 1/2557 on 18 December 2014. The 2 meetings were held at venues set up for convenient access. Before the meetings, the Company assigned Thailand Securities Depository Co., Ltd., the Company's share registrar, to disseminate the meeting invitation together with relevant meeting documentations on various agendas with adequate details to shareholders. For annual ordinary shareholder meeting, the Company shall send the documents to shareholders 21 days in advance of 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](http://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) During the Company annual shareholders meeting in 2014, there were all directors attended the meeting. In the event that a meeting that requires an independent opinion to enter into a certain transaction of the Company, the representatives of the Company's auditor and independent financial advisors would always attend such meeting.

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 2014.

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 to 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.

## 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](http://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  
ACAP Advisory Public Company Limited  
1 Empire Tower 2-3, 22nd Floor, South Sathorn Road  
Yannawa, Sathorn, Bangkok 10120  
Tel. 02-694-4915 Fax. 02-670-1152  
Email: [ithidej\\_c@acap.co.th](mailto: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.

6) The Company's Policy of Monitoring Compliance with the Provisions Complaints and Protection, the Company makes available a channel for complaint or recommendations from all employees, executives or stakeholders directly to the Audit Committee as follows.

Chairman of the Audit Committee/Audit Committee

ACAP Advisory Public Company Limited

1 Empire Tower 2, 3 South Satorn Road

Khwaeng Yannawa, Khet Satorn, Bangkok 10120

Or via email to:

Chairman of the Audit Committee/Audit Committee ;      ac\_acap@acap.co.th      Tel 02-694-4999

Office of the Company Secretary/Investor Relations;      lthidej\_c@acap.co.th      Tel 02-694-4915

## Section 5 : Board of Directors' Responsibilities

The Board of Directors, as representative of shareholders, has the duty to supervise and monitor the Company's business administration to ensure compliance with laws, objectives and the Articles of Association, based on the good governance principles which will lead to transparent and fair business operation to create optimal benefits to all groups of shareholders and stakeholders. The following primary elements are established.

### Independence of the Directors

The Board of Directors is the persons who cohere between the shareholders and the Managements, hence, in order to convince the shareholders by the Board of Directors that the business operation will be made for the purpose of long-term gaining the highest benefit to the shareholders, each director shall perform his/her duty with neutrality, uncontrollable from managements or any group of people or any juristic person that may has controlling power upon the Managements. Moreover, all of the Company's Directors shall perform the duty of care which means that he/she shall reasonably perform his/her duty with sufficient information and such information shall not have any doubt of suspiciousness.

In addition, the Company's Directors shall perform the duty with loyalty, transparency and shall make decision without any conflict of interest except such decision is made by the person who is not related thereof and is considered as the highest benefit of the Company. Furthermore, the Company's Director shall not make any benefit for his/her self or any other person or any specific juristic person from disclosure of the Company's information or secret.

### 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.

As of December 31, 2014, there were nine members of the Board as follows:

No.	Name	Position	2014 Attendances
1.	Dr.Vivat Vithoontien	Chairman / Authorized Director	8/8
2.	Mr.Kenuo Lin <sup>1</sup>	Director / Authorized Director	4/8
3.	Mr.Issarachai Decharit <sup>2</sup>	Director / Authorized Director	6/8
4.	Mr.Chalermchai Sirinopawong	Director / Authorized Director	8/8
5.	Pol.Lt.Col. Pongsiri Hiruntecha <sup>3</sup>	Director / Authorized Director	2/8
6.	Mr.Chotipong Discharoen <sup>4</sup>	Director / Authorized Director	1/8
7.	Mr.Chatchawan Triamvicharnkul <sup>5</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	8/8
8.	Mr.Isara Wongrung <sup>6</sup>	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	2/8

No.	Name	Position	2014 Attendances
	Mrs.Pennipa Dabbaransi <sup>7</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	2/8
	Mr.Suraphol Sindhuvanich	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	5/8
	Ms.Narumol Wangsatorntanakul	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	4/8

<sup>1</sup> Mr.Kenuo Lin was appointed as Director on July 4, 2014

<sup>2</sup> Mr.Issarachai Decharit has resigned from the Director position on September 30, 2014 and He was appointed as Director again on November 7, 2014

<sup>3</sup> Pol.Lt.Col.Pongsiri Hiruntecha was appointed as Director on October 1, 2014

<sup>4</sup> Mr.Chotipong Discharoen was appointed as Director on December 18, 2014

<sup>5</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>6</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>7</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 20

(Attachment 1, 2 : Details of Directors, Management, Authorized person and Secretary of the Company)

#### 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 review and approve visions and missions of the Company every 5 years, including to determine targets, guidelines, policies, work plans and budgets of the Company, supervise the administration and management of the Executive Committee to ensure compliance with policies assigned, except for the following matters in which the Board of Directors must obtain prior approval from the shareholder meeting, i.e. matters required by law to obtain prior approval from shareholder meeting, e.g. capital increase, capital decrease, debenture issuance, sale or transfer of the Company's business, in whole or in material part, to a third party, or purchase or taking transfer of another company's business to the Company, amendments of the Memorandum of Association or the Articles of Association etc.

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**

The Company requires that at every annual general meeting one-third of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire.

Directors retiring in the first and the second years after the Company registration shall be selected by drawing lots. In subsequent years, the director who has held office longest shall retire. A director who vacates office may be re-elected by shareholders.

### Board of Directors Self Assessment

In the past year, the 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.

### Duties and Responsibilities of the Chairman

The Board of Directors shall select 1 director of the Company to act as Chairman of the Board to supervise meetings of the Board of Directors and of shareholders to ensure smooth convention and achievement of the objectives thereof. The Company requires the Chairman of the Board of Directors to have the following duties and responsibilities.

1. To supervise and direct persons concerned in organizing meetings to check the meeting venue to ensure its readiness and all meeting documents and equipments to be used to ensure their properness and completeness.
2. To study and ascertain the meeting format and procedures to be adopted.
3. To study details of the matters to be taken up for discussion in the meeting and find additional facts as necessary.
4. To supervise the meeting to be convened properly and smoothly to achieve the objectives thereof.
5. To urge participants to take part and express their opinions in the meeting equally.
6. To urge participants to consider facts and information carefully and thoroughly.
7. To provide updated facts when finding that the meeting lacks such information.
8. To try to provide opinions and recommendations including reasonable facts.
9. To summarize opinions of debaters in the meeting at appropriate intervals and opportunities.
10. To convene the debates in the meeting efficiently and reconcile or compromise serious disagreement in participants' debates.
11. To make a casting vote in case of a tied vote.
12. To summarize the meeting results accurately, clearly and completely.

### Sub-Committee

The structure of the committees of the Company comprises the Board of Directors and sub-committees including the Executive Committee, the Audit Committee, the Nomination and Compensation Committee, the Investment Committee. Apart from details of the committees of the Company referred to in Section regarding responsibilities of the committees under the heading of good corporate governance discussed earlier, details of each sub-committee are as follows.

## 1. Executive Director Committee

As of December 31, 2014, the Executive Director Committee comprised six members as follows:

No.	Name	Position	2014 Attendances
1.	Dr. Vivat Vithoontien	Chief Executive Officer / Managing Director	17/18
2.	Mr. Issarachai Decharit	Executive Director and Deputy Managing Director of Legal Department	17/18
3.	Mr. Chalermchai Sirinopawong	Executive Director and Deputy Managing Director of Accounting / Finance Department	18/18
4.	Ms. Sugunya Sukjaroenkraisri <sup>1</sup>	Executive Director	8/18
5.	Mrs.Nongluck Kowatana <sup>2</sup>	Executive Director	6/18
6.	Mr. Tinnakorn Punpanichgul <sup>3</sup>	Executive Director	7/18

<sup>1</sup> Ms. Sugunya Sukjaroenkraisri was appointed as Executive Director on October 1, 2014

<sup>2</sup> Mrs.Nongluck Kowatana was appointed as Executive Director on October 1, 2014

<sup>3</sup> Mr.Tinnakorn Punpanichgul was appointed as Executive Director on November 7, 2014

(Attachment 1 : Details of Directors, Management, Authorized person and Secretary of the Company)

## Scope of Duties and Responsibilities

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 50 million baht.
3. To approve payments less than or equal to 50 million baht, or investments in non-performing assets portfolios of less than 100 million baht per portfolio.
4. To approve the utilization of investment funds for investment purposes and business expansion within the limits stated in the Company's Investment Policy Statement.
5. To approve important investments stated in the annual budget principally approved by the Board of Directors.
6. To give advice to the management team for developing the master plan and policy for finance, investment, marketing, personnel management and other operations.
7. To allocate the budget for bonuses approved by the Board of Directors for employees or people involved in the business of the Company.
8. To oversee the Company's day to day business operations and administration.
9. 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 that are less than or equal to 10 million baht.
10. To consider and approve investments in financial instruments and securities by the Company that are less than or equal to 25 million baht.
11. To approve important investments for business expansion and joint investments with other investors that are less than or equal to 25 million baht.
12. 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.
13. To support the development of knowledge and skills of employees to enhance corporate potential.
14. 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.
15. 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.
16. To approve the appointment, transfer and termination of executive employment contracts.



17. 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.
18. To implement ad hoc projects assigned by the Board of Directors.
19. 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.
20. 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 2014, 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 Director**

##### **The Independent Director Qualification**

The Independent directors are independent from the Management and have no business or activities with the Company and must not be involved in the day-to-day management of the Company and/or subsidiary companies which may compromise the interests of the Company and/or the shareholders. The Company's Independent Directors comprises of the following three members: Mr. Suraphol Sindhuanich, Miss Narumol Wangsatorntanakun and Mr. Chatchawan Triamvicharnkul. All of them have qualifications comply to the Company's definition of Independent Director, which are stricter than the minimum requirements of the Securities and Exchange Commission, the Stock Exchange of Thailand and the Capital Market Supervisory Board. The following conditions apply:

1. Holding shares not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person including shares held by related persons of the independent director.

2. Not being nor having been an executive director, employee, officer, controlling person or advisor who receives a regular salary, of the Company, its parent company, subsidiary, same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment. This restriction shall not apply to an independent director who has been a government officer or an advisor to a government authority that is a major shareholder or controlling person of the Company.

3. Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries.

4. Not having nor having had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his/her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person who may have a conflict of interest unless the foregoing status ended not less than two years prior to the date of appointment.

The term “business relationship” mentioned above includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness occurring during the course of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two years prior to the date of appointment.

6. Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding THB 2 million from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than two years prior to the date of appointment.

7. Not being appointed as a representative of the Company's directors, the major shareholder or any other shareholder who is a related person to the major shareholder.

8. Not conducting any business which is of the same nature as the Company's or its subsidiaries' businesses and being in competition with them in any material respect, nor being a substantial partner, shareholder holding more than 1 percent of the voting shares, executive director, employee, officer or advisor who receives a regular salary, of any company whose business is of the same nature as the Company's or its subsidiaries' businesses, and being in competition with them in any material respect.

9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as an independent director with qualifications complying with the criteria under 1. - 9., the independent director may be assigned by the Board to take part in the business decisions of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or legal entity who may have a conflict of interest, on condition that these decisions must be collective ones.

## 2. Audit Committee

As of December 31, 2014, 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. However, the Chairman of the Audit Committee of the Company resigned on 18 December 2014, and the Company appointed Mr. Chatchawan Triamvicharnkul to the office of the Chairman of the Audit Committee on 29 January 2015. During 2014 the active Audit Committee comprised the following individuals.

No.	Name	Position	2014 Attendances
1.	Mr. Chatchawan Triamvicharnkul <sup>1</sup>	Chairman of the Audit Committee	12/12
2.	Mr. Isara Wongrung <sup>2</sup>	Audit Committee Member	3/12
	Mrs. Pennipa Dabbaransi <sup>3</sup>	Chairman of the Audit Committee	4/12
	Mr. Suraphol Sindhuvanich	Chairman of the Audit Committee	8/12
	Ms. Narumol Wangsatorntanakun	Audit Committee Member	9/12

<sup>1</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>2</sup> Mr. Isara Wongrung was appointed in replacement of Ms. Narumol Wangsatorntanakun on October 1, 2014

<sup>3</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

## The Audit Committee Qualification

All members of the Audit Committee possess the same qualifications as those of the "Independent Director". They are not authorised by the Board of Directors to make decisions on the business operation of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person, and neither being directors of its parent company, subsidiary or same-level subsidiary, which is a listed company. The Committee must have at least one member who is qualified in finance and accounting and has adequate experience to ascertain the integrity of the financial statements of the Company.

### 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 and cancel 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.

### Term of Office of the Audit Committee

The Audit Committee shall have a term of office of 3 years each and for not exceeding 3 terms consecutively. Audit directors vacating their office at the end of their term may be reelected by the Board of Directors or shareholder meeting.

### **Audit Committee Self Assessment**

In 2014, the Audit Committee conducted a self assessment and presented the results at Board of Director's meeting no. 3/2015 on March 20, 2015 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**

Overview of the Audit Committee meetings was very good. In 2014 the Audit Committee held 12 meetings although there was a change to the Audit Committee during the year, but all the 3 audit directors attended each such meeting. Meeting agendas were established with adequate relevant information for each meeting. Participants in each agenda item were not interested in that matter. Executives or auditors were invited to participate where necessary. At least 1 meeting was held in each quarter with the Legal Department of the Company for enquiries and acknowledgements if there was any related legal issues or possible impact upon the Company's financial statement.

#### **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.

### 3. Nomination 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. Consequently, on 18 December 2014, the Chairman of the Audit Committee of the Company, who was 1 of the members of the Nominating and Compensation Committee, resigned which caused the Company to expedite appointing an independent director to perform as a nominating and compensation director as well as an audit director, which was expected to be completed within the 1/2015 quarter. During 2014 the Nominating and Compensation Committee comprised the following individuals.

No.	Name	Position	2014 Attendance
1.	Mr.Isara Wongrung <sup>1</sup>	Chairman of the Nominating and Compensation Committee	1/5
2.	Mr. Chatchawan Triamvicharnkul	Nominating and Compensation Committee Member	5/5
	Mrs.Pennipa Dabbaransi <sup>2</sup>	Nominating and Compensation Committee Member	2/5
	Ms. Narumol Wangsatorntanakun	Chairman of the Nominating and Compensation Committee	3/5
	Mr. Suraphol Sindhuvanich	Nominating and Compensation Committee Member	3/5

<sup>1</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>2</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

### The Nominating and Compensation Committee Qualification

All members of the Nominating and Compensation Committee possess the same qualifications as those of the “independent Director”. They are not authorised by the Board of Directors to make decisions on the business operation of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person, and neither being directors of its parent company, subsidiary or same-level subsidiary, which is a listed company. The Committee must have sufficient time to devote and carry out his/her duties as a Nominating and Compensation Committee member to further improve his/her performance.

### Scope of Duties and Responsibilities

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

#### 1. Scope of duties and responsibilities - 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. Scope of duties and responsibilities - 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 compensations and other fringe benefits for 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.



### Term of Office of the Nominating and Compensation Committee

The Nominating and Compensation Committee shall have a term of office of 3 years each from the date of election by the Board of Directors or shareholder meeting, and for not exceeding 3 terms consecutively. Nominating and Compensation directors vacating their office at the end of their term may be reelected by the Board of Directors or shareholder meeting.

However, any independent director who has been holding his/her office in excess of 9 years and is vacating the office at the end of his/her term, but for the time being the Board of Directors meeting needs to reelect the director to hold the office of independent director of the Company, the Board of Directors shall nominate the independent director to the shareholder meeting to consider granting approval and the Board of Directors shall give reasons and such requirements in the notice of the shareholder meeting and to the shareholder meeting.

### 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 2014 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 five meetings during 2014 for a selection of a new director to replace a director whose term of directorship was ending and also there was a consideration of the Committee's compensation to be presented for the shareholder's approval in the annual general meeting. 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.

#### 4 Investment Committee

Investment Committee shall be composed of four members, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of ACAP, one other member of the Executive Committee and one additional member with relevant knowledge and expertise in investment management and analysis. Investment Committee terms of membership shall be as follows :

- |                                |   |
|--------------------------------|---|
| - Chief Executive Officer :    | Indefinite                                    |
| - Chief Financial Officer :    | Indefinite                                    |
| - Executive Committee Member : | Appointed Annually by the Executive Committee |
| - Additional Member :          | Appointed Annually by the Executive Committee |

#### Scope of Duties and Responsibilities

It is the responsibility of the Investment Committee to perform the following duties, among others:

1. Report in a timely manner all Approved Investment Proposals to the Executive Committee.
2. Approve Investment Proposals Under the Investment Authority as Specified in Investment Authority Guidelines.
3. Conduct Regular Investment Performance Reviews : Monthly for Specific Investments : Quarterly for all Investable Assets.
4. Conduct "As Needed" Investment Performance Reviews When Notified by the Investment Management Unit (via Call Report) that an Investment has reached its Pre-determined Price or IRR Target.
5. Review ACAP's Investment Policy Statement annually and Propose Changes to the Board of Directors.
6. Review annually and approve change to : Asset Allocation; Allowed Investment Instruments; Minimum Investment Quality Criteria; Investment Concentration Limits, etc.

#### 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 was 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 case of a vacancy of directorship for reason other than expiration of term of office, e.g. death or resignation, the Nominating and Compensation Committee shall nominate a new director with suitable qualifications for the Board of Directors to consider electing in the Board of Directors meeting to replace the director who died or resigned without calling a shareholder meeting to pass a resolution to elect a new director. Appointment of high-level executives including the Chief Executive Officer or the Managing Director shall also be screened by the Nominating and Compensation Committee in accordance with the policy on position succession and new director election in the Company's Business Supervision Handbook before presenting to the Chief Executive Officer for appointment.

## Supervision of the business of subsidiaries and associated companies

The Company has 5 subsidiaries in which the Company holds 99.99 per cent of their shares and 1 subsidiary in which the Company holds 63.97 per cent of its shares. The Company has a policy and mechanism to supervise the business operation of all subsidiaries by sending executives or directors of the Company to manage the business and determine all business management policies. Transactions between the Company and all subsidiaries are under the supervision mechanism steps and considered by board of directors of each subsidiary, while the Company, as the parent company, shall have another consideration step as appropriate to the significance of the transactions.

Moreover, the policy on disclosure of information and related transactions including rules and regulations the Company is required to follow under supervision of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand cover transactions of all subsidiaries as well. As regards the supervision of accounting standard or financial information of subsidiaries, the Company employed auditors of the same standard as that of the Company who are recognized by the Office of the Securities and Exchange Commission to ensure that the consolidated financial statements of the Company are prepared with the same standard.

## Policy of Trading Stocks and Internal Information Use Guidelines

The Company established a Compliance Unit to have the roles and responsibilities in supervising the management of various units, including the use of internal information to ensure properness and compliance with good governance policy to prevent the use of information of the Company for personal benefits. This policy is posted on the Company's board for acknowledgement of all staffs for adoption as their performance principles. The Company established a measure to prevent access to information obtained from work performance between units and personnel of the Company (Chinese Wall) to eliminate conflict of interest between various units 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 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 Control 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. No staff and executive who are aware of internal information on operation results or significant incidents which may affect the price of shares of the Company may trade the Company's securities from the date of such awareness or the date of resolution of the Board of Directors until the information shall have been disclosed to the public, and no internal information which should not be disclosed may be disseminated to up the price of the Company's securities.

The Company requires all directors and executives to notify the Board of Directors at least 1 day in advance if they shall purchase or sell the Company's shares. Such notification shall be made initially via email to all directors and executives and director or executive concerned is required to so notify once again in the next Board of Directors meeting.

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.

As 31 Dec. 2014, the changes in shareholding proportions of Directors and Management are as follows:

Names	Amount (Shares) as Dec.31, 2013	Transferred during Year		Amount (Shares) as Dec.31, 2014
		Acquisition	disposition	
1. Mr.Vivat Vithoontien	61,490,030		50,400,000	11,090,030
2. Mr.Kenuo Lin	-	19,000,000	-	19,000,000
3. Mr.Issarachai Decharit	880,155	-	723,900	156,255
4. Mr.Chalermchai Sirinopawong	674,700	-	674,700	-
5. Mr.Sugunya Sukjaroenkraisri	-	6,247,000	-	6,247,000
6. Mrs.Nongluck Kowatana	-	1,580,000	-	1,580,000

## The Auditor's remuneration

In 2014, PricewaterhouseCoopers ABS Co., Ltd. was the external auditor for the Company and its six subsidiaries (excluding subsidiary company, namely Aurum Capital Advisory Pte. Ltd.). 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 2014.

Expense Types	2013			2014		
	The Company	Subsidiaries (7)	Total Company and Subsidiaries	The Company	Subsidiaries (6)	Total Company and Subsidiaries
<b>Audit fees (THB)</b>						
Statutory Financial Statements	350,000	901,000	1,251,000	327,000	790,500	1,117,500
Review of interim financial statement (3 quarters)	210,000	144,000	354,000	250,000	197,000	447,000
<b>Total audit fees</b>	<b>560,000</b>	<b>1,045,000</b>	<b>1,605,000</b>	<b>577,000</b>	<b>987,500</b>	<b>1,564,500</b>
<b>Other expenses (THB)</b>						
Verification of Por.Ngor.Dor.50	10,000	50,000	60,000	10,000	50,000	60,000
<b>Total audit expenses</b>	<b>570,000</b>	<b>1,095,000</b>	<b>1,665,000</b>	<b>587,000</b>	<b>1,037,500</b>	<b>1,624,500</b>

## Compliance with other good corporate governance

The Company prepared a Business Supervision Handbook in accordance with guidelines of the Stock Exchange of Thailand as guidelines for business operation to ensure good and sustainable management thereof to be practiced by all executives and employees, and disclosed them in the Company's website [www.acap.co.th](http://www.acap.co.th). The policy and some other significant code of practice may be summarized 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.

