



Vision and Mission

Vision

“Every household shall have at least 1 item of AJ product”

Mission

“We shall supply variety, innovative and trustworthy electric appliances under categories of audio and visual group and home appliance that meet the consumer’s needs under brand  at the prices that everyone can own through extensive and thorough distribution channels”

Financial Highlights

Unit : Million Baht

	2012	2013	2014
Financial Position			
Total Assets	1,374.30	1,226.54	2,960.18
Total Liabilities	1,053.30	857.80	2,277.37
Total Shareholders' equities	321.00	368.74	682.82
Financial Performance			
Revenue	1,729.26	1,643.59	1,863.11
Cost of Goods Sold	1,157.80	1,055.67	1,143.51
Profit before Interest and Tax	67.47	109.40	175.97
Net Profit	30.74	68.30	122.14
Financial Ratios			
Net Profit Margin (%)	1.76	4.14	6.52
Return on Equity (%)	10.20	19.80	23.23
Return on Average Assets (%)	2.50	5.25	5.83
Debt to Equity (Times)	3.28	2.33	3.34
EPS (Baht)	0.014	0.029	0.042

The investor can study additional information of the Company from an annual information disclosure form (56-1 Form) at www.sec.or.th or at the Company's website: www.ajthai.com.



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Message from Chief Executive Officer



A stylized, handwritten signature in white ink, likely belonging to Mr. Amorn Meemano, positioned above his name and title.

(Mr. Amorn Meemano)
Chief Executive Officer

Year 2014 was another year of significant change to Crown Tech Advance Public Company Limited, because it was the year in which the company listed its shares in the Stock Exchange of Thailand on 27 February 2014 under the abbreviation of “AJD” with the initial public offering at 2.50 baht per share with par value of 0.50 baht per share. In the Annual General Meeting of Shareholder in 2014, the meeting approved the dividend of 0.10 baht per share, and later in the Extraordinary General Meeting of Shareholder at the end of the same year, the meeting approved the par split of 0.50 baht per share to 0.10 baht per share, including the free warrant (Warrant 1 : W1) at the rate of 4 existing shares for 1 warrant. And later on, the company also granted another warrant (Warrant 2 : W2) at the rate of 4 existing shares for 1 warrant. Since the date of first day trading until now, AJD stock price has increased continuously, provided the high return to shares as to the company’s wishes. All the management and employee have the strong will to expand the business and create a consistent profit. Though the high competition in the industry, the company has tried to grab every opportunity to expand the business both into the related business i.e. selling of Set Top Box and into a new business i.e. joint venture with alliances to product movie and series to supply the 48 television stations, joint venture with alliances to distribute Thai movie to penetrate in China and vice versa. These growth opportunities will drive growth to the Company’s subsidiaries and ultimately drive performance of the Company. I and all of the team commit to dedicate all of our knowledge and capability for the bright future of the company.

Report of The Audit Committee

The Audit Committee has been assigned to perform duties and responsibilities as per specified by the Board of Directors. Those assignments were to review and ensure the correct and reliable financial reporting, to review appropriateness of the internal control system and the internal auditing, to review the operations to ensure compliance with regulations of the Stock Exchange of Thailand including other relevant laws, to consider on appointment of the Company's auditor as well as to consider the connected transaction or transaction which might have conflict of interest to ensure compliance with regulations of the Stock Exchange of Thailand. In 2014, the Audit Committee attended 7 meetings. On December 9, 2014 General Dusit Kruayai as The Chairman of the Audit Committee has resigned . The remain 3 members of the Audit Committee has set up the meeting and the meeting has selected Mr. Pisanu Rienmahasarn Member of Audit Committee to be Chairman of the Audit Committee in place on December 15, 2014. The important issues in the meeting in 2014 were summarized as follows:

1. To review the quarterly and annually financial statements of 2014 by jointly discussing with the auditor and the accounting executives. The Audit Committee deemed that such financial statements which have been prepared pursuant to generally accepted accounting principles were correct and reliable. In addition, information was adequately disclosed and reserve has been properly set aside.
2. To review adequacy of the internal control system where the Audit Committee has opined that it did not find any material defect and it also recommended the management to develop the auditing systems to make them be more appropriated and in line with the current fast paced technology.
3. To review and ensure that the Company has correctly and appropriately complied with the rules, regulations and laws on securities and stock exchange and any relevant laws. In case of any uncertain issues, it constantly consulted with the Stock Exchange of Thailand then proposed to the Audit Committee for consideration once again.
4. To review the connected transaction or the transaction which might have conflict of interest. For 2014, the Audit Committee deemed that prices and conditions of such transactions were pursuant to the general and normal business conditions and they have been adequately disclosed.
5. To review and select KPMG Phoomchai Audit Ltd., the Company' s audit for the past year to be the auditor for another year by proposing to the meeting of the Board of Directors to request for approval from the 2015 Annual General Meeting of Shareholders to appoint Mr. Nirand Lilamethwat, a certified public accountant, registration no. 2316, or Ms. Bongkot Aumsangeam, a certified public account, registration no. 3684 or Mr. Thanit Osathalert, a certified public accountant, registration no. 5155 of KPMG Poomchai Auditing Co., Ltd., which are qualified to be the auditor of the listed company pursuant to regulations of the Office of the Securities and Exchange Commission to be the Company's auditor for 2015 and to fix its remuneration at 2,850,000 baht.

The Audit Committee has independence to perform duties as per assigned and it has received good cooperation from all relevant departments. The Committee also consulted with the auditor every quarter to acknowledge its observation concerning the financial statements and the internal control concerning the accounting matter of which they did not find any material or abnormal issues.

On behalf of the Audit Committee



(Mr. Pisanu Rienmahasarn)

Chairman of the Audit Committee

The Board of Directors

1. Mr. Amorn Meemano



Position : Director / Executive Committee / Chief Executive Officer

Education : Honorary Doctor of Business administration,
Ramkhamhaeng University
Master Degree in Business Administration, Beijing University
Bachelor Degree in Business Administration,
Assumption University

Training Record : Director Accreditation Program

Working Experience

2014 - Present : Director, Happy Vision Co., Ltd.
2009 - Present : Managing Director, Muang Thai Digital Co., Ltd.
2007 - 2014 : Director, Happy Import Export Co., Ltd.
2007 - Present : Managing Director, Muke Inter Co., Ltd.
2006 - Present : Director, Maxon Herb Marketing (Thailand) Co., Ltd.
2005 - Present : Director, Siam Advance Electronic Co., Ltd.
2005 - Present : Managing Director, Cap Advance Co., Ltd.
2002 - 2014 : Director, T & C Advance Electronic Co., Ltd.
2002 - Present : Director, J Billion Co., Ltd.
1999 - Present : Director, Siam Advance Electronic Co., Ltd.
1999 - Present : Director, Petchnumnueng Jewelry Co., Ltd.

2. Mr. Pipat Patiwetphinyo

Position : Director / Executive Committee /
Deputy Managing Director : Operation

Education : Bachelor Degree in Business Administration -
Marketing, Kasetsart University

Training Record : Director Accreditation Program

Working Experiences

2014 - Present : Director, Happy Vision Co., Ltd.
2007 - 2014 : Director, Happy Import Export Co., Ltd.
2005 - Present : Director, Siam Advance Electronic Co., Ltd.
2002 - Present : Director, T & C Advance Electronic Co., Ltd.
1993 - 2007 : Director, JSC Electric Wire and Cable Co., Ltd.



3. Mr. Anake Pattanaslid

Position : Director

Education : Bachelor Degree in Business Administration,
Huachiew Chalermprakiet University

Training Record : Director Accreditation Program

Working Experiences :

2013 - Present : Director, Losanne Khao Yai Co., Ltd.
2010 - Present : Director, T & C Advance Electronic Co., Ltd.
2009 - Present : Director, Muang Thai Digital Co., Ltd.
2007 - 2014 : Director, Happy Import Export Co., Ltd.
2006 - Present : Director, Maxon Herb Marketing (Thailand) Co., Ltd.
2005 - Present : Director, Siam Advance Electronic Co., Ltd.
1993 - Present : Director, B.V.S. Trading Co., Ltd.
1990 - Present : Director, Flying Fish Service (Thailand) Co., Ltd.
1987 - Present : Director, Super Ten Co., Ltd.



4. Pol. Maj. Gen. Jitti Rodbangyang



Position : Director

Education : Master Degree in Social Sciences, Mahidol University
Bachelor Degree in Public Administration,
Royal Police Cadet Academy (Sam Pran)

Training Record : Director Accreditation Program

Working Experiences :

2012 - Present : Deputy Commissioner -
Metropolitan Police Bureau, Royal Thai Police
2001 - 2002 : Provincial Commander, Royal Thai Police
2011 - Present : Director, Siam Advance Electronic Co., Ltd.
2011 - 2014 : Director, Happy Import Export Co., Ltd.
2011 - Present : Director, T & C Advance Electronic Co., Ltd.
2011 - Present : Independent Director, Permsin Steel Works Plc.

5. Mrs. Nasikar Meemanonuns



Position : Director

Education : Bachelor Degree in Business Administration Marketing,
Thammasat University

Training Record : Director Certification Program (DCP)

Working Experiences :

1999 - Present : Managing Director, Petchnumnueng Jewelry Co., Ltd.

1997 - 1999 : Managing Director, Petchnumnueng Shop

1993 - 1996 : Insurance agent, / Assistant Unit Manager AIA Group Limited

1991 - 1993 : Marketing Manager, S.O.S. Marketing Co., Ltd.

1989 - 1990 : Assistant Marketing Manager, T.N. Incorporated Co., Ltd.

1987 - 1989 : Assistant Marketing Manager, I.P. Trading Co., Ltd.

1986 - 1987 : Marketing Officer, Saha Pathanapibul Co., Ltd.

6. Mr. Pisanu Rienmahasarn

Position : Chairman of the Audit Committee / Independent Director

Education : Doctor of Philosophy Degree,
Ramkhamhaeng University (Candidate)
Master Degree in Economics, Duke University,
Durham NC, USA
Bachelor Degree in Economics, Thammasat University

Training Record : Top Executive Program Class 5, Capital Market
Academy (CMA) Director Accreditation Program

Working Experiences :

2011 - Present : Senior Consultant/Senior Director- China ASEAN
Studies Center, Panyapiwat Institute of Management

2011 - Present : Independent Director, Siam Advance Electronic Co., Ltd.

2009 - Present : Independent Director, Surapon Foods Plc.

2008 - 2011 : Dean, Faculty of Business Administration /
Vice President, Huachiew Chalermprakiet University

2005 - 2008 : Deputy Permanent Secretary, Office of Permanent
Secretary, Ministry of Commerce

1998 - 2002 : Deputy Permanent Secretary, Foreign Trade Department



7. Mr. Vacharin Duangdara

Position : Audit Committee / Independent Director

Education : Master Degree in Business Administration (MBA),
Kasetsart University
Bachelor Degree in Laws, Thammasat University

Training Record : Director Accreditation Program
Director Certification Program

Working Experiences :

2011 - Present : Director, Siam Advance Electronic Co., Ltd.

2011 - Present : Independent Director, Permsin Steel Works Plc.

2009 - Present : Chairman of Audit Committee /
Independent Director, Chu Kai Plc.

1995 - Present : Director, Professional Maximum Training and
Trading Co., Ltd.

2004 - Present : Director, Legal Line Co., Ltd.

2008 - 2011 : Senior Vice President - Litigation, Bank of Ayudhya Plc.



8. Mr. Kamol Chirapathama



Position : Audit Committee / Independent Director

Education : Bachelor Degree in Monetary Economics,
Thammasat University

Training Record : Director Certification Program

Working Experiences :

2013 - Present : Director, Siam Advance Electronic Co., Ltd.

2007 - 2013 : Deputy Managing Director, Living Land Capital Co., Ltd.

2006 - 2013 : Director, Falcon 9 Co., Ltd.

2005 - 2013 : Director, Top Life Venture Co., Ltd.

2003 - 2006 : Assistant Managing Director, Top Line Living Co., Ltd.

2000 - 2002 : Assistant Managing Director,
Living Land Development Co., Ltd.

1988 - 1999 : Senior Vice President - Credit Department,
CMIC Finance & Securities Plc.

1983 - 1997 : Credit Officer, Bangkok Investment Corporation Finance &
Securities Plc.

Nature of Business

1. The company's major operation is the procurement and selling of electrical appliance with the DVD player as major product. In late 2014, the company was one of the procurer and seller of Set Top Box in accordance with the transition of television broadcasting system from analog system to digital system. The company is considered one of the leading player in this product category.

1.1. Product Characteristic: Procurement and selling of electrical applicant under brand "AJ". The company procures product with variety, up to date technology with quality. Currently, the company sells more than 150 models of electrical appliance which can be classified into 2 main categories.

- a. Audio and Visual Product : AV i.e. DVD player, audio product & loudspeaker and karaoke player. This product category contributed approximately 81-83% of total revenue. In 2014, Set Top Box was added as the company's new product with totally 4 models. Set Top Box is the company's another major product considering from the revenue contribution comparing to revenue of this category. However, as the selling of Set Top Box is selling under 690-baht-coupon of NBTC, when all the coupons are exchanges, the need of Set Top Box will be the need for replacement or the need of Set Top Box for the second television in the house only.
- b. Home electrical appliance i.e. electric hot pot, electric rice cooker, iron, electric magnetic stove, movable air conditioner, watching machine. This product category contributes for approximately 16-25% of total revenue. Though the revenue is not much but consistent.

1.2 Market condition and competition environment

- 1.2.1 Target customer and distribution channel: The Company sell its product via modern trade channel which are Tesco Lotus, Big C, Makro, Home Pro and etc. with approximately 73% revenue contribution. Selling agent and retail shops are the support channel with approximately 27% revenue contribution. The major shops in this group are Niyompanich, Sahapanich, Chiangmai Siam TV and the near-modern-trade shops which are Siam Global House and Doo Home. In addition, 7-11 and TV-direct are also additional selling agent.
- 1.2.2 Business Strategy : The Company is still sticking to its business strategy as to the former year which is to create brand value in brand "AJ". It can be said that brand "AJ" is known to everyone. At the same time, the company has a strong intention to select quality product to satisfied consumer's need at the reasonable. The company has confidence that with those 3 main strategies could create a sustainable value to all "AJ" products.

2. Investment in other businesses

The company's strategy is to enter into new business under O2O theme or Off-line to On-line because the company foresees the potential growth of digital economy so as to other developed and higher-technology countries. The behavior of consumer in those countries has changes with higher involvement of digital technology in daily life not only for the entertainment but also for the on-line shopping and financial service. In order to achieve such objective, the company has started to invest with some alliances in the following businesses:

1. Television series to supply to television broadcasting station under subsidiaries "Happy Vision Co., Ltd". This company is formed by allying with Khun Nirattisai Kaljareuk and Pasangyasorn Co., Ltd. By transition the television broadcasting system from analog system to digital system. The transition will result to the higher quality of broadcasting and increasing of television stations from 6 to 48 stations. This is considered beneficial to the television viewer having more choice of entertainment, and also beneficial to the television program producer to produce television supply to the television broadcasting stations. Khun Nirattisai Kaljareuk and Pasangyasorn Co., Ltd. is considered a famous series and television program producer in Thailand, thus the higher successful chance. Currently, the subsidiary company has started to supply television series to Channel 7 namely "Sing Rod Ban Took", and other television will come up soon.
2. Export Thai series to other countries especially in Asia continent having China as major market. On the other hand, the company will import series and movie to present to domestic television viewer. This strategy is to be done by alliance with Mr. Dong Zhang, the expertise in this kind of business.
3. Joint venture in Online game in Muang Thai Digital Co., Ltd. with 30% portion in registered share in the company. This company has registered and paid up capital of 0.75 million baht with 70% shareholding portion by CU PLAY Co., Ltd. from China who has major business as online game and would like to expand its business to Thailand. This cooperation would ensure that Muang Thai Digital Co., Ltd. will receive fully support from parent company by having many online games to be offering to consumer at the lower cost.

Risk Factors

1. Risk from current business

1.1 Risk from slowdown economy

Since the political changes in May 2014, current government has tried to stimulate the slowdown economy. Though many economy stimulus projects i.e. investment in mass rapid transit projects, the economy was not picked up. The export expansion was still low as to the GDP growth. The agricultural sector was facing the low price of the rice and caoutchouc, leading to the low purchasing power of the agriculturist. All those factors lead to the decreasing of the company's revenue, without the new product i.e. SET TOP BOX, the company's revenue would have been down significantly.

1.2 Risk from the higher competition in the industry

In modern trade channel which is the company's major distribution channel, it has been an increasing in new competitor or an increasing in house brand of many products. In addition, each brands also try to improve its product quality and design, all of these lead to the difficulty of the company to increase revenue.

1.3 Risk from the obsolete of the products

The company's major products is Audio and Visual Product : AV with the DVD player as the majority. Nowadays, the internet connection has been continuously improved until the time down load is not any problem for the consumer any more. The consumer tends to down load movie or information thus decreasing the needs to buy DVD movie. In addition, Smartphone usage function is now cover the entertainment with good quality, causing the decreasing of home entertainment media in the future. The consumer behavioral changes into new technology would directly affect the needs in company's products.

1.4 Risk from reliance on a single supplier

In 2014, most of the products sold by the company are procured from a supplier who has been good trade partners with company for many years, therefore, the company was facing the risk from reliance on a single supplier. On the other hand, the company is also the major trade partner of that supplier, the trading with each other is the inter-dependent relationship. Therefore, the company confident that with the mutual benefit agreed, both parties can be able retains the trading relationship in the future.

Regarding the modern trade side, the company also has a high portion of sales via major customer. The company has tried to decrease this risk by expanding to other distribution channel and drive company brand to be a major brand in the market to continuously increase consumer's demand.

1.5 Risk from exchange rate

The company buys the products using USD as the major currency, and in the end of 2014, USD has been depreciated. However, the company has been well prepared and managed foreign currency liabilities i.e. convert foreign currency to Thai baht if Thai Baht depreciated to a threshold level. In addition, the company has started to use RMB currency in buying products from China which could lower the risk from exchange rate.