### ■ Risk Management Policy

The Board of Directors assigned the Risk Management Department to examine and monitor risk management directly, e.g. financial risks, operation risks, business risks, event risks, etc., by preparing a separate risk management policy with 6 primary risk management steps as follows.

#### 1. Objective Setting

Clearly set objectives to learn of the scope of work at each step and enable full risk analysis.

#### 2. Risk Identification

To consider events leading to damage by considering both external factors, e.g. government policies, politics, global economic situation, exchange rates, natural disasters, etc., and internal factors, e.g. policies, company's strategies, company's structure, working process, which shall impact upon the Company's targets and performance. The Risk Management Department clearly identifies type of risk in each event if which is the key risk and which is the subsidiary risk.

#### 3. Risk Evaluation

The Company has a risk evaluation system to prioritize risks, identify opportunities of risk occurrences and consequential impacts, e.g. on aspects of finance, business, safety, customers, etc.

#### 4. Risk Treatment and Mitigation

After prioritizing risks the Company shall determine risk treatment methods. If the Company has limited budget and resources, risk with high impact with frequent occurrences shall be determined as key risk to be treated first, while risks with low impact and less frequent occurrences shall be treated subsequently.

#### 5. Risk Reporting and Monitoring

The Risk Management Department shall prepare risk evaluation report directly to the Executive Committee and coordinate with the Supervision Department, the Internal Audit Department and the Audit Committee to evaluate the situation in such risk to identify preventive method and remedy it before damage occurs. After the Executive Committee is aware thereof, it shall review the matter and present the report to the Board of Directors.

#### 6. Review of the Risk Management Plan

The Risk Management Department shall compile outcomes from the internal audit and summarize annual risk management outcomes jointly with high-level executives and agencies concerned, e.g. the Audit Committee, to disclose the report summary in the 56-1 form and the annual report of the Company. Concurrently, there shall be risk evaluation in a joint discussion at the end of every year to consider what needs improvements, and report on risk management and risk management plan shall be prepared in continuous manner for presentation to the Audit Committee and the Board of Directors for approval for adoption in subsequent years.

### ■ 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.

### ■ 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) Control Environment
- Part 2) Risk Assessment
- Part 3) Control Activities
- Part 4) Information and Communication
- Part 5) Monitoring Activities

### ■ 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.



#### ■ 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:

- ✓ Managing Director shall be in the position of Managing Director of only one listed company in order to have sufficient time to monitor the Company's business operation.
- ✓ Managing Director shall not perform business or enter the limited partnership or be the Director in a juristic entity with the same nature of business and in competition with the Company's business whether for his own business or other businesses unless the matter is informed to the meeting of the shareholders prior to the appointment resolution.
- ✓ Executive directors may take director positions in up to three 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 three 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.

#### ■ The Determination of Remunerations for Directors / CEO / Managing Director and Sub-Committee

Remunerations of directors, the Chief Executive Officer and/or Managing Director, including remunerations of directors of various committees shall be determined by the Nominating and Compensation Committee and presented to the Board of Directors for approval and, in turn, presented to the shareholder meeting to consider for approval. Remunerations presented are:

1. Meeting allowances are to be provided to all directors participating in meetings of the Board of Directors, the Audit Committee and the Nominating and Compensation Committee to reflect the performance of directors and stimulate directors to perform their duties and participate in meetings regularly and they must register their participation after conclusion of all meetings they attend.
2. Special bonus to be granted to all directors in percentage of net profit of the Company's annual operation as remuneration for their performance and incentive to directors to create profits from good operation for the Company.

#### **Rules for determination of directors' remunerations**

In determining meeting allowances and special bonuses of various committees including the Chief Executive Officer and/or Managing Director, the Nominating and Compensation Committee must ensure consistency with duties, responsibilities and attention to duties of directors, type and dimension of the business of the Company, markets and competitors. Such remunerations must be at appropriate and sufficient levels to attract and retain quality directors of the Company. The Chief Executive Officer and/or Managing Director holding office in the Board of Directors shall be entitled to such remunerations for holding the office similar to other directors. The Nominating and Compensation Committee shall present the remunerations to the Board of Directors for approval, and thereafter to the shareholder meeting for approval, and the remunerations shall be disclosed in the annual information form (56-1 form) and the annual report of the Company.

While the monthly remunerations of all directors including the Chief Executive Officer and/or Managing Director shall be determined based primarily on significance of units and duties and responsibilities concerned and presented to the Board of Directors for consideration and approval.

#### **■ Director Meetings**

##### **Board of Directors Meetings**

The Board of Directors holds regular meetings every three months or at less 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 2014, there were a total of eight meetings with attendance as followings:

No.	Name	Position	2014 Attendances
1.	Dr.Vivat Vithoontien	Chairman / Authorized Director	8/8
2.	Mr.Kenuo Lin <sup>1</sup>	Director / Authorized Director	4/8
3.	Mr.Issarachai Decharit <sup>2</sup>	Director / Authorized Director	6/8
4.	Mr.Chalermchai Sirinopawong	Director / Authorized Director	8/8
5.	Pol.Lt.Col.Pongsiri Hiruntecha <sup>3</sup>	Director / Authorized Director	2/8
6.	Mr.Chotipong Discharoen <sup>4</sup>	Director / Authorized Director	1/8
7.	Mr.Chatchawan Triamvicharnkul <sup>5</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	8/8
8.	Mr.Isara Wongrung <sup>5</sup>	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	2/8
	Mrs.Pennipa Dabbaransi <sup>7</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	2/8
	Mr.Suraphol Sindhuvanich	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	5/8
	Ms.Narumol Wangsatorntanakul	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	4/8

<sup>1</sup> Mr.Kenuo Lin was appointed as Director on July 4, 2014

<sup>2</sup> Mr.Issarachai Decharit has resigned from the Director position on September 30, 2014 and He was appointed as Director again on November 7, 2014

<sup>3</sup> Pol.Lt.Col.Pongsiri Hiruntecha was appointed as Director on October 1, 2014

<sup>4</sup> Mr.Chotipong Discharoen was appointed as Director on December 18, 2014

<sup>5</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>6</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>7</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### Executive Director Committee Meetings

As of December 2014, the Executive Director Committee comprises six Executive Directors as stated in the Executive Director Committee section. The Executive Directors hold monthly meetings and have further discussion on a weekly basis in order to follow up any progress on important tasks. However, in the event of any urgent issues that require more than one meeting in a month, the Board of Directors shall set up special meetings as it deems appropriate. Last year there were several occasions which required more than one monthly meeting. The details are as follows;

No.	Name	Position	2014 Attendances
1.	Dr. Vivat Vithoontien	Chief Executive Officer / Managing Director	17/18
2.	Mr. Issarachai Decharit	Executive Director and Deputy Managing Director of Legal Department	17/18
3.	Mr. Chalermchai Sirinopawong	Executive Director and Deputy Managing Director of Accounting / Finance Department	18/18
4.	Ms. Sugunya Sukjaroenkraisri <sup>1</sup>	Executive Director	8/18
5.	Mrs.Nongluck Kowatana <sup>2</sup>	Executive Director	6/18
6.	Mr.Tinnakorn Punpanichgul <sup>3</sup>	Executive Director	7/18

<sup>1</sup> Ms. Sugunya Sukjaroenkraisri was appointed as Executive Director on October 1, 2014

<sup>2</sup> Mrs.Nongluck Kowatana was appointed as Executive Director on October 1, 2014

<sup>3</sup> Mr.Tinnakorn Punpanichgul was appointed as Executive Director on November 7, 2014

#### 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 2014, there were twelve Audit Committee meetings and the attendance record of Audit Committee members was as follows:

No.	Name	Position	2014 Attendances
1.	Mr. Chatchawan Triamvicharnkul <sup>1</sup>	Chairman of the Audit Committee	12/12
2.	Mr.Isara Wongrung <sup>2</sup>	Audit Committee Member	3/12
	Mrs.Pennipa Dabbaransi <sup>3</sup>	Chairman of the Audit Committee	4/12
	Mr. Suraphol Sindhuvanich	Chairman of the Audit Committee	8/12
	Ms. Narumol Wangsatorntanakun	Audit Committee Member	9/12

<sup>1</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>2</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>3</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### Nominating and Compensation Committee Meetings

The purpose of these meetings is to review the workload and staffing requirements of the Company, and to search and nominate key executive positions when necessary. The number of meetings is not specified or fixed. The Chairman of the Compensation Committee may call for extraordinary meetings as necessary or in special circumstances to consider any related issues. Last year the committee held five meeting and all committee members attended. Details are as follows:

No.	Name	Position	2014 Attendance
1.	Mr.Isara Wongrung <sup>1</sup>	Chairman of the Nominating and Compensation Committee	1/5
2.	Mr. Chatchawan Triamvicharnkul	Nominating and Compensation Committee Member	5/5
	Mrs.Pennipa Dabbaransi <sup>2</sup>	Nominating and Compensation Committee Member	2/5
	Ms. Narumol Wangsatorntanakul	Chairman of the Nominating and Compensation Committee	3/5
	Mr. Suraphol Sindhuvanich	Nominating and Compensation Committee Member	3/5

1 Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

2 Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014<sup>7</sup>

#### ■ Succession Plan and New Directors Nomination Process

The appointment of individuals for open positions, especially in Chief Executive Officer, Managing Director and 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.

#### ■ 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.

#### ■ 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 is confident that the Company's financial statements are accurate and reliable.

#### ■ Policy of Monitoring Compliance with the Provisions Complaints and Protection

In order to efficiently implement the good governance principles, cooperation from employees, executives including stakeholders in watching for unusual matters or conducts which may be illegal, unethical and against the code of ethics due to business operation of executives or from action of employees, for example, abnormality in the financial report, defect of the internal control system, behavior which may lead to corruption, unequal treatment, careless action in the work performance, including action for personal benefits. If finding any of these matters, the Company makes available a channel for complaint or recommendations from all employees, executives or stakeholders directly to the Audit Committee as follows.

Chairman of the Audit Committee/Audit Committee  
ACAP Advisory Public Company Limited  
1 Empire Tower 2, 3 South Satorn Road  
Khwaeng Yannawa, Khet Satorn, Bangkok 10120

Or via email to:

Chairman of the Audit Committee/Audit Committee  
ac\_acap@acap.co.th                      Tel 02-694-4999  
Office of the Company Secretary/Investor Relations  
lthidej\_c@acap.co.th                      Tel 02-694-4915

**Fact-finding process**

If information is given through the Company Secretary Office, the Company Secretary Office shall compile relevant documents to summarize recommendations and issues to notify the Audit Committee for acknowledgement, or in case the matter is reported directly to the Audit Committee, the Audit Committee shall comprehensively examine the information, which must be sufficient for adduction, and shall summon parties concerned to give explanation and for additional inquiries on the incident. During the inquiries, details on the reporter and the respondent, including statements of other persons involved in the incident shall be documented. The Audit Committee shall not disclose the identity of the whistleblower and sources of information, and shall keep all information confidential to protect the whistleblower from being affected from provision of the information.

**Justice provision process**

The Committee which receives the complaint shall consider providing justice and protection to the whistleblower or the complainant, the respondent and parties concerned or under the fact-find process. If evidences or facts are not yet ascertained there shall be no judgment made against the respondent. All reports and relevant information shall be kept confidential within a limit and disclosed only as necessary, primarily taking into consideration safety and damage of the reporter or the whistleblower and the respondent.

**Reporting process**

After the fact-finding process is concluded, if the Audit Committee finds that such case has a clear progress or sufficient evidences and seriously affects the Company, the Audit Committee shall so inform the Board of Directors immediately. But if the matter involves an employee at operation level and has no serious impact or material damage to the reputation of the Company, the Audit Committee shall so inform the Director of the Human Resources Department or the Director of the Department to which the employee belongs for acknowledgement and issuance of a warning. If the offender is a director or superior, the Audit Committee shall forward the matter to the Executive Committee or the Board of Directors for further consideration.

**Penalization process**

The Company prescribes penalties appropriate to the nature and circumstances of offenses and the degrees of severity of the penalties shall differ in accordance with the degrees of severity of the offenses.

Primarily, if the offense is minor and committed for the first time, a warning letter shall be issued first and signed by authorized signatory of the Human Resources Department, but if the offense is severe and causes the Company to suffer damage or defamation, the Company has penalties ranging from suspension without pay to termination of employment. But if such offense leads to other legal offense of the country, e.g. the penal code, the civil code or applicable laws of any independent organization regulating the Company's business operation, steps of such law shall be followed.



## Internal Control and Risk Management

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.

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 Company had a total of 3 independent directors performing throughout the year 2014, representing 1/3 of the total number of directors of the Company, all of whom constituted the Audit Committee. Although there were changes to the audit directors, i.e. Mrs. Pennipa Dabbaransi was elected to the office of the Chairman of the Audit Committee replacing Mr. Suraphol Sindhuvanich on 9 August 2014 (later Mrs. Pennipa Dabbaransi resigned on 18 December 2014), and Mr. Isara Wongrung replacing Ms. Narumol Wangsatorntanakun on 1 October 2014, but the Company had its Audit Committee performing independently throughout the year without restrictions in being provided with information as well as good cooperation from executives and staffs concerned. Such duties include review of the Company's financial statements to ensure transparency, reliable and accuracy. Internal Audit Department and Supervision Department, independent units under the Audit Committee reporting directly to the Audit Committee, participated in meetings with the Audit Committee regularly every month. Risk Management Department reported on possible risks directly to the Executive Committee of the Company.

### *Compliance Department*

Ms. Onsuang Keiwkarnka also performed as Chief of the Compliance Department in charge of monitoring, 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 2014 - during the Audit Committee's meeting of 1/2015 held on 29 January 2015. The results were reported to the Executive Committee at meeting on 16 February 2015 and the Board of Directors at meeting 3/2014 on 20 March 2015. The evaluation concerned five areas: 1) Control Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication and 5) Monitoring Activities.

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
			2014	2013		
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the Company	The Company received Service Fee from GSC for management.	0.01	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.
		The Company received Interest Income from loans to GSC.	1.58	1.11		
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.	0.13	0.13	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 loans to ACON.	0.27	0.18		
ACAP Corporate Services Co., Ltd. (ACS)	99.99% owned subsidiary of the company	The Company received Interest Income from loans to ACS.	0.03	0.16	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 was reimbursed by ACS as part of expense allocations among the companies in the group.	0.23	0.24		

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
			2014	2013		
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.	0.09	0.08	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 paid Interest Income from loans to CAP OK.	3.23	10.15	This inter-company transactions was with subsidiary companies.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company.
Professional Collection Co., Ltd. (PCOL)	99.99% owned subsidiary of the company	The Company received Service Fee from PCOL for serving software systems	0.01	0.01	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	Relationship Type	Transaction Type	Transaction Value (THB million)		Reasonableness and Necessity of Transactions	Audit Committee's opinion
			2014	2013		
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the company	The Company received Interest Income from loans to GSC.	0.19	0.19	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 Consulting Co., Ltd. (ACON)	99.99% owned subsidiary of the company	ACON paid Interest Income from loans to The Company.	0.03	0.02	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 in accord with the usual business and trade practice.

Individual / Juristic Person Which may be in Conflict	Relationship Type	Transaction Type	Transaction Value (THB million)		Reasonableness and Necessity of Transactions	Audit Committee's opinion
			2014	2013		
Professional Collection Co., Ltd. (PCOL)	99.99% owned subsidiary of the company	Advance for expenses made by ACAP on behalf of PCOL.	0.10	-	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 transactions are reasonable and given the benefit to the Company.
Capital OK Co., Ltd. (CAP OK)	99% owned subsidiary of the company	The Company has account receivable & advance payment for software provided to CAP OK.	0.46	0.03	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.

### 3. Borrowings between the Company, Subsidiaries and Related Companies

Individual / Juristic Person Which may be in Conflict	Relationship Type	Transaction Type	Transaction Value (THB million)		Reasonableness and Necessity of Transactions	Audit Committee's opinion
			2014	2013		
ACAP Consulting Co., Ltd. (ACON)	99.99% owned subsidiary of the company	The Company provides loan to subsidiary to be utilized as a working capital.	10.50	7.70	These inter-company transactions provided financial support to the subsidiary a part of normal business operations. The Company set up a full impairment for the loan.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and this transaction was charged at a normal rate. However, the Company set up a full impairment for the loan.
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the company	The Company provides loan to subsidiary to be utilized as a working capital.	82.50	41.50	These inter-company transactions provided financial support to the subsidiary a part of normal business operations. The Company set up a partial impairment for the loan.	

Individual / Juristic Person Which may be in Conflict	Relationship Type	Transaction Type	Transaction Value (THB million)		Reasonableness and Necessity of Transactions	Audit Committee's opinion
			2014	2013		
Capital OK Co., Ltd. (CAP OK)	99% owned subsidiary of the company	CAP OK provides loan to the Company to be utilized as a loan to other company.	200.00	-	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.

#### 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.

# Corporate Social Responsibilities : (CSR)



## 1. Overview of business operation under Corporate Social Responsibilities. (CSR)

The Company deems the responsibility for the society and the environment a no less important matter than business development. The Company has been undertaking such activities along with its business operation, as it was well recognized that mutual support between the business and the society as a whole as well as attention to the environment would be a key contributing factor to the growth of the business and enhancing the society and the environment, the Company, therefore, prescribed the vision, mission and strategies which would lead to sustainability as follows.

**Vision :** The Company shall be responsible to the society by striving to provide various financial advisory services with good quality management under environmental conservation and care.

**Mission :** The Company shall develop the business to be growing, promote job and income creation to the general public and assist entrepreneurs, investors, debtors to enhance the national economic stability, and operate the business while concurrently assist and care for the society as well as the environment to ensure sustainable livability and good quality.

**Strategy :** The Company has a strategy to operate the business and care for the communities and the society as well as to conserve the environment concurrently by implanting the consciousness for everybody to recognize the significance of communities, the society and the environment, and prepared the Good Corporate Governance Handbook (under the heading of good corporate governance) for all executives and employees to follow.

## 2. Guidelines for work execution under the Corporate Social Responsibilities

The Company aims to run the business with morality and under the Good Corporate Governance principle along with the attentiveness and taking care of the social and environment in order to bring our business into sustainable growth by which we comply with principle of the Corporate Social Responsibility ("CSR"). We believe that the creation of "Corporate Sustainability" is the essential basis in managing the modern business.



Hence, we believe that in providing the CSR policy for the Managements and all employees to use as guideline practice to the community, society, and related person shall benefit in many ways to the Company such as to make credibility to the Company, to create the positive image of the Company to the society, etc. Such CSR policy is as these follows;

## **2.1 Running the business with fairness**

Running business with fairness means to run the business morally and ethically to the employees, shareholders, business partners, creditors and all related person by adhering to these following principles;

- **Honesty**

The Company has served the customers honestly, loyally and frankly, including behaving to the related person aboveboard or distort the fact which will cause any misunderstand and lead to its own benefit.

- **Fairness and Integrity**

The Company shall indicate the justice and morality in the business operation which is not to take advantage on the business partners or defame the business competitors, including not to take advantage on the employees and to ensure the employees' appropriate payroll and welfare, to disclose the information to the shareholders transparently, in time and equally among their group which is not limited to any specific group or person.

- **Promise-keeping and Trust worthiness**

The Company shall keep its promise to all related person e.g. creditors and customers, etc. in order to create the confidence and credibility to all related persons. In the event of misunderstanding, the Company shall solve such misunderstanding from the actual fact, without deception, in order to complete its' mission and commitment.

- **Respect to others**

The Company shall not accuse or insult others and shall respect to their freedom and individual privacy. Moreover, the Company shall listen to the employees' opinion, customer's complaint or blame in order to improve and develop the organization to be equal for every level of all related persons.

- **Law Abiding**

The Company has run business under the rule of law including the regulations of other related government sector in order to ensure that the business operation has been made correctly and shall be valued to the country's economic system.

## **2.2 Policy of Anti-Corruption**

In the Board of Directors Meeting No. 6/2556 held on 12 November 2013, the Meeting resolved to approve the anti-corruption policy, which formed a part of the Good Corporate Governance Handbook. Approval of such policy was to confirm the adherence to the responsibility for the society and all groups of stakeholders in accordance with the good corporate governance principles. The Company expressed the intent not to tolerate any form of corruption, directly or indirectly, covering the business and all transactions in all countries and agencies concerned, both of the Company and subsidiaries. The Company has the policy to prohibit directors, executives, employees as well as third parties who are related with the Company from taking any action deemed as corruption, whether being offering, promising, soliciting, demanding, giving or accepting bribes, and to reiterate such affirmation, the Company expressed the intent to participate

in the Private Sector Collective Anti-Corruption (CAC), and to implement this policy, the Company requires all directors, executives and employees to comply with this policy.

#### **Definitions under the anti-corruption policy**

Corruption means bribery in any form, through offering, promising, granting, pledging, demanding or receiving money, property or any other undue benefit, with government officials, government agencies, private agencies or those in charge of duties, directly or indirectly, for such person to perform, or refrain from performing, their duties in order to obtain or maintain a business or introduce a business specifically to the Company, or to obtain or maintain any other undue business benefits, except where laws, regulations, notifications, requirements, local customs or commercial traditions so permit.

#### **Duties and responsibilities**

1. The Board of Directors have the duties and responsibilities in determining policies and making available efficient anti-corruption system to ensure that the Management recognized and placed importance on anti-corruption and implanted it until it became organizational culture.

2. The Audit Committee has the duties and responsibilities in reviewing the financial reporting and accounting system, the internal control system, the internal audit system and the risk management system to ensure their compliance with international standards, concision, suitability, modernity and efficiency.

3. The Chief Executive Officer and/or Managing Director has the duties and responsibilities to require availability of systems and promote and support anti-corruption policy to communicate to all employees and parties concerned, and to review the appropriateness of all systems and measures to ensure consistence with the changes in the business, rules, regulations and provisions of laws.

4. The Internal Audit Director has the duties and responsibilities in auditing and reviewing work performance to see if it is properly in compliance with policies, guidelines, authorities, procedures, laws and requirements of the Compliance Unit to ensure that a system which is suitable and adequate to cope with possible corruption risks is available and promptly report to the Audit Committee for information.

#### **Guidelines**

1. The Company requires all directors, executives and employees to comply with the anti-corruption policy and ethics of the Company by refraining from getting involved with corruption, directly or indirectly.

2. All employees must help watching and not neglecting or ignoring when finding any action within the scope of corruption by promptly reporting it to the supervisor or the person in charge, and cooperate in checking facts. If there is any doubt or question, the supervisor or the person designated for such purpose, e.g. the Audit Committee, shall be consulted.

3. The Company shall provide justice and protection to whistleblowers on corruption by introducing measure on protection of whistleblowers or those cooperating in reporting on corruption as prescribed by the Company in the Whistleblower Policy.

4. Whoever is ruled with proven evidences of the offense of corruption shall be penalized in accordance with regulations prescribed by the Company including legal penalty if such action has any applicable legal effect.

5. The Company shall publicize its guidelines on the website and inform make it clear with other persons performing duties relating to the Company or which may affect the Company, on matters to be performed in compliance with this anti-corruption policy.

6. The Company shall create and implant consciousness for all executives and employees to observe the anti-corruption guidelines as a basis for sustainable strengthening of the Company by publicizing this policy to employees at all levels, and organizing training on clarification of the guidelines for new employees.

#### **Procedures**

1. Any action taken in accordance with this anti-corruption policy shall be in compliance with the procedures prescribed in the Code of Ethics, Good Governance Manual as well as Ethical Procedures of the Company.

2. This policy shall cover the personnel management process, personnel recruitment, promotion, training and employee performance evaluation and provision of remunerations.

3. All executives and employees shall exercise care in respect of giving, granting or receiving gifts or presents from customers and those with business relationships with the Company or stakeholders of the Company to ensure compliance with the Code of Ethics of the Company.

4. Cash donation or financial support to any activity of the Company must be transparent and legitimate by preventing any cash donation or financial support from being referred to in bribery.

5. The Procurement Department or agencies coordinating businesses in various sectors must perform their duties transparently, honestly and verifiably.

#### **Assessment monitoring**

1. The Company requires the Internal Audit to monitor compliance with the anti-corruption policy and report any incident or action which may cause such corruption to the Management and/or the Audit Committee immediately.

2. If such action is proven an offense the Company shall penalize the offender based on the degree of severity of such incident, primarily by taking disciplinary action against the employee causing the corruption. If the offense involves legal offense the Company shall take additional action in accordance with the legal penalty.

3. The Internal Audit has prepared an annual self-assessment form in respect of anti-corruption to assess the Company's anti-corruption procedures. Such assessment form is based on the self-assessment form in respect of anti-corruption measure prepared by the Thai Institute of Directors (IOD) to report to the Audit Committee and the Board of Directors on the outcomes of compliance with the Anti-corruption Policy, and shall disclose the assessment outcomes in the annual report of the Company for information of stakeholders of the Company.

### 2.3 Ethics and Conduct of Compliance with Laws and Regulations and International Human Rights Principles

ACAP Advisory Public Company Limited supports and strives to operate the business with transparency and observations of laws and human right principles. This awareness is founded from the visions and organizational values, and the Company has expressed this intent by signing the Universal Declaration of Human Rights (UN Global Compact). Apart from what specified in said Universal Declaration, all directors, executives and employees are required to comply with the code of conduct governing observations of laws and human right principles as follows.

1. The Company shall operate the business by observing all laws and all employees and executives must also comply with laws.
2. The Company shall strictly comply with the universal human right principles and provide knowledge, comprehension in the universal human right principles to employees for observation as a part of the Company's business operation.
3. The Company does not support activities which violate the human right principles.
4. The Company urges employees to exercise their lawful and legitimate rights as Thai citizens.
5. The Company shall keep confidential personal information of employees. Disclosure or transfer of personal information of employees to the public may be made only with consent of employees concerned. Violation of this provision is deemed disciplinary offense, except if committed in accordance with the Company's regulations or with laws.
6. The Company shall give employees channels for communications, suggestions and grievances on their work-related frustrations. All suggestions shall be seriously considered and solutions shall be determined for benefits of all parties and to create good relationships in working as a team.
7. Employees at all levels of the Company must thoroughly acquaint themselves with laws directly applicable to their duties and responsibilities and strictly comply therewith. If in doubt, they shall seek advice from the Legal Office, and shall not take action in accordance with their own assumption without advice.
8. All employees must not commit any act of tort or threatening, verbally or physically, against others based on race, sex, religion, age, physical and mental disability.

### 2.4 Respect to the right and behave to the workforce with fairness

The Company has provided the welfare and remuneration to the employees correctly according to the labour law, provided activities for relaxation, provided training courses to enhance their skill, provided the provident fund, etc. Moreover, we also respect to the right of the employees without any intimidation or persecution for instance the right to leave for vacation, right for errand leave, right for sick leave, right to express opinion to the operation policy which the employees can suggest through the human resource department or through his/her superior.

Moreover, the Company has a policy to employ staffs by adhering to the lawful labor employment principle and respecting the labors' human rights covering employment, social protection, freedom in social association, health and safety, etc.

## 2.5 Responsibility to the clients or customers

We pay attention in serving our customers by follow up the result of our service whether it has been complied with the objective or not. The service served to the customers shall be served with care, circumspection, comply with the law and related regulations. In the event that any problem is occurred, we shall consult with our customer in order to find solution jointly and shall not leave such problem be solved solely by the customer.

Success in business comes from satisfying our customers. Therefore, the Company must maintain strong and caring relationships with its customers. 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. In providing the instruction about the period of time, condition, right, privilege and obligation of the services to the customers, the Company shall provide such information clearly, actually, transparently and without any misrepresentation.
4. In order to invite the customers to use our services, the Company shall not specify any condition that is unfair and unclear and may show the intention to take advantage from the customers intentionally.
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.

## 2.6 Environment Preservation

Although the Company is not running the business using any natural raw materials to generate goods or services, but the Company launched a campaign for employees to recognize the importance of energy saving by introducing a policy to train employees on the environment aspect and implementing a code of practice as a part to help reducing the global warming and pollutions as well as to help the country to indirectly save the energy by announcing, in writing, seeking cooperation from employees to turn off the light during lunch break, recycle usable papers, use office equipments economically, etc. The Company believes that with earnest cooperation, the country shall save its natural resources and conserve the environment on a sustainable basis.

## 2.7 Participation in community or social development

Employees and executives of the Company jointly carried out, every year, activities for less fortunate persons in the society, e.g. orphans, disabled children, eldercare nursing home, by giving donations and meals etc. to those people who needed assistance from the society to encourage them to live happily in the society. The Company, perceiving such important facts and wanting to encourage people in the same society, therefore, organized such activities regularly, which included assistance to non-Thai fellowmen in cases of floods or earthquakes overseas, the Company would jointly with employees and executives provide assistance, in cash or in kind, to them.

### 3. Activities for benefits of the society and the environment

In 2003 the Company established a Foundation for Underprivileged Children and Elderly to carry out activities in providing social assistance. Throughout the past several years the Company participated in caring and taking responsibility for the society through the Foundation under cooperation of executives and employees of the Company to provide underprivileged children and elderly, including those suffering from incidents leading to loss of life or property, with opportunities. Such activities included cash donation through other charities and those organized by the Foundation itself. Activities organized during the past years are as follows.

2008	Donating money and necessary goods to Bang Lamung Elderly Home in Choburi. Donating money to the Thai Red Cross for disaster victims in Myanmar. Donating money to the Thai Red Cross for earthquake victims in China.
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.
2010	The company has support the social activity by building a school library including donating of books, educational aid and the scholarship to WattoongKham school at Korkar district, Lampang province.
2011	The Company provided social assistance by visiting flood victims in Bangbuathong District to distribute 500 relief bags.
2012	The Company provided social assistance by donating money for educational supplies and building volleyball court to Baan-Koh-Mai-Lam School located in Baan-Bung District, Chonburi Province The Company gave educational materials, teaching supplies, and donated money for constructing toilets to Wat-Na-Ku School located in Pak-Hai District, Ayutthaya Province.
2013	The Company provided social assistance by donating educational supplies and sport equipments to Ban Rai School located in Pantong District, Chonburi Province

The Foundation monitored and evaluated its performance within 3 months after conclusion of each activity. The person in charge of the Foundation would inquire caretaker of the venue and send representatives to visit it to evaluate if such assistance was useful and met the objective thereof.

# 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 2014 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



# Financial Statements and Operational Performance

## 1 Financial Highlight

### 1.1 Auditors

2013-2014	Mr.Paiboon Tunkoon	Certified public accountant registration No. 4298 PricewaterhouseCoopers ABAS Limited
Or	Miss. Sakuna Yamsakul	Certified public accountant registration No. 4906 PricewaterhouseCoopers ABAS Limited
Or	Mrs.Anothai Leekitwattana	Certified public accountant registration No. 3442 PricewaterhouseCoopers ABAS Limited
2012	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

### 1.2 Audit report 2014

In the auditor's report on the audited consolidated and company financial statements for year 2014 by Mr. Paiboon Tunkoon, Certified Public Accountant registration No. 4298, 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 2014 and the results of operations and cash flows for the year, in accordance with generally accepted accounting principles.

## 1.3 Table showing the Company's performance over the past three years

## STATEMENTS OF FINANCIAL POSITION ; AS AT DECEMBER 31, 2012 2013 and 2014 (ASSETS)

	Company Only						Consolidated					
	2012	%	2013	%	2014	%	2012	%	2013	%	2014	%
	Baht'000		Baht'000		Baht'000		Baht'000		Baht'000		Baht'000	
<b>Current assets</b>												
Cash and cash equivalents	61,077	6.19%	193,190	25.50%	187,723	21.78%	740,015	71.82%	479,381	60.54%	565,164	75.99%
Short-term investments	-		-		-		112,209	10.89%	142,498	18.00%	-	
Accounts and notes receivable, net	20,416	2.07%	-		-		32,981	3.20%	13,369	1.69%	15,386	2.07%
Investment in non-performing assets, net	-		-		-		2,469	0.24%	-		-	
Amount due from related companies	313	0.03%	8,885	1.17%	312	0.04%	-		-		-	
Short-term loans to related companies, net	10,400	1.05%	3,000	0.40%	-		-		-		-	
Short-term loans to other companies	2,451	0.25%	-		100,000	11.60%	26,451	2.57%	84,393	10.66%	100,000	13.45%
Other current assets, net	2,050	0.21%	2,641	0.35%	3,879	0.45%	10,331	1.00%	12,955	1.64%	13,596	1.83%
<b>Total current assets</b>	<b>96,707</b>	<b>9.81%</b>	<b>207,716</b>	<b>27.42%</b>	<b>291,914</b>	<b>33.87%</b>	<b>924,456</b>	<b>89.72%</b>	<b>732,596</b>	<b>92.52%</b>	<b>694,146</b>	<b>93.34%</b>
<b>Non-current assets</b>												
Long-term loan to related companies	14,950	1.52%	-		-		-		-		-	
Long-term loan to other companies -net	4,969	0.50%	-		-		4,969	0.48%	-		-	
Investment in subsidiary companies	828,992	84.08%	517,637	68.34%	545,553	63.30%	-		-		-	
Long-term investments	-		-		-		30,000	2.91%	-		-	
Leasehold improvements and equipment	31,717	3.22%	25,734	3.40%	18,670	2.17%	45,731	4.44%	38,930	4.92%	31,819	4.28%
Intangible assets, net	2,859	0.29%	2,203	0.29%	1,833	0.21%	4,977	0.48%	3,973	0.50%	4,107	0.55%
Deferred tax assets	-		-		-		1,813	0.18%	-		-	
Other non-current assets, net	5,817	0.59%	4,197	0.55%	3,900	0.45%	18,400	1.79%	16,285	2.06%	13,633	1.83%
<b>Total non-current assets</b>	<b>889,304</b>	<b>90.19%</b>	<b>549,771</b>	<b>72.58%</b>	<b>569,956</b>	<b>66.13%</b>	<b>105,890</b>	<b>10.28%</b>	<b>59,188</b>	<b>7.48%</b>	<b>49,559</b>	<b>6.66%</b>
<b>Total assets</b>	<b>986,011</b>	<b>100.00%</b>	<b>757,487</b>	<b>100.00%</b>	<b>861,870</b>	<b>100.00%</b>	<b>1,030,346</b>	<b>100.00%</b>	<b>791,784</b>	<b>100.00%</b>	<b>743,705</b>	<b>100.00%</b>

## STATEMENTS OF FINANCIAL POSITION (Cont'd) : AS AT DECEMBER 31, 2012, 2013 and 2014 (Liabilities and Shareholders' Equity)

	Company Only						Consolidated					
	2012	%	2013	%	2014	%	2012	%	2013	%	2014	%
	Baht'000		Baht'000		Baht'000		Baht'000		Baht'000		Baht'000	
<b>Liabilities and shareholders' equity</b>												
<b>Current liabilities</b>												
Amount due to related companies	107,644	10.92%	41	0.01%	466	0.05%	-		-		-	
Current portion of long-term loan												
from related company	18,000	1.83%	-		-		-		-		-	
Short-term borrowing from related company	-		-		200,000	23.21%	-		-		-	
Current portion of financial lease contracts	4,178	0.42%	4,002	0.53%	1,097	0.13%	4,847	0.47%	4,705	0.59%	1,835	0.25%
Other current liabilities	4,108	0.42%	1,092	0.14%	1,573	0.18%	26,278	2.55%	23,108	2.92%	20,339	2.73%
<b>Total current liabilities</b>	<b>133,930</b>	<b>13.58%</b>	<b>5,135</b>	<b>0.68%</b>	<b>203,136</b>	<b>23.57%</b>	<b>31,125</b>	<b>3.02%</b>	<b>27,813</b>	<b>3.51%</b>	<b>22,174</b>	<b>2.98%</b>
<b>Non-current liabilities</b>												
Liabilities under financial lease contracts, net	4,408	0.45%	2,321	0.31%	1,100	0.13%	6,119	0.59%	3,330	0.42%	1,371	0.18%
Long-term loans from financial institutions	-		-		-		2,584	0.25%	3,236	0.41%	-	
Long-term loans from related companies	760,000	77.08%	-		-		-		-		-	
Deferred tax liabilities			-		-		158	0.02%	158	0.02%	-	
Employee benefits Obligations	5,928	0.60%	7,259	0.96%	7,472	0.87%	9,831	0.95%	12,874	1.63%	14,685	1.97%
Other liabilities	2,912	0.30%	1,310	0.17%	1,310	0.15%	12,097	1.17%	10,700	1.35%	8,811	1.18%
<b>Total non-current liabilities</b>	<b>773,248</b>	<b>78.42%</b>	<b>10,890</b>	<b>1.44%</b>	<b>9,882</b>	<b>1.15%</b>	<b>30,789</b>	<b>2.99%</b>	<b>30,298</b>	<b>3.83%</b>	<b>24,867</b>	<b>3.34%</b>
<b>Total liabilities</b>	<b>907,178</b>	<b>92.00%</b>	<b>16,025</b>	<b>2.12%</b>	<b>213,018</b>	<b>24.72%</b>	<b>61,914</b>	<b>6.01%</b>	<b>58,111</b>	<b>7.34%</b>	<b>47,041</b>	<b>6.33%</b>

## STATEMENTS OF FINANCIAL POSITION (Cont'd) : AS AT DECEMBER 31, 2012, 2013 and 2014 (Liabilities and Shareholders' Equity)

	Company Only						Consolidated					
	2012	%	2013	%	2014	%	2012	%	2013	%	2014	%
	Baht'000		Baht'000		Baht'000		Baht'000		Baht'000		Baht'000	
<b>Shareholders' equity</b>												
Authorised, issued and paid-up share capital												
125,000,000 ordinary shares of												
Baht 1 each	125,000	12.68%	125,000	16.50%	125,000	14.50%	125,000	12.13%	125,000	15.79%	125,000	16.81%
Premium on share capital	337,742	34.25%	337,742	44.59%	337,742	39.19%	337,742	32.78%	337,742	42.66%	337,742	45.41%
Retained earnings (deficit)												
Appropriated	12,500	1.27%	12,500	1.65%	12,500	1.45%	12,500	1.21%	12,500	1.58%	12,500	1.68%
Unappropriated	(396,409)	-40.20%	266,220	35.15%	173,610	20.14%	499,510	48.48%	266,924	33.71%	223,948	30.11%
Other components of equity	-		-		-		(2,484)	-0.24%	(2,146)	-0.27%	(2,502)	-0.34%
Equity attributable to owners of the parent	78,833	8.00%	741,462	97.88%	648,852	75.28%	972,268	94.36%	740,020	93.46%	696,688	93.68%
Non-controlling interests	-		-		-		(3,836)	-0.37%	(6,347)	-0.80%	(24)	0.00%
<b>Total shareholders' equity</b>	<b>78,833</b>	<b>8.00%</b>	<b>741,462</b>	<b>97.88%</b>	<b>648,852</b>	<b>75.28%</b>	<b>968,432</b>	<b>93.99%</b>	<b>733,673</b>	<b>92.66%</b>	<b>696,664</b>	<b>93.67%</b>
<b>Total liabilities and shareholders' equity</b>	<b>986,011</b>	<b>100.00%</b>	<b>757,487</b>	<b>100.00%</b>	<b>861,870</b>	<b>100.00%</b>	<b>1,030,346</b>	<b>100.00%</b>	<b>791,784</b>	<b>100.00%</b>	<b>743,705</b>	<b>100.00%</b>

## STATEMENTS OF COMPREHENSIVE INCOME : FOR THE YEARS ENDED DECEMBER 31, 2012, 2013 AND 2014

	Company Only						Consolidated					
	2012	%	2013	%	2014	%	2012	%	2013	%	2014	%
	Baht'000		Baht'000		Baht'000		Baht'000		Baht'000		Baht'000	
Revenues												
Service income	71,327	79.63%	3,832	0.47%	-		168,923	72.23%	104,239	73.36%	89,679	53.62%
Interest income from NPL	-		-		-		22,480	9.61%	-		-	
Dividend income	-		795,720	96.88%	-		-		-		-	
Other income	18,251	20.37%	21,830	2.66%	53,507	100.00%	42,473	18.16%	37,855	26.64%	77,555	46.38%
Total revenues	89,578	100.00%	821,382	100.00%	53,507	100.00%	233,876	100.00%	142,094	100.00%	167,234	100.00%
Expenses												
Cost of services, asset management and loans	33,280	37.15%	7,025	0.86%	567	1.06%	124,984	53.44%	106,636	75.05%	81,140	48.52%
Administrative expenses	192,923	215.37%	89,226	10.86%	125,223	234.03%	147,853	63.22%	119,961	84.42%	110,523	66.09%
Management remunerations	22,395	25.00%	20,444	2.49%	16,851	31.49%	22,395	9.58%	20,484	14.42%	16,951	10.14%
Reversal of allowance for impairment on investment in subsidiary	-		(97,145)	-11.83%	-		-		-		-	
Total expenses	248,598	277.52%	19,550	2.38%	142,641	266.58%	295,232	126.23%	247,081	173.89%	208,614	124.74%
Profit (loss) before financial costs and income tax	(159,020)	-177.52%	801,832	97.62%	(89,134)	-166.58%	(61,356)	-26.23%	(104,987)	-73.89%	(41,380)	-24.74%
Financial costs	61,074	68.18%	14,203	1.73%	3,476	6.50%	4,317	1.85%	1,186	0.83%	316	0.19%
Profit (loss) before income tax	(220,094)	-245.70%	787,629	95.89%	(92,610)	-173.08%	(65,673)	-28.08%	(106,173)	-74.72%	(41,696)	-24.93%
Income tax	-		-		-		19,436	8.31%	4,206	2.96%	441	0.26%
Net profit (loss) for the year	(220,094)	-245.70%	787,629	95.89%	(92,610)	-173.08%	(85,109)	-36.39%	(110,379)	-77.68%	(42,137)	-25.20%

## STATEMENTS OF COMPREHENSIVE INCOME (Cont'd) : FOR THE YEARS ENDED DECEMBER 31, 2012, 2013 AND 2014

	Company Only						Consolidated					
	2012	%	2013	%	2014	%	2012	%	2013	%	2014	%
	Baht'000		Baht'000		Baht'000		Baht'000		Baht'000		Baht'000	
<b>Other comprehensive income (loss)</b>												
Exchange differences on translating F/S	-		-		-		110	0.05%	620	0.44%	(281)	-0.17%
Other comprehensive loss, net of tax	-		-		-		110	0.05%	620	0.44%	(281)	-0.17%
<b>Total comprehensive income (loss)</b>	<b>(220,094)</b>	<b>-245.70%</b>	<b>787,629</b>	<b>95.89%</b>	<b>(92,610)</b>	<b>-173.08%</b>	<b>(84,999)</b>	<b>-36.34%</b>	<b>(109,759)</b>	<b>-77.24%</b>	<b>(42,418)</b>	<b>-25.36%</b>
<b>Profit (loss) attributable to:</b>												
Shareholders of the parent	(220,094)	-245.70%	787,629	95.89%	(92,610)	-173.08%	(79,480)	-33.98%	(107,586)	-75.71%	(42,977)	-25.70%
Non-controlling interests	-		-		-		(5,629)	-2.41%	(2,793)	-1.97%	840	0.50%
	<b>(220,094)</b>	<b>-245.70%</b>	<b>787,629</b>	<b>95.89%</b>	<b>(92,610)</b>	<b>-173.08%</b>	<b>(85,109)</b>	<b>-36.39%</b>	<b>(110,379)</b>	<b>-77.68%</b>	<b>(42,137)</b>	<b>-25.20%</b>
<b>Total comprehensive income (loss) attributable to:</b>												
Shareholders of the parent	(220,094)	-245.70%	787,629	95.89%	(92,610)	-173.08%	(79,479)	-33.98%	(107,248)	-75.48%	(43,332)	-25.91%
Non-controlling interests	-		-		-		(5,520)	-2.36%	(2,511)	-1.77%	914	0.55%
	<b>(220,094)</b>	<b>-245.70%</b>	<b>787,629</b>	<b>95.89%</b>	<b>(92,610)</b>	<b>-173.08%</b>	<b>(84,999)</b>	<b>-36.34%</b>	<b>(109,759)</b>	<b>-77.24%</b>	<b>(42,418)</b>	<b>-25.36%</b>
<b>Basic earnings (loss) per shar</b>	<b>(1.76)</b>		<b>6.30</b>		<b>(0.74)</b>		<b>(0.68)</b>		<b>(0.88)</b>		<b>(0.34)</b>	