1.6 Risk from reliance on management

Since the starting of the company, the company is under management of 2 groups of major shareholders who are Mr. Amorn Meemano, Managing Director and Mr. Pipat Patiwetphinyo, Vice President - Factory with the total shareholding of 17.38% (including their related persons) as of the shareholder registered book as of 10 March 2015. Both persons have a high expertise in the industries. However, the company is well aware of the risk on reliance on both management, therefore, a clear organization structure is applied and recruiting high potential and high expertise managements into the company especially in the sale and marketing function, to support top management and build a good relationship with customer.

2. Risk from new business

2.1 Risk from inexperience in new business

The company has to rely on the experience of alliance in the 3-new-business, because the company has no experience in these businesses. Therefore, the performance of new business may be difference from expectation due to the limitation of problem solving capability.

2.2 Risk from the future forecast of the business

The 3 new businesses are in the entertainment industry, the success is mainly relying on the change of consumer behavior. For example, If the consumers have a good response on the digital broadcasting system, then the series production industry would grow accordingly. The export of Thai series to other countries is also another success driver, for example the export of Thai series to China, the country with large number of consumer, which is the country that many

of Thai series gain popularity. The popularity in game online is another success drive to the new business of the company; there are many successful online games from many countries including USA, Japan and Korea have been presented to Thai gamer with difference level of successful.

2.3 Risk from difference in direction and working method

The cooperation of alliance in these 3 businesses is in the form of joint shareholding, each partner will bring in each strength point into the business operation. As each party is from difference company with difference culture, therefore the risk of cooperation is incurred. However, the company has set a cooperative working way via the organization structure, allocating job based on skill, setting goal together, budgeting system. The company expects that with those preparations, the potential conflict will be minimized.



New Office

The company started to build a new office since the end of 2013 to support the business expansion and the increasing of employee. Currently, the new office is completed comprising of 3-storey low rise building with usable office area of 1,900 Sq. M., 1,200 Sq. M. for the loading area and 200 parking lot, which is built on the total land area of approximately 2.0 Rai. It is expected that the new office building is enable to support the business and the increase of employee for the next 3 years. However, the land has total area of approximately 13-3-3 Rai or 5,503 Sq. Wa, the company therefore renovate the land with the tree by planting more than 200 trees on the empty area. The company plans to have the opening ceremony on 24 March 2015.



Shareholding Structure

As of 10 March 2015, the top ten shareholders were summarized as follows :

No.	Name	No. of shares (shares)	(%)
1.	Mr. Amorn Meemano	368,255,000	12.28
2.	Miss Chinda Meemano	253,170,000	8.44
3.	Mrs. Nasikar Meemanonuns	185,108,735	6.17
4.	Mr. Pipat Patiwetphinyo	153,000,000	5.10
5.	Miss Wanida Wasiphanphong	141,000,000	4.70
6.	Miss Supha Sae-Tang	117,013,000	3.90
7.	Mr. Sompoch Burapaskul	53,500,000	1.78
8.	Mr. Anake Pattanasid	52,200,000	1.74
9.	Mrs. Penchan Yongwongpaiboon	49,584,200	1.65
10.	Mrs. Somjai Waseephanphong	45,755,500	1.53
Top ten shareholders		1,418,586,435	47.29
Other shareholders		1,581,413,565	52.71
Total		3,000,000,000	100.00

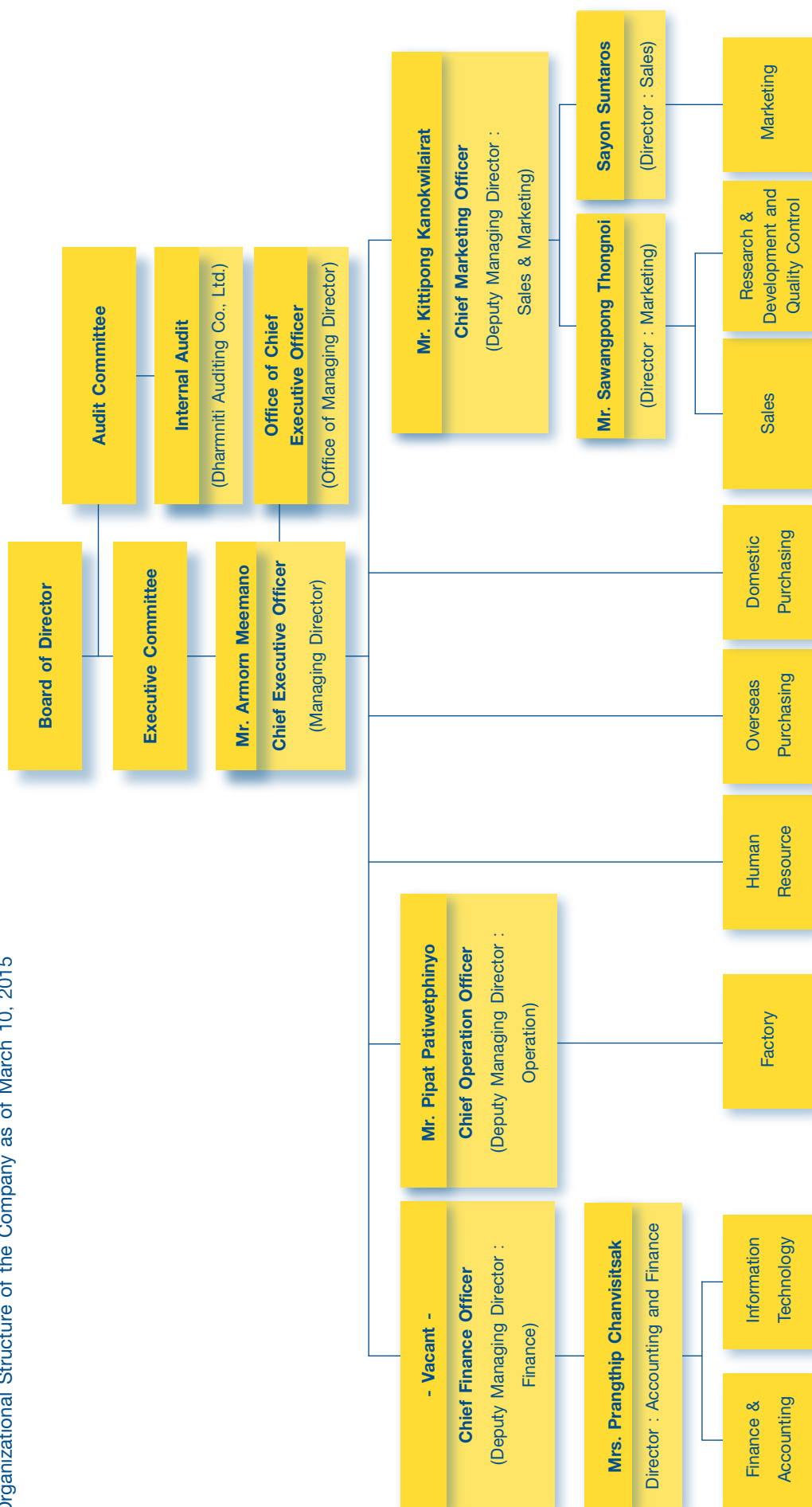
Dividend Payment Policy

The Company has a policy to pay dividend at the minimum 40% of net profit after corporate taxes and all statutory reserves. However, the Company may pay dividend less than the amount specified above or it may not pay dividend, if the Company is necessary to use such net profit for its business expansion.

In addition, the Board of Directors' resolution on approval of the dividend payment is required to be proposed to the shareholders' meeting for the approval, except in case of interim dividend, where the Board of Directors has power to approve and then report to the shareholders' meeting for acknowledgement in the next meeting. In 2014, the Company paid 0.10 baht per shares as dividend.

Management Structure

Organizational Structure of the Company as of March 10, 2015



Management Structure

The Company's management structure consists of 3 committees: the Board of Directors, the Audit Committee and the Executive Committee. The Company's management pursuant to organization chart is as follows:

The Board of Directors

The Board of Directors as of March 10, 2015 consisted of:

Name			Position
1.	Mr. Pisanu	Rienmahasarn	Chairman / Chairman of the Audit Committee and Independent Director
2.	Mr. Vacharin	Duangdara	Audit Committee and Independent Director
3.	Mr. Kamol	Chirapathama	Audit Committee and Independent Director
4.	Mr. Amorn	Meemano	Managing Director
5.	Mr. Pipat	Patiwetphinyo	Director
6.	Mr. Anake	Pattanaslid	Director
7.	Pol. Maj. Gen. Jitti	Rodbangyang	Director
8.	Mrs. Nasikar	Meemanonuns	Director

Mrs. Prangthip Chanvisitsak is the Company secretary.

The Authorized Directors

As of March 13, 2015, the authorized directors who may sign to bind the Company: two directors of Mr. Amorn Meemano, Mr. Pipat Patiwetphinyo and Mrs. Nasikar Meemanonuns can jointly sign and affix the Company's seal.

Scope of Duties and Responsibilities of the Board of Directors

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Board of Directors was specified as follows:

1. To perform duties pursuant to laws, objectives and articles of association of the Company as well as resolutions of shareholders' meetings with honesty, integrity and to preserve the best interest of the Company.
2. To specify vision, policy and operating direction of the Company and to supervise performance of the management to ensure compliance with the specified policies and work plans effectively and efficiently in order to increase maximum economic value of the business and the best benefits of the shareholders
3. To monitor operating results to ensure that they are pursuant to policies and business objectives. Clear indicator must be specified to be used as operation guidelines by taking into consideration the possibility and reasonableness. In addition, policies and policy compliance must be reviewed constantly.

4. To carefully consider the conflict of interest and the transaction that might have conflict of interest by specifying clear guidelines that must mainly be for overall benefits of the Company and the shareholders. The person with interest shall not be entitled to make decision. To supervise to ensure compliance with standard regulations concerning operating procedures and disclosure of information of transaction which might have conflict of interest correctly, completely and transparently.
5. To specify approval authority for undertaking any transactions and operations concerning the Company's business to the group of persons or a person appropriately as appropriated and in accordance with the relevant laws. This task can be done by preparing as delegation of authority manual and it must be reviewed at least once a year.
6. To establish the reliable accounting system, processing system, financial reporting and auditing as well as to oversee assessment process on appropriateness of internal control system by assigning an independent person or function to responsible for inspection of such systems and those systems must be constantly reviewed.
7. To specify comprehensive risks management policy throughout the organization where the management shall comply with the policies and report to the Board of Directors on continued basis. To review or assess efficiency of risk management regularly and every time when it is found that risk level has changed as well as place importance on early alarm signal and any abnormal transactions.
8. To appoint the sub-committee or any person to oversee, monitor and control operations of the Company in material matters under supervision of the Board of Directors. To assess performance and fix remuneration of such sub-committee or person or assign authority to such sub-committee or person to be within the period of time as the Board of Directors deemed appropriated. The Board of Director may cancel, revoke, change or revise such authority.

The following operational powers shall be exercised only after they have obtained an approval from the shareholders' meeting first, provided that, any director or person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company or its subsidiary shall not be entitled to vote on it:

- Any activity that the laws has specified that it must have an approval from the shareholders' meeting first.
- Any transaction that any director may have some interests and in scope that the laws or regulations of the Stock Exchange of Thailand prescribed that it is required to have an approval from the shareholders' meeting first.
- In addition, for the following cases, the resolution is required to be passed by the majority vote of not less than three-fourth of total votes of director members presenting at the meeting of the Board of Directors and of the shareholders presenting at the meeting and having the voting right :
- Sell or transfer in whole or in substantial parts of the business of the Company to other person.

- Purchase or accept the transfer of business of other public company or private company.
- Execute, amend or terminate the agreement relating to lease out in whole or in substantial parts of business of the Company, assign the other person to manage the business of the Company or merge business of the Company with business of the other person, which objective is for profit sharing.
- Issue new shares to pay to the Company's creditor pursuant to debt to equity conversion project.
- Decrease the Company's registered capital by decreasing number of shares or decreasing share values.
- Increase, decrease the capital, issue the debenture, amalgamate or dissolve the Company.
- Any other issues as per specified by laws.

The Audit Committee

As of March 10, 2015, the Audit Committee comprised of:

Name			Position
1.	Mr. Pisanu	Rienmahasarn	Chairman of the Audit Committee
2.	Mr. Vacharin	Duangdara	Audit Committee
3.	Mr. Kamol	Chirapathama	Audit Committee

Miss Chadaporn Mansom is a secretary of the Audit Committee.

Remark: Mr. Kamol Chirapathama as the Audit Committee has sufficiently skills and experiences to assume duties of auditing the Company's financial statement as he obtained Bachelor Degree on Monetary Economics from Thammasat University.

Scope of Duties and Responsibilities of the Audit Committee

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Audit Committee was specified as follows:

1. To audit to ensure that the Company has sufficient, credible and transparent financial reports by coordinating with the external auditor and the Company's executives who are responsible for preparing the quarterly and yearly financial reports.
2. To review the Company's internal control system and internal audit to ensure that they are suitable and effective jointly with the external auditor and internal auditor (if any) and to determine independence of the internal audit function or any other functions in charge of the internal auditing.

3. To review operations of the Company to ensure that they comply with the laws on securities and exchange, regulations of the Stock Exchange of Thailand and the laws related to the Company's businesses.
4. To select and propose the Company's auditor and to fix his or her remuneration by taking into consideration reliability, adequacy of resource, amount of auditing activities and experiences of such auditor as well as to attend the meeting with the auditor without any participation of the executives at least once a year.
5. To consider the connected transactions or transactions which might have conflicts of interest to ensure that they are reasonable, comply with the laws and regulations of the Stock Exchange of Thailand and for maximum benefits of the Company.
6. To review and ensure that the Company has appropriate and efficient risk management system.
7. To prepare the report about the Audit Committee's activities and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and included at least the following recommendations:
 - Recommendation on accuracy, completeness and creditability of the preparation process and information disclosure in the Company's financial report,
 - Recommendation on adequacy of the Company's internal control system,
 - Recommendation on compliance with laws on securities and exchange, the stock exchange's regulations, or other laws related to the Company's business,
 - Recommendation on suitability of the auditor,
 - Recommendation on transactions that may cause conflicts of interests,
 - Number of the Audit Committee's meetings and attendance of such meetings by each committee member,
 - Overall recommendations or observations that have arisen while the Audit Committee performed its duties in accordance with the Charter, and
 - Other reports which should be made available to the shareholders and general investors within scope of duty and responsibility assigned by the Company's Board of Directors.
8. To perform any other tasks as assigned by the Board of Directors pursuant to opinions of the Audit Committee, for instance, review of financial management policy & risk management, review on compliance with business ethics of the management, review material reports jointly with the Company's management which must be presented to the general public as per specified by the law, i.e. executive report and analysis and etc.

In order to make the Audit Committee perform the work efficiently, the Audit Committee may seek independent opinion from the consultants of various professions, if it deems necessary at the Company's expense.

Qualifications of the Audit Committee and Independent Director

- a. Holding shares not exceeding 1.0 percent of the total number of voting shares of the Company, its parent company, its subsidiary, its associate company or a juristic person who might have conflict of interest, provided that, the shares held by the related person of such Independent Director shall also be counted for this purpose.
- b. Not being or having been a director involved in the management, an employee, an officer, a consultant with a monthly wage or a controlling person of the Company, its parent company, its subsidiary, its associate company or a subsidiary with the same level or a juristic person who might have conflict of interest, except he/she has resigned from such position at least 2 years prior to the date submitted a permit to the office.
- c. Not being related by blood or legal registration as a father, mother, spouse, sibling and child, including as a spouse of the child of an executive officer, a major shareholder, a controlling person or a person who will be nominated to become an executive officer or a controlling person of the Company or its subsidiary.
- d. Not having or had a business relationship with the Company, its parent company, its subsidiary, its associate company or a juristic person who might have conflict of interest in the manner which may interfere the exercise of independent judgment, including not being or having been a major shareholder, a director who is not an independent director or an executive officer of a person having a business relationship with the Company, its parent company, its subsidiary, its associate company or a juristic person who might have a conflict of interest, except where such restriction had passed for not less than 2 years prior to the date submitted a permit to the office.

The term “business relationship” under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar Crown Tech Advance Public Company Limited 27 actions, which result in the Company or its counterpart 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 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Board of Directors of the Stock Exchange of Thailand governing disclosure of information and practices of the listed company on connected transactions, mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the same person commences.

- e. Not being or having been an auditor of the Company, its parent company, its subsidiary, its associate company, or a juristic person who might have a conflict of interest and not being a major shareholder, a controlling person, a director who is not an independent director, an executive officer or a partner of an

audit office for which the auditor of the Company, its parent company, its subsidiary, its associated company or a juristic person who might have a conflict of interest work, except where such restriction had passed for not less than 2 years prior to the date submitted a permit to the office.

- f. receives service fees exceeding 2 million Baht from the Company, its parent company, its subsidiary, its associate company or a juristic person who might have a conflict of interest. In addition, in case the professional service provide is a juristic person, it shall include a major shareholder, a director who is not an independent director, an executive officer or managing partner of such professional service provider, except where such restriction had passed for not less than 2 years prior to the date submitted a permit to the office.
- g. Not being a director appointed to represent the Company's Board of Directors, a major shareholder or a shareholder who is related to the Company's major shareholder.
- h. subsidiary or not being a significant partner of a partnership or not being a director who is involved with management tasks, a staff member, an employee, a consultant with a monthly wage or holds shares more than 1.0 percent of total shares with voting rights of another company which is engaged in a business of the same nature as and of significant competition to that of the Company or its subsidiary.
- i. Not having any other characteristic which prevents the giving of an independent opinion on operations of the Company.
- j. Not being a director appointed from the Company's Board of Directors to make decision for business operations of the Company, its parent company, its associate company, a subsidiary of the same level or a juristic person who might have a conflict of interest and must not being a director of the listed company which is a parent company, a subsidiary, an associate company, a subsidiary in the same level.

After being appointed to be the Independent Director with qualifications pursuant to Item a. to j. above, the Independent Director may be empowered by the Board of Directors to make decision for business operation of the Company, its parent company, its subsidiary, its associate company, a subsidiary in the same level or a juristic person who might have a conflict of interest in the form of collective decision.

Executive Committee

As of March 10, 2015, the Executive Committee consists of:

Name			Position
1.	Mr. Amorn	Meemano	Chairman of the Executive Committee
2.	Mr. Pipat	Patiwetphinyo	Executive Committee

Scope of Duties and Responsibilities of the Executive Committee

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Executive Committee was specified as follows:

1. To control management of the Company to ensure that it is in accordance with the policies specified by the Board of Directors and then report operating results to the Board of Directors.
2. To specify strategy and business plan, budget including management structure so that it can achieve policies and objectives of the Board of Directors, then propose to the Board of Directors for consideration.
3. To specify approval authority of each person appropriately, by segregating duties which may favor for corruption from each other, and propose to the Board of Directors or the sub-committee assigned by the Board of Directors for approval. To control and ensure on adherence to the approved principles and regulations.
4. To consider organizational structure and to empower to manage salary structure, define scope and duty of work, assignment, appointment; transfer, cut or reduce salary; remove; dismiss or impose disciplinary penalty; give reward and consider praiseworthy of the employee.
5. To consider and approve on financial transactions with the banks or financial institutes to support normal business operations, such as open or close account; take on a loan; grant a loan, provide credit amount, pledge, mortgage, guarantee and others which including purchase and sell and register on ownership of title deed of land for normal business operation pursuant to the authority approved by the Company's Board of Directors.
6. To consider and approve on investment and specify investment budget as per specified in the delegation of authority manual.
7. To consider about fund raising to propose to the Company's Board of Directors.
8. To approve on appointment of consultant in various field necessary for business operations.
9. To approve the operating plan of each department of the Company including to approve a request from various departments which beyond power of such department.

However, for authorization of such duty and responsibility of the Executive Committee, the authorized person shall not be empowered to approve any transaction that such person or a person who might have a conflict of interest (meaning of "person who might have a conflict of interest" is as per defined by the notification of the Securities and Exchange Commission), or may have conflicts in any other manners against the benefits of the Company or its subsidiary. The approval of such foregoing transactions are required to submit to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval pursuant to the Company's articles of association or as per required by relevant laws, except it is an approval of normal business transaction of the Company pursuant to the policy and criteria approved by the Board of Directors.

The Management

As of March 10, 2015, the Company's management consisted of:

Name			Position
1.	Mr. Amorn	Meemano	Managing Director
2.	Mr. Pipat	Patiwetphinyo	Deputy Managing Director : Operation
3.	Mr. Kittipong	Kanokwilairat	Deputy Managing Director : Sales & Marketing
4.	Mrs. Prangthip	Chanvisitsak	Finance and Accounting Director
5.	Mr. Sawangpong	Thongnoi	Marketing Director
6.	Mr. Sayon	Suntaros	Sales Director
7.	Mr. Vitoon	Panpoonsub	Assistant Sales Director
8.	Mr. Prachuab	Pornniyomwasin	Information Technology Manager
9.	Mr. Somchai	Apiraksattayakul	Plant Manager
10.	Mr. Panathip	Ngoenjaroenkun	R & D and Quality Inspection Manager
11.	Mrs. Patcharin	Tippayasanti	International Purchase Manager
12.	Miss Juttamas	Aumthong	Domestic Purchase Manager
13.	Mrs. Doungkamol	Srisuk	Human Resources Manager
14.	Miss Jidapha	Sirariyakul	Marketing Manager

Scope of Duties and Responsibilities of the Managing Director

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Managing Director was specified as follows:

1. To supervise general operations and/or management of the Company;
2. To operate or undertake the work pursuant to the policy, work plan and budget approved by the Company's Board of Directors and/or the Executive Committee.
3. To authorize to approve and delegate authority to approve the disbursement for procurement of assets and service for the Company's benefit, provided that such approval authority must be an approval of normal trading transaction with amount of money not exceeding the amount specified by the Board of Directors.
4. To authorize an issuance of order, rule, announcement, memorandum in order to make operations conform to the policy and for benefits of the Company including to preserve working discipline within the organization.
5. To authorize to act on and represent as the Company's representative to the third party in the relevant business and for benefits of the Company.

6. To approve for an appointment of consultant in various fields necessary for business operation of the Company.
7. To be the authorized person of the Company to manage the Company's businesses to make them achieve the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and/or resolutions of the Board of Directors and the Executive Committee.

However, the delegation of authority to the Managing Director as well as delegation of authority to other persons that the Managing Director deems appropriated shall not include the authority and/or delegation of authority to approve any transaction that he/she or a person who might have conflict of interest, interests or may have conflict in other manner (pursuant to Company's articles of association or as per specified by the Office of the Securities and Exchange Commission) has with the Company or its subsidiary. The approval of such foregoing transactions are required to submit to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval pursuant to the Company's articles of association or as per required by relevant laws, except it is an approval of normal business transaction of the Company pursuant to the policy and criteria approved by the Board of Directors.

Define of Credit Approval Authority

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, the credit approval authority pursuant to the credit approval authority table has been approved which can be summarized as follows:

1. The Executive Committee is authorized to approve the purchase and sales of products, raw materials, services and contract execution which can create commercial obligation and financial obligation not exceeding 100.00 million baht, to approve the contract execution which can have financial obligation not exceeding 50.00 million baht and to approve the purchase, sale and transfer of assets not exceeding 50.00 million baht.
2. The Managing Director is authorized to approve the purchase and sales of products, raw materials, services and contract execution which can create commercial obligation not exceeding 40.00 million baht, to approve the contract execution which can have financial obligation not exceeding 20.00 million baht and to approve the purchase, sale and transfer of assets not exceeding 20.00 million baht.

However, credit approval authority as mentioned above shall not against with the laws on securities and stock exchange and the related regulations, notifications, orders or requirements including the compliance on regulations concerning connected transactions and acquisition or disposal of material assets of the Company or subsidiary.

Nomination of Director

The Board of Directors

As the Company does not have the Nomination Committee, so the selection and appointment of the Board of Directors shall be made by committees and consideration shall be based on knowledge, capability, experience, vision and credibility. In addition, such candidate must be a qualified person and not have prohibited characteristics specified by the laws. The appointment is required to have an approval from the shareholders' meeting. Criteria and method can be summarized as follows:

1. The Company's Board of Directors shall consist of at least 5 directors, who shall possess qualification pursuant to the laws and not less than one half of total directors must reside in the kingdom.
2. The selection of the director by the shareholders' meeting shall elect the directors shall be based on majority votes pursuant to the following criteria and methods:
 - 2.1. A shareholder shall have a number of votes which is equivalent to the number of shares held by him/her.
 - 2.2. The shareholder shall vote for election of a director individually.
 - 2.3. The persons receiving the highest number of votes in the respective order of the votes shall be elected as directors up to the total number of directors required or to be elected at such time. In the event that a number of persons receive an equal number of votes for the last directorship exceed the number of directors the Company required or to be elected at such time, the chairman of the meeting shall have a casting vote.
3. During every annual general meeting, at least one-third of directors shall retire. If the number of directors is not a multiple of three, then the number of directors closest to one-third shall retire. The directors who shall retire in the first and the second year after the registration of the Company shall be selected by drawing lot, and for subsequently years, the longest serving directors shall be retired. A retired director may be reappointed.
4. The directors shall be entitled to receive the remuneration from the Company as gratuity, meeting allowance, pension, bonus or any benefits pursuant to the regulations or as per approved by the shareholders' meeting. Such remuneration may be as per an exact amount or as per defined criteria and shall be specified occasionally or it shall be in effect until further change. Moreover, they shall also earn the allowances and fringe benefits pursuant to the Company's regulations without having any impact to rights of the officers and employees of the Company who have been elected as the committee with regards to remuneration as the committee and benefits as the Company's officer or employee.
5. Any director who shall resign from directorship position shall submit a resignation letter to the Company and such resignation shall be effective from the date such letter arrives at the Company. The resigned director may inform his or her resignation to the registrar.

6. In case of vacancy of director's position due to reasons other than by retirement in due course, the Board of Directors may appoint a person who is qualified and does not possess any prohibited qualifications specified in the Public Limited Act and laws on securities and exchange to be the director in the next Board of Directors' meeting. Except in a case where the remaining term of a director is less than 2 months, then the term of the newly appointed director shall expire at the same time as the director he/she substitutes. The resolution of the Board of Directors under paragraph one shall consist of votes not less than three fourths of the remaining directors.
7. The shareholders' meeting may have a resolution to remove any director prior to expiration of his or her term with the votes not less than three fourths of votes of shareholders present at the meeting and have the voting right which must have accumulated shares not less than one half of total shares of the shareholders present at the meeting and have the voting right.
8. The committee members shall select one of them is the Chairman, In case they deem reasonable, one or more than one member shall be selected as the Vice Chairman/Chairmen.

The Audit Committee/Independent Director

The Board of Directors or the Annual General Meeting of Shareholders is authorized to appoint at least 3 directors to be the Company's Audit Committee by selecting from the members of the Board of Directors. In addition, at least 1 member of the Audit Committee shall have adequate knowledge, understandings and experiences on accounting or finance. Upon the number of the Audit Committee is less than 3, the Board of the Directors or the shareholders' meeting shall appoint other director to replace such vacant position within 3 months from the date the number of Audit Committee is less than 3.

Executive Committee

The Company's Board of Directors is authorized to appoint the Executive Committee which shall not be less than 3 persons, by selecting from the committee members or the employees who possess skill and capability. However, such person must not be the Audit Committee to perform and supervise operations of the Company as per assigned by the Board of Directors on its behalf. The Executive Committee shall directly report to the Board of Directors.

Directors' and Executives' Remuneration

Monetary Remuneration

Directors' Remuneration

The 2014 Annual General Meeting of Shareholders which held on April 30, 2014 has approved

Position	Monthly Remuneration (Bht.)	Meeting Allowance per Time (Bht.)
Chairman	30,000	5,000
Director	25,000	5,000

The executive director shall not receive a monthly remuneration for being the director. The Company shall not pay additional remuneration or meeting allowance to the director for being the Audit Committee. Monetary allowance of the Board of Directors and the Audit Committee as of December 31, 2014 amounted to 2,890,000 baht, of which 1,495,000 baht is the remuneration of the Audit Committee as per the following details:



		Year 2014 as at December 31, 2014						
		Remuneration			Number of Meeting Attendance			
		Monthly Remuneration (Baht)	Special Remuneration (Baht)	Meeting Allowance (Baht)	The Board of Directors	The Audit Committee	The Executive Committee ²	
Name		Position						
1. General Dusit Kruayai ¹		360,000		60,000	11/12	6/7	-	
2. Mr. Vacharin Duangara		300,000		65,000	12/12	7/7	-	
3. Mr. Pisanu Rienmahasarn ²		300,000		65,000	12/12	7/7	-	
4. Mr. Kamol Chirapathama		300,000		45,000	9/12	7/7	-	
5. Mr. Amorn Meemano		-		60,000	12/12	-	16/16	
6. Mr. Pipat Patiwetphinyo		-		60,000	12/12	-	16/16	
7. Mr. Khan Akaworawit ³		-		45,000	9/12	-	16/16	
8. Mr. Sompoch Burapaskul ⁴		275,000		55,000	11/12	-	-	
9. Mr. Anake Pattanaslid		300,000		60,000	12/12	-	-	
10. Pol. Maj Gen.Jitti Rodbangyang		300,000		45,000	9/12	-	-	
11. Ms. Chinda Meemano		300,000		60,000	12/12	-	-	
Total		2,435,000		620,000				

Remark: ¹ General Dusit Kruayai has resigned from Chairman / Chairman of the Audit Committee and Independent Director on December 9, 2014.

² Mr. Pisanu Rienmahasarn has been appointed to be Chairman / Chairman of the Audit Committee and Independent Director on December 15, 2014.

³ Mr. Khan Akaworawit has resigned from director on November 21, 2014.

⁴ Mr. Sompoch Burapaskul has resigned from director on December 1, 2014.

Executives' Remuneration

As of the year 2014, the Company has 14 executives and remuneration paid to the Company's executives as salary, bonus, provident fund and other fringe benefits were as follows:

The Executives' Remuneration	2013		2014	
	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)
Salary, commission and bonus	14	12.25	14	20.10
Other remunerations, i.e. provident fund, social security and overtime	14	1.83	14	0.89
Total	14	14.08	14	20.99

Remark: 5 Executives have resigned in 2014

Non-monetary Remuneration

- None -

Meeting of the Board of Directors

Normally, the Board of Directors has specified to arrange the meeting throughout the year and every quarter. Special meeting may be arranged as necessary. The meeting agenda must be clearly specified and an invitation to the meeting, meeting agenda including supporting document shall be sent to the directors at least 7 days in advance, so that the directors can have adequate time to study before attending the meeting. During the year of 2014, the Board of Directors has arranged 12 meetings. The Chairman has duty to allocate adequate time for the management to propose document and information to discuss important issues. In addition, the Group also arranges the monthly meeting for the Executive Committee and the Audit Committee shall arrange the meeting every quarter. Most of the directors attended the meeting every time, except in case, they are engaged in emergency and important engagement.



Corporate Governance

The Company has a policy to adopt the Code of Best Practices as its operating guidelines and it has been approved by the meeting of the Board of Directors No. 7/2013 held on June 17, 2013. This policy shall be implemented for benefits of and for enhancement of transparency on business operations as well as to increase efficiency of the management, which consequently can strengthen confidence of the shareholders, investors and all relevant parties. The corporate governance covers 5 sections as follows:

1. The Rights of Shareholders

The Company recognizes and emphasizes the importance of fundamental rights of the shareholders and it shall not perform any act which shall violate or deprive their rights. In addition, it shall encourage the shareholders to exercise their fundamental rights, i.e. right to buy, sell, transfer shares in their possession, right to share in profits of the Company, right to have adequate access to the Company's information, right to vote for election or removal of the directors and appointment of an auditor, right to attend and vote in the shareholders' meeting to decide significant matter which has impact to the Company, such as allocation of dividend, determination and amendment of the Company's affidavit, articles of associations, capital increase or decrease and approval of special transactions and etc.

In addition to the abovementioned fundamental rights, the Company also has a policy to undertake measures to support and facilitate the right exercising of the shareholders as follows:

- To arrange the Annual General Meeting of Shareholders every year, by arranging within 4 months after the ending date of the accounting period in each year. The Company shall send each shareholder an invitation letter to the meeting together with supporting information at least 7 days in advance of the meeting date. Notice of the meeting invitation shall be advertised in the newspaper at least 3 days prior to the meeting date for 3 consecutive days. Comments of the Board of Directors shall be included in each agenda.
- To disseminate the document supporting the meeting agenda of the shareholders' meeting in advance in the Company's website as well as to clarify about rights of the shareholders on participation in the meeting and voting for resolution.
- The shareholders can submit their opinions, recommendations or inquiries in advance of the meeting date via email address of the Company's Investor Relations or email address of the Company Secretary.
- On the meeting date, the Company shall provide appropriate time and opportunity for the shareholders to express their views, recommendations and ask questions concerning the agenda openly before any resolutions shall be made.
- In case the shareholder has any enquiries for any agenda, the Company shall provide the personnel who are knowledgeable and expert in each field to answer any question under responsibility of the Board of Directors.

- All directors shall attend the meeting to reply any relevant inquiries which might have been asked by the shareholder' during the meeting.

2. The Equitable Treatment of Shareholders

The Company has an equitable treatment policy for all shareholders, all groups, including executive shareholders, non-executive shareholders, foreign shareholders and minority shareholders as follows:

- To equally treat and facilitate all shareholders and it shall not perform any act which shall violate or lessen their rights.
- To specify that voting right in the meeting shall be pursuant to the number of shares held by the shareholders: one share is eligible for one vote.
- To specify that the Independent Director shall oversee the minority shareholders. The minority shareholders can express their opinions, comments or complaints to the Independent Director and such matter shall be properly taken care of. For instance if it is a complaint, the Independent Director shall investigate for fact and find the proper remedy method. If it is a recommendation which the Independent Director deems that it is important and shall be directly impact to the overall stakeholders or to the operating performance of the Company, then the Independent Director shall present such matter to the Board of Directors' meeting to further consider and specify as the meeting agenda for shareholders' meeting.
- The Company's Board of Directors has prescribed measures to prevent abusive insider trading of the relevant persons, which included directors, executives, officers, and employees of the Group who can accessible to such information (including spouses and children under legal age of those persons). The Board also imposed penalty clause on disclosure of the Company's information or exploit the Company's information for personal gain pursuant to the policy on prevention of usage of inside information for personal gain. Furthermore, the Board of Directors provided information to the directors and the executives on their obligations to report their securities holding of the Company to the Office of the Stock and Exchange Commission (SEC) and pursuant to Section 59 of the Securities and Exchange Act B.E. 2535. The Board shall regularly inform any information and regulations of the SEC and the Stock Exchange of Thailand to the Board of Directors and the executives upon it has been notified thereof from such agency.

3. The Roles of Stakeholders

The Company recognizes the rights of all stakeholders, including the internal stakeholders (i.e. shareholders, employees, executives of the Company) and the external stakeholders (i.e. competitors, business partners, customers and etc. The Company realizes that supports and opinions from as well as enhancement of relationship with all stakeholders shall be beneficial to the business operations and for business expansion of the Company in the future. The Company shall ensure that all groups shall have been equally and fairly treated and it shall comply with the laws and the related regulations as follow:

Shareholder : The Company shall be a good representative of the shareholder by operating business by taking into consideration the long term grown of the Company as well as implementing the control system and internal audit system.

Employee : The Company realizes that the employee is one of the important resources to develop the growth of the organization. Hence, it supports on potential development of the human resources for maximum benefit of the Company, as well as teamwork collaboration for liquidity of work. It also provides safety working environment to the employees. It also treats all employees equally and fairly as well as provides them the proper fringe benefits.

Business Partner : The Company shall treat the business partner pursuant to honestly trading framework by strictly adhering to trading terms and commitment agreed with them.

Competitor : The Company shall ethically treat its competitor pursuant prudent rules on competition by avoiding performing any dishonest competition.

Customer : The Company determines to manufacture good products and render good services to the customers and shall faithfully and fairly deal business dealing with them.

Society : The Company shall put emphasis on preservation of the environmental conditions of the communities located surrounding the Company's location.