## STATEMENTS OF CASH FLOWS (Cont'd) : FOR THE YEARS ENDED DECEMBER 31, 2012 20123 AND 2014

	Company Only			Consolidated		
	2012 Baht'000	2013 Baht'000	2014 Baht'000	2012 Baht'000	2013 Baht'000	2014 Baht'000
<b>Cash flows from operating activities</b>						
Profit (loss) before income tax	(220,094)	787,629	(92,610)	(65,673)	(106,173)	(41,696)
Adjustment for :						
Depreciation and amortisation	9,195	7,642	6,042	14,699	13,648	10,458
Interest income	(4,736)	(8,324)	(11,354)	(41,060)	(23,686)	(21,741)
Interest expense	60,422	13,756	3,227	3,584	-	-
Interest expense from finance leases	652	447	248	733	548	316
Dividend income	(9,804)	(795,720)	-	-	-	-
Loss on impairment/written off withholding tax assets	3,299	785	161	5,791	4,900	3,313
Impairment loss from investments in subsidiaries (reversal)	117,217	(97,145)	35,427	-	-	-
unrealised loss (gain) on investment in fair value	-	-	-	(2,160)	1,489	-
Loss on impairment of loans (reversal)	7,300	31,613	43,800	9,800	(9,800)	-
Loss on loan forgiveness	-	13,726	-	-	13,726	-
Gain on forgiveness of borrowings from financial institution	-	-	-	-	-	(2,310)
Gain from sale of investment	(751)	-	(39,504)	(12,052)	(2,278)	(41,325)
Gain from sale of subsidiary	-	(9,000)	-	-	(129)	-
Gain on disposal/impairment/write-off assets	(1,157)	(1,016)	420	(624)	(1,196)	3,921
Realised (Gain) loss on foreign currencies translation	1,473	(2,963)	(113)	1,396	(1,833)	(116)
Unrealised loss on foreign exchange translation	-	-	-	109	622	(366)
Provision for employee benefits	699	1,331	3,892	2,203	3,393	5,992



## STATEMENTS OF CASH FLOWS (Cont'd) : FOR THE YEARS ENDED DECEMBER 31, 2012 2013 AND 2014

	Company Only			Consolidated		
	2012 Baht'000	2013 Baht'000	2014 Baht'000	2012 Baht'000	2013 Baht'000	2014 Baht'000
Loss on reversal of assets, liabilities and non-controlling interests	-	-	-	-	-	4,550
Bad debt and allowance for doubtful account	-	-	-	-	-	1,220
Reversal on provision on dismantling cost	-	(1,602)	-	-	(1,602)	-
Profit (loss) from operating activities before changes in operating assets and liabilities	(36,285)	(58,841)	(50,364)	(83,254)	(108,371)	(77,784)
(Increase) decrease in operating assets						
Accounts and notes receivable	34,359	20,416	-	32,851	19,587	(3,476)
Investment in non-performing assets	-	-	-	(2,469)	-	-
Amount due from - related companies	(109)	(50)	(100)	-	-	-
Other receivables	228	-	(1)	245	-	-
Other current assets	530	679	(66)	2,579	(9)	(929)
Other non-current assets	114	118	297	307	613	347
Increase (decrease) in operating liabilities						
Amount due to related companies	(482)	(15)	-	-	-	-
Other current liabilities	(1,186)	(1,490)	(3,678)	(12,012)	(4,132)	(5,364)
Other non-current liabilities	-	-	481	(435)	(73)	(4,183)
Cash generated from (used in) operation before						
Interest and income tax received (paid)	(2,831)	(39,183)	(53,431)	(62,189)	(92,385)	(91,389)
Interest income received	4,703	2,582	10,186	48,117	18,483	22,278
Interest expense paid excluding finance lease contracts	(2,939)	(121,345)	(2,803)	-	-	-
Income tax paid	(3,299)	(785)	(161)	(5,791)	(4,900)	(4,916)
<b>Net cash provided by (used in) operating activities</b>	<b>(4,366)</b>	<b>(158,731)</b>	<b>(46,209)</b>	<b>(19,863)</b>	<b>(78,802)</b>	<b>(74,027)</b>

## STATEMENTS OF CASH FLOWS (Cont'd) : FOR THE YEARS ENDED DECEMBER 31, 2012 2013 AND 2014

	Company Only			Consolidated		
	2012 Baht'000	2013 Baht'000	2014 Baht'000	2012 Baht'000	2013 Baht'000	2014 Baht'000
<b>Cash flows from investing activities</b>						
Purchase of short-term investment	(15,342)	-	(93,107)	(128,550)	(4,500)	(119,589)
Short-term loans made to related companies	(169,000)	(20,500)	-	-	-	-
Short-term loans made to other company	-	-	(200,000)	-	(65,000)	(230,000)
Long-term loans made to related companies	(3,899)	(9,800)	(43,800)	-	-	-
Purchase of long-term investment	-	-	-	(30,000)	-	-
Cash paid for increase of issuing share of subsidiaries	(2,000)	(4,000)	-	-	-	-
Cash paid for acquisition of minority interest of a subsidiary	-	-	(66,602)	-	-	-
Purchase of building improvement, equipment and intangible assets	(98)	(1,242)	(61)	(6,950)	(7,184)	(4,508)
Proceeds from disposal of short-term investment	31,004	-	132,611	36,005	5,000	303,412
Proceeds from disposal of investment in subsidiary	-	9,000	-	-	2,584	-
Cash received from share capital reduction of investment in subsidiary	-	412,500	3,259	-	-	-
Proceeds from disposal of long-term investment	-	-	-	11,332	-	-
Proceeds from short-term loans to other companies	-	-	100,000	6,000	10,664	214,393
Loan repayment received from short-term loans to related companies	161,100	14,400	3,000	-	-	-
Loan repayment received from long-term loans to other companies	13,277	6,057	-	13,277	-	-
Proceeds from disposal of building improvement equipment and intangible assets	3,935	3,419	1,033	3,935	4,762	1,133
Dividend received from investment in subsidiaries	9,804	787,050	8,670	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>28,781</b>	<b>1,196,884</b>	<b>(154,997)</b>	<b>(94,951)</b>	<b>(53,674)</b>	<b>164,841</b>

## STATEMENTS OF CASH FLOWS (Cont'd) : FOR THE YEARS ENDED DECEMBER 31, 2012 2013 AND 2014

	Company Only			Consolidated		
	2012 Baht'000	2013 Baht'000	2014 Baht'000	2012 Baht'000	2013 Baht'000	2014 Baht'000
<b>Cash flows from financing activities</b>						
Payment on short-term borrowing from related companies	(152,000)	(913,588)	-	-	-	-
Proceeds from long-term borrowings from financial institutions	-	-	-	706	653	-
Cash paid on long-term loans from related companies	-	(760,000)	-	-	-	-
Proceeds from short-term borrowings from related companies	150,000	895,588	200,000	-	-	-
Dividend paid	-	(125,000)	-	-	(125,000)	-
Payment on liabilities under financial lease contracts	(6,767)	(4,873)	(4,374)	(8,177)	(5,644)	(5,144)
<b>Net cash provided by (used in) financing activities</b>	<b>(8,767)</b>	<b>(907,873)</b>	<b>195,626</b>	<b>(7,471)</b>	<b>(129,991)</b>	<b>(5,144)</b>
Net increase (decrease) in cash and cash equivalents	15,648	130,280	(5,580)	(122,286)	(262,467)	85,670
<b>Cash and cash equivalents at beginning of the year</b>	<b>47,114</b>	<b>61,077</b>	<b>193,190</b>	<b>864,437</b>	<b>740,015</b>	<b>479,381</b>
<b>Exchange gain (loss) on cash</b>	<b>(1,685)</b>	<b>1,833</b>	<b>113</b>	<b>(2,137)</b>	<b>1,833</b>	<b>113</b>
<b>Cash and cash equivalents at end of the year</b>	<b>61,077</b>	<b>193,190</b>	<b>187,723</b>	<b>740,014</b>	<b>479,381</b>	<b>565,164</b>
<b>Non-cash transactions</b>						
Purchase equipment under financial lease contracts	-	2,164	-	3,710	2,164	-
Purchase of leasehold improvements	-	-	-	-	-	1,224
Reversal of dismantling cost	1,941	-	-	3,354	61	-
Provision on dismantling cost	-	-	-	-	-	972
Reclassification of long-term investment to short-term investment	-	-	-	674	30,000	-
Reclassification of current asset to non-current asset	-	-	-	7,500	-	-
Reclassification of non-current asset to current asset	-	1,500	-	-	1,500	372
Reclassification of current liability to non-current liability	-	-	-	7,500	-	925
Dividend receivable	-	8,670	-	-	-	-

## Ratio Analysis

	Company Only						Consolidated					
	2012		2013		2014		2012		2013		2014	
<u>Liquidity Ratio</u>												
Current Ratio	0.72	Times	40.45	Times	1.44	Times	29.70	Times	26.34	เท่า	31.30	Times
Quick Ratio	0.61	Times	37.62	Times	0.92	Times	28.44	Times	22.84	เท่า	26.18	Times
Cash Flows Liquidity Ratio	-0.04	Times	-2.28	Times	-0.44	Times	-0.53	Times	-2.67	Times	-2.96	Times
Accounts Receivable Turnover	1.90	Times	0.38	Times	n.a.	Times	3.60	Times	4.50	Times	6.24	Times
Day Receivable	190	Days	959	Days	n.a.	Days	100	Days	80	Days	58	Days
Accounts Payable Turnover	n.a.	Times	n.a.	Times	n.a.	Times	n.a.	Times	n.a.	Times	n.a.	Times
Repayment Period	n.a.	Days	n.a.	Days	n.a.	Days	n.a.	Days	n.a.	Days	n.a.	Days
Cash Cycle	n.a.	Days	n.a.	Days	n.a.	Days	n.a.	Days	n.a.	Days	n.a.	Days
<u>Profitability Ratio</u>												
Gross Profit Margin	53.34	%	99.12	%	n.a.	%	34.70	%	-2.30	%	9.52	%
Earnings Before Interest and Tax Ratio	-217.14	%	87.96	%	n.a.	%	-42.55	%	-117.38	%	-113.72	%
Other Profit Margin	20.37	%	2.66	%	100.00	%	18.16	%	26.64	%	46.38	%
Cash per Earnings Margin	0.03	Times	-0.23	Times	0.37	Times	0.24	Times	0.64	Times	0.73	Times
Net Profit Margin	-245.70	%	95.89	%	-173.08	%	-33.98	%	-75.71	%	-25.70	%
Return on Equity	-116.53	%	192.04	%	-13.32	%	-7.85	%	-12.57	%	-5.98	%
<u>Efficiency Ratio</u>												
Return on Total Assets	-20.51	%	90.35	%	-11.44	%	-7.39	%	-11.81	%	-5.60	%
Return on Fixed Assets	-581.30	%	2,768.52	%	-389.91	%	-138.42	%	-221.92	%	-91.92	%
Assets Turnover	0.08	Times	0.94	Times	0.07	Times	0.22	Times	0.16	Times	0.22	Times

## Ratio Analysis (Cont'd)

	Company Only						Consolidated					
	2012		2013		2014		2012		2013		2014	
<u>Financial Policy Ratio</u>												
Debt per Equity Ratio	11.51	Times	0.02	Times	0.33	Times	0.06	Times	0.08	Times	0.07	Times
Interest Coverage Ratio	-4.60	Times	54.46	Times	-27.64	Times	-14.91	Times	-88.17	Times	-135.60	Times
Ability to pay cash basis	-0.73	Times	-1.13	Times	-0.42	Times	-0.54	Times	-0.60	Times	-16.42	Times
Dividend pay out Ratio	0.00	%	15.87	%	0.00	%	0.00	%	-113.64	%	0.00	%
<u>Growth Ratio</u>												
Total Assets	-14.98	%	-23.18	%	13.78	%	-8.08	%	-23.15	%	-6.07	%
Total Liability	5.39	%	-98.23	%	1,229.29	%	-8.19	%	-6.14	%	-19.05	%
Income from services	-45.93	%	-94.63	%	-100.00	%	-9.12	%	-38.29	%	-13.97	%
Selling and Administrative Expenses	41.40	%	-53.75	%	40.34	%	-59.63	%	-18.86	%	-7.87	%
Net Profit (Loss) Ratio	99.67	%	-457.86	%	-111.76	%	-120.22	%	35.36	%	-60.05	%
<u>Data Per Share</u>												
Book Value per share	0.63	Baht	5.93	Baht	5.19	Baht	7.75	Baht	5.87	Baht	5.57	Baht
Earning (Loss) per share	-1.76	Baht	6.30	Baht	-0.74	Baht	-0.68	Baht	-0.88	Baht	-0.34	Baht
Dividend per share	0.00	Baht	1.00	Baht	0.00	Baht	0.00	Baht	1.00	Baht	0.00	Baht

## 1.4 Financial Status and Operating Results Analysis

### 1.4.1 Operation overview and significant changes during the past year

In the previous year there was no further change to business operation of the Company and its subsidiaries, i.e. the Company and its subsidiaries did not have any new investment or work assignment in material aspect due to business-related reason, both in term of remunerations or risk of investment, which was not sufficiently favorable or attractive. Another reason was because there was a change to major shareholding structure in the previous year in that Dr. Vivat Vithoontien, Chief Executive Officer of the Company, who was a major shareholder holding approximately 49 per cent of the total shares, reduced his shareholding proportion to approximately 8 per cent, and there was a group of new shareholders, while concurrently there was a change to the directorship structure. The previous year was, therefore, in the process of ascertaining executive structure adjustment and laying of direction for business operation in order to generate earnings to the business of the Company and its subsidiaries.

In respect of business operation result in 2014 when compared with that of 2013, the financial statement presented total assets of 743.70 million Baht, decreasing by approximately 48.08 million Baht, total liabilities of 47.04 million Baht, decreasing by approximately 11.07 million Baht, shareholders' equity of the parent company of 696.69 million Baht, decreasing by approximately 43.33 million Baht, total revenues of 167.23 million Baht, increasing by approximately 25.14 million Baht, total expenditures of 208.61 million Baht, decreasing by approximately 38.47 million Baht, loss from shareholders' equity of the parent company of 42.98 million Baht, decreasing by 64.61 million Baht. The main reason why the Company had improving revenues, expenditures, profits and shareholders' equity, though still suffering loss but at a lower rate than that of the previous year, was because the Company had increasing revenues from business operation while employee structure was adjusted after 2013 to be consistent with the work volume, particularly in respect of the decreasing asset management business to control the expenditures, which resulted in the decrease of the Company's expenditures in 2014. Details of business operation could be summarized as follows.

### 1.4.2 Operating results for the past year can be summarised as follows:

- **Revenues**

#### *Revenues*

As per the 2014 consolidated financial statement, the Company and subsidiaries had total revenues of 167.23 million Baht, increasing by approximately 25.14 million Baht or 17.69 per cent from 2013. Sources of revenues were as follows.

*Revenues from provision of services* were from provision of various services such as financial and investment banking advisory services recognized as monthly retainer fees and success fees, general legal advisory services, and Call Center services, were recognized as per individual contracts, and revenues from non-performing asset port management contracts by the Company and subsidiaries, recognized in the following formats.

- Revenues from remunerations for operation expenses (Base Fee), collectable by the Company from employers on a monthly basis.
- Revenues in the form of percentage sharing from the amounts received by the Company from debtors and/or from sales of securities (Cash Collection Fee), payable on quarterly basis. The Company would present as accrued revenues at the end of the quarter and convert them when the Company issued bills.

- Revenues from provision of legal advisory services in connection with asset management business by subsidiaries.

Most of the revenues from provision of services in 2014 of 89.68 million, approximately 57.17 million Baht were earned from Call Center services and approximately 22.90 million Baht from debt collection service. The remaining revenues were earned from provision of advisory services, e.g. approximately 8.90 million Baht from financial and investment banking advisory services, approximately 0.52 million Baht from legal advisory services, etc. When compared with those of 2013, revenues from provision of services decreased by approximately 14.56 million Baht, or 13.97 per cent, mostly due to loss of revenues from non-performing asset port management contracts of a subsidiary in Malaysia because the contracts were expired and the Company closed the subsidiary at the end of 2013. Others were decreases in revenues from provision of other services, for example, in 2013 revenue from Call center services was approximately 71.08 million Baht, revenue from provision of financial and investment banking advisory services was approximately 9.01 million Baht, which were higher than those in 2014.

*Other revenues* in 2014 were 77.55 million Baht, increasing from those of 2013, because the Company profited from sale of short-term investment of approximately 41.71 million Baht, while other revenues, e.g. approximately 21.74 million Baht from bank deposit interest and returns from loans, decreasing by approximately 1.94 million Baht, approximately 944 million Baht from reversal of unidentified account receivables, increasing by approximately 7.04 million Baht, approximately 2.00 million Baht from loan provision, increasing by approximately 0.50 million Baht. Remaining revenues were profits from sales of assets, unrealized profit from exchange rate, etc. Other revenues in 2013 were 37.86 million Baht, mostly from bank deposit interest of approximately 19.91 million Baht, returns of approximately 3.77 million Baht from loans, profits of approximately 2.42 million from sales of assets, unrealized profits of approximately 2.96 million Baht from exchange rate, loan agreement extension fees of approximately 1.50 million Baht, approximately 2.40 million Baht from reversal of unidentified account receivables, profit of 0.50 million Baht from sales of liabilities, compensation of approximately 0.70 million Baht, gain on open fund of approximately 1.90 million Baht, respectively.

#### ***Cost of Service and Administrative Expenses***

Service cost in 2014 was 81.14 million Baht, mostly incurred from personnel expenses of approximately 76.43 million Baht or 91.20 per cent. Said cost was decreasing by approximately 25.50 million Baht, or 23.91 per cent, when compared with that of the preceding year.

Sales and administrative expenses in 2014 were 110.52 million Baht, mostly incurred from personnel expenses of approximately 41.23 million Baht, rents of 18.26 million Baht, advisory fees of 3.70 million Baht, depreciation and amortization of 10.46 million Baht, provision for employee benefits of 5.99 million Baht, impairment loss from withholding tax of 3.30 million Baht, respectively, decreasing by approximately 9.44 million Baht or 7.87 per cent, which was deemed a slight decrease when compared with that of the preceding year, similar to management remunerations of 16.95 million Baht in 2014 which was slightly decreasing from that of the preceding year.

### Net Profit (loss)

The net profits (loss) of the Company and its subsidiaries for 2013 and 2014 were as follows:

	2013		2014	
	THB (million)	% compared to total revenues	THB (million)	% compared to total revenues
Gross Profit	(2.40)	(1.69)	8.54	5.11
EBITDA	(104.99)	(73.89)	(41.38)	(24.74)
Net Profit attributable to shareholders of the parent	(107.59)	(75.72)	(42.98)	(25.70)

In 2014 the Company and subsidiaries had gross profit of 8.54 million Baht, increasing by 10.94 million Baht, with loss before interest expenses and income tax of 41.38 million Baht, decreasing by 63.61 million Baht, and net loss in shareholders' equity of the parent company of 42.98 million Baht, decreasing by 64.61 million Baht. When compared with those of 2013 the Company and subsidiaries had decreasing loss due to increase in other revenues earned from profit from sales of short-term investment coupled with the decrease of approximately 38.47 million Baht in expenditures, thus causing the net loss per share to decrease from 0.68 Baht to 0.34 Baht and negative return on equity (ROE) to decrease from 12.57% to -5.98% and negative return on assets (ROA) to decrease from -11.81% to -5.60%.

### 1.4.3 Financial Status of the Company and its Subsidiaries

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

#### **Assets**

At the end of 2014 the Company and subsidiaries had total assets of 743.71 million Baht as per the consolidated financial statement, mostly comprising cash and cash equivalents of approximately 565.16 million Baht or 75.99 per cent of the assets, short-term loans to other companies of approximately 100.00 million Baht net, or 13.45 per cent of the assets, respectively.

The increase of 85.78 million Baht in cash and cash equivalents in 2014 compared with the preceding year was because in the previous year the Company and subsidiaries had net cash used in operating activities of 74.03 million Baht and net cash used in investing activities of 74.03 million Baht, with net cash gained from investing activities of 164.84 million Baht, net cash used in financing activities of 5.14 million Baht, and profit from exchange rate of 0.11 million Baht.

Short-term loans to other companies of 100.00 million Baht, increasing by approximately 15.61 million Baht when compared with that of the preceding year, because the Company granted a loan to a customer with repayment scheduled for early 2015.

Building improvements and equipments were 31.82 million Baht, slightly decreasing by 7.11 million Baht, which comprised assets used in operation, mostly were office equipments, furniture and fixtures, computers, vehicles. The decrease in building improvements was due to depreciation of each item of the assets.



Trade account receivables and note receivables were 15.39 million Baht, decreasing by 2.02 million Baht, which was close to that of the preceding year. However, the Company and subsidiaries have provided allowance for doubtful account of said trade account receivable in the amount of 15.48 million Baht as illustrated in the table below.

	Consolidated		Company Only	
	2013	2014	2013	2014
	THB (thousand)	THB (thousand)	THB (thousand)	THB (thousand)
<b>Accounts receivable</b>				
Accrued income	6,589	11,283	-	-
Undue and up to 30 days	5,237	4,022	-	-
Overdue 30 days but not over 180 days	1,043	80	-	-
Overdue 180 days but not over 1 year	-	320	-	-
Overdue more than 1 year	16,256	15,157	11,646	11,646
<b>Total</b>	<b>29,125</b>	<b>30,862</b>	<b>11,646</b>	<b>11,646</b>
Less : Allowance for doubtful accounts	(15,756)	(15,476)	(11,646)	(11,646)
Accounts and notes receivable - net	13,369	15,386	-	-

#### **Liabilities**

In 2014 the Company and subsidiaries had 47.04 million Baht balance of liabilities, decreasing from 58.11 million Baht in the preceding year. Most liabilities came from other current liabilities of 20.34 million Baht, mainly were accrued expenses of 12.86 million Baht or 63.22 per cent, non-current liabilities of approximately 24.87 million Baht mainly comprised of liabilities under employee benefits obligations of 14.68 million Baht, deposits of 7.50 million Baht, respectively.

#### **Shareholders' equity**

The Company had shareholders' equity of the parent company of 696.69 million Baht as per the consolidated financial statement, decreasing by 43.33 million Baht or 5.85 per cent compared with the preceding year, because the Company suffered loss of approximately 42.42 million Baht in the previous year. Debt-equity ratio of the Company and subsidiaries in 2014 slightly decreased when compared with that of the preceding year, i.e. from 0.08 to 0.07 times.

#### **Liquidity**

The Company and subsidiaries had increasing liquidity ratio from 26.34 to 31.30 times, reflecting that the Company and subsidiaries had improving operating liquidity because the Company and subsidiaries did not distribute any dividend or make any additional investment in the previous year, thus resulted in the increase to liquidity of the Company and subsidiaries. However, since the Company still had cash in hand of 565.16 million Baht, coupled with its business on provision of financial advisory services which used mainly the expertise and capabilities in the business operation unlike other businesses which required investments to purchase raw materials or in construction, it could, therefore, be deemed that the Company and subsidiaries had sound cash and liquidity.

#### **1.4.4 Main factors which may impact upon the business operation or the financial position in the future**

##### ***Economic Changes***

National economic changes mostly fluctuated along with global economic changes, e.g. if foreign economy grew Thai economy would grow as well. However, factors with domestic impacts, i.e. political problems, were currently putting more weights upon the economic growth. Such problems inevitably impact upon implementation of investment policies, thus reducing confidence of foreign investors who wanted to invest.

In the previous year, Thai economic growth had a decreasing expansion as evidenced by decreasing profits of several listed companies. It was more difficult for the Company to find new customers in the previous year because many customers delayed their investments due to uncertainty in the work administration policy of the Government Sector. The economic changes with a trend of decreasing growth would be a significant factor towards the growth in the earnings of the Company from collection of debts and finding sources of investments for customers. However, financial advisory services which could create compensatory earnings during the weakening economic duration were those in respect of debt restructuring, which would be in an increasing proportion as many businesses were facing with financial problems from poor economic situations. As such, it was a good opportunity for the Company to find more customers from provision of financial advisory services in respect of debt restructuring, which would create revenues to compensate for other earnings impacted from the decreasing economic growth.

Consequently, many factors impacting the economic changes were what the Company must carefully monitor and assess to enable the Company to keep pace with such changes and adapt itself to future business operation.

##### ***Investor Confidence***

Financial advisory services have direct relation with sources of fund since the clients' objective is for the Company to provide advisory service relating to debt restructuring and sources of fund. The investment fund are essential for business development, thus, the negotiation with both domestic and foreign investors is one of the major parts to facilitate the continuity of business operation.

Likewise, large amount of fund is needed for the NPL portfolio auction by the Company's subsidiary in which the Company generally gained support from foreign financial institutions. Therefore, if both domestic and foreign investors have confidence in the Company including reliance to make an investment in Thailand will maintain the Company's business for further development. This as well takes account of the political steadiness and the Government's supportive policy to smooth the progress of investment.

##### ***Intensity of Competition in the Industry***

At present, several financial institutions have expanded its financial advisory service and investment banking including NPL asset management by set up their own subsidiaries. The objective is to separately operate its own works. It is expected that new financial advisory service will be increased and leading to intense competition. However, the clients' confidence is the fundamental in selection of service provider. The client will select based on work experience and capability of the executives in the Company. The Company's executives has been working in this particular area for years and within this business scope of work enable the Company to provide service both during economic growth and economic recession. The Company is certain that there are sufficient works to support rising numbers of new service providers in coming future

# AUDITOR'S REPORT

## To the Shareholders and the Board of Directors of ACAP Advisory Public Company Limited

I have audited the accompanying consolidated and company financial statements of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*


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

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

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

### *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 of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Pailoon Tunkoon

Certified Public Accountant (Thailand) No. 4298

PricewaterhouseCoopers ABAS Ltd.

Bangkok

26 February 2015

# STATEMENTS OF FINANCIAL POSITION

ACAP Advisory Public Company Limited

As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	565,164	479,381	187,723	193,190
Short-term investments	8	-	142,498	-	-
Accounts receivable, net	9	15,386	13,369	-	-
Amounts due from related companies	27 iv)	-	-	312	8,885
Short-term loans to related companies, net	27 v)	-	-	-	3,000
Short-term loans to other companies, net	10	100,000	84,393	100,000	-
Other current assets	12	13,596	12,955	3,879	2,641
<b>Total current assets</b>		<b>694,146</b>	<b>732,596</b>	<b>291,914</b>	<b>207,716</b>
<b>Non-current assets</b>					
Long-term loan to related companies, net	27 v)	-	-	-	-
Investment in subsidiary companies, net	11	-	-	545,553	517,637
Leasehold improvements and equipment, net	14	31,819	38,930	18,670	25,734
Intangible assets, net	15	4,107	3,973	1,833	2,203
Other non-current assets	13	13,633	16,285	3,900	4,197
<b>Total non-current assets</b>		<b>49,559</b>	<b>59,188</b>	<b>569,956</b>	<b>549,771</b>
<b>Total assets</b>		<b>743,705</b>	<b>791,784</b>	<b>861,870</b>	<b>757,487</b>

The notes on pages 11 to 47 are an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION (CONT'D)

ACAP Advisory Public Company Limited

As at 31 December 2014

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Amounts due to related companies	27 iv)	-	-	466	41
Short-term borrowing from related company	27 vi)	-	-	200,000	-
Current portion of financial lease liabilities	18	1,835	4,705	1,097	4,002
Other current liabilities	17	20,339	23,108	1,573	1,092
<b>Total current liabilities</b>		<b>22,174</b>	<b>27,813</b>	<b>203,136</b>	<b>5,135</b>
<b>Non-current liabilities</b>					
Financial lease liabilities, net	18	1,371	3,330	1,100	2,321
Long term borrowings from financial institution		-	3,236	-	-
Deferred tax liabilities	16	-	158	-	-
Employee benefits obligations	19	14,685	12,874	7,472	7,259
Other liabilities		8,811	10,700	1,310	1,310
<b>Total non-current liabilities</b>		<b>24,867</b>	<b>30,298</b>	<b>9,882</b>	<b>10,890</b>
<b>Total liabilities</b>		<b>47,041</b>	<b>58,111</b>	<b>213,018</b>	<b>16,025</b>
<b>Shareholders' equity</b>					
Share capital					
Authorized, issued and paid-up share capital					
125,000,000 ordinary shares of Baht 1 each		125,000	125,000	125,000	125,000
Issued and paid-up share capital					
125,000,000 ordinary shares of Baht 1 each		125,000	125,000	125,000	125,000
Premium on share capital		337,742	337,742	337,742	337,742
Retained earnings					
Appropriated - Legal reserve	20	12,500	12,500	12,500	12,500
Unappropriated		223,948	266,924	173,610	266,220
Other components of equity		(2,502)	(2,146)	-	-
<b>Equity attributable to owners of the parent</b>		<b>696,688</b>	<b>740,020</b>	<b>648,852</b>	<b>741,462</b>
Non-controlling interests		(24)	(6,347)	-	-
<b>Total shareholders' equity</b>		<b>696,664</b>	<b>733,673</b>	<b>648,852</b>	<b>741,462</b>
<b>Total liabilities and shareholders' equity</b>		<b>743,705</b>	<b>791,784</b>	<b>861,870</b>	<b>757,487</b>

The notes on pages 11 to 47 are an integral part of these financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

ACAP Advisory Public Company Limited

For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
<b>Revenues</b>					
Service income		89,679	104,239	-	3,832
Dividend income	27 i)	-	-	-	795,720
Other income	21, 27 i)	77,555	37,855	53,507	21,830
<b>Total revenues</b>		<b>167,234</b>	<b>142,094</b>	<b>53,507</b>	<b>821,382</b>
<b>Expenses</b>					
Cost of services and asset management	27 ii)	81,140	106,636	567	7,025
Administrative expenses	22, 27 ii)	110,523	119,961	125,223	89,226
Management remunerations	22, 29	16,951	20,484	16,851	20,444
Reversal of allowance for impairment on investment in subsidiary		-	-	-	(97,145)
<b>Total expenses</b>		<b>208,614</b>	<b>247,081</b>	<b>142,641</b>	<b>19,550</b>
<b>(Loss) profit before financial costs and income tax</b>		<b>(41,380)</b>	<b>(104,987)</b>	<b>(89,134)</b>	<b>801,832</b>
Financial costs	27 iii)	316	1,186	3,476	14,203
<b>(Loss) profit before income tax</b>		<b>(41,696)</b>	<b>(106,173)</b>	<b>(92,610)</b>	<b>787,629</b>
Income tax	23	441	4,206	-	-
<b>Net (loss) profit for the year</b>		<b>(42,137)</b>	<b>(110,379)</b>	<b>(92,610)</b>	<b>787,629</b>
<b>Other comprehensive (expense) income</b>					
Exchange differences on translating financial statement		(281)	620	-	-
<b>Total comprehensive (expense) income</b>		<b>(42,418)</b>	<b>(109,759)</b>	<b>(92,610)</b>	<b>787,629</b>
<b>(Loss) profit attributable to:</b>					
Shareholders of the parent		(42,977)	(107,586)	(92,610)	787,629
Non-controlling interests		840	(2,793)	-	-
		<b>(42,137)</b>	<b>(110,379)</b>	<b>(92,610)</b>	<b>787,629</b>
<b>Total comprehensive (expense) income attributable to:</b>					
Shareholders of the parent		(43,332)	(107,248)	(92,610)	787,629
Non-controlling interests		914	(2,511)	-	-
		<b>(42,418)</b>	<b>(109,759)</b>	<b>(92,610)</b>	<b>787,629</b>
<b>(Loss) earnings per share (expressed in Baht per share)</b>					
Basic (loss) earnings per share	24	<b>(0.34)</b>	<b>(0.88)</b>	<b>(0.74)</b>	<b>6.30</b>

The notes on pages 11 to 47 are an integral part of these financial statements.

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

ACAP Advisory Public Company Limited  
For the year ended 31 December 2014

		Consolidated							
		Equity attributable to shareholders of the parent						Non-controlling interests	Total shareholders' equity
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Currency translation differences from subsidiary in overseas	Total shareholders of the parent		
				Appropriated	Unappropriated				
				-Legal reserve					
Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	
Opening balance as at 1 January 2013		125,000	337,742	12,500	497,855	(2,484)	970,613	(3,836)	966,777
Impact from the adoption of TAS 12 Income taxes	2.19	-	-	-	1,655	-	1,655	-	1,655
Opening balance after adjustment		125,000	337,742	12,500	499,510	(2,484)	972,268	(3,836)	968,432
Total comprehensive (expenses) income		-	-	-	(107,586)	338	(107,248)	(2,511)	(109,759)
Dividend payment	26	-	-	-	(125,000)	-	(125,000)	-	(125,000)
Ending balance as at 31 December 2013		125,000	337,742	12,500	266,924	(2,146)	740,020	(6,347)	733,673
Opening balance as at 1 January 2014		125,000	337,742	12,500	266,924	(2,146)	740,020	(6,347)	733,673
Total comprehensive (expenses) income		-	-	-	(42,977)	(355)	(43,332)	914	(42,418)
Adjustment of non-controlling interests	11	-	-	-	-	-	-	5,409	5,409
Ending balance as at 31 December 2014		125,000	337,742	12,500	223,947	(2,501)	696,688	(24)	696,664

The notes on pages 11 to 47 are an integral part of these financial statements.

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D)

ACAP Advisory Public Company Limited  
For the year ended 31 December 2014

	Note	Company				
		Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings (deficits)		Total shareholders' equity Baht'000
				Appropriated -Legal reserve Baht'000	Unappropriated Baht'000	
Opening balance as at 1 January 2013		125,000	337,742	12,500	(396,409)	78,833
Total comprehensive income		-	-	-	787,629	787,629
Dividend payment	26	-	-	-	(125,000)	(125,000)
Closing balance as at 31 December 2013		125,000	337,742	12,500	266,220	741,462
Opening balance as at 1 January 2014		125,000	337,742	12,500	266,220	741,462
Total comprehensive expenses		-	-	-	(92,610)	(92,610)
Closing balance as at 31 December 2014		125,000	337,742	12,500	173,610	648,852

The notes on pages 11 to 47 are an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS

ACAP Advisory Public Company Limited  
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
(Loss) profit before income tax		(41,696)	(106,173)	(92,610)	787,629
Adjustments for:					
Depreciation and amortisation	14, 15	10,458	13,648	6,042	7,642
Interest income		(21,741)	(23,686)	(11,354)	(8,324)
Interest expense		-	-	3,227	13,756
Interest expense from finance leases		316	548	248	447
Dividend income	27 i)	-	-	-	(795,720)
Loss on impairment/written off withholding tax assets		3,313	4,900	161	785
Impairment loss from investments in subsidiaries (reversal)		-	-	35,427	(97,145)
Unrealised loss on investment in fair value		-	1,489	-	-
Loss on impairment of loans (reversal)		-	(9,800)	43,800	31,613
Loss on loan forgiveness		-	13,726	-	13,726
Gain on forgiveness of borrowings from financial institution		(2,310)	-	-	-
Gain from sale of investment	21	(41,325)	(2,278)	(39,504)	-
Gain from sale of subsidiary	21	-	(129)	-	(9,000)
Loss(gain) on disposal/impairment/write-off assets		3,921	(1,196)	420	(1,016)
Realised gain on foreign currencies translation		(116)	(1,833)	(113)	(2,963)
Unrealised (gain) loss on foreign exchange translation		(366)	622	-	-
Employee benefits obligations	19	5,992	3,393	3,892	1,331
Loss on reversal of assets, liabilities and non-controlling interests		4,550	-	-	-
Bad debt and allowance for doubtful accounts		1,220	-	-	-
Reversal on provision on dismantling cost		-	(1,602)	-	(1,602)
Loss from operating activities before					
changes in operating assets and liabilities		(77,784)	(108,371)	(50,364)	(58,841)
(Increase) decrease in operating assets					
Accounts receivable		(3,476)	19,587	-	20,416
Amounts due from related companies		-	-	(100)	(50)
Other receivables		-	-	(1)	-
Other current assets		(929)	(9)	(66)	679
Other non-current assets		347	613	297	118

The notes on pages 11 to 47 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS (CONT'D)

ACAP Advisory Public Company Limited  
For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Increase (decrease) in operating liabilities					
Amounts due to related companies		-	-	-	(15)
Other current liabilities		(5,364)	(4,132)	(3,678)	(1,490)
Other non-current liabilities		(4,183)	(73)	481	-
Cash used in operation before					
interest and income tax received (paid)		(91,389)	(92,385)	(53,431)	(39,183)
Interest income received		22,278	18,483	10,186	2,582
Interest expense paid excluding finance leases		-	-	(2,803)	(121,345)
Income tax paid		(4,916)	(4,900)	(161)	(785)
<b>Net cash used in operating activities</b>		<b>(74,027)</b>	<b>(78,802)</b>	<b>(46,209)</b>	<b>(158,731)</b>
<b>Cash flows from investing activities</b>					
Purchase of short-term investment		(119,589)	(4,500)	(93,107)	-
Short-term loans made to related companies		-	-	-	(20,500)
Short-term loans made to other company		(230,000)	(65,000)	(200,000)	-
Long-term loans made to related companies		-	-	(43,800)	(9,800)
Cash paid for increase of issuing share of subsidiaries		-	-	-	(4,000)
Cash paid for purchasing shares of subsidiaries		-	-	(66,602)	-
Purchase of leasehold improvements, equipment and intangible assets		(4,508)	(7,184)	(61)	(1,242)
Proceeds from disposal of short-term investment		303,412	5,000	132,611	-
Proceeds from disposal of investment in subsidiary		-	2,584	-	9,000
Cash received from share capital reduction of investment in subsidiary		-	-	3,259	412,500
Proceeds from short-term loan to other companies		214,393	10,664	100,000	-
Loan repayments received from short-term loans to related companies		-	-	3,000	14,400
Loan repayments received from long-term loans to other company		-	-	-	6,057
Proceeds from disposal of leasehold improvement, equipment and intangible assets		1,133	4,762	1,033	3,419
Dividend received from investment in subsidiaries		-	-	8,670	787,050
<b>Net cash provided by (used in) investing activities</b>		<b>164,841</b>	<b>(53,674)</b>	<b>(154,997)</b>	<b>1,196,884</b>

The notes on pages 11 to 47 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS (CONT'D)

ACAP Advisory Public Company Limited  
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from financing activities					
Payment on short-term borrowings from related companies		-	-	-	(913,588)
Payment on long-term borrowings from related companies		-	-	-	(760,000)
Proceeds from long-term borrowings from financial institutions		-	653	-	-
Proceeds from short-term borrowings from related companies		-	-	200,000	895,588
Dividend paid	26	-	(125,000)	-	(125,000)
Payment on liabilities under finance lease		(5,144)	(5,644)	(4,374)	(4,873)
Net cash (used in) provided by financing activities		(5,144)	(129,991)	195,626	(907,873)
Net increase (decrease) in cash and cash equivalents		85,670	(262,467)	(5,580)	130,280
Cash and cash equivalents at beginning of the year		479,381	740,015	193,190	61,077
Exchange gain on cash		113	1,833	113	1,833
Cash and cash equivalents at end of the year		565,164	479,381	187,723	193,190

## Non-cash transactions

Purchase of equipment under finance lease	-	2,164	-	2,164
Purchase of leasehold improvements	1,224	-	-	-
Reversal of dismantling cost	-	61	-	-
Provision on dismantling cost	972	-	-	-
Reclassification of long-term investment to short-term investment	-	30,000	-	-
Reclassification of non-current asset to current asset	372	1,500	-	1,500
Reclassification of non-current liability to current liability	925	-	-	-
Dividend receivable	-	-	-	8,670

The notes on pages 11 to 47 are an integral part of these financial statements.

# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

ACAP Advisory Public Company Limited  
For the year ended 31 December 2014

## 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:

1 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 26 February 2015.

## 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 the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 to the financial statements.

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 financial reporting standards and revised financial reporting standards

### 2.2.1 Revised accounting standards which are effective on 1 January 2014.

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease

TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

Management evaluates that revised financial reporting standards, and related interpretations have no significant impact to the Consolidated and Company Financial Statements.

2.2.2 New financial reporting standards, and revised accounting standards, revised financial reporting standards which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which are expected to have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

Management evaluates that the revised accounting standards, revised financial reporting standards, and related interpretations have no significant impact to the Consolidated and Company Financial Statements except for TAS 19 (revised 2014). The key change is actuarial gains and losses which are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss. And TFRS 13 which aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The management is currently assessing the impact of applying these standards.

b) Financial reporting standards with minor changes and do not have significant impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Cash flow statements
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period

TAS 11 (revised 2014)	Construction contract
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payments
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

Management evaluated that the revised accounting standards, revised financial reporting standards, and related interpretations have no significant impact to the Consolidated and Company Financial Statements except for TFRS 8 (revised 2014) Operating segments. The management is currently assessing the impact of applying this standard.

c) New financial reporting standard which is effective on 1 January 2016

TFRS 4

Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

## 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 Group applies the purchase method for the acquisition of subsidiaries. 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 statement of comprehensive income.

Intercompany transactions, balances and unrealised gains (losses) 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, respectively.

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 comprehensive 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 11 to the financial statements.

## 2.4 Foreign currency translation

### a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated financial statements are presented in Thai Baht, which is the company's functional and the Group's presentation currency.

### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

### c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

## 2.5 Cash and cash equivalents

In the Consolidated and Company's statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less and bank overdrafts.

## 2.6 Investment in securities

Investment in securities is classified as (1) trading investments and (2) held-to-maturity investments 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.

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments are subsequently measured at fair value. The fair value of investments is based on last quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in statement of comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

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 comprehensive 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 comprehensive 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 receivable

Accounts 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 profit or loss within administrative expenses.

## 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## 2.9 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 comprehensive 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.

## 2.10 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 assets of those who enter into debt restructuring or changes of the conditions or re-agreements in debt repayment with the subsidiaries. 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 statement of comprehensive 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 are applicable for the asset management companies. The subsidiaries have classified loans to non-performing assets and allowance for doubtful accounts in accordance with the guidelines 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 for the allowance for doubtful accounts based on expected cash flows to be received from the debtors under the restructuring plan or rehabilitation plan. If the debtors could not comply with the plan, the allowance for doubtful accounts will be provided for using the BOT's criteria.

## 2.11 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 statement of comprehensive income within 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.

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 loss rate of each loan category.

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.

## 2.12 Leasehold improvements and equipment

Leasehold improvements 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:

Leasehold improvements	5 years
Computers	3 - 10 years
Furniture and fixture	5 years
Office equipment	5 years
Vehicles	5 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

## **2.13 Intangible assets**

### **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 into the original cost of the software.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

## **2.14 Impairment of assets**

Leasehold improvements and equipment and other non-current 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.

## **2.15 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 finance lease liabilities under finance lease contract. The interest element of the finance cost is charged to the statement of comprehensive 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 comprehensive 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.