In addition, the Company has specified clearly prudent operating practices to respond to the needs of each group of stakeholders in "Business Ethics" and it also disseminate and made a campaign to encourage the Board of Directors, the management as well as the operating level employees to abide by work practice and everybody duties.

4. Disclosure and Transparency

The Company realizes the importance on disclosure of the accurate, timely and transparent information of the financial report and general information pursuant to the criteria on disclosure of information and information technology of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other material information which shall impact the prices of the Company's securities, decision-making procedures of the investors and the stakeholders of the Company.

The Company shall disclose its information technology to the shareholders, the investors and the public through the channels and public media of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand including on the Company's website: <http://www.ajthai.com>.

With regards to the Investor Relations, the Company has not yet established the Investor Relations Unit. However for preliminary stage, the Company Secretary was assigned to contact and communicate with the investors, the shareholders, as well as the analysts and the other related governmental authorities. The contact person is Mrs. Prangthip Chanvisitsak, the Company Secretary at telephone no. 0-2451-6888 Ext. 300 or mobile phone no. 085-048-9492 or at email address: Prangthip.c@ajthai.com.

5. Responsibilities of the Board of Directors

Structure of the Board of Directors

The Board of Directors consists of the knowledgeable and experienced members in diverse fields useful for Company's business. The Board has important roles in setting up policies and business plans and it also monitored operating results on quarterly basis. It also places importance on internal control system and internal auditing for overall benefits of the Company and the shareholders.

As of March 10, 2015 the Board of Directors consists of 8 members, where 6 of them are nonexecutive directors and not less than one thirds of total number of directors are qualified to be Independent Directors to balance power on voting as well as to review performance of the management for the best interest of the Company.

The Board of Directors has appointed the 2 sub-committees, i.e. the Audit Committee and the Executive Committee, to help it to oversee the Company's business. Roles and responsibilities of the Board of Directors, the Audit Committee and the Executive Committee are clearly defined and segregated so they can make decision and present vision independently as per mentioned in details in topic "Management Structure".

- **The Audit Committee**

The Audit Committee consists of 3 members to perform specific matters and propose such matters to the Board of Directors for consideration or for acknowledgement pursuant to scope of duties specified.

- **The Executive Committee**

The Executive Committee consists of 2 members for flexibility on operations pursuant to scope of duties assigned by the Board of Directors.

In addition, the Company has a policy that the Chairman of the Board and the Managing Director must not be the same person to prevent from exercising unlimited power. The Board of Directors shall specify power and duties as well as select persons to hold such positions.

The Company also appointed the Company Secretary who has duties to provide advice on laws and regulations that the Board of Directors must be well aware of and comply, to supervise the Board's activities as well as to coordinate on compliance with the Board's resolutions.

Directors and Executives' Remuneration

The Company has clearly reported about the directors and executive's remuneration pursuant to the announcement of the Office of Securities and Exchange Commission (SEC). The above remuneration must have been approved by the Annual General Meeting of Shareholders (AGM) every year. In case any director is assigned to have additional duties and responsibilities, for instance, he/she is also assigned to perform duties as the Audit Committee, then such director shall have additional remuneration which are suitable with the additional assignment but the performance of the Company must also be jointly considered.

Policy on Corporate Governance

The Company's Board of Directors has specified the written corporate governance policy which has been approved by the Board of Directors' meeting No. 7/2013 on June 17, 2013.

The Company realizes the importance of corporate governance policy because it shall be beneficial to the Company's business operation and it can also enhance its stability and growth on sustainable basis and in the long run. For such operating guidelines, the Company puts emphasis on internal control and internal audit. The Board of Directors shall jointly assess the adequacy of internal control every year since 2013 to ensure that the Company has complied with the good corporate governance principles pursuant to the guidelines specified by the Stock Exchange of Thailand.

The Board of Directors shall review the policy and is compliance regularly. In addition, after the Company's ordinary shares are listed in the Stock Exchange of Thailand, the Company shall comply with the rules and regulations specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Business Ethics (Code of Conduct)

The Company has prescribed the ethical practices of the directors, the executives and the employees, so that the relevant parties shall adhere as guidelines for performing the Company's mission with integrity, honesty and impartially. Such practices also include treatment to all groups of stakeholders. The Company has communicated such practices to all employees and executives in the organization and specified that they must strictly comply with such guidelines.

Conflict of Interests

The Company's policy concerning conflict of interest was specified based on principles that any decision making on business operations shall be for the best interest of the Company only and shall avoid any acts which can cause conflict of interest. The person who are related to or connected to the transaction to be considered must notify the Company about its relationship and connection with such transaction. During any consideration, person who is related to or connected with such transaction shall not participate in consideration process and shall not have power to authorize for such transaction.

The Audit Committee shall propose the connected transactions and the transactions which might have conflict of interest to the Board of Directors and they shall be carefully considered to ensure strictly compliance with the criteria of the Stock Exchange of Thailand where price fixing and conditions they have with the person who might have conflict of interest must be similar to those made or agreed with the third party and they must be disclosed in the annual report (Form 56-2) and annual information disclosure form (Form 56-1).

Report of the Board of Directors

The Board of Directors is responsible for the financial statement of the Company and its subsidiaries including information as presented in the annual report, information disclosure form and the financial statement. The Audit Committee is assigned to audit the quality of financial statement, internal control system and adequate disclosure in the note to financial statement by presenting to the Board of Directors every quarter. The preparation of such financial statement must be audited by the certified public accountant authorized by the Office of the Securities and Exchange Commission and pursuant to the generally accepted accounting standards in Thailand. Disclosure of important information system including the financial and non-financial information shall be based on complete, correct, reasonable and reliable facts and the suitable accounting policy.

The Meeting of the Board of Directors

The Company has arranged for the meeting of the Board of Directors regularly or at least every quarter and an extraordinary meeting may be arranged in case of necessity. For each meeting, the clear agenda must be clearly specified in advance and it must always have agenda on following up of operating operations. The Secretary of the Board of Directors shall prepare the meeting agenda and submit to each director 7 days in advance prior to the meeting so that the director can have time to study information before attending the meeting. Minutes of meeting which have been approved from the Board of Directors' meeting shall be sent to each director as appropriated and shall be systematically kept and made available for inspection by the Board of Directors or the relevant person any time.

The Chairman shall lead the meeting and all other directors are encouraged to express their views independently. Resolution of the Board of Directors' meeting shall be made by a majority of votes where each director shall have one vote. The director who might have any conflict of interest shall not attend the meeting and/or shall not cast the vote. In the event of a tie, the chairman of the meeting shall have an additional casting vote.

Internal Control System and Internal Auditing System

The Company places importance on internal control systems, both at management and operation level. For efficiency on operations, the Company has defined a clearly written duties and operational powers of the operating person and the supervising and assessing person. The Company also designated a responsible person to audit internal control system and internal auditing to ensure appropriateness and efficiency. Financial and operation controls have been efficiently performed pursuant to the guidelines. Compliance with laws and regulations related to the Company has also been inspected and the inspection results shall be directly reported to the Audit Committee and high level executives.

The Supervision on the Use of Inside Information

The Company has established a policy and method on supervision of the directors and the executives on the use of inside information which has not been disclosed to the public for personal gain as well as purchase and sales of securities as follows:

- The Company provided information to the directors and the executives on their obligations to report their holding including the holding of their spouses and children under legal age of the Company's securities to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand including and penalty clauses pursuant to the Securities and Exchange Act B.E. 2535.

- The Company has notified its directors about their obligations to report about a change of their securities holding to the Office of the Securities and Exchange Commission under Clause 59 of the Securities and Exchange Act B.E. 2535 and also notified that they must submit this report to the Company on the same date they submitted to the Office of the Securities and Exchange Commission.
- The Company prescribed that the directors, the executives, the employees who can access to inside information are prohibited to disclose such information to the third party or non-related person. In addition, they shall not purchase or sell the Company's securities within the period of 30 days prior to the disclosure of financial statement or Company's position and they should wait for at least 24 hours after disclosure of such information before purchasing or selling the Company's securities.

The Company establishes the disciplinary penalty against people who exploit usage of or disclose inside information which, if released prematurely, would cause damage to the Company. Various penalties have been imposed, such as verbal warning, written warning, probation and termination of employment, by firing or discharging, as the case may be.



Corporate Social Responsibility

Apart from supply the quality products at the prices that everyone can own, Crown Tech Advance Public Company Limited, as a part of Thai society, has strong determination to develop and make Thai society to become a decent society that helps each other. Hence, it undertook many social projects to help the society both within and outside the organization as follows:

1. Monthly food offering to monk project. The Company has arranged the food offering to the monk and summon listening project every month since the end of 2012 and it still continues at the present days with objectives to sustainable nurture Buddhism in Thailand and to persuade the Company's personnel to get more closely to the religion. Monks from Ratrangsun Temple which is located closed to the Company shall be invited to the Company to receive the food and to give summon to the employees in the morning. The Company believes that if the employees' spirit and mind have been disciplined and cultivated to have good morality, they shall better live their lives. Moreover, the Company also takes such opportunity to access to the employees at all levels by arranging informal meeting to communicate the Company's policies and to listen to opinions from the employees.



2. Lunch for employees at all levels project. In order to assist the employees on fundamental livelihood, particularly the low level ones, the Company has arranged lunch project, under the concept of "Same Pot of Rice and Curry for All AJ Employees". The Company shall provide rice and two kinds of food as lunch to all employees. The core mission of this project is that everyone from the highest executives to the janitor shall eat the same food. This project cannot only help the low income employees to have hygienic food which is cooked by the Company's maids, it can also strengthen harmony in the organization as it can make everyone in the organization feel like the same family who have to take care of each other.
3. AEC's neighboring employees project. As the Company is located in Samut Sakhon Province, which has a lot of the Myanmar employees and is lack of Thai employees, thus, some parts of the Company's workforce comprises of Myanmar employees. However, the policy and regulations on employment of foreign employees have been imposed as follows:
 - 3.1 Only legal labor shall be employed. Presently, all foreign labors employed by the Company must have a passport.

- 3.2 Monthly wage and fringe benefits provided, i.e. labor wage, lunch, accommodation, bonus, social security and others equal to those provided to Thai employees.

The Company needs to perform business under legal framework and pursuant to regulations specified by the related government agencies. In addition, it also needs to be a role model on proper employment of foreign labor for other private companies. The Company believes that by doing the right thing and respecting fundamental human right of all employees without any discrimination on race, language and etc., it shall make everybody, regardless of race and language, Thai or foreigner treasure the Company and be the important force in strengthening growth of the Company.

4. Project to expand AJ service center nationwide. Since the Company's products are home electrical appliances that the consumers have to use in their daily life and these products may have problem or out of order after they are used for sometimes. In order to solve such problem, the Company has appointed the repair and maintenance service centers for AJ products in almost every province to facilitate the AJ's customers in all areas. In addition, such services are rendered to both products under guarantee period and after warrantee period. The service center shall repair the product under warrantee period without any charging service fees as they can reimburse spare parts and labor cost from the Company. However, for repair of product after warrantee period, the service center shall charge for spare part cost and service fee from the customer. The Company shall sell spare parts to the Annual Report 2013 service centers at the reasonable price but the service center must have pricing standard for spare parts and labor costs, so that the customers shall not be overcharged for repair cost. This project can make the Company's customers feel confidence in the products and it can also support the small, local technicians to have professions so they can have sufficient income and can conduct business in their locality.
5. Product selling by the disability project. This project has been arranged to help the disability to generate income. Apart from fully complying with the labor law which specified that Company must employ 2 disabled employees per 200 employees, the Company also allocates some parts of its products to 7 disabled people in the following domiciles, so that they can sell them at their houses:
 1. Kratoomban District, Samut Sakhon Province: 2 persons
 2. Muang District, Samut Sakhon Province: 1 person
 3. Ban Paew District, Samut Sakhon Province: 1 person
 4. Numsom District, Udon Thani Province: 1 person
 5. Muang District, Ratchaburi Province: 2 persons

The products supplied are normal product sold in the department stores. Some of them are basic products with general requirement and they must be products with highly sales statistics, i.e. DVD player, mini compo DVD, portable radio and iron of which they will be sold at wholesale prices. The Company also provides retail prices sold at department store to the disabilities as well to help them

make decision on granting discount to their customers. The project can help the disability to have income and they can operate at their own house. The Company opens an opportunity for any disability who wishes to conduct business at their own home to generate income for their family. The Company does not hope for high profits or sales amount as it shall incur high transportation cost but it is done to help the society.

6. Project to manage AIDs and Tuberculosis in workplace in order to be a part of “Thailand Business Coalition on AIDS”

In addition to the main projects which shall be conducted continually in the long run, the Company also undertakes many ad-hoc projects to help the society as follows:



1. “To be number one Idol 2014” the project was to support youth with a good academic to show their talents in singing dancing to use their free time benefit and keep away from drugs.



2. Supported presents to children and youth on the National Children’s Day, to give opportunity to join activities to create initiation, improve knowledge, morality and being presents and support the living and education.



3. Donated to build the Special Learning Center Building, Samutsakorn, Relax Charity New Year Project.



4. Kathin Samakki to build the 5th floor of the Inpatient building of PhuKeaw Hospital to dedicate to venerable father (Luang Por) Saithong Thachathammo at Wat Pa Huay Koom, Nong Phon Ngam, Kaset Somboon, Chayaphum.

Internal Control

The Board of Directors assessed the Company's internal control in according to the Assessment Form of Internal Control of SEC, by asking the management in covering 5 components including

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities.

The Board of Directors concluded that the Company's internal control system was sufficient and appropriate, applied the acceptable accounting standard, SEC and SET rules and regulation in reporting quarterly and yearly financial statements. In addition, the company has a process in generating and the financial statements were disclosed correctly, sufficiently and timely. The company has sufficiently and appropriately internal control system and timely adjusted to the changes situation efficiently, in order to achieve the company's goal and comply with related rules and regulations. There are no significant issues which may cause any damage to the company. The internal control concerning the related transaction with major shareholders, director and their related parties is considered sufficient to protect the company's assets from the use of the company assets with fraud or without authorities. In this regards, the independent directors' and audit committee's opinion are the same as to the directors'.

The company has a policy to hire outsource internal control by appointing Dharmniti Auditing Co., Ltd. ("Internal Controller") as internal controller since 2007 to review and assess internal control of the company and provide suggestion of the appropriate internal control system comparing with internal control system under the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) comprising of 1) Control Environment 2) Risk Assessment 3) Control Activity 4) Information and Communication 5) Monitoring and Evaluation. The Audit Committee approved the internal control result for the year 2014-2015 No. 2 of Crown Tech Advance Public Company Limited according to the auditing plan which was considered and approved comprising of 1) The auditing of the selling of Set Top Box operation, to ensure the sufficiently and efficiently of internal control about a. Complying to related rules and regulation of Office of the National Broadcasting and Telecommunication Commission ("NBTC") b. Correctness control of the recording of coupon, coupon review and the coupon reimbursement with NBTC. The auditing method apply the acceptable professional standard for example asking the vice president / department manager, asking about the operation process, random check and review the document relating to the NBTC regulation compliance. 2) Follow up on the internal audit result, to ensure that the recommendations are effectively applied to the operation and the top management has been accepted the risk from not applying the recommendation. The follow up was made in accordance with the internal audit result report No. 2, No. 3 and No. 4 of year 2013-2014 and No.1 year 2014-2015.

The audit result has been concluded that the selling of Set Top Box operation's internal control was sufficient and appropriate with risk management tools for each case for example : a. Regarding the compliance with related rules and regulations of NBTC, there are controlling process and operation follow up i.e. Controlling report on Master New Model Progressing, controlling on the storage of the products verified by Research & Development and Quality Control Department b. Correctness control of the recording of coupon, coupon review and the coupon reimbursement with NBTC. There is an unofficial policy to deposit the coupon on Wednesday which is set by Vice President - Account and Finance. Also, there is a report controlling on the sending of coupon and cash receive from coupon, report on coupon receiving from NBTC to control the status of coupon deposit.



Related Transactions

1. Related Transactions Characteristics

In 2014, there are related transactions according to SET regulations concerning the Disclosure of Information and Other Acts of Listed Companies Concerning the Related Transactions, in which the details of the transaction can be summarized as follows:

As of 31 December 2014, the company and its subsidiaries' related transaction with related persons can be summarized below:

Parties with potential conflict	Relationship	Type of transaction	Value (Million Baht)		Reason and necessity of the related transactions
			2013	2014	
1. Cap Advance Co., Ltd.	Mr. Amorn Meemano, Director and shareholder of the company holds 16,000 shares or 40% of registered capital in Cap Advance Co., Ltd.	The company entered into the right transfer agreement in the right to use presenter "Nichakun Horawechkun of 2PM band" for 1 year period starting from the completion date of the commercial movie. The agreement was made on 11 April 2014.	-	13.27	The transaction benefit to the Company in brand building aspect. Audit Committee have reviewed and considered this item provide benefit to the company. The price was the lowest acceptable price and not higher than the rate of other presenter. Audit Committee opines that the transaction is suitable and reasonable.
2. Miss Chinda Meemano	Director of the Company	Receiving financial assistance *Principal and interest as of 31 December 2014 Beginning Balance - drawdown - repay Ending Balance Interest Expense	11.03 4.32 (15.35) 0.00 0.32	- 37.63 - 37.63 0.03	The company borrowed from director to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.