## 2.16 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.

## 2.17 Employee benefits

The Group has post-employment benefits for both defined contribution plans and defined benefit. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

- Defined benefit plans - Retirement benefits

Under Labour Laws applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

- Defined contribution plans - Provident fund

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 comprehensive income in the year to which they relate.

## 2.18 Provisions

Provisions for legal claims 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 the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.19 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group adopted TAS 12 - Income Taxes, which was effective for the periods beginning on or after 1 January 2013 by making retrospective adjustments. This adoption resulted the beginning consolidated retained earnings as at 2012 and 2013 increased by Baht 18.38 million and Baht 1.66 million, respectively. Furthermore, this adoption resulted the decrease in 2012 consolidated basic loss per share by Baht 0.13.

The effects of change in new accounting policy are as follows:

	Previously stated Baht'000	Adjustments Baht'000	Restated Baht'000
<b>Consolidated statement of financial position</b>			
<b>as at 31 December 2012</b>			
Deferred tax asset	-	1,813	1,813
Deferred tax liability	-	158	158
<b>Consolidated statement of comprehensive income</b>			
<b>for the year ended 31 December 2012</b>			
Income tax	2,707	16,729	19,436
<b>Consolidated statement of changes in shareholders' equity</b>			
<b>as at 1 January 2012</b>			
Retained earnings - Unappropriate	560,606	18,384	578,990
<b>Consolidated statement of changes in shareholders' equity</b>			
<b>as at 1 January 2013</b>			
Retained earnings - Unappropriate	497,855	1,655	499,510

## 2.20 Revenues and expenses recognition

Revenues from financial advisor and investment consultant

- Monthly fee is recognised based on the performance of services under related contract. The Company will cease revenue recognition when receivables are continuously delinquent on payments for more than 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 monthly based on service performed.
- Revenue from cash collection sharing (Cash Collection Fee) is recognised based on percentage of cash collected in accordance with the terms in service agreement.

Interest and fee income is recognised on an accrual basis, except loan receivable which is uncollected over than three periods where interest is recognised on cash basis. The Group 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.

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

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group.

Other incomes and expenses are recognised on accrual basis.

## 2.21 Dividends

Dividends are recorded in the company's financial statements in the period in which it is approved by the shareholders.

## 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as management that makes strategic decisions.

# 3 Financial risk management

## 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the fluctuation of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management by identifying, evaluating and hedging the overall financial risks.

### 3.2 Fair value estimation

The face values are assumed to approximate the fair values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

## 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 loans to other companies

The Group considers an impairment of loans to other companies to reflect impairment of loans to other companies relating to estimated losses resulting from the inability to make required payments. The provision on impairment is 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 Leasehold improvements, equipment and intangible assets

Management determines the estimated useful lives and residual values for building improvements, 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.

### 4.3 Employee benefits

The Group has committed to pay benefits to employees at retirement age. The present value of employee benefit liabilities recognised in the statement of financial position is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary inflation and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the interest rates of government bonds denominated in the currency in which the benefits will be paid.

## 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

## 6 Segment information

The Group divides 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 into 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 litigation services for debt payment and management of disposal transferred assets for debt repayment or foreclosure of collaterals and trading of consumer product.
- Consumers finance Business
  - to provide consumers finance services to customers.

	Consolidated				
	Advisory and investment banking Baht'000	Non- performing asset ("NPA") management Baht'000	Consumer finance Baht'000	Elimination Baht'000	Total Baht'000
<b>For the year ended 31 December 2014</b>					
Revenues					
Third party revenue	92,108	51,261	23,865	-	167,234
Inter-segment revenue	909	2,345	13,886	(17,140)	-
Total revenues	93,017	53,606	37,751	(17,140)	167,234
Operating results	(12,141)	(89,548)	(9,366)	69,675	(41,380)
Financial costs	(1,947)	(3,476)	-	5,107	(316)
(Loss) profit before tax	(14,088)	(93,024)	(9,366)	74,782	(41,696)
Income tax	-	(366)	(75)	-	(441)
(Loss) profit before non-controlling interests	(14,088)	(93,390)	(9,441)	74,782	(42,137)
Non-controlling interests	-	-	-	(839)	(839)
Net (loss) profit for the year	(14,088)	(93,390)	(9,441)	73,943	(42,976)
Segment assets	70,171	867,488	558,245	(752,199)	743,705
Segment liabilities	131,378	213,958	13,150	(311,445)	47,041
Capital expenditure	10,042	20,503	5,189	192	35,926
Depreciation and amortisation	3,258	6,043	2,113	(956)	10,458

	Consolidated				
	Advisory and investment banking Baht'000	Non- performing asset ("NPA") management Baht'000	Consumer finance Baht'000	Elimination Baht'000	Total Baht'000
<b>For the year ended 31 December 2013</b>					
Revenues					
Third party revenue	83,075	32,052	26,967	-	142,094
Inter-segment revenue	2,104	808,455	24,569	(835,128)	-
Total revenues	85,179	840,507	51,536	(835,128)	142,094
Operating results	(27,584)	798,319	869,997	(1,745,719)	(104,987)
Financial costs	(1,543)	(14,844)	-	15,201	(1,186)
(Loss) profit before tax	(29,127)	783,475	869,997	(1,730,518)	(106,173)
Income tax	-	(2,272)	(1,934)	-	(4,206)
(Loss) profit before non-controlling interests	(29,127)	781,203	868,063	(1,730,518)	(110,379)
Non-controlling interests	-	-	-	2,793	2,793
Net (loss) profit for the year	(29,127)	(781,203)	(868,063)	(1,727,725)	(107,586)
Segment assets	40,042	763,635	510,591	(522,484)	791,784
Segment liabilities	91,171	17,182	17,852	(68,094)	58,111
Capital expenditure	8,505	27,937	7,208	(747)	42,903
Depreciation and amortisation	3,674	7,992	2,939	(957)	13,648

## 7 Cash and cash equivalents

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Cash on hand	220	109	20	6
Deposit held at call with banks	126,564	167,968	6,261	25,857
Fixed deposit less than 3 months	410,892	37,327	177,442	37,327
Short-term investment	27,991	273,977	4,000	130,000
Total cash, deposit with bank and short term investment	565,667	479,381	187,723	193,190
Less Deposit at banks which subject to restrictions	(503)	-	-	-
Cash and cash equivalents	565,164	479,381	187,723	193,190

The interest rate of deposit held at call with banks is 0.67% per annum (2013: 0.71% per annum). The interest rate of fixed deposit at banks with original maturity of 3 months is 2.35% per annum (2013: 3.15% per annum).

As at 31 December 2014, the Group has pledged deposit at bank totaling Baht 0.50 million as security against service agreement and rental agreement

## 8 Short-term investments

	Consolidated		Company	
	2014 Cost/ book value Baht'000	2013 Cost/ book value Baht'000	2014 Cost/ book value Baht'000	2013 Cost/ book value Baht'000
Trading investment - Equity securities	-	112,498	-	-
Held to maturity investment - Debt securities	-	30,000	-	-
Total	-	142,498	-	-

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance	142,498	112,209	-	-
Additions	119,589	4,500	93,107	-
Reclassification of long-term investment to short-term investment	-	30,000	-	-
Repayment/ disposal during the year	(303,412)	(5,000)	(132,611)	-
Gain on sales of short-term investment	41,325	2,278	39,504	-
Change in fair value	-	(1,489)	-	-
Ending balance	-	142,498	-	-

As at 31 December 2013, short-term investments in the Consolidated financial statements represented trading investments in equity security, and open fund with financial institutions, and a held-to-maturity investment which is debenture note issued by a commercial bank.

## 9 Accounts receivables, net

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Accrued income	11,283	6,589	-	-
Undue and up to 30 days	4,022	5,237	-	-
Overdue 30 days but not over 180 days	80	1,043	-	-
Overdue 180 days but not over 1 year	320	-	-	-
Overdue more than 1 year	15,157	16,256	11,646	11,646
Total	30,862	29,125	11,646	11,646
<u>Less</u> allowance for doubtful accounts	(15,476)	(15,756)	(11,646)	(11,646)
Net amount	15,386	13,369	-	-

## 10 Short-term loans to other companies, net

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
<b>ACAP Advisory Public Company Limited</b>				
Property Perfect Public Company Limited	100,000	-	100,000	-
<b>Capital OK Company Limited</b>				
Chiangrai Industrial 1111 Company Limited	-	19,393	-	-
Andaman Long Beach Resort Company Limited	-	50,000	-	-
ACAP Asset Management Company Limited	-	15,000	-	-
<b>Total</b>	<b>100,000</b>	<b>84,393</b>	<b>100,000</b>	<b>-</b>

The short-term loan to Property Perfect Public Company Limited amounting to Baht 100 million is due in February 2015. The interest rate is at 6.5% per annum and repayable at the maturity date. The short-term loan is unsecured.

## 11 Investment in subsidiaries, net

List of subsidiaries is as follow:

Company's name	Country of establishment	Type of business	Nature of relationship	Percentage of investment	
				2014	2013
Subsidiaries					
ACAP Corporate Services Co., Ltd.	Thailand	Financial advisory	Shareholder	99.99	99.99
Global Service Center Co., Ltd.	Thailand	Asset rental service	Shareholder	99.99	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory and trading consumer product	Shareholder	99.99	99.99
ACAP (Malaysia) Sdn. Bhd.	Malaysia	Non-performing assets management	Shareholder	99.99	99.99
Capital OK Co., Ltd.	Thailand	Consumers Finance	Shareholder	99.99	99.99
Professional Collection Co., Ltd.	Thailand	Collection services	Shareholder	99.99	-
Aurum Capital Advisory Pte. Ltd.	Singapore	Investment Banking	Shareholder	63.97	63.97
Subsidiaries under Capital OK Co., Ltd.					
Professional Collection Co., Ltd.	Thailand	Collection services	Indirect	-	99.99
ACAP (Asia) Asset Management	Thailand	Non-performing assets management	Shareholder	2.40	2.40
			Indirect	97.60	97.60



The followings are details of investment in subsidiaries.

	2014						
	Company						
	Cost method				Investment proportion		Dividend paid by subsidiaries
	Paid-up capital Baht'000	Cost Baht'000	Allowance for impairment Baht'000	Net Baht'000	Amount at par Baht'000	Percentage of holding	
ACAP Corporate Services Co., Ltd.	31,000	31,000	(29,797)	1,203	31,000	99.99	-
Global Service Center Co., Ltd	10,000	10,000	(10,000)	-	10,000	99.99	-
ACAP Consulting Co., Ltd.	550	550	(550)	-	550	99.99	-
ACAP (Malaysia) Sdn. Bhd.	2,031	2,031	(1,591)	440	2,031	99.99	-
Capital OK Co., Ltd.	412,500	509,926	(29,218)	480,708	412,500	99.99	-
ACAP (Asia) Asset Management Co., Ltd.	25,000	600	-	600	25,000	2.40	-
Professional Collection Co., Ltd.	62,050	62,602	-	62,602	62,602	99.99	-
Aurum Capital Advisory Pte, Ltd.	14,274	10,892	(10,892)	-	14,274	63.97	-
	627,601	(82,048)	545,553	557,957			-

	2013						
	Company						
	Cost method				Investment proportion		Dividend paid by subsidiaries
	Paid-up capital Baht'000	Cost Baht'000	Allowance for impairment Baht'000	Net Baht'000	Amount at par Baht'000	Percentage of holding	
ACAP Corporate Services Co., Ltd.	27,000	27,000	(25,179)	1,821	27,000	99.99	-
Global Service Center Co., Ltd	10,000	10,000	(10,000)	-	10,000	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	8,670
Capital OK Co., Ltd.	412,500	509,926	-	509,926	412,500	99.99	787,050
ACAP (Asia) Asset Management Co., Ltd.	25,000	600	-	600	25,000	2.40	-
Aurum Capital Advisory Pte, Ltd.	14,274	10,892	(10,892)	-	14,274	63.97	-
	564,258	(46,621)	517,637	494,614			795,720

The movement in investment in subsidiaries are as follows:

**For the year ended 31 December 2014**

	Company Baht'000
Beginning net book balance	517,637
Addition on investment in ACAP Corporate Services Co., Ltd.	4,000
Invest in Professional Collection Co., Ltd.	62,602
Receive investment in ACAP (Malaysia) Sdn. Bhd.	(3,259)
Additional allowance for impairment on investment in.	
- ACAP Corporate Services Co., Ltd. during the year	(4,618)
- Capital OK Co., Ltd. during the year	(29,218)
- ACAP (Malaysia) Sdn. Bhd. during the year	(1,591)
Closing net book balance	545,553

In 2014, the Company's management had provided additional allowance for impairment of investment in ACAP Corporate Services Co., Ltd., Capital OK Co., Ltd. and ACAP (Malaysia) Sdn. Bhd. amounting to Baht 4.6 million, Baht 29.2 million and Baht 1.6 million, respectively.

On 4 April 2014, the Board of Directors Meeting of ACAP (Malaysia) Sdn. Bhd., a subsidiary, had a resolution to commence the liquidation process and to appoint a liquidator. Accordingly, the financial statements of the subsidiary included in these consolidated financial statements were prepared on a liquidation basis.

On 28 April 2014, the Executive Directors Committee Meeting No. 5/2557 had a resolution to approve the additional share increase of ACAP Corporate Services Co. Ltd., a subsidiary, for 400,000 shares at par value of Baht 10 each, totaling Baht 4 million.

On 6 November 2014, the Company received partial repayment from liquidation of ACAP (Malaysia) Sdn. Bhd., a subsidiary, amounting to Baht 3.3 million. Consequently, as at 31 December 2014, the outstanding balance of investment in ACAP (Malaysia) Sdn. Bhd. was Baht 2 million.

On 8 December 2014, the Executive Directors Committee Meeting had a resolution to approve the purchase all shares of Professional Collection Co., Ltd. in which Capital OK Co., Ltd. held for 6,204,993 shares at of Baht 10.089 each (based on the book value of Professional Collection Co., Ltd. as at 30 September 2014), totaling Baht 62.6 million. The Company made a payment for the shares and transferred the shares on 25 December 2014.

In 2014, the Company wrote off assets and liabilities and adjusted non-controlling interest of Aurum Capital Advisory PTE. LTD., the subsidiary from its consolidated financial statements, resulting in loss on written off and adjustments amounting to Baht 4.55 million as included in administrative expense. Management expects no economic benefit on assets and no any commitments on the liabilities as the Company limits its liability on the subsidiary only to its investment in Aurum Capital Advisory PTE. LTD. which was fully impaired.

## 12 Other current assets

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Inventories	-	556	-	-
Other receivables	75	123	1	-
VAT receivable	5,214	5,138	8	7
Interest receivable	1,706	2,364	1,222	49
Deposits	1,800	1,500	1,428	1,500
Others	4,801	3,274	1,220	1,085
	13,596	12,955	3,879	2,641

### 13 Other non-current assets

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Deposits	11,845	12,844	2,865	3,042
Others	1,788	3,441	1,035	1,155
	13,633	16,285	3,900	4,197

### 14 Leasehold improvements and equipment, net

	Consolidated						
	Leasehold improvements	Computers	Furniture and fixture	Equipment	Vehicles	Work in progress	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	พูนาน
At 31 December 2012							
Cost	16,224	165,225	29,118	27,906	52,361	-	290,834
Less Accumulated depreciation	(12,995)	(158,349)	(18,896)	(25,981)	(28,882)	-	(245,103)
Net book amount	3,229	6,876	10,222	1,925	23,479	-	45,731
For the year ended							
31 December 2013							
Opening net book amount	3,229	6,876	10,222	1,925	23,479	-	45,731
Transfer in/(out)	1,936	-	(1,936)	-	-	-	-
Additions	294	2,838	144	2,122	3,315	-	8,713
Reversals of dismantling cost	61	-	-	-	-	-	61
Disposals/write offs, net	(62)	(40)	(1,059)	(86)	(2,319)	-	(3,566)
Depreciation charge	(2,234)	(3,368)	(1,763)	(985)	(3,659)	-	(12,009)
Closing net book amount	3,224	6,306	5,608	2,976	20,816	-	38,930
At 31 December 2013							
Cost	15,731	113,783	23,760	27,124	38,311	-	218,709
Less Accumulated depreciation	(12,507)	(107,477)	(18,152)	(24,148)	(17,495)	-	(179,779)
Net book amount	3,224	6,306	5,608	2,976	20,816	-	38,930
For the year ended							
31 December 2014							
Opening net book amount	3,224	6,306	5,608	2,976	20,816	-	38,930
Additions	31	940	-	90	-	3,239	4,300
Disposals/write offs, net	-	(22)	-	(1)	(1,448)	-	(1,471)
Dismantling cost	972	-	-	-	-	-	972
Allowance for impairment	(1,752)	-	-	-	-	-	(1,752)
Depreciation charge	(1,084)	(2,345)	(1,370)	(845)	(3,516)	-	(9,160)
Closing net book amount	1,391	4,879	4,238	2,220	15,852	3,239	31,819
At 31 December 2014							
Cost	17,636	114,295	23,760	27,158	34,501	3,239	220,589
Less Accumulated depreciation	(16,245)	(109,416)	(19,522)	(24,938)	(18,649)	-	(188,770)
Net book amount	1,391	4,879	4,238	2,220	15,852	3,239	31,819

As at 31 December 2014, Capital OK Co., Ltd., a subsidiary, had recognised additional provision on dismantling cost in other current liabilities and dismantling cost in leasehold improvements and equipment as the subsidiary will bear the dismantling cost, as agreed with the lessor for termination of lease agreement on 31 March 2015.8

	Company					
	Leasehold improvements	Computers	Furniture and fixture	Equipment	Vehicles	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
At 31 December 2012						
Cost	1,941	10,318	15,242	6,867	43,263	77,631
Less Accumulated depreciation	(971)	(7,761)	(8,323)	(6,601)	(22,258)	(45,914)
Net book amount	970	2,557	6,919	266	21,005	31,717
For the year ended 31 December 2013						
Opening net book amount	970	2,557	6,919	266	21,005	31,717
Additions	-	65	-	56	3,285	3,406
Disposals	-	(6)	(74)	(5)	(2,318)	(2,403)
Depreciation charge	(566)	(1,402)	(1,420)	(204)	(3,394)	(6,986)
Closing net book amount	404	1,214	5,425	113	18,578	25,734
At 31 December 2013						
Cost	1,941	9,832	15,034	5,706	36,036	68,549
Less Accumulated depreciation	(1,537)	(8,618)	(9,609)	(5,593)	(17,458)	(42,815)
Net book amount	404	1,214	5,425	113	18,578	25,734
For the year ended 31 December 2014						
Opening net book amount	404	1,214	5,425	113	18,578	25,734
Additions	-	2	-	59	-	61
Disposals	-	(4)	-	(1)	(1,448)	(1,453)
Depreciation charge	(161)	(840)	(1,368)	(57)	(3,246)	(5,672)
Closing net book amount	243	372	4,057	114	13,884	18,670
At 31 December 2014						
Cost	1,941	9,548	15,034	5,708	33,149	65,380
Less Accumulated depreciation	(1,698)	(9,176)	(10,977)	(5,594)	(19,265)	(46,710)
Net book amount	243	372	4,057	114	13,884	18,670

## 15 Intangible assets, net

	Consolidated	Company
	Computer software Baht'000	Computer software Baht'000
<b>At 31 December 2012</b>		
Cost	242,146	5,921
<u>Less</u> Accumulated amortisation	(237,169)	(3,062)
Net book amount	4,977	2,859
<b>For the year ended 31 December 2013</b>		
Opening net book amount	4,977	2,859
Additions	635	-
Amortisation charge	(1,639)	(656)
Closing net book amount	3,973	2,203
<b>At 31 December 2013</b>		
Cost	242,781	5,921
<u>Less</u> Accumulated amortisation	(238,808)	(3,718)
Net book amount	3,973	2,203
<b>For the year ended 31 December 2014</b>		
Opening net book amount	3,973	2,203
Additions	1,432	-
Amortisation charge	(1,298)	(370)
Closing net book amount	4,107	1,833
<b>At 31 December 2014</b>		
Cost	243,464	5,921
<u>Less</u> Accumulated amortisation	(239,357)	(4,088)
Net book amount	4,107	1,833

## 16 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax asset to be recovered after more than 12 months	-	-	-	-
	-	-	-	-
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	-	158	-	-
Deferred tax liability to be settled after more than 12 months	-	-	-	-
	-	158	-	-
<b>Deferred tax asset, net</b>	-	158	-	-

The gross movement and the deferred tax assets account is as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
At 1 January	-	1,813	-	-
Charged to profit or loss	-	(1,813)	-	-
At 31 December	-	-	-	-

The gross movement and the deferred tax liabilities account is as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
At 1 January	158	158	-	-
Charged to profit or loss	(158)	-	-	-
At 31 December	-	158	-	-

The movement in deferred tax assets and liabilities during the year is as follows:

	Company Tax losses Baht'000	Company Tax losses Baht'000
<b>Deferred tax assets</b>		
At 1 January 2014	-	-
Charged to profit or loss	-	-
At 31 December 2014	-	-
At 1 January 2013	1,813	-
Charged to profit or loss	(1,813)	-
At 31 December 2013	-	-

	Company Depreciation Baht'000	Company Depreciation Baht'000
<b>Deferred tax liabilities</b>		
At 1 January 2014	158	-
Charged to profit or loss	(158)	-
At 31 December 2014	-	-
At 1 January 2013	158	-
Credit to profit or loss	-	-
At 31 December 2013	158	-

Deferred income tax assets are recognised from tax loss and carry forward only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 507.54 million (2013: Baht 754.60 million), to carry forward against future taxable income; these tax losses will expire in 2015 - 2019.

## 17 Other current liabilities

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Other payables	3,765	3,334	535	432
Other accrued expenses	12,862	18,462	777	585
Accrued withholding tax	648	91	232	26
Provision on dismantling cost	2,717	-	-	-
Others	347	1,221	29	49
	20,339	23,108	1,573	1,092

## 18 Finance lease liabilities, net

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Minimum lease payments obligation				
under long-term lease liabilities (lease of vehicles)	3,411	8,539	2,383	6,772
<u>Less</u> Deferred interest	(205)	(504)	(186)	(449)
	3,206	8,035	2,197	6,323
Current portion due within one year	1,835	4,705	1,097	4,002
Non-current portion due after one year	1,371	3,330	1,100	2,321
	3,206	8,035	2,197	6,323

## 19 Employee benefits obligations

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
<u>Statement of financial position</u>				
Employee benefits	14,685	12,874	7,472	7,259
	14,685	12,874	7,472	7,259
<u>Profit or loss</u>				
Employee benefits (included in administrative expenses and cost of services and asset management)	5,992	3,393	3,892	1,331
	5,992	3,393	3,892	1,331

As at 1 January 2011, employment benefits obligations for the Consolidated and the Company financial statements amounting to Baht 17.1 million and Baht 12.3 million, respectively, which the Group recognised such obligations by applying straight-line method throughout five years as stated in notification of Federation of Accounting Professions no. 17/2554. The Group has recognised such obligations as expense for the year 2014 amounting to Baht 3.4 million and Baht 2.5 million in the Consolidated and Company financial statements, respectively.



The movement in the defined benefits obligations over the year is as follows

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
At 1 January	12,874	9,831	7,259	5,928
Past service cost	3,400	3,414	2,460	2,460
Current service cost	1,263	3,380	572	2,118
Interest cost	590	522	318	327
Actuarial losses	739	-	542	-
	18,866	17,147	11,151	10,833
<u>Less</u> Transferred out from consolidation	-	(350)	-	-
Benefits paid	(4,181)	(3,923)	(3,679)	(3,574)
At 31 December	14,685	12,874	7,472	7,259

The amounts recognised in the statement of comprehensive income are as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Past service cost	3,400	3,414	2,460	2,460
Current service cost	1,263	3,380	572	2,118
Interest cost	590	522	318	327
Actuarial gains	739	-	542	-
<u>Less</u> Benefits paid	-	(3,923)	-	(3,574)
Total (included in cost of services and asset management and administrative expenses)	5,992	3,393	3,892	1,331

The principal actuarial assumptions used are as follows:

	Consolidated and Company
	2014 and 2013
Discount rate	4.06%
Salary increase rate	4%
Average turnover rate	0% - 10%
Pre-retirement mortality rate	80% of mortality rate Year 2008
Retirement age	60, 70 years old

## 20 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.

## 21 Other income

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Gain on disposal a subsidiary	-	129	-	9,000
Gain on sale of investment (Note 8)	41,325	2,278	39,504	-
Interest income	21,741	23,686	11,354	8,324
Other income	14,489	11,762	2,649	4,506
Total	77,555	37,855	53,507	21,830

## 22 Administrative expenses

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

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Bad debt and doubtful accounts	1,220	-	-	-
Personnel expenses	62,781	64,394	40,856	37,056
Operating expenses	29,270	36,186	7,133	7,447
Depreciation and amortisation charges (Note 14 and 15)	10,458	13,648	6,042	7,642
Rental expenses	18,266	21,388	7,468	10,366
Repair and maintenance expenses	5,479	4,829	1,348	1,820
Impairment loss from investment in and loans to subsidiaries (reversal)	-	-	79,227	(65,532)
Loss on loan and interest receivable forgiveness	-	-	-	13,726

## 23 Income tax expense

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Current tax :				
Current tax on profits for the year	599	2,393	-	-
<b>Total current tax</b>	<b>599</b>	<b>2,393</b>	<b>-</b>	<b>-</b>
Deferred tax :				
Utilisation of tax losses	(158)	1,813	-	-
<b>Total deferred tax</b>	<b>(158)</b>	<b>1,813</b>	<b>-</b>	<b>-</b>
<b>Total tax expense</b>	<b>441</b>	<b>4,206</b>	<b>-</b>	<b>-</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows :

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Profit before tax	(41,696)	(106,173)	(92,610)	787,629
Tax calculated at a tax rate of 20% (2013: 23%)	(8,339)	(21,235)	(18,522)	157,526
Tax effect of :				
Income not subject to tax	-	(540)	-	(176,880)
Expenses not deductible for tax purpose	1,626	5,430	18,450	9,664
Utilisation of previously unrecognised tax losses	-	(732)	-	-
Tax losses for which no deferred income tax asset was recognised	7,154	21,283	72	9,690
<b>Tax charge</b>	<b>441</b>	<b>4,206</b>	<b>-</b>	<b>-</b>

The weighted average applicable tax rate of the Group and the Company was 1.06% and 0%, respectively (2013: 3.96% and 0%, respectively).

## 24 Basic (loss) earnings per share

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

	Consolidated		Company	
	2014	2013	2014	2013
Net (loss) profit attributable to ordinary shareholders (Baht'000)	(42,137)	(110,379)	(92,610)	787,629
Weighted average number of ordinary shares issued during the year (Shares)	125,000	125,000	125,000	125,000
Basic (loss) earnings per share (Baht)	(0.34)	(0.88)	(0.74)	6.30

There are no potential dilutive ordinary share issued for the years ended 31 December 2014 and 2013.

## 25 Provident fund

The Group and the Company paid to provident fund for the year ended 31 December 2014 in the amount of Baht 1.7 million and Baht 1.1 million, respectively (2013: Baht 2.9 million and Baht 1.4 million, respectively).

## 26 Dividend payment

At the Board of Directors' Meeting of ACAP Advisory Public Company Limited No. 5/2013 held on 30 September 2013, the Board of Directors approved the interim dividend payment from the operating profit of the six-month period ended 30 June 2013 at Baht 1 per share, totalling Baht 125 million which was paid to the shareholders on 29 October 2013. On 29 April 2014, the General Meeting of Shareholders of Year 2014 of ACAP Advisory Public Company Limited had approved such dividend payment.

## 27 Related party transactions

The Company is located in Thailand and registered as a listed company in the Market for Alternative Investment (MAI). The major shareholder of the Company is Mr.Kenuo Lin who holds 15.20% of total registered share capital. (Previously, major shareholder of the Company was Mr.Vivat Vithoontien who held 8.87% of total registered share capital as at 31 December 2014.)

### Pricing policy

Interest income/expense incurred from borrowings, cost of services and administrative expenses are charged at the agreed rates as per related contracts.

Relationship of related parties is as follows:

Company Name	Relationship	Cause of relationship
ACAP Asset Management Co., Ltd.	Subsidiary	Shareholder/mutual management
ACAP Corporate Services Co., Ltd.	Subsidiary	Shareholder/mutual management
Global Service Center 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	Shareholder/mutual management
ACAP (Asia) Asset Management Co., Ltd.	Shares held by subsidiary	Held by shareholder/mutual management

On 2 September 2013, the Company disposed its investment in ACAP Asset Management Co., Ltd. Consequently, ACAP Asset Management Co., Ltd. is not a company under common control by parent company from 2 September 2013.

On 25 December 2014, the Company purchased all shares of Professional Collection Co., Ltd. (Note 11) in which Capital OK Co., Ltd. held. Consequently, The Company is the shareholder of Professional Collection Co., Ltd from 25 December 2014 onwards.

i) **Income for the years ended 31 December**

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Other income</b>				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	11	9
- Capital OK Co., Ltd.	-	-	86	78
- Professional Collection Company Limited	-	-	11	9
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	125	132
- ACAP Corporate Services Co., Ltd.	-	-	233	238
- ACAP Asset Management Co., Ltd.	-	-	-	31

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	-	2
- ACAP Consulting Co., Ltd.	-	-	268	178
- ACAP Corporate Services Co., Ltd.	-	-	30	159
- Global Service Center Co., Ltd.	-	-	1,581	1,106
- Aurum Capital Advisory PTE. Ltd.	-	-	-	1,923
<b>Dividend income</b>				
- Capital OK Co., Ltd.	-	-	-	787,050
- ACAP (Malaysia) Sdn. Bhd.	-	-	-	8,670
	-	-	2,345	799,585

Pricing policy for interest income received from related companies are set from loan agreement as disclosed in Note 27 v).

On 18 March 2013, the Executive Directors Committee Meeting of Capital OK Co., Ltd. No. 6/2556 had approved the interim dividend from its operating result for the period of 2.5 months ended 15 March 2013 to the shareholders as whose names appear on the Company shareholder's register as at 18 March 2013 at the rate of Baht 7.54 each, totalling of Baht 622,050,000. Capital OK Co., Ltd. paid interim dividend on 20 March 2013, and appropriated legal reserve of 5% of its net profit for the period until the reserve is not less than 10% of the registered capital. On 25 April 2014, the General Meeting of Shareholders of Year 2014 of ACAP Advisory Public Company Limited had approved such dividend payment.

On 13 May 2013, the Executive Directors Committee Meeting of Capital OK Co., Ltd. No. 9/2013 had approved the interim dividend from its operating result for the quarter ended 31 March 2013 to the shareholders as whose names appear on the company shareholder's register as at 15 May 2013 at the rate of Baht 2 each, totaling of Baht 165,000,000. Capital OK Co., Ltd. paid interim dividend on 20 May 2013, and appropriated legal reserve of 5% of its net profit for the period until the reserve is not less than 10% of the registered capital. On 25 April 2014, the General Meeting of Shareholders of Year 2014 of ACAP Advisory Public Company Limited had approved such dividend payment.

On 24 December 2013, the Executive Directors Committee Meeting of ACAP (Malaysia) Sdn. Bhd. had approved the interim dividend for the year ended 31 December 2013 to the shareholders as whose names appear on the company shareholder's register as at 24 December 2013 at the rate RM 1.80 each, totaling of RM 0.9 million or Baht 8.67 million. ACAP (Malaysia) Sdn. Bhd. paid dividend on 2 January 2014.

ii) Expenses for the year ended 31 December

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
<b>Cost of services and asset management</b>				
Rental and maintenance equipment				
- Global Services Center Co., Ltd.	-	-	-	249
<b>Administrative expenses</b>				
Rental and maintenance equipment				
- Global Services Center Co., Ltd.	-	-	-	428

iii) Finance costs for the year ended 31 December

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
- Professional Collection Company Limited	-	-	-	3,603
- Capital OK Co., Ltd.	-	-	3,227	10,153
	-	-	3,227	13,756

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

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
<b>Amounts due from related companies</b>				
- ACAP Corporate Services Co., Ltd.	-	-	-	7
- ACAP Consulting Co., Ltd.	-	-	25	18
- Global Service Center Co., Ltd.	-	-	187	190
- ACAP (Malaysia) Sdn. Bhd.	-	-	-	8,670
- Professional Collection Co., Ltd.	-	-	100	-
	-	-	312	8,885
<b>Amounts due to related companies</b>				
- Capital Ok Co., Ltd.	-	-	458	33
- Professional Collection Co., Ltd.	-	-	4	4
- Global Service Center Co., Ltd.	-	-	4	4
	-	-	466	41

v) Loans to related companies

	Company		
	Short-term loans		
	Opening balance	Repayments during the year	Ending balance
	Baht'000	Baht'000	Baht'000
<b>For the year ended 31 December 2014</b>			
ACAP Corporate Services Co., Ltd.	3,000	(3,000)	-
	3,000	(3,000)	-

In 2014, the Company had received the repayment amounting to Baht 3 million from ACAP Corporate Services Co., Ltd..

	Company				
	Short-term loans				
	Opening balance	Additions during the period	Repayments during the period	Reclassified to Long-term	Ending balance
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>For the year ended 31 December 2013</b>					
ACAP Consulting Co., Ltd.	5,900	-	-	(5,900)	-
<u>Less</u> Allowance for impairment	(5,900)	-	-	5,900	-
	-	-	-	-	-
ACAP Corporate Services Co., Ltd.	400	15,500	(12,900)	-	3,000
<u>Less</u> Allowance for impairment	-	-	-	-	-
	400	15,500	(12,900)	-	3,000
Global Service Center Co., Ltd.	30,000	3,500	-	(33,500)	-
<u>Less</u> Allowance for impairment	(20,000)	-	-	20,000	-
	10,000	3,500	-	(13,500)	-
ACAP Asset Management Co., Ltd.	-	1,500	(1,500)	-	-
<u>Less</u> Allowance for impairment	-	-	-	-	-
	-	1,500	(1,500)	-	-
<b>Total</b>	<b>10,400</b>	<b>20,500</b>	<b>(14,400)</b>	<b>(13,500)</b>	<b>3,000</b>

During the year 2013, the Company had entered into a loan agreement with ACAP Corporate Services Co., Ltd. totalling to Baht 15.5 million. The subsidiary issued at call promissory notes which bear interest rate at 2.8% per annum and 3% per annum and the interest is due every 30 day after the drawn down date. During the year 2013, the Company had received the repayment of Baht 12.9 million.



During the year 2013, the Company had amended the outstanding loan agreements with ACAP Corporate Services Co., Ltd. as at 14 June 2013 amounting to Baht 11.4 million in order to amend interest rate at 2.75% per annum.

During the year 2013, the Company had entered into a loan agreement with ACAP Asset Management Co., Ltd. amounting to Baht 1.5 million. The subsidiary issued at call promissory notes which bear interest rate at 3% per annum and the interest is due every 30 day after the drawn down date. During the year 2013, the Company has fully received the repayment amounting Baht 1.5 million.

During the year 2013, the Company had entered into a loan agreement with Global Service Center Co., Ltd. amounting to Baht 3.5 million. The subsidiary issued at call promissory notes which bear interest rate at 3% per annum and the interest is due every 30 day after the drawn down date. On 1 June 2013, the Company had rolled forward the loan agreement which bear interest rate at 2.75% per annum.

During the year 2013, the Company reclassified short-term loans to ACAP Consulting Co., Ltd. and to Global Service Center Co., Ltd amounting to Baht 5.9 million and Baht 33.5 million, respectively, to long-term loans. The reclassifications included allowance for doubtful of short-term loans to ACAP Consulting Co., Ltd. and to Global Service Center Co., Ltd. of to Baht 5.9 million and Baht 20 million, respectively.

	Company				
	Long-term loans				
	Opening balance Baht'000	Addition during the year Baht'000	Increase in allowance for impairment Baht'000	Loan forgiveness Baht'000	Ending balance Baht'000
<b>For the year ended</b>					
<b>31 December 2014</b>					
ACAP Consulting Co., Ltd.	7,700	2,800	-	-	10,500
<u>Less</u> Allowance for impairment	(7,700)	-	(2,800)	-	(10,500)
	-	2,800	(2,800)	-	-
Global Service Center Co., Ltd.	41,500	41,000	-	-	82,500
<u>Less</u> Allowance for impairment	(41,500)	-	(41,000)	-	(82,500)
	-	41,000	(41,000)	-	-
Aurum Capital Advisory Pte. Ltd.	15,996	-	-	(15,996)	-
<u>Less</u> Allowance for impairment	(15,996)	-	-	15,996	-
	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>43,800</b>	<b>(43,800)</b>	<b>-</b>	<b>-</b>

	Company					
	Long-term loans					
	Opening balance Baht'000	Addition during the year Baht'000	Allowance for impairment Baht'000	Reclassify from short-term Baht'000	Increase from exchange rate Baht'000	Ending balance Baht'000
<b>For the year ended</b>						
<b>31 December 2013</b>						
ACAP Consulting Co., Ltd.	-	1,800	-	5,900	-	7,700
<u>Less</u> Allowance for impairment	-	-	(1,800)	(5,900)	-	(7,700)
	-	1,800	(1,800)	-	-	-
Global Service Center Co., Ltd.	-	8,000	-	33,500	-	41,500
<u>Less</u> Allowance for impairment	-	-	(21,500)	(20,000)	-	(41,500)
	-	8,000	(21,500)	13,500	-	-
Aurum Capital Advisory Pte. Ltd.	14,950	-	-	-	1,046	15,996
<u>Less</u> Allowance for impairment	-	-	(15,996)	-	-	(15,996)
	14,950	-	(15,996)	-	1,046	-
<b>Total</b>	<b>14,950</b>	<b>9,800</b>	<b>(39,296)</b>	<b>13,500</b>	<b>1,046</b>	<b>-</b>

During the year 2013, Company had entered into a loan agreement with Global Service Center Co., Ltd. amounting to Baht 8 million. The subsidiary issued at call promissory notes which bear interest rate at 2.75% per annum and the interest is due every 30 days after drawn down. The Company set up a full impairment for the loan to Global Service Center Co., Ltd.

On 1 June 2013, the Company amended loan agreement with Global Service Center Co., Ltd. which had outstanding as at 31 December 2012 amounting to Baht 30 million in order to amend interest rate at 2.75% per annum. During the year 2013, the loan was reclassified from short-term loan to long-term loan.

During the year 2013, the Company had entered into the loan agreements with ACAP Consulting Co., Ltd. totalling to Baht 1.8 million. The subsidiary issued promissory notes, which are repayable at call which bears interest rate at 2.5% per annum and 2.75% per annum and the interest is due every 30 days after drawn down. During the year, the Company has set up a full impairment for the loan to ACAP Consulting Co., Ltd.

During the year 2013, The Company set up a full impairment for the loan to Aurum Capital Advisory Pte. Ltd.

As at 31 December 2013, the Company had a loan amounting to Baht 16 million and interest receivable amounting to Baht 2.1 million totalling Baht 18.1 million due from Aurum Capital Advisory Pte. Ltd. in which the Company has set up a full impairment allowance. During the year ended 31 December 2014, the

Company entered into an agreement to forgive all obligations amounting to Baht 18.1 million to Aurum Capital Advisory Pte. Ltd. The Company recorded a loss on loan forgiveness amounting to Baht 18.1 million as administrative expense in the Company financial information, and reversed related impairment allowance amounting to Baht 18.1 million accordingly.

During the year 2014, Company had entered into a loan agreement with ACAP Consulting Co., Ltd. amounting to Baht 2.8 million for the purpose of working capital. The subsidiary issued promissory notes due at call which bear interest rate at 2.75% per annum and the interest is due every 30 day after the drawn down date. During the year 2014, the Company had set up a full impairment for the loan to ACAP Consulting Co., Ltd.

During the year 2014, the Company had entered into the loan agreements with Global Service Center Co., Ltd. totalling Baht 41 million for the purpose of working capital. The subsidiary issued promissory notes due at call which bear interest rate at 2.75% per annum and the interest is due every 30 day after the drawn down date. During the year 2014, the Company had set up a full impairment for the loan to Global Service Center Co., Ltd.

vi) **Short term borrowings from related party**

Counterparty	Company		
	Opening balance Baht'000	Additions during the period Baht'000	Ending balance Baht'000
<b>For the year ended 31 December 2014</b>			
Capital OK Co., Ltd.	-	200,000	200,000

During the year 2014, the Company had entered into the borrowing agreements with Capital OK Co., Ltd. totalling Baht 200 million for the purpose of lending loan to other company. The Company issued promissory notes due at call which bear interest rate at 2.50% per annum. The interest is due every 30 days after the drawn down date.

Counterparty	Company			
	Opening balance Baht'000	Additions during the year Baht'000	Repayment during the year Baht'000	Ending balance Baht'000
<b>For the year ended 31 December 2013</b>				
Capital OK Co., Ltd.	18,000	20,000	(38,000)	-
Professional Collection Co., Ltd.	-	875,588	(875,588)	-
	18,000	895,588	(913,588)	-

During March 2013, the Company had entered into the borrowing agreements with Professional Collection Co., Ltd. totalling Baht 876 million. The borrowings are repayable at call and bear interest rate at 3% per annum. The interest is due every 30 days after drawn down. During the year, the Company repaid short-term borrowings of Baht 876 million to Professional Collection Co., Ltd.

On 29 April 2013, the Company had entered into a borrowing agreement with Capital OK Co., Ltd. amounting to Baht 20 million. The borrowing is repayment at call and bear interest rate at 2.8% per annum. The interest is due every 30 days after drawn down.

## 28 Commitments

There were commitments from operating lease agreements of office building, warehouses and equipment including other service agreements as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Within 1 year	14,216	19,549	6,770	6,618
More than 1 year but less than 5 years	5,484	21,562	3,125	9,895
Total	19,700	41,111	9,895	16,513

## 29 Directors' remuneration

Directors' remuneration which included salary, bonus, director fee and special remuneration for the year ended 31 December 2014 for the Group and the Company was Baht 16.95 million and Baht 16.85 million, respectively (2013: Baht 20.48 million and Baht 20.44 million).

## 30 Contingent liabilities

As at 31 December 2014, the Company was jointly litigated with Inter Capital Alliance Asset Management Co., Ltd. for being part of the negotiation of debt collection of a debtor in non-performing asset portfolio, which the Company involved as a service provider for debt collection in 2007. On 31 December 2014, this court case was still pending for the consideration by the Southern Bangkok Civil Court. The management assesses the fact and believes that the case has no ground and will not result in any liability to the Company.

As at 31 December 2014, the Company together with 13 defendants were jointly litigated for tort to withdraw the consideration from debt subrogation by the defendant and for joint or several compensation of Baht 1 million per day from the court filing date, which is 21 March 2012, to the date of payment to the plaintiff. The Court

of First instance dismissed the court case. The Appeal Court also dismissed the court case according to consideration of the Court of First instance. The plaintiff has further filed the court case to the Supreme Court against the consideration of the Appeal Court. This court case was still pending for the consideration by the Supreme Court. The management assesses the fact and believes that the case has no ground and will not result in any liability to the Company.

As at 31 December 2014, the Company together with 11 defendants were jointly litigated as tort for joint or several compensation of Baht 1 million per day with interest rate of 7.5 percent per annum from the court filing date, which is 2 April 2012, to the date of payment to the plaintiff and joint or several compensation of Baht 2.5 million with interest rate of 7.5 percent per annum from 11 May 2009 to the date of payment to the plaintiff. The Court of First instance dismissed the court case. The plaintiff has further appealed the consideration of the Court of First instance. This court case was still pending for the consideration by the Appeal Court. The management assesses the fact and believes that the case has no ground and will not result in any liability to the Company.