Parties with potential conflict	Relationship	Type of transaction	Value (Million Baht)		Reason and necessity of the related transactions
			2013	2014	
3. Miss Jintana Meemano	Sister of party No. 2	Receiving financial assistance *Principal and interest as of 31 December 2014 Beginning Balance - drawdown - repay Ending balance Interest expense	- - - - -	- 16.01 - 16.01 0.01	The company borrowed from shareholder to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable
4. Mrs. Nasikar Meemanonuns	Shareholder and spouse of Mr. Amorn Meemano, Director of the Company	Receiving financial assistance *Principal and interest as of 31 December 2014 Beginning Balance - drawdown - repay Ending Balance Interest Expense	- - - - -	- 48.31 - 48.31 0.31	The company borrowed from shareholder to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable

Parties with potential conflict	Relationship	Type of transaction	Value (Million Baht)		Reason and necessity of the related transactions
			2013	2014	
5. Mrs. Yoon Panthasen	Mother of party No. 2 and No. 3	Receiving financial assistance *Principal and interest as of 31 December 2014 Beginning Balance - drawdown - repay Ending Balance Interest Expense	- - - - -	- 49.46 - 49.46 0.06	The company borrowed from shareholder to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable
6. Mr. Pailin Saengpongpitaya	Shareholder and Brother of Mrs. Nasikar Meemanonuns	Receiving of financial assistance *Principal and interest as of 31 December 2014 Beginning Balance - drawdown - repay Ending Balance Interest Expense	- - - - -	- 40.03 - 40.03 0.03	The company borrowed from shareholder to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable

Parties with potential conflict	Relationship	Type of transaction	Value (Million Baht)		Reason and necessity of the related transactions
			2013	2014	
7. Mr. Pipat Patiwetphinyo	Director of the Company	Receiving financial assistance *Principal and interest as of 31 December 2014 Beginning Balance - drawdown - repay Ending Balance Interest Expense	- - - - -	- 52.13 - 52.13 0.13	The company borrowed from shareholder to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable
8. Miss Wanida Wasiphanphong	Shareholder and spouse of Mr. Pipat Patiwetphinyo, Director of the Company	Receiving financial assistance *Principal and interest as of 31 December 2014 Beginning Balance - drawdown - repay Ending Balance Interest Expense	- - - - -	- 48.06 - 48.06 0.06	The company borrowed from shareholder to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable

Parties with potential conflict	Relationship	Type of transaction	Value (Million Baht)		Reason and necessity of the related transactions
			2013	2014	
9. Mrs. Somjai Waseephanphong	Shareholder and mother to party No. 8	Receiving financial assistance			The company borrowed from shareholder to be the working capital with interest rate of 3.96% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable
		*Principal and interest as of 31 December 2014	-	-	
		Beginning Balance	-	40.39	
		- drawdown	-	-	
		- repay	-	-	
		Ending Balance	-	40.39	
		Interest Expense	-	0.39	



Financial Positions and Operating Results

Significant Financial Information

Summary of Auditing Report

- Annual financial statements of the Company and its subsidiaries for the period ended December 31, 2012 have been audited by Miss Bongkot Aumsa-ngeam, a certified public accountant, registration no. 3684 of KPMG Phoomchai Audit Company Limited. Consolidated financial statements of 2012 which have been audited included consolidated statement of financial positions, consolidated comprehensive profit and loss statements, consolidated statement of changes in shareholders' equity and consolidated cash flow statements including the separate financial statement of the same year.

The auditor has been appointed to be the Group's auditor after December 31, 2011, so she has not attended and observed physical inventory counting as of early date of 2012. The auditor could not find any satisfactorily auditing method to audit outstanding inventory as of the said date which presented in the consolidated statement of financial positions amounting to 289.5 million. As balance forward - beginning of the year/period of inventory was included in determination of operating results and cash flow, the auditor could not audit whether there were adjustments which may be necessary for profits for the year reported in the consolidated comprehensive profit and loss statement and net cash flow from operating reported in the consolidated cash flow statement, including separate financial statement.

The auditor has opined in the auditor's report that apart from impact of the adjustment which may incur to consolidated comprehensive profit and loss statements and consolidated cash flow statement including separate financial statement as per mentioned in the previous paragraph, these consolidated financial statements have correctly presented the material essence of the consolidated statements of financial positions, consolidated operating results and consolidated cash flow statements for 2012 and the separate financial statement in the same year as they should be pursuant to generally accepted accounting principles.

During 2012, the Company has inventory adjustment which cannot specify that they would impact to inventory adjustment in the financial statements of 2011 or 2012 or not. However, the Company has recorded inventory adjustment and cost of sales in 2012 financial statements including inventory as of December 31, 2012 correctly as they should be already.

- Annual financial statements of the Company and its subsidiaries for the period ended December 31, 2013 have been audited by Miss Bongkot Aumsa-ngeam a certified public accountant, registration no. 3684 of KPMG Phoomchai Audit Company Limited. Consolidated financial statements of 2013 which have been audited included consolidated statement of financial positions, consolidated comprehensive profit and loss statements, consolidated statement of changes in shareholders' equity and consolidated cash flow statements including the separate financial statement of the same year.

The auditor has been appointed to be the Group's auditor after December 31, 2011, so she has not attended and observed physical inventory counting as of early date of 2012 or could not find any satisfactorily auditing method to audit the inventory amount as of the said date. Since inventory - beginning of the year/period impacted the presentation of operating results, so the auditor could not conclude that operating results and retained earnings - beginning of the year/period as of January 1, 2012 was required to be adjusted or not. Such operating results shown was the comparison of those shown in the present financial statements.

The auditor has opined in the auditor's report that based on her auditing, apart from impact which may incur to the comparison figures as per mentioned in the previous paragraph, the auditor did not find any ground which can be believed that essence of such interim financial statements has not been materially prepared pursuant to Thai Accounting Standard No. 34 "Interim Financial Statements".

- Consolidated and separated financial statements of the Company and its subsidiaries for the period ended December 31, 2014 have been audited by Miss Bongkot Aumsa-ngeam, a certified public accountant, registration no. 3684 of KPMG Phoomchai Audit Company Limited. Financial statements of 2014 which have been audited included consolidated and separated statement of financial positions as at December 31, 2014, consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

The auditor has opined that the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Summary of Financial Statements

(Unit : Thousand Baht)

Statement of financial position	Consolidated financial statements					
	31 December 2012 (Restated)		31 December 2013		31 December 2014	
Assets						
Current assets						
Cash and cash equivalents	28,685	2.09%	9,323	0.76%	47,516	1.61%
Trade accounts receivable	739,141	53.78%	566,332	46.17%	961,206	32.47%
Other receivables	13,489	0.98%	30,969	2.52%	733,968	24.79%
Inventories	339,003	24.67%	369,769	30.15%	870,053	29.39%
Other current assets	6,340	0.46%	5,492	0.45%	29,246	0.99%
Total current assets	1,126,658	81.98%	981,885	80.05%	2,641,989	89.25%

(Unit : Thousand Baht)

Statement of financial position	Consolidated financial statements					
	31 December 2012 (Restated)		31 December 2013		31 December 2014	
Non-current assets						
Investment in associate	-	-	-	-	860	0.03%
Other long-term investments	40,871	2.97%	24,200	1.97%	38,810	1.31%
Property, plant and equipment	195,123	14.20%	201,783	16.45%	256,211	8.66%
Intangible assets	3,737	0.27%	11,857	0.97%	6,187	0.21%
Deferred tax assets	7,273	0.53%	6,322	0.52%	12,543	0.42%
Other non-current assets	634	0.05%	490	0.04%	3,583	0.12%
Total non-current assets	247,638	18.02%	244,652	19.95%	318,194	10.75%
Total assets	1,374,296	100.00%	1,226,537	100.00%	2,960,183	100.00%
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans						
from financial institutions	474,282	34.51%	527,637	43.02%	1,236,789	41.78%
Trade accounts payable	230,778	16.79%	87,609	7.14%	296,182	10.01%
Other payables	199,095	14.49%	110,345	9.00%	237,219	8.01%
Short-term loans and accrued interest						
from related parties	11,026	0.80%	-	0.00%	332,032	11.22%
Current portion of long-term loans						
from financial institutions	5,362	0.39%	25,008	2.04%	25,008	0.84%
Current portion of finance lease liabilities	1,023	0.07%	786	0.06%	736	0.02%
Income tax payable	1,901	0.14%	13,142	1.07%	36,934	1.25%
Other current liabilities	21,925	1.60%	10,103	0.82%	31,324	1.06%
Total current liabilities	945,392	68.79%	774,630	63.16%	2,196,224	74.19%
Non-current liabilities						
Long-term loans from Financial institutions	105,592	7.68%	80,584	6.57%	77,076	2.60%
Finance lease liabilities	1,135	0.08%	352	0.03%	1,039	0.04%
Employee benefit obligations	1,176	0.09%	2,235	0.18%	3,029	0.10%
Total non-current liabilities	107,903	7.85%	83,171	6.78%	81,144	2.74%
Total liabilities	1,053,295	76.64%	857,801	69.94%	2,277,368	76.93%

(Unit : Thousand Baht)

Statement of financial position	Consolidated financial statements					
	31 December 2012 (Restated)		31 December 2013		31 December 2014	
Equity						
Share capital						
Authorised share capital	300,000		300,000		375,000	
Issued and paid-up share capital	225,000	16.37%	250,000	20.38%	300,000	10.13%
Premium on ordinary shares					192,300	6.50%
Retained earnings (Deficit)						
Legal reserve	1,705	0.12%	5,714	0.47%	11,800	0.40%
Unappropriated	66,975	4.87%	85,701	6.99%	141,772	4.79%
Other component of equity	27,321	1.99%	27,321	2.23%	27,321	0.92%
Equity attributable to owners of the Company	321,001	23.36%	368,736	30.06%	673,193	22.74%
Non-controlling interests	-	0.00%	-	0.00%	9,622	0.33%
Total equity	321,001	23.36%	368,736	30.06%	682,815	23.07%
Total liabilities and equity	1,374,296	100.00%	1,226,537	100.00%	2,960,183	100.00%
Book value per share (Baht)	0.143		0.147		0.224	
Issued and paid-up share capital (Par adjust to 0.10 baht for comparison)	2,250,000,000		2,500,000,000		3,000,000,000	

(Unit : Thousand Baht)

Statement of comprehensive income	Consolidated financial For the year ended					
	31 December 2012 (Restated)		31 December 2013		31 December 2014	
Revenue from sales of goods*	1,729,257	100.00%	1,643,591	100.00%	1,863,113	100%
Cost of sales of goods	(1,157,799)	-66.95%	(1,055,666)	-64.23%	(1,143,510)	-61.38%
Gross Profit	571,458	33.05%	587,925	35.77%	719,603	38.62%
Other Income						
Net foreign exchange gain	11,540	0.67%	-	0.00%	-	0.00%
Other income	10,380	0.60%	6,773	0.41%	6,808	0.37%
Total Other income	21,920	1.27%	6,773	0.41%	6,808	0.37%
Expenses						
Selling expenses	(415,617)	-24.03%	(369,009)	-22.45%	(429,236)	-23.04%
Administrative expenses	(110,295)	-6.38%	(107,418)	-6.54%	(117,394)	-6.30%
Net foreign exchange losses			(8,874)	-0.54%	(3,815)	-0.20%
Total expenses	(525,912)	-30.41%	(485,301)	-29.53%	(550,445)	-29.54%
Profit before finance costs and income tax expense	67,466	3.90%	109,397	6.66%	175,966	9.44%
Finance costs	(22,444)	-1.30%	(23,279)	-1.42%	(23,255)	-1.25%
Profit before income tax expenses	45,022	2.60%	86,118	5.24%	152,711	8.20%

(Unit : Thousand Baht)

Statement of comprehensive income	Consolidated financial For the year ended					
	31 December 2012 (Restated)		31 December 2013		31 December 2014	
Income tax expenses	(14,283)	-0.83%	(17,817)	-1.08%	(30,744)	-1.65%
Profit for the year	30,739	1.78%	68,301	4.16%	121,967	6.55%
Other comprehensive income						
Defined benefit plan actuarial losses	-	-	(707)	-0.04%	-	0.00%
Income tax on other comprehensive income	-	-	141	0.01%	-	0.00%
Other comprehensive income for the year, net of income tax			(565)	(0.03)%	-	0.00%
Total comprehensive income for the year	30,739	1.78%	67,736	4.12%	121,967	6.55%
Profit attributable to:						
Owners of the Company	30,739	1.78%	68,301	4.16%	122,145	6.56%
Non-controlling interests	-	0.00%	-	0.00%	(178)	-0.01%
Total comprehensive income for the year	30,739	1.78%	68,301	4.16%	121,967	6.55%
Total comprehensive income attributable to:						
Owners of the Company	30,739	1.78%	67,736	4.12%	122,145	6.56%
Non-controlling interests	-	-	-	-	(178)	(0.01)%
Total comprehensive income for the year	30,739	1.78%	67,736	4.12%	121,967	6.55%
Earnings per share (in Baht)	0.014		0.029		0.042	
Weighted average number of ordinary shares outstanding	2,250,000,000		2,358,904,000		2,921,918,000	

(Unit : Thousand Baht)

Statement of cash flows	Consolidated financial statement For the year ended		
	31 December 2012 (Restated)	31 December 2013	31 December 2014
Cash flows from operating activities			
Profit for the year	30,739	68,301	121,967
Adjustments for			
Depreciation	5,511	8,572	10,437
Amortization of intangible assets	1,619	5,057	8,339
Allowance for doubtful accounts	6,674	(2,977)	(1,443)
Allowance for decline in value of inventories (reversal)	(4,899)	(3,402)	6,764
Provision for sales return (reversal)	2,813	4,893	11,189
Provision for warranties (reversal)	(154)	2,982	1,784
Employee benefits	324	353	793
Gain on disposals of equipment	(952)	(441)	(51)
Loss from write-off equipment	1,847	-	-

(Unit : Thousand Baht)

Statement of cash flows	Consolidated financial statement For the year ended		
	31 December 2012 (Restated)	31 December 2013	31 December 2014
(Unrealized (gain) loss on exchange rate			
Share of loss from investment in associate	(887)	9,293	(5,752)
Finance costs	22,444	23,278	23,255
Income tax expense	14,283	17,817	30,744
	79,361	133,726	208,026
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	(32,586)	175,786	(393,430)
Other receivables	(3,418)	(17,480)	(693,200)
Inventories	(44,647)	(27,364)	(507,049)
Other current assets	3,500	3,486	(23,246)
Other non-current assets	3	145	(3,093)
Trade accounts payable	37,371	(144,241)	209,121
Other payables	8,084	(90,319)	121,615
Other current liabilities	9,156	(19,698)	8,249
Cash generated from (used in) operating activities	56,823	14,040	(1,073,007)
Income tax paid	(15,212)	(8,122)	(13,680)
Net cash from (used in) operating activities	41,611	5,918	(1,086,687)
<i>Cash flows from investing activities</i>			
Decrease (increase) of short-term loan from related parties	-	-	-
Decrease (increase) of other loans	-	-	-
Net cash flows on acquisition of subsidiary			
Increase of other long-term investments	(40,692)	(14,000)	(14,610)
Decrease of other long-term investments	-	30,671	-
Proceeds from disposals of equipment	894	650	383
Purchases of property, plant and equipment	(158,278)	(13,871)	(58,670)
Purchases of Intangible assets	(2,910)	(13,178)	(2,652)
Net cash used investing activities	(200,986)	(9,727)	(75,549)
<i>Cash flows from financing activities</i>			
Finance costs paid	(21,679)	(23,278)	(23,255)
Dividends paid to owners of the Company		(45,000)	(59,988)
Increase in bank overdrafts and short-term loans from financial institutions	109,525	45,135	714,355
Increase in short-term loans and accrued interest from related parties	11,026	4,321	332,032
Repayment of short-term loans and accrued interest from related parties	(14,442)	(15,348)	-
Repayment of short-term loans and accrued interest from others	-	-	-
Proceeds from long-term loans from financial institutions	94,000	-	21,500

(Unit : Thousand Baht)

Statement of cash flows	Consolidated financial statement For the year ended		
	31 December 2012 (Restated)	31 December 2013	31 December 2014
Repayment of long-term loans from financial institutions	(3,576)	(5,362)	(25,008)
Finance lease payments	(2,113)	(1,020)	(1,507)
Proceeds from issue of ordinary shares	-	25,000	242,300
Net cash from (used in) financing activities	172,741	(15,552)	1,200,429
Net increase (decrease) in cash and cash equivalents	13,366	(19,361)	38,193
Cash and cash equivalents at 1 January	15,318	28,685	9,323
Cash and cash equivalents at 31 December	28,685	9,323	47,516

(Unit : Thousand Baht)

Financial Ratio		Consolidated financial statement For the year ended		
		31 December 2012 (Restated)	31 December 2013	31 December 2014
LIQUIDITY RATIO				
Current ratio	(Time)	1.19	1.27	1.20
Quick ratio	(Time)	0.83	0.78	0.79
Cash Flow current ratio	(Time)	0.05	-	(0.73)
Receivable current ratio	(Time)	2.37	2.50	2.43
Average debt collection period	(Day)	151.87	144.11	148.15
Inventory Turnover period	(Time)	3.45	2.84	1.79
Average selling period	(Day)	104.25	126.62	201.01
Payable current ratio	(Time)	5.46	6.63	5.96
Loan repayment period	(Day)	65.94	54.29	60.41
Cash Cycle	(Day)	190.18	216.43	288.75
PROFITABILITY RATIO				
Gross profit margin	(%)	33.05	35.77	38.62
Operating profit margin	(%)	3.90	6.66	9.44
Other profit margin	(%)	1.25	0.41	0.36
Cash to profit margin	(%)	61.68	5.41	(617.55)
Net profit margin	(%)	1.76	4.14	6.52
Return on equity	(%)	10.20	19.80	23.23
EFFICIENCY RATIO				
Return on assets	(%)	2.50	5.25	5.83
Return on fixed assets	(%)	30.58	34.42	57.82
Assets turnover	(Time)	1.42	1.27	0.89
FINANCIAL POLICY RATIO				
Debt to equity ratio	(Time)	3.28	2.33	3.34
Interest coverage ratio	(Time)	2.62	2.02	(46.14)
Commitment coverage ratio (cash basis)	(Time)	0.23	0.05	(6.69)
Dividend payout ratio	(%)	146.40	-	49.11

Analysis of Financial Positions and Operating Results

Overview of the Previous Operating Results

Crown Tech Advance Public Co., Ltd. and its subsidiaries engage in business of supply and distribution of electrical appliances under “AJ” Brand since 2001 up and still continued to the present time for more than 14 years. During the past period until 2012, the Group has divided business based on scope of business operation as follows:

Company	Business
Crown Tech Advance Public Co., Ltd. Siam Advance Electronic Co., Ltd.	Product Distribution
T & C Advance Electronic Co., Ltd. Happy Import Export Co., Ltd.	Supply and import products

During 2012, the Management has restructured its business operations by combining all businesses into Crown Tech Advance Co., Ltd. with objectives to reduce redundancy on business management within the organization, for instance, opening of purchase and sales between the importing company and the distribution company, charging of operating fees between each other from rental of warehouse area and joint personnel for marketing and accounting. All operations have been completed during early of 2013. Presently, the Company operates business on supply and import, product distribution and requesting for permit for operating related business. In the ending of 2014, the Company became one of the operator and distributor of “Set Top Box” in the “Project on Migration from Analogue to Digital TV Broadcasting” of the Office of The National Broadcasting and Telecommunications Commission (NBTC) which discount coupons of Set Top Box have been distributed to every household in every household. The Company has expended in new businesses as joint venture with alliances to product movie, TV drama and series to supply the 48 television stations under name “Happy Visions Co., Ltd” (previous names Happy Import Export Co., Ltd.).