### 31 Subsequent Event

On 23 February 2015, the Executive Directors Committee Meeting had a resolution to approve the additional share increase of ACAP Corporate Services Co., Ltd., a subsidiary, for 400,000 shares at par value of Baht 10 each, totaling Baht 4 million.

## Attachment 1 : Details of Directors, Management and Authorized person and Secretary of the Company

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of [16/2/15]	5 Years' Working Experience		
						Period	Position	Company
1.	Dr.Vivat Vithoontien Chief Executive Officer and Chairman (Authorized Director)	54	Ph.D. in Economics New York University, USA  MA in Economics New York University, USA  Director Accreditation Program (DAP) No. 28/2004	-	8.87% of Issued and Paid-Up Share Capital	2000-Present	Director & CEO	ACAP Advisory Plc.
						2014-Present	Director	ACAP Corporate Services Co., Ltd.
						2014-Present	Director	ACAP Consulting Co., Ltd.
						2014-Present	Director	Global Service Center Co., Ltd.
						2014-Present	Director	Professional Collection Co., Ltd.
						2014-Present	Director	ACAP (Asia) AMC Co., Ltd.
						2011-Present	Director	Aurum Capital Advisory Pte., Ltd.
						2007-Present	Director	Capital OK Co., Ltd.
						2007-2013	Director	ACAP (Malaysia) Sdn. Bhd.
						2007-2008	Director	Professional Collection Co., Ltd.
						2007-2008	Director	STAR Asset Management Ltd.
						2005-2008	Managing Director	ACAP Asset Management Co., Ltd.
						2004-2008	Managing Director	ACAP Services Co., Ltd.
						2001-2008	Managing Director	ACAP Corporate Services Co.,Ltd.
						2005-2006	Board of Directors	State Railway of Thailand
						2003-2004	Director	CAT Telecom Plc.
						2001-2002	Advisor to Senate Sub -Committee for Privatization	Senate
						1999-2001	Chief Investment Officer /Senior Vice President	Thai Petrochemical Industry Plc.

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (16/2/15)	5 Years' Working Experience		
						Period	Position	Company
2.	Mr.Kenuo Lin (Authorized Director)	38	MBA, Peking University, China	-	15.20% of Issued and Paid-Up Share Capital	2014-Present	Director	ACAP Advisory Plc.
						2014-Present	Director	ACAP Consulting Co., Ltd.
						2014-Present	Director	Capital OK Co., Ltd
						2014-Present	Director	Professional Collection Co., Ltd.
						2014-Present	Director	Global Service Center Co., Ltd.
						2014-Present	Director	ACAP Corporate Services Co., Ltd.
						2006-Present	Chairman	Golden Dragon Auto Service Co., Ltd.
3.	Mr.Issarachai Decharit Deputy Managing Director of Legal Department (Authorized Director)	55	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	-	0.12% of Issued and Paid-Up Share Capital	2005-Present	Chairman	Bestlin Group Co., Ltd.
						2002-Present	Director & Executive Director	ACAP Advisory Plc.
						2014-Present	The Chairman of Nominating and Compensation Committee	Ichitan Group Plc.
						2014-Present	Director	Global Service Center Co., Ltd.
						2012-Present	Independent Director & Audit Committee	Ichitan Group Plc.
						2009-Present	Director	Capital OK Co., Ltd.
						2009-Present	Director	Professional Collection Co., Ltd.
						2006-Present	Director	ACAP Consulting Co., Ltd.
						2004-Present	Director	ACAP Corporate Services Co., Ltd.
						2002-Present	Advisor	Apibun Legal Co., Ltd.
						1984-Present	Member	Lawyers Council of Thailand
						2007-2013	Director	ACAP (Malaysia) Sdn. Bhd.
						2005-2013	Director	ACAP Assets Management Co., Ltd.
						1998-2006	Director	TPI Oil Co., Ltd.
						2003-2003	Director	Rayong TPI Services Co., Ltd.
						1984-2003	Deputy MD Legal Department	Thai Petrochemical Industry Plc.

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (16/2/15)	5 Years' Working Experience		
						Period	Position	Company
4.	Mr.Chalermchai Sirinopawong Deputy Managing Director of Accounting and finance Department (Authorized Director)	55	Bachelor of Accounting, Chulalongkorn University  Director Accreditation Program (DAP) No. 27/2004	-	-	2003-Present	Director & Executive Director	ACAP Advisory Plc.
						2014-Present	Director	ACAP (Asia) AMC Co., Ltd.
						2009-Present	Director	Capital OK Co., Ltd.
						2009-Present	Director	Professional Collection Co., Ltd.
						2009-Present	Director	Global Service Center Co., Ltd.
						2008-Present	Director	ACAP Consulting Co., Ltd.
						2004-Present	Director	ACAP Corporate Services Co., Ltd.
						2007-2013	Director	ACAP (Malaysia) Sdn. Bhd.
						2505-2506	Director	ACAP Asset Management Co. Ltd.
						1995-2002	Vice President of Accounting Department	Datamat Plc.
5.	Pol.Lt.Col. Pongsiri Hiruntecha (Authorized Director)	46	MPA from Central Michigan University, Michigan, USA.  Director Accreditation Program (DAP) No. 114/2015	-	-	2014-Present	Director	ACAP Advisory Plc.
						2014-Present	Director	ACAP Consulting Co., Ltd.
						2014-Present	Director	Capital OK Co., Ltd
						2014-Present	Director	Professional Collection Co., Ltd.
						2014-Present	Director	Global Service Center Co., Ltd.
						2014-Present	Director	ACAP Corporate Services Co., Ltd.
						2008-Present	CEO	Honest Estate Co., Ltd.
						2008-Present	Managing Director	Delicatezza Co., Ltd.
						2006-Present	CEO	Blue Intelligence Co., Ltd.
						2011-2012	Honor Advisory	Committee on Natural Resources and Environment of the Senate



No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (16/2/15)	5 Years' Working Experience		
						Period	Position	Company
6.	Mr.Chotipong Discharoen Director (Authorized Director)	65	Custom School	-	-	2014-Present	Director	ACAP Advisory Plc.
						2008-2009	Director of Customs Control Division 1	Customs
						2005-2008	Director of Mukdahan Customs House	Customs
						2003-2005	Chief Command of Detective and Enforcement Division	Customs
						1998-2003	Chief Inspector, Bangkok Harbor	Customs
						1994-1998	Chief Inspector, The Office of Suppression and Protection	Customs
						1991-1994	Chief Inspector, Bangkok Harbor	Customs
						1989-1991	Chief Inspector, Songkhla Province	Customs
7.	Ms. Sugunya Sukjaroenkraisri Executive Director	40	Master degree in International Business, Seattle University, Seattle, Washington, USA.	-	5.0% of Issued and Paid-Up Share Capital	2014-Present	Executive Director	ACAP Advisory Plc
						2010-2013	Senior Advisor	Grandtag Financial Group, Hong Kong
						2005-2010	Vice President	Petchaburi Terminal
						2010-Present	Vice President	Siam Gulf Refinery
8.	Mrs.Nongluck Kowatana Executive Director	47	Executive MBA, Kasetsart University Mini MBA, Kasetsart University Mini MBA, Thammasart University Mini MBA, Chulalongkorn University	-	0.94% of Issued and Paid-Up Share Capital	2014-Present	Executive Director	ACAP Advisory Plc
						2012-2014	Partner	Star Asia Capital Holding Co.,Ltd.
						2011-2014	Consultant to the Minister of Culture	
						2008-2012	Director of Sales and Marketing	Blueintelligence Co.,Ltd.
						2008-2012	Director of Sales and Marketing	Sportron Co.,Ltd.
						2003-2010	Owner	All About Goods Co., Ltd.
						1990-2003	Owner	Nakomnon Yortrakam Co.,Ltd.

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (16/2/15)	5 Years' Working Experience		
						Period	Position	Company
9.	Mr.Tinnakorn Punpanichgul Executive Director	48	Bachelor degree of Business Administration, Assumption University, Bangkok	-	-	2014-Present	Executive Director	ACAP Advisory Plc
						2014-Present	General Manager	Bestlin Group Co., Ltd.
						2011-2013	Vice President	Ayudhya Development Leasing Co.Ltd.
						2007-2011	Manager of Business Development Department & Investor Relation	Grand Canal Land Plc.
						2005-2007	Vice President of Marketing	Ayudhya Factoring Co.,Ltd.
10.	Mr.Saringkarn Sutaschuto Deputy Managing Director of Investment Banking Department	49	MBA, Western Illinois University, USA  Director Accreditation Program (DAP) No. 28/2004	-	6.39% of Issued and Paid-Up Share Capital	2007-Present	Deputy Managing Director of Investment Banking	ACAP Advisory Plc.
						2002-Present	Director & Executive Director	ACAP Advisory Plc.
						2011-Present	Director	Aurum Capital Advisory Pte., Ltd.
						2010-Present	Director	ACAP Consulting Co., Ltd.
						2007-Present	Director	Capital OK Co., Ltd
						2007-Present	Managing Director	Professional Collection Co., Ltd.
						2004-Present	Director	Global Service Center Co., Ltd.
						2002-Present	Managing Director	ACAP Corporate Services Co., Ltd.
						2010-2014	Director	ACAP (Asia) AMC Co., Ltd.
						2007-2013	Director	ACAP (Malaysia) Sdn. Bhd.
						2005-2013	Director	ACAP Asset Management Co., Ltd.
						1998-2002	Head of Investment Banking	Rabobank International

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of {16/2/15}	5 Years' Working Experience		
						Period	Position	Company
11.	Mr.Chatchawan Triamvicharnkul Independent Director and Chairman of the Audit Committee, Nominating and Compensation Committee	50	MBA , Finance, NIDA Certificate on Taxation Law, The Central Tax Court of Thailand Chief Financial Officer Certificate Program (CFO CP) Graduate Diploma-Auditing, Chulalongkorn University Certified Public Accountant (Thailand) No.6398 (CPA) Certified Professional Internal Auditors of Thailand (CPIAT), The Institute of Internal Auditors of Thailand Director Accreditation Program (DAP) No. 20/2004 Audit Committee Program No. 2/2004 Director Certification Program (DCP) 174/2013	-	-	2015-Present	Independent Director and Chairman of the Audit Committee	ACAP Advisory Plc.
						2014-Present	Managing Director	Smart Consulting and Service Co.Ltd.
						2014-Present	Chairman of the Corporate Governance, Risk Management, Nomination and Remuneration Committee	Cho Thavee Dollasien Plc.
						2013-Present	Independent Director and Audit Committee	Cho Thavee Dollasien Plc.
						2009-Present	Nominating and Compensation Committee	ACAP Advisory Plc.
						2004-2015	Independent Director and Audit Committee	ACAP Advisory Plc.
						2013-2014	Director	Thinkplus Digital Co., Ltd.
						2012-2014	Deputy of Managing Director	Asia Solf Corporation Plc.
						2012-2014	Director	Play Cyber Games Co., Ltd.
						2009-2011	Head of Corporate Finance Group	TT&T Plc.
						2008-2011	Project Consultant of New Entrepreneurs Creation Project (NEC)	NIDA - Center for Business Innovation
						2008-2009	Compensation Committee	ACAP Advisory Plc.
						2002-2009	Chief Audit Executive and Secretary to Audit Committee	TT&T Plc.
						2000-2002	Head of Budgeting Division and Secretary to Budget Committee / Senior Manager	TT&T Plc.

No.	Name / Position	Age	Education	Relationship	% of Holding No. of shares as of (16/2/15)	5 Years' Working Experience		
						Period	Position	Company
12.	Mr.Isara Wongrung Independent Director and Member of Audit Committee, Chairman of the Nominating and Compensation Committee	48	MBA , General Management , Assumption University, Thailand	-	-	2015-Present	Independent Director	Professional Waste Technology (1999) Plc.
						2014-Present	Independent Director and Audit Committee	ACAP Advisory Plc.
						2014-Present	Chairman of Nominating and Compensation Committee	ACAP Advisory Plc.
						2012-2014	Executive Chairman	Kasikorn Leasing Co.,Ltd.
						2005-2011	Managing Director	Kasikorn Leasing Co.,Ltd.
						2008-2014	Director	Muang Thai Insurance Plc.
						2000-2005	Director of Sale & Marketing	Mercedes-Benz Leasing (Thailand) Co.,Ltd.
13.	Mr.Ithidej Chuerangsun Corporate Secretary	42	Master of Economic Business, National Institute of Development Administration (NIDA)  Bachelor of Economics, Ramkhamhaeng University  Fundamental Practice for Corporate Secretary Program : FPCS 18, Thai Listed Companies Association	-	-	1997-1999	Senior Vice President of Business Development Department	Guardian Insurance (Thailand) Co.,Ltd.
						2001-Present	Assistant Vice President / Corporate Secretary	ACAP Advisory Plc.
						1998-2001	Officer of Asset Disposition Coordination Unit	Financial Sector Restructuring Authority (FRA)
						1996-1998	Officer of Investment Banking Department	Nithipat Capital and Securities Company Limited

## Duties and responsibilities of the Secretary of the Company

Secretary of the Company shall perform such duties as prescribed in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which became effective on 31 August 2008, with responsibility, care and honesty, and ensure compliance with laws, objectives, Articles of Association, resolutions of the Board of Directors as well as resolutions of shareholder meetings. Legal responsibilities of the Secretary of the Company are as follows.

1. Prepare and keep the following documents:
  - 1.1 Register of directors;
  - 1.2 Notices calling director meetings, minutes of meetings of the Board of Directors and annual reports of the Company;
  - 1.3 Notices calling shareholder meetings and minutes of shareholder meetings;
2. Keep reports on interests filed by directors or executives and submit copies of reports on interests as per Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days of receipt by the Company of such reports;
3. Perform other duties as prescribed by the Capital Market Supervisory Board;
4. Provide advice on legal aspects and other relevant rules and regulations and procedures for supervision of business of the Board of Directors to ensure compliance with laws;
5. Organize meetings of the Board of Directors and shareholders;
6. Liaise with work units within the Company to comply with resolutions of the Board of Directors and resolutions of shareholder meetings and report information to regulatory agencies and the public properly and fully as required by laws;
7. Organize orientation and provide advice to newly-appointed directors;
8. Perform other duties as assigned by the Company.

## Attachment 2 : Details of subsidiaries' directors

Names	ACAP Corporate Services Co., Ltd.	Global Service Center Co., Ltd.	Aurum Capital Advisory Pte., Ltd	ACAP Consulting Co., Ltd.	CAP OK	Professional Collection Co., Ltd.	ACAP (Asia) AMC
1. Dr.Vivat Vithoontien	B-C-D-E	B-C-D-E	B-C-D-E	B-C-D-E	B-C-D-E	B-C-D-E	B-C-D-E
2. Mr.Kenuo Lin	B-C-D-E	B-C-D-E	-	B-C-D-E	B-C-D-E	B-C-D-E	
3. Mr.Issarachai Decharit	B-C-D-E	B-C-D-E	-	B-C-D-E	B-C-D-E	B-C-D-E	
4. Mr.Chalermchai Sirinopawong	B-C-D-E	B-C-D-E	-	B-C-D-E	B-C-D-E	B-C-D-E	B-C-D-E
5. Pol.Lt.Col.Pongsiri Hiruntecha	B-C-D-E	B-C-D-E	-	B-C-D-E	B-C-D-E	B-C-D-E	
6. Mr.Saringkarn Sutaschuto	-	-	B-C-D-E	-	-	-	-

Remark A = Managing Director, B = Director, C = Authorized Director, D = Management, E = Executive Director

## Attachment 3 : Details of Head of Internal Audit and Compliance

Name / Position	Age	Education	5 Years' Working Experience		
			Period	Position	Company
Miss.Onsuang Keiwkarnka	31	2012 Notarial Public Attorney Certificate	2014-Present	Head of Internal Audit / Internal Audit Department	ACAP Advisory Plc.
			2014-Present	Head of Compliance Department /	ACAP Advisory Plc.
		2010-2011 Graduate Diploma in Taxation, University of Melbourne, Australia	2012-Present	Supervisor of Foreign Legal	ACAP Advisory Plc.
			2012	Foreign Legal Consultant	Mahidol University
			2011-2012	Foreign Legal Consultant	Mahaphant Fibre-Cement Public Co.,Ltd.
		2008-2009 Master of Laws, University of Melbourne, Australia			
		2007 Legal Practice Certificate, Lawyers Council of Thailand, Bangkok, Thailand			
		2002-2006 Bachelor of Laws, Chulalongkorn University, Bangkok, Thailand			

**Duties and Responsibilities of the Head of Internal Audit,** 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.

**Duties and Responsibilities of the Head of Compliance,** 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.

# 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 (who resigned from the position on August 8, 2014. The Company appointed Mrs. Pennipa Dabbaransi as the Chairman of the Audit Committee as a replacement for the remaining term of Mr. Suraphol Sindhuvanich since August 9, 2014), and has Ms. Narumol Wangsatorntanakun (who resigned from the position on September 30, 2014. The Company appointed Mr. Isara Wongrung as the Audit Committee as a replacement for the remaining term of Ms. Narumol Wangsatorntanakun since October 1, 2014) and Mr. Chatchawan Triamvicharnkul, with his expertise in accounting, as the members. (The Company appointed Mr. Chatchawan Triamvichankul to the office of the Chairman of the Audit Committee on 29 January 2015 replacing Mrs. Pennipa Dabbaransi who resigned on 18 December 2014).

During 2014, 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 2014, the Audit Committee organized 12 meetings, 4 of which were meetings with the Company's external auditor. Of all the meetings, Mr. Suraphol Sindhuvanich attended 8/12 meetings, and Ms. Narumol Wangsatorntanakun attended 9/12 and Mr. Chatchawan Triamvicharnkul attended 12/12 meetings, and Mrs Pennipa Dabbaransi attended 4/12 meetings, and Mr. Isara Wongrung attended 3/12 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 2014 (at the meeting no. 2/2015 dated February 23, 2015 to review the 2014 annual financial statement). 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 code of conduct under the responsibility for the society and environment and policy of anti-corruption. 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.

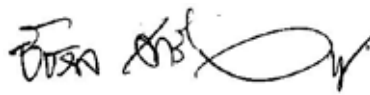
(5) Monitoring the internal auditing process: the Audit Committee has monitored and reviewed the Internal Audit Department's work, annual audit plan, annual budget and manpower on a quarterly basis. The Audit Committee has also reviewed the Company's auditing process to ensure it is appropriate for the 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 operation of the Company's risk management unit 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 2014. The Audit Committee coordinated with the management team to review the proposed company's background in 2008-2014, 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. Paiboon Tunkoon, certified public accountant registration No. 4298, and/or Mrs. Anothai Leekitwattana, certified public accountant registration No. 3442, and/or Mr. Boonlert Kamolchanokkul, certified public accountant registration No. 5339 of Price Water House Coopers ABAS Co., Ltd., as the Company's external auditor(s) for 2015 with the budget for auditing expense not over THB 605,000 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 2014, the overall performance of the Audit Committee was considered to be good to very good. Furthermore, the audit committee has regularly attended several of the seminars. The forum intends to develop and enhance knowledge including ability of the audit committee regarding accounting standard, compliance and internal audit, and risk management.

On behalf of the Audit Committee



Mr. Chatchawan Triamvicharnkul  
Chairman of the Audit Committee

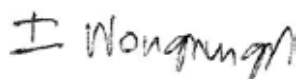
23 February 2015

# Nominating and Compensation Committee Report in 2014

The Board of Directors of ACAP Advisory Public Company Limited (“the Company”) has notified the resolution to appoint the Nominating and Compensation Committee as a member of the Board of Directors of the Company as to conform to the good corporate governance policy of the Stock Exchange of Thailand. The aspect of nominating and compensation to the executive directors and chief executives is to be transparent and fairness to all stakeholder groups, including structure efficiency in business operation. The Company’s Nominating and Compensation Committee comprised of 3 independent directors that is Ms. Narumol Wangsatorntanakun, Chairman of the Nominating and Compensation Committee (who had resigned from the position on September 30, 2014. The Company appointed Mr. Isara Wongrung as the Chairman of the Nominating and Compensation Committee as a replacement for the remaining term of Ms. Narumol Wangsatorntanakun since October 1, 2014) and Mr. Suraphol Sindhuvanich (who had resigned from the position on August 8, 2014. The Company appointed Mrs. Pennipa Dabbaransi as the Nominating and Compensation Committee as a replacement for the remaining term of Mr. Suraphol Sindhuvanich since August 9, 2014. However, Mrs. Pennipa Dabbaransi had resigned from the position on December 18, 2014) and Mr. Chatchawan Triamvicharnkul as Members of the Nominating and Compensation Committee.

In fiscal year 2014, the Nominating and Compensation Committee held 5 meeting and all directors attended the meeting which were Mr. Suraphol Sindhuvanich attended 3/5 meetings, Ms. Narumol Wangsatorntanakun attended 3/5 meetings, Mr. Chatchawan Triamvicharnkul attended 5/5 meetings, Mrs. Pennipa Dabbaransi attended 2/5 meetings, and Mr. Isara Wongrung attended 1/5 meetings. The Nominating and Compensation Committee is accountable to consider different agendas that is to consider and approve the re-election of directors who are due to retire and the election of substitute directors to retain the remaining term of resigned directors by taking into account the essential skills and experiences associated with the Company’s business, to consider and approve the determination of the directors’ remuneration for the year 2014, including conduct self-assessment to acknowledge the accomplishment and identify problems in order to rectify the administration of the Nominating and Compensation Committee for further progression. The assessment criteria will be considered as whether the agenda has been practiced or not and the level of effectiveness. The overall assessment of operation in 2014 is rated at good to very good.

On behalf of the Nominating and Compensation Committee



Mr. Isara Wongrung

Chairman of the Nominating and Compensation Committee

23 February 2015



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