In 2014, the Company has operated and classified the businesses as follows”

Company	Business
Crown Tech Advance Public Co., Ltd.	Supply, import products and product distribution
Happy Vision Co., Ltd. (Previous names Happy Import Export Co., Ltd.)	Produce the copyright License

Other revenues of the Company during last 3 years (2012-2014) were 1,729.26 million Baht, 1,643.59 million Baht and 1,863.11 million Baht respectively. In 2014, Revenues increased 219.52 million Baht from 2013 or 13.36%.

Electrical appliances supplied by the Company consisted of 2 groups, Audio and Visual (AV Products) and Home Appliance (AP Products). Sales ratio of AV product was at 81.93 percent of total sales in 2012, 74.82 percent in 2013 and 83.41 percent in 2014. In AP Products sales ratio was 18.07 percent of total sales in 2012, 25.18 percent in 2013 and 16.59 percent in 2014.

The Company mainly supplies products via modern trade distribution channel in order to meet the consumers' behavior who prefers to purchase products via such distribution channel. The conditions on discount and rebate specified in the contract or agreement made with distribution via modern trade business groups and dealers are differently from each other. Sales presented in the financial statement for 2010 was sales amount which did not deduct such discount and rebate, while sales presented in the financial statement for 2011 until the present, was the net sales and such discount and rebate have been deducted already.

The Company's gross profit during the past 3 years 2012-2014 was 571.46million baht, 587.93 million baht and 719.60 million baht, respectively, which accounting gross profit between 33-39 percent as 33.05 percent, 35.77 percent and 38.62 percent, respectively. The Company has analyzed sales and improvement of products supplied in 2014 by reduce selling product which yielded lower profit and promote product with higher profit increased the gross profit in 2014 was higher.

Net profit of the Company during the past 3 years 2012-2014 was 30.74 million baht, 68.30 million baht and 121.97 million baht or accounting for 1.78 percent, 4.16 percent and 6.55 percent respectively. The Company has improved the sales strategy such as joint the "Project on Migration from Analogue to Digital TV Broadcasting" of the Office of The National Broadcasting and Telecommunications Commission (NBTC) which discount coupons of Set Top Box have been distributed to every household in every household in the country, expended the dealer channels and managed in every dimensions to reduce the cost and expenses Therefore it made net profit in 2014 increased by 6.55 percent.

1. Analysis of Operating Results

Revenue from Sales

Revenue from sales of electrical appliance of the Company can be divided into 2 groups as follows:

(unit : 000 Baht)

Revenue structure (By product)	2012 (Restated)		2013		2014	
1. Revenue from sales - AV	1,699,313	81.93%	1,422,184	74.82%	1,762,825	83.41%
2. Revenue from sales - AP	374,670	18.07%	478,732	25.18%	350,573	16.59%
Revenue from sales before trade - discount and provision for sales return	2,073,983	100.00%	1,900,916	100.00%	2,113,398	100.00%
Deduct - Trade discount	(347,105)	(6.74)%	(258,806)	(13.61)%	(233,139)	(11.03)%
- Provision for sales return	2,378	0.11%	1,481	0.08%	(17,146)	(0.81)%
Revenue from sales (Net)	1,729,257	83.38%	1,643,591	86.46%	1,863,113	88.16%

- Audio and Visual (AV products) are the main products which always generate main revenue** to the Company. Sales amount during 2012-2014 was 1,699.31 million baht, 1,422.18 million baht and 1,762.83 million baht or accounting for 81.93percent, 74.82 percent and 83.41 percent of total sales of products before reduction of discount and allowance for returned product, respectively. Sales amount of AV product in 2014 was slightly increased at the rate of 23.89 percent.
- The electrical appliances is Home Appliance (AP) products which have supplied to respond to the needs of consumers in Thailand. Sales in 2012-2014 were 374.46 million baht, 478.73 million baht and 350.57 million baht respectively or equaled to 18.07 percent, 25.18 percent and 16.59 percent of total sales before reduction of discount and allowance for returned product, respectively.

Total revenues from sales of the Company of approximately 95 percent was mainly derived from sales via modern trade distribution channels and dealers as per mentioned above. Such sales contracts or agreements made with each business partner have different terms including discount and rebate conditions. Therefore, it made the Company has burden on discount and rebate and returned product all the time. Discount and rebate during 2012-2014 was 347.11 million baht, 258.81 million baht and 233.14 million baht or equaled to 16.74 percent, 13.61 percent and 11.03 percent of total sales before reduction of discount and allowance for returned products respectively.

Normally, most of the products returned from the modern trade business partner were products which the Company has supplied for approximately 1 month before the returned date because they were returned by the customer within 7 days after purchased date or in some cases due to blemish product or damaged packages. The Accounting method used by the Company was that it shall be deducted from sales amount immediately on the date received the products. However, the Company has set up a policy on allowance of returned product by calculating from product returned statistics and compared with sales amount in the past, then adjusted to a new calculation formula and made it up-to-date in every quarter. This policy contributed in deduction of products returned and set up to reversal of allowance of returned product in the amount of 2.38 million baht in 2012, 1.48 million baht in 2013. In 2014, the Company has set up an increased of the allowance of returned product in the amount of 17.15 million baht from higher sales in the last quarter.

The products supplied via other distribution channels was accounting for 5 percent of total sales of the Company. Those channels are sales via clearance sales event and direct sales to other customer groups and the products sold are those with slow movement or with blemish. The Company has policy to decrease such allowance for product value reduction by considering from allowance for slow movement product or obsolete products. In 2014, the Company has arranged 4 clearance sales events and not any event has deficit or has sales lower than accounting price after allowance.

Other Revenues

Other revenues of the Company during 2012-2014 were 21.92 million baht, 6.77 million baht and 6.81 million baht respectively or equaled to profit of 1.27 percent, 0.41 percent and 0.37 of total revenues in 2012-2014, respectively. Main components of other revenues were profits from exchange rate, followed by the adjustment of the over estimation expense, interest received, profit from sales of equipment and lease rental fee for ATMs and etc.

Cost of Sales

Major components of the Company's cost of sales are:

(unit : '000 Baht)

<i>Cost of goods sold</i>	2012 (Restated)		2013		2014	
Purchase (Net)	1,186,354	97.76%	1,036,202	98.30%	1,729,181	97.72%
Import expenses & Related expenses	28,067	2.31%	20,651	1.96%	39,521	2.23%
Allowance for sales return(reversal)	3,669	0.30%	704	0.07%	(5,958)	(0.34)%
Allowance for decline in value on inventories	(4,599)	(0.38)%	(3,402)	(0.32)%	6,764	0.38%
Total	1,213,491	100.00%	1,054,155	100.00%	1,769,509	100.00%
Change in inventories (in period)	(55,692)	(4.59)%	1,511	0.14%	(626,000)	(35.38)%
Cost of goods sold (Net)	1,157,799	95.41%	1,055,666	100.14%	1,143,510	64.62%
Percentage of Revenue from sales	66.95%		64.23%		61.38%	

Net purchase is main component of the Company's cost of sales. All of products purchased are denominated US Dollar and recorded as cost of purchase in Baht as of the date the products are under responsible of the Company pursuant to "Inco terms". Other important components were import costs and other costs which were at 1.96-2.31 percent of total cost of sales during 2012-2014.

Allowances for returned products and loss from obsolete products are improvements which are concerned with reserve for allowance of returned products and loss from obsolete product. Such reserve or reverse in each year shall result in positive and negative pursuant to the relevant reserve improvement. The Company has a policy to set aside allowance for returned product pursuant to sales proportion by referred to ratio of value of returned product and sales values in each types backdated for 3 years. Such transactions made the Company's revenue and cost of sales reduced. Allowance for loss from obsolete product is an improvement to make inventory showed appropriated value. More detail of this policy is disclosed in topic "Inventory".

Sales and Administrative Expenses

(unit : '000 Baht)

<i>Sales and Admin. expenses</i>	2012 (Restated)		2013		2014	
Selling expenses	415,617	24.03%	369,009	22.45%	429,235	23.04%
Administrative expenses	110,295	6.38%	107,418	6.54%	117,395	6.30%
Total	525,912	30.41%	476,427	28.99%	546,630	29.34%
Revenue from sales	1,729,257	100.00%	1,643,591	100.00%	1,863,113	100.00%

Expenses from Sales

The Company's expenses from sales in 2012-2014 were 415.62 million baht, 369.01 million baht and 429.24 million or 24.03 percent, 22.45 percent and 23.04 percent of revenues from sale in each period, respectively.

- 1) Ratio of commission fee was 28.68-39.63 percent of total expenses from sales. Such commission fees were paid to the PCs stationed in various branches of modern trade and other employees in Sales Department of the Company and such expenses are directly varied with the Company's revenues.
- 2) Advertisement fee was 15.97-28.45 percent of total expenses from sales. The Company places importance on strengthening of AJ Brand, hence, it allocates quite a large amount of budget for advertisement.
- 3) Expenses relating to sales employees were 16.22-21.65 percent of total expenses from sales.
- 4) Transportation costs were 10.56-12.44 percent of total expenses from sales. These transportation costs included expenses of the Company's own trucks, trucks from outsourcing and expenses related to distribution centers of the Company's partners.
- 5) Expenses for sales promotion, which were expenses concerning arrangement of sales promotion activities in the department stores, placement of advertisement in their catalogs or brochures, were 3.40-21.24 percent of total expenses from sales.

Administrative Expenses

The Company's administrative expenses in 2012-2014 were 110.30 million baht, 107.42 million baht and 117.39 million baht or accounting for 6.38 percent, 6.54 percent and 6.30 percent of revenues from sales in each period, respectively.

- 1) Expenses relating to employees were 42.08-48.31 percent of total administrative expenses. The expenses in 2012, 2013 were 46.46 percent and 48.31 respectively. The company continued increased of personnel and employees' remuneration for employees in order to develop and

improve qualifications of the Company's to be ready for being listed in the Stock Exchange of Thailand. In 2014, the rate is slightly decreased by 4.81 percent when compared with 2013.

- 2) Expenses relating to offices and insurance were 23.34-31.06 percent of total administrative expenses. The expenses in 2013 were 31.06 percent increased because the Company has made insurance which covering value of properties which was in line with the risk management policy while these in 2014 were 29.08 percent decreased from 2013.
- 3) Depreciation and amortization were 8.74-9.95 percent of total administrative expenses.

Profit (loss) on exchange rate

(unit : '000 Baht)

<i>Profit (loss) on exchange rate</i>	2012 (Restated)		2013		2014	
Profit (loss) on exchange rate	10,380	0.60%	(8,874)	(0.54)%	(3,815)	(0.20)%
Revenue from sales of goods	1,729,257	100.00%	1,643,591	100.00%	1,863,113	100.00%

The Company's profit on exchange rate in 2012 was rate 10.38 million Baht. In 2013 and 2014 the company's loss on exchange rate were 8.87 million Baht, 3.82 million Baht respectively.

Profitability

(unit : '000 Baht)

<i>Profitability</i>	2012 (Restated)		2013		2014	
Gross profits	571,458	33.05%	587,925	35.77%	719,604	38.62%
Profits from operations (before financial costs and tax)	67,466	3.90%	109,397	6.66%	175,966	9.44%
Net profits	30,739	1.78%	68,300	4.16%	121,967	6.55%
Revenue from sales of goods	1,729,257	100.00%	1,643,591	100.00%	1,863,113	100.00%

The Company's gross profits in 2012-2014 were 571.46 million baht, 587.93 million baht and 719.60 million baht or accounted gross profit margin for 33.05 percent, 35.77 percent and 38.62 percent, respectively.

Profits from operations before financial costs and tax in 2012-2014 were 67.47 million baht, 109.40 million baht and 175.97 million baht or 3.90 percent, 6.66 percent and 9.44 percent respectively.

Net profits in 2012-2014 were 30.74 million baht, 68.30 million baht and 121.97 million baht or equaled to 1.78 percent, 4.16 percent and 6.55 percent of total revenues, respectively.

The Company has improved the management continually in order to increase in gross profits, profit from operation and net profits during last 3 years (2012-2014). Net profits were 121.97 million Baht or 6.55 percent increased 53.67 million baht or 78.58 percent.

Return on Equity

From net profit in 2012-2014 made return on equity of the Company was at 10.20 percent, 19.80 percent and 23.23 percent in each period respectively according to the increase in the Company's net profits.

2. Analysis of Financial Positions

Total assets

As of the ending of 2012-2014, the Company's total assets were 1,374.30 million baht, 1,226.54 million baht and 2,960.18 million baht respectively. Total assets in 2012 were increased by 26.60 percent but it was decreased by 10.75 percent in 2013 however it returned to increase 141.34 percent in 2014. Important elements of total assets were as follows:

(unit : '000 Baht)

Total assets	Consolidated financial statements					
	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Current assets						
Cash and cash equivalents	28,685	2.09%	9,323	0.76%	47,516	1.61%
Trade accounts receivable	739,141	53.78%	566,332	46.17%	961,206	32.47%
Other receivables	13,489	0.98%	30,969	2.52%	733,968	24.79%
Inventories	339,003	24.67%	369,769	30.15%	870,053	29.39%
Others current assets	6,340	0.46%	5,492	0.45%	29,246	0.99%
Total current assets	1,126,658	81.98%	981,885	80.05%	2,641,989	89.25%
Non-current assets						
Investments in associate					860	0.03%
Other long-term investments	40,871	2.99%	24,200	1.97%	38,810	1.31%
Property, plant and equipment	195,123	14.27%	201,783	16.45%	256,211	8.66%
Intangible assets	3,737	0.27%	11,857	0.97%	6,187	0.21%
Deferred tax assets	7,273	0.53%	6,322	0.52%	12,543	0.42%
Other non-current assets	634	0.05%	490	0.04%	3,583	0.12%
Total non-current assets	247,638	18.02%	244,652	19.95%	318,194	10.75%
Total assets	1,374,296	100.00%	1,226,537	100.00%	2,960,183	100.00%

From the above table, it showed that main assets were operating assets, such as account receivables which were at 32.47-53.78 percent of total assets, other account receivables at 0.98-24.79 percent of total assets and inventories at 24.67-30.15 percent of total assets. Expansion in 2014 was mainly attributed an increase of account receivables because the Company hurriedly delivered products to modern trade partners before the end of the year to respond to the consumers' purchase power during festive season, other receivables were mainly in advance payment of goods and inventories partly from "SET TOP BOX" and Merchandised goods to be sold in festive season. Whereas the only important non-current asset was land, building and plant which equaled to 8.66-16.45 percent of total assets.

Account Receivables and Other Receivables

Account receivables of the Company during 2012-2014 were 739.14 million baht, 566.33 million baht and 961.21 million baht, respectively. All of them are domestic receivables. Credit terms provided to the customers in modern trade and dealer group were between 30-120 days, depending commercial terms of each group. Average debt collection in 2012-2014 was 151.87 days, 144.11 days and 148.15 days, respectively.

During 2012-2014, the Company set aside allowance for doubtful account at 6.67 million baht, 3.70 million baht and 2.25 million baht or accounting for a ratio of 0.89 percent, 0.65 -percent and 0.23 percent of total account receivables before allowance of doubtful account. Policy on setting up the allowance of doubtful accounts was based on aging of receivables, debt payment history analysis and estimation of opportunity to receive repayment in the future. The Company's account receivables classified by aging were as follows:

(unit : '000 Baht)

<i>Account Receivables</i>	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Within credit terms	523,320	70.17%	409,892	71.91%	597,424	62.01%
Overdue						
Less than 3 months	204,709	27.45%	155,272	27.24%	362,835	37.66%
3-6 months	6,098	0.82%	1,454	0.26%	845	0.09%
6-12 months	11,093	1.49%	1,830	0.32%	419	0.04%
Over 12 months	595	0.08%	1,581	0.28%	1,936	0.20%
Total	745,815	100.00%	570,029	100.00%	963,459	100.00%
Less allowance for doubtful accounts	(6,674)	(0.89)%	(3,697)	(0.65)%	(2,253)	(0.23)%
Net	739,141	99.11%	566,332	99.35%	961,206	(99.77)%

Most of the Company's account receivables in 2012-2014 were current and overdue less than 3 months at total ratio of 97.62 percent, 99.15 percent and 99.67 percent of total account receivable before allowance for doubtful accounts. However, as of December 31, 2013, the Customer has receivables with more than 3 months overdue amounting to 1.45 million baht and more than 6 month overdue amounting to 3.41 million baht, or 0.26 and 0.60 of total account receivables before allowance of doubtful account, respectively.

As of December 31, 2014, the Company has account receivables with more than 3 months overdue amounting to 0.85 million baht, more than 6 months overdue of 0.42 million baht and more than 12 month overdue of 1.94 million baht or accounting to 0.09 percent, 0.04 percent and 0.20 percent of total account receivables before allowance of doubtful account respectively. The Company has set aside for account receivables with more than 3 month overdue at 2.25 million baht, where most of them are modern trade customers of 1.90 million baht and dealer customers of 0.35 million baht. All of them have been set aside for allowance of doubtful accounts.

Other receivables in 2012-2014 were 13.49 million baht, 30.97 million baht and 733.97 million baht respectively. Other receivables were classified as follows:

(unit : '000 Baht)

<i>Other receivables</i>	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Key management personnel	1,108	8.22%	-	-	-	-
Prepaid expenses	6,371	47.23%	24,307	78.49%	316,782	43.16%
Withholding tax	4,823	35.75%	5,297	17.10%	5,507	0.75%
Others	1,187	8.80%	1,365	4.41%	411,679	56.09%
Total	13,489	100.00%	30,969	100.00%	733,968	100.00%

In 2014, other receivables were mainly in prepaid expenses such as advance payments for goods and other prepaid expenses accounting 316.78 million baht or 43.16 percent of total other receivables increased 292.48 million baht accounting 1,203.25 percent, others such as Set top box coupon receivables, purchase discount, Subscriptions Receivable and others, were 411.68 million baht accounting 56.09 percent of total other receivables increased 410.31 million baht

Inventory

Inventory of the Company comprised of the followings:

(unit : '000 Baht)

<i>Inventory</i>	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Merchandised goods	303,642	84.91%	343,643	89.26%	538,492	60.37%
Goods in transit	53,966	15.09%	41,329	10.74%	223,872	25.10%
Raw materials	-	-	-	-	129,656	14.53%
Total	357,608	100.00%	384,972	100.00%	892,020	100.00%
Less allowance for decline in value	(18,605)	(5.20)%	(15,203)	(3.95)%	(21,967)	(2.46)%
Net	339,003	94.80%	369,769	96.05%	870,053	97.54%

Net balance of inventory during 2012-2014 as of the ending date were 339.00 million baht, 369.77million baht and 870.05 million baht, respectively which equaled to inventory turnover of 3.54 times, 2.84 times and 1.79 times, respectively with average sale period of 104.35 days, 126.62 days and 201.01 days, respectively. Inventory as of ending date of 2014 was rather high when compared with balance of the previous year because during the 3rd quarter and 4th quarter of 2014, the Company imported “Set Top Box” in order to support the household to Migrate from Analogue to Digital TV Broadcasting.

Most of the Company’s inventories were finished goods with ratio of 60.37-89.26 percent of all inventory. The goods in transit was 10.74-25.10 percent and remain was raw material with ratio of 14.53 percent in 2014.

Currently, the Company set aside for allowance of devaluation of products with slow movement by calculating from sales statistics of each type of products backdated for 1 year, inventory aging more than 2 years and compared cost price and net realizable value (NRV) and use the lowest price. Allowance for devaluation during 2012-2014 was 18.61 million baht, 15.20 million baht and 21.97 million baht, or accounting for ratio of 5.20 percent, 3.95 percent, 2.46 percent of total inventory in each period, respectively. The Company has improved its inventory management continually and it has sold obsolete product or Grade-B products during many clearance sales event in front of the factory during 2012-2014. In 2014, clearance sales events have been arranged for 4 times, and none of them has deficit or sales less than accounting value after set aside.

Land, Building and Plants

During 2012-2014, details on land, building and plant were as follows:

(unit : '000 Baht)

	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Net book value						
Land	154,291	79.07%	160,180	79.38%	159,944	62.43%
Buildings and improvement	21,209	10.87%	20,157	9.99%	65,065	25.40%
Office equipment	4,465	2.29%	4,298	2.13%	4,598	1.79%
Tools	10,822	5.55%	9,183	4.55%	12,716	4.96%
Vehicles	4,036	2.07%	6,334	3.14%	6,439	2.51%
Assets under construction & install	300	0.15%	1,631	0.81%	7,448	2.91%
Total	195,123	100.00%	201,783	100.00%	256,211	100.00%

During 2012, the Company has purchased land for construction of new office building which made value of such land as of December 31, 2012 was increased by 154.29 million baht. Later in 2013, such land has been covered with soil, so its value was increased to 160.18 million baht or equaled to 79.38 percent of land, building and plant. In 2014, there was an adjustment of land improvement, its value was decreased to 159.94 million baht or equaled to 62.43 percent, buildings and improvement were increased to 65.07 million baht from construction of new office building and assets under construction & install were 7.44 million baht from incomplete construction.

Intangible Assets

During 2012-2014, details on intangible assets of the Company were as follows:

(unit : '000 Baht)

<i>Intangible Assets</i>	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Copy right (Song)	302	8.08%	7,756	65.41%	1,125	18.18%
Computer program	1,043	27.91%	4,102	34.59%	5,062	81.82%
Computer program under installation	2,392	64.01%	-	0.00%	-	-
Total	3,737	100.00%	11,857	100.00%	6,187	100.00%

In 2014, most of intangible assets were computer program which has been developed in 2012 and can be run promptly for all departments in the Company in beginning of 2013. In 2014, intangible assets were 5.06 million baht increased by 0.96 million baht or 23.40 percent increased from 2013 and equaled to 81.82 percent of total intangible assets.

Intangible assets in form of music copyright, which has been purchased from owners of the copyrights and music companies in order to have the legal right for loading them into karaoke players as the Company's products. The conditions on usage of copyright specified in the contract comprised of 2 characteristics, i.e. pursuant to the number of rights obtained within the specified period and pursuant to the contract term. However, the Company chooses amortization of the copyrighted royalty pursuant to the contract term because the Company estimated that number of rights it obtained from the copyright owners are adequate for the amount of sale of karaoke player projected by the Company and it is expected that the contract shall be expired before it can use such right up to its full amount.

In 2014, the music copyright was 1.13 million baht decreased 6.63 million baht or decreased 85.50 percent from 2013 or equaled 18.18 of total intangible assets due to the amortization.

Total Liabilities

As of the ending date of 2012-2014, total liabilities were 1,053.30 million baht, 857.50 million baht and 2,277.37 million baht, respectively. Total liabilities in 2012 were decreased by 195.49 million baht or equaled 18.56 percent from 2012. In 2014, the liabilities were increased 1,419.67 million baht or equaled 165.49 percent. The Debt to equity ratio was 3.28 times, 2.33 times and 3.34 times, respectively which was rather high. Most of liabilities were current liability, i.e. bank overdraft and short-term loan, account payable, other payables and short-term loans & accrued interest from related parties. Important components of total liabilities were as follows:

(unit : '000 Baht)

Total liabilities	Consolidated financial statements					
	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Current liabilities						
Bank overdrafts & short-term loans from financial institutions	474,282	34.51%	527,637	43.02%	1,236,789	41.78%
Trade accounts payable	230,778	16.79%	87,609	7.14%	296,182	10.01%
Other payables	199,095	14.49%	110,345	9.00%	237,219	8.01%
Short-term loans & accrued interest from related parties	11,026	0.80%	-	0.00%	332,032	11.22%
Current portion of long-term loans from financial institutions	5,362	0.39%	25,008	2.04%	25,008	0.84%
Current portion of finance lease liabilities	1,023	0.07%	786	0.06%	736	0.02%
Income tax payable	1,901	0.14%	13,142	1.07%	36,934	1.25%
Other current liabilities	21,925	1.60%	10,103	0.82%	31,324	1.06%
Total current liabilities	945,392	68.79%	774,630	63.16%	2,196,224	74.19

(unit : '000 Baht)

Total liabilities	Consolidated financial statements					
	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
Non-current Liabilities						
Long-term loans from financial institution	105,592	7.68%	80,584	6.57%	77,076	2.60%
Finance lease liabilities	1,135	0.08%	352	0.03%	1,039	0.04%
Employee benefit obligations	1,176	0.09%	2,235	0.18%	3,029	0.10%
Total non-current liabilities	107,903	7.85%	83,171	6.78%	81,144	2.74%
Total liabilities	1,053,295	76.64%	857,801	69.94%	2,277,368	76.93%

Account Payable and Other Payables

During 2012-2014, total account payables as of ending date were 230.78 million baht, 287.61 million baht and 296.18 million baht or equaled to account payable turnover of 5.46 times, 6.63 times and 5.96 times, respectively with average repayment period of, 65.94 days, 54.29 days and 60.41 days, respectively.

However, since purchase order from all foreign manufacturers was made in US Dollar, so most of account payable was denominated in US Dollar with ratio of 80.68 percent, 98.45 percent and 70.55 percent of total account payables during 2012-2014, respectively. As of December 31, 2014, account payable in US Dollar was amounting to 6.31 million US Dollar or 208.96 million baht.

During 2012-2014, other payables as of ending date were 199.10 million baht, 110.34 million baht and 237.22 million baht respectively. Most of them or approximately 48-85 percent was accrued operating expenses, i.e. accrued expenses pursuant to department store contracts, accrued expenses for commission fee of employees and etc equated 13-48 percent of total other account payables. As of December 31, 2014, short-term loans & accrued interest from related parties was amounting to 332.03 million baht or equated 11.22 percent of total liabilities.

Liabilities with Interest Burden

(unit : '000 Baht)

	31 Dec 2012 (Restated)		31 Dec 2013		31 Dec 2014	
<i>Current liabilities</i>						
Bank overdrafts	-	0.00%	2,173	0.35%	7,173	0.46%
Short-term loans from financial institution	185,731	31.04%	237,304	37.41%	389,252	23.27%
Trust receipts	288,551	48.22%	288,160	45.42%	839,824	50.21%
Total Bank overdrafts & Short-term loans	474,282	79.26%	527,637	83.18%	1,236,789	73.94%
Short-term loans & accrued interest from related parties	11,026	1.84%	-	0.00%	332,032	19.85%
Current portion of long-term loans from financial institution	5,362	0.90%	25,008	3.94%	25,008	1.50%
Current portion of finance lease liabilities	1,023	0.17%	786	0.12%	736	0.04%
Total current liabilities with interest burden	491,693	82.17%	553,431	87.24%	1,594,565	95.33%
<i>Non-current liabilities</i>						
Long-term loans from financial institutions	105,592	17.65%	80,584	12.70%	77,076	4.61%
Finance lease liabilities	1,135	0.19%	352	0.06%	1,039	0.06%
Total non-current liabilities with interest burden	106,727	17.83%	80,936	12.76%	78,115	4.67%
Total	598,420	100.00%	634,367	100.00%	1,672,679	100.00%
Equity	321,001		368,736		682,815	
Debt to Equity ratio	1.86		1.72		2.45	

Liabilities with interest burden of the Company during 2012-2014 were 598.42 million baht, 634.37 million baht and 1,672.68 million baht, or accounting for ratio of liabilities with interest burden to equity of 1.86 times, 1.72 times and 2.45 times, respectively.

Bank Overdraft and Short-term Loan from Financial Institutes

During 2012-2014, total bank overdraft and short -term loan from financial institutes as of ending date was 474.28 million baht, 527.64 million baht and 1,236.79 million baht or equaled to 79.26 percent, 83.18 percent and 73.94 percent of total liabilities with interest burden which can be divided into 3 items as follows:

- 1) Outstanding of bank overdraft as of ending date of 2013, 2014 were 2.17 million baht and 7.71 million baht or equated 0.34 percent and 0.46 percent respectively.
- 2) Outstanding of short-term loan as of ending of 2012-2014 was 185.73 million baht, 237.30 million baht and 389.25 million baht respectively. Most of them were factoring loans and supply chain which have been guaranteed by account receivables.
- 3) Outstanding of trust receipt liabilities as of ending date of 2012-2014 was 288.55 million baht, 288.16 million baht and 839.82 million respectively. The Company started to use trust receipt for management of revolving fund in 2011 to pay foreign account payable. Such amounts were in US Dollar which equaled to 264.92 million baht, 246.33 million baht and 385.63 million baht, respectively. As of ending of 2014, trust receipt in US Dollar was at 11.65 million US Dollar or equaled to 385.63 million baht. Policy to prevent risks from exchange rate of the Company was as follows:

The Company uses trust receipt (TR) with condition to convert foreign currency into baht at all time. Conversion criteria were based on difference of exchange rate between shipment date and current date, only in case of baht weakening, with the following requirements:

- If baht value is weakening more than 5 percent, exchange rate risk prevention will be not less than 50 percent of import value.
- If baht value is weakening more than 10 percent, exchange rate risk prevention will be not less than 100 percent of import value.

In addition, consideration on risk prevention shall be based on percentage of imported products where risk prevention has been done and portfolio of liabilities from importation of all products.

Short-term Loan from the Related Persons

During 2012-2014, short-term loan and accrued interest from the related person as of the ending date was 11.03 million baht, and 332.03 million baht respectively. Such amount has been used as revolving fund for business operation.

Long-term Loan from Financial Institutes

During 2012-2014, long-term loans from financial institutes as of ending date of the Company were 110.95 million baht, 105.59 million baht and 102.08 million baht respectively. The Company has long-term loan in 2012 amounting to 94.00 baht to support for land purchase. Repayment period of such loan was within 8 years with due date in 2020.

Liabilities pursuant to Financial Lease

During 2012-2014, liabilities pursuant to financial lease as of ending period were 2.16 million baht, 1.14 million baht and 1.78 million baht, respectively. Such source of fund has been used to purchase vehicles for product transportation of the Company.

Other Current Liabilities

During 2012-2014, other current liabilities as of ending date were 21.93 million baht, 10.10 million baht and 31.32 million baht respectively. Most of them or approximately 32-62 percent was estimation for accounting expenses, such as estimation for product return, product guarantee and etc.

Shareholders' Equity

During 2011-2013, total shareholders' equity as of ending date was 321.00 million baht, 368.74 million baht and 682.82million baht respectively.

In February 2014, the Company has offered 100 million shares to the public for the first time by selling at 2.50 baht per share (capital of 0.50 baht and share premium of 2 baht), totally of 250 million baht. The Company has registered about this capital increase with the Ministry of Commerce of February 25, 2014 and ordinary shares of the Company have been traded in the Stock Exchange of Thailand on February 27, 2014.

The shareholders' meeting year 2014 on April 30, 2014 has approved the dividend payment at 0.10 baht per share. The Extraordinary General Meeting of Shareholders No. 1/2014 on October 27, 2014 has approved a change of par value from 0.50 baht per share to 0.10 baht per share, which made registered capital of the Company amounted to 225 million baht, divided into 450 million ordinary shares at par value of 0.50 baht and approved the issuance of Warrant No. 1 (AJD-W1) to allocate to the existing shareholders on the amount of 750 million units in the offering price 0.00 baht per unit at the ratio of 4 existing shares to 1 warrant. The warrant will be matured in 5 years after the offering date. The exercise ratio of the warrant is 1 warrant for a right to buy 1 share at the exercise price of 2 Baht per share. The EGM has approved the capital increase of 75 million baht from 300 million baht (ordinary share 600 million shares par value at 0.50 baht per share) to 375 million baht (ordinary share 3,750 million shares par value at 0.10 Baht per share) and approved the allotment of capital increase in the amount of 750 million shares par value 0.10 Baht per share to reserved for

the issuance of AJD-W1. The Company has registered capital reduction, a change of par value and capital increase with the Ministry of Commerce of October 29, 2014.

Liquidity

Statement of cash flow of the Company during 2012-2014 can be summarized as follows:

(unit : '000 Baht)

	31 Dec 2012 (Restated)	31 Dec 2013	31 Dec 2014
Cash flows from operating activities before changes in operating assets and liabilities	79,361	133,726	208,026
Net cash flows (Used in) operating activities	41,611	5,918	(1,086,687)
Net cash used in investing activities	(200,986)	(9,727)	(75,549)
Net cash flows (Used in) financing activities	172,741	(15,552)	(1,200,429)
Net increase (decrease) in cash & cash equivalents	13,366	(19,361)	38,193
Cash & cash equivalents at 31 December	28,685	9,323	47,516

Most of cash flow sources of the Company came from operating activities. During 2012-2014, cash from operating activities before changes of assets and operating liabilities was 79.36 million baht, 133.73 million baht and 208.03 million baht respectively.

In 2014, net cash from operating activities was 1,086.69 million baht important transaction of the used cash flow was account receivables amounted 393.43 million baht, other receivables amounted 693.20 million baht inventory amounted 507.05 million baht. Cash used in account payables was reduced by 209.12 million baht, when combining with a reduction of other payables of 121.62 million baht. Although, the Company had cash flows from operating activities before changes in operating assets and liabilities but net cash from operating activities has negative amount.

During 2012-2014, liquidity ratio of the Company was as follows:

(unit : '000 Baht)

	31 Dec 2012 (Restated)	31 Dec 2013	31 Dec 2014
Current ratio (time)	1.19	1.27	1.20
Quick ratio (time)	0.83	0.78	0.79
Cash flow current ratio (time)	0.05	0.01	(0.73)
Average debt collection period (day)	151.87	144.11	148.15
Average selling period (day)	104.25	126.62	201.01
Average A/P repayment period (day)	65.94	54.29	60.41
Cash Cycle (day)	190.28	216.43	288.75

Liquidity ratio of the Company was between 1.19-1.27 เท่า times with quick ratio less than 1 time throughout the past 3 years. Liquidity ratio of cash was not quite high. All of these signified that the Company has performed business with rather low liquidity ratio with cash cycle was between 190-289 days and it has been increased continually. Hence, the Company has to rely on short-term loan from the financial institutes to be used as revolving fund for its operation. However, after the public offering with objectives to be used as revolving fund in the business to replace or compensate short-term loan from the financial institute, financial costs in terms of interest expenses have been significantly decreased. It can also increase credit to the Company and it can make the Company have a better bargaining power to negotiate for a reduction of financial cost.

Investment Expenses

In 2012, important investment expense was other long term investments which have increased to 40.69 million baht, divided into deposit at financial institutes of 37.69 million baht as collateral for electricity usage and guarantee of sales or factoring of account receivable with the financial institutes and investment in debentures at 3.00 million baht which have been used as collateral for debt repayment and obligations. In addition, the Company also has investment expense for purchase of land to be used for a new head office in the future amounting to 136.97 million baht including investment in building and equipment of warehouse for 21.31 million baht, investment in development of new computer program for enterprise resource planning (ERP) of 2.91 million baht, consequently net cash flow used in operating activities of the Company was 200.99 million baht.

In 2013, cash flow from increase of deposit in financial institutes was increased by 30.67 million baht, with cash received from selling of equipment of 0.65 million baht, investment expenses for additional improvement of land, building and plant of 13.87 million baht and investment of computer program development continued from the past year of 3.27 million baht and song copy right of 7.76 million baht. Consequently, net cash flow used in operating activities was 9.73 million baht.

In 2014, cash flow used from important investments for additional improvement of land, building and plant of 54.27 million baht, tools and equipments of 4.40 million baht, computer program of 2.65 million baht and other long term investments of 14.61 million baht. Consequently, net cash flow used in operating activities was 75.55 million baht.

Source of Fund

In 2012, net cash flow from financing activities was 172.74 million baht which obtained from long-term loan from financial institutes of 94.00 million baht to be used to purchase new land, from the increased bank overdraft and short term loan of 109.53 million baht and the increased short-term loan from the related person of 11.03 million baht. While the Company has repaid for loan from related person of 14.44 million baht, repaid

for long-term loan from financial institutes of 3.58 million baht and paid for financial cost of 21.68 million baht. Consequently, net cash flow from financial institutes was in positive.

In 2013, net cash flow used in financing activities was 15.55 million baht which obtained from bank overdraft and short term loan of 45.14 million baht and short-term loan from the related person of 4.32 million baht with cash flow received from issuance of capital increase of 25 million baht. At the same time, the Company has repaid for short-term loan from the related person of 15.35 million baht, repaid for long-term loan from financial institutes of 5.36 million baht, paid for liabilities under financial lease of 1.02 million baht, paid for financial cost of 23.28 million baht and paid for dividend to shareholders at 45.00 million baht. Consequently, net cash flow from financial institutes was in negative.

In 2014, net cash flow from in financing activities was 1,200.43 million baht which obtained from the issuance of ordinary shares of 242.30 million baht, short-term loan from financial institutions and trust receipts of 551.66 million baht, sale of account receivables to financial institutes of 151.95 million baht, bank overdrafts of 5.54 million baht, short-term loans from related parties of 332.03 million baht, proceeds from long-term loans from financial institutes of 21.50 million baht, repayment of long-term loans from financial institutes of 25.01 million baht, payment of finance costs of 23.26 million baht and dividend payment to owners of the Company of 59.99 million baht. Consequently, net cash flow from financial institutes was in positive.

Auditor's Remuneration

In 2012, the Company and its subsidiaries paid annual remuneration to the auditor at 2.15 million baht, divided into auditing fee for annual financial statement of 2012 at 750,000 baht, auditing fee for quarter financial statement of 630,000 baht and auditing fee for financial statements of the subsidiaries of 770,000 baht.

In 2013, the Company and its subsidiaries paid annual remuneration to the auditor at 2.38 million baht, divided into auditing fee for annual financial statement of 2013 at 1.40 million baht, auditing fee for quarter financial statement of 690,000 baht and auditing fee for financial statements of the subsidiaries of 290,000 baht.

In 2014, the Company and its subsidiaries paid annual remuneration to the auditor at 2.49 million baht, divided into auditing fee for annual financial statement of 2013 at 1.59 million baht, auditing fee for quarter financial statement of 720,000 baht and auditing fee for financial statements of the subsidiaries of 180,000 baht.

Factors and Influence Which May Impact Financial Position or Operating Results in the Future.

According to the operating performance stated in the Company's financial statements as at 31 December 2014, on the asset side, the Company's account receivables and inventory significantly increased while sale did not increase as much. Therefore, account receivables quality is considered important. If the

payment is delayed but can be collected in full, impact would not be high. However, if the payment could not be collected in full, it would directly affect the operating performance. Similarly, inventory increased considerably inconsistent with sales. Therefore, in case the goods become obsolete or other factors arise that the goods cannot be sold, such will have an immediate negative impact to the operating performance.

On the liabilities side, two types of short-term liabilities increased, i.e. bank overdraft & short-term loan from the financial institutions and loan from related parties. The significant increase in short-term liabilities exposes the Company to the risk of repayment capability. Additionally, significant loan from related parties differed from normal operation whereby loans would be mainly from the financial institutions and would usually link to normal business transactions. In this case, the firm will expose to the risk in case the repayment is called by the lenders.

However, the Company is aware of the above drawbacks and is in a process of solving such problems, especially the release of stock to the market as fast as practicable while slowing down the purchase order from suppliers. Such process would increase the Company's liquidity for the repayment of short-term liabilities.

Crown Tech Advance Public Company Limited
and its subsidiaries

Financial statements for the year ended
31 December 2014
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Crown Tech Advance Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Crown Tech Advance Public Company Limited and its subsidiaries (the “Group”), and of Crown Tech Advance Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'Bongkot Amsageam', followed by a small star symbol.

(Bongkot Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2015

Statement of Financial Position

Crown Tech Advance Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	47,515,881	9,323,190	43,136,770	3,232,958
Trade accounts receivable	6	961,205,852	566,332,340	961,083,922	566,332,340
Other receivables	7	733,968,277	30,968,711	717,122,405	27,766,336
Inventories	8	870,053,273	369,768,901	856,074,272	371,865,174
Short-term loans to related parties	4	-	-	3,231,074	-
Other current assets		29,245,672	5,492,419	29,030,837	5,490,710
Total current assets		2,641,988,955	981,885,561	2,609,679,280	974,687,518
Non-current assets					
Investment in associate	9	860,414	-	860,714	-
Investments in subsidiaries	10	-	-	20,060,000	13,860,000
Other long-term investments	11	38,810,000	24,200,000	38,810,000	24,200,000
Property, plant and equipment	12	256,211,174	201,782,634	257,901,686	203,925,394
Intangible assets	13	6,186,769	11,857,236	6,186,769	11,857,236
Deferred tax assets	14	12,542,760	6,321,849	12,333,364	5,998,622
Other non-current assets		3,582,898	489,536	3,582,898	489,535
Total non-current assets		318,194,015	244,651,255	339,735,431	260,330,787
Total assets		2,960,182,970	1,226,536,816	2,949,414,711	1,235,018,305

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

Statement of Financial Position

Crown Tech Advance Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	1,236,788,643	527,637,062	1,236,788,643	527,637,062
Trade accounts payable	16	296,182,142	87,609,233	346,871,066	141,530,592
Other payables	17	237,219,599	110,344,444	228,180,180	107,809,137
Short-term loans and accrued interest					
from related parties	15	332,031,878	-	334,924,601	1,047,747
Current portion of long-term loans					
from financial institutions	15	25,008,000	25,008,000	25,008,000	25,008,000
Current portion of					
finance lease liabilities	15	736,322	785,964	736,322	785,964
Income tax payable		36,934,239	13,142,092	36,934,239	12,970,237
Other current liabilities	18	31,323,670	10,102,932	31,141,185	10,061,932
Total current liabilities		2,196,224,493	774,629,727	2,240,584,236	826,850,671
Non-current liabilities					
Long-term loans from					
financial institutions	15	77,076,000	80,584,000	77,076,000	80,584,000
Finance lease liabilities	15	1,038,589	352,052	1,038,589	352,052
Employee benefit obligations	19	3,028,589	2,235,016	3,028,589	2,235,016
Total non-current liabilities		81,143,178	83,171,068	81,143,178	83,171,068
Total liabilities		2,277,367,671	857,800,795	2,321,727,414	910,021,739

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

Statement of Financial Position

Crown Tech Advance Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2014	2013	2014	2013
<i>(in Baht)</i>					
Equity					
Share capital	20				
Authorised share capital		<u>375,000,000</u>	<u>300,000,000</u>	<u>375,000,000</u>	<u>300,000,000</u>
Issued and paid-up share capital		300,000,000	250,000,000	300,000,000	250,000,000
Premium on ordinary shares	20	192,300,000	-	192,300,000	-
Retained earnings					
Appropriated					
Legal reserve	21	11,800,000	5,714,465	11,800,000	5,714,465
Unappropriated		141,772,051	85,700,537	123,587,297	69,282,101
Other component of equity	21	<u>27,321,019</u>	<u>27,321,019</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		673,193,070	368,736,021	627,687,297	324,996,566
Non-controlling interests		<u>9,622,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity		<u>682,815,299</u>	<u>368,736,021</u>	<u>627,687,297</u>	<u>324,996,566</u>
Total liabilities and equity		<u>2,960,182,970</u>	<u>1,226,536,816</u>	<u>2,949,414,711</u>	<u>1,235,018,305</u>

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

Statement of Comprehensive income

Crown Tech Advance Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in Baht)</i>			
Income	4				
Revenue from sales of goods		1,863,113,152	1,643,590,967	1,863,263,107	1,631,097,027
Management income		-	-	-	11,860,922
Dividend income	23	-	-	-	15,840,000
Other income		6,808,197	6,773,035	6,796,339	6,025,650
Total income		1,869,921,349	1,650,364,002	1,870,059,446	1,664,823,599
Expenses	4				
Cost of sales of goods		1,143,509,539	1,055,665,885	1,144,650,010	1,060,348,418
Selling expenses	24	429,235,585	369,009,306	429,222,385	368,502,928
Administrative expenses	25	117,394,501	107,418,229	117,996,936	106,317,187
Net foreign exchange losses		3,814,607	8,874,359	3,814,607	9,038,997
Finance costs	28	23,255,120	23,278,463	23,366,190	23,598,405
Total expenses		1,717,209,352	1,564,246,242	1,719,050,128	1,567,805,935
Share of loss of associate	9	(300)	-	-	-
Profit before income tax expense		152,711,697	86,117,760	151,009,318	97,017,664
Income tax expense	29	(30,744,469)	(17,816,852)	(30,630,637)	(16,978,900)
Profit for the year		121,967,228	68,300,908	120,378,681	80,038,764
Other comprehensive income					
Defined benefit plan actuarial losses		-	(706,511)	-	(706,511)
Income tax on other comprehensive income		-	141,302	-	141,302
Other comprehensive income for the year, net of income tax		-	(565,209)	-	(565,209)
Total comprehensive income for the year		121,967,228	67,735,699	120,378,681	79,473,555

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

Statement of Comprehensive income

Crown Tech Advance Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2014	2013	2014	2013
	(in Baht)			
Profit attributable to:				
Owners of the Company	122,144,999	68,300,908	120,378,681	80,038,764
Non-controlling interests	(177,771)	-	-	-
Profit for the year	121,967,228	68,300,908	120,378,681	80,038,764
Total comprehensive income attributable to:				
Owners of the Company	122,144,999	67,735,699	120,378,681	79,473,555
Non-controlling interests	(177,771)	-	-	-
Total comprehensive income for the year	121,967,228	67,735,699	120,378,681	79,473,555
Earnings per share (in Baht)	30			
Basic earnings per share	0.042	0.029	0.041	0.034
Diluted earning per share	0.041	0.029	0.041	0.034

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

Statement of Changes in equity

Crown Tech Advance Public Company Limited and its Subsidiaries

Consolidated financial statements						
	Note	Retained earnings		Other component of equity		
		Issued and paid-up share capital	Legal reserve	Unappropriated (in Baht)	Surplus from Business Combination Under	Total equity
					Common Control	
Year ended 31 December 2013						
Balance at 1 January 2013		225,000,000	1,705,462	66,973,841	27,321,019	321,000,322
Transaction with owners, recorded directly in equity						
Contribution by and distributions to owners of the Company						
Issue of ordinary shares	20	25,000,000	-	-	-	25,000,000
Dividends to owners of the Company	31	-	-	(45,000,000)	-	(45,000,000)
Total contributions by and distributions to owner of the Company		25,000,000	-	(45,000,000)	-	(20,000,000)
Total transaction with owners, recorded directly in equity		25,000,000	-	(45,000,000)	-	(20,000,000)
Comprehensive income for the year						
Profit		-	-	68,300,908	-	68,300,908
Other comprehensive income		-	-	(565,209)	-	(565,209)
Total comprehensive income for the year		-	-	67,735,699	-	67,735,699
Transfer to legal reserve	21	-	4,009,003	-4,009,003	-	-
Balance at 31 December 2013		250,000,000	5,714,465	85,700,537	27,321,019	368,736,021

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

Statement of Changes in equity

Crown Tech Advance Public Company Limited and its Subsidiaries

Consolidated financial statements								
Note	Retained earnings			Other component of equity		Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Surplus from Business Combination Under			
					Common Control			
(in Baht)								
Year ended 31 December 2014								
Balance at 1 January 2014		250,000,000	-	5,714,465	85,700,537	27,321,019	368,736,021	368,736,021
Transaction with owners, recorded directly in equity								
Contribution by and distributions to owners of the Company								
Issue of ordinary shares	20	50,000,000	192,300,000	-	-	-	242,300,000	9,800,000
Dividends to owners of the Company	31	-	-	-	(59,987,950)	-	(59,987,950)	-
Total contributions by and distributions to owner of the Company		50,000,000	192,300,000	-	(59,987,950)	-	182,312,050	9,800,000
Total transaction with owners, recorded directly in equity		50,000,000	192,300,000	-	(59,987,950)	-	182,312,050	9,800,000
Comprehensive income for the year								
Profit		-	-	-	122,144,999	-	122,144,999	(177,771)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	122,144,999	-	122,144,999	(177,771)
Transfer to legal reserve	21	-	-	6,085,535	(6,085,535)	-	-	-
Balance at 31 December 2014		300,000,000	192,300,000	11,800,000	141,772,051	27,321,019	673,193,070	9,622,229
								682,815,299

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

Statement of Comprehensive income

Crown Tech Advance Public Company Limited and its Subsidiaries

		Separate financial statements			
		Retained earnings			Total equity
		Issued and paid-up share capital	Legal reserve	Unappropriated (in Baht)	
		Note			
Year ended 31 December 2013					
Balance at 1 January 2013			225,000,000	1,705,462	38,817,549
					265,523,011
Transaction with owners, recorded directly in equity					
<i>Contribution by and distributions to owners of the Company</i>					
Issue of ordinary shares	20	25,000,000	-	-	25,000,000
Dividends to owners of the Company	31	-	-	(45,000,000)	(45,000,000)
<i>Total contributions by and distributions to owner of the Company</i>		25,000,000	-	(45,000,000)	(20,000,000)
Total transaction with owners, recorded directly in equity		25,000,000	-	(45,000,000)	(20,000,000)
Comprehensive income for the year					
Profit		-	-	80,038,764	80,038,764
Other comprehensive income		-	-	(565,209)	(565,209)
Total comprehensive income for the year		-	-	79,473,555	79,473,555
Transfer to legal reserve	21	-	4,009,003	(4,009,003)	-
Balance at 31 December 2013		250,000,000	5,714,465	69,282,101	324,996,566

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

Statement of Comprehensive income

Crown Tech Advance Public Company Limited and its Subsidiaries

	Note	Separate financial statements				
		Issued and paid-up share capital	Share premium	Legal reserve (in Baht)	Unappropriated	Total equity
Year ended 31 December 2014						
Balance at 1 January 2014		250,000,000	-	5,714,465	69,282,101	324,996,566
Transaction with owners, recorded directly in equity						
Contribution by and distributions to owners of the Company						
Issue of ordinary shares	20	50,000,000	192,300,000	-	-	242,300,000
Dividends to owners of the Company	31	-	-	-	(59,987,950)	(59,987,950)
Total contributions by and distributions to owner of the Company		50,000,000	192,300,000	-	(59,987,950)	182,312,050
Total transaction with owners, recorded directly in equity		50,000,000	192,300,000	-	(59,987,950)	182,312,050
Comprehensive income for the year						
Profit		-	-	-	120,378,681	120,378,681
Other comprehensive income		-	-	-		
Total comprehensive income for the year		-	-	-	120,378,681	120,378,681
Transfer to legal reserve	21	-	-	6,085,535	(6,085,535)	-
Balance at 31 December 2014		300,000,000	192,300,000	11,800,000	123,587,297	627,687,297

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

Statement of cash flows

Crown Tech Advance Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	121,967,228	68,300,908	120,378,681	80,038,764
<i>Adjustments for</i>				
Depreciation	10,436,884	8,571,600	10,889,131	9,112,226
Amortisation of intangible assets	8,339,421	5,057,496	8,339,421	5,057,496
Allowance for doubtful accounts				
doubtful debts expenses (reversal)	(1,443,364)	(2,976,869)	(874,208)	(298,737)
Allowance for decline in value of inventories (reversal)	6,764,104	(3,402,408)	6,764,104	(3,402,408)
Provision for sales return	11,188,562	4,892,937	11,188,562	4,892,937
Provision for warranties	1,783,660	2,982,460	1,783,660	2,982,460
Employee benefits	793,573	352,730	793,573	352,730
Gain on disposals of equipment	(51,455)	(441,164)	(51,455)	(441,164)
Dividend income	-	-	-	(15,840,000)
Unrealised (gain) loss on exchange rate	(5,752,116)	9,292,537	(5,752,116)	9,292,537
Share of loss from investment in associate	300	-	-	-
Finance costs	23,255,120	23,278,463	23,366,190	23,598,405
Income tax expense	30,744,469	17,816,852	30,630,637	16,978,900
	208,026,386	133,725,542	207,456,180	132,324,146
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(393,430,148)	175,785,552	(393,877,374)	126,471,361
Other receivables	(693,199,567)	(17,480,119)	(689,356,070)	(12,419,246)
Inventories	(507,048,477)	(27,363,686)	(490,973,202)	(23,294,877)
Other current assets	(23,246,326)	3,485,754	(23,508,987)	3,398,412
Other non-current assets	(3,093,363)	144,782	(3,093,363)	(24,417)
Trade accounts payable	209,121,143	(144,241,173)	205,888,709	(161,515,428)
Other payables	121,614,715	(90,318,765)	115,110,603	(78,145,862)
Other current liabilities	8,248,517	(19,697,700)	8,107,032	(18,343,397)
Cash generated from (used in) operating activities	(1,073,007,120)	14,040,187	(1,064,246,472)	(31,549,308)
Income tax paid	(13,680,159)	(8,122,230)	(13,032,518)	(7,056,764)
Net cash from (used in) operating activities	(1,086,687,279)	5,917,957	(1,077,278,990)	(38,606,072)

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

Statement of cash flows

Crown Tech Advance Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Net cash flows on acquisition of subsidiary	-	-	(6,200,000)	-
Purchases of property, plant and equipment	(58,670,495)	(13,870,739)	(58,670,495)	(13,870,739)
Proceeds from disposals of equipment	383,178	649,804	383,178	649,804
Purchases of Intangible assets	(2,651,954)	(13,177,740)	(2,651,954)	(13,177,740)
Short-term loans to related parties	-	-	(3,231,074)	-
Increase of other long-term investments	(14,610,000)	(14,000,000)	(14,610,000)	(14,000,000)
Decrease of other long-term investments	-	30,671,219	-	30,500,812
Net cash used in investing activities	(75,549,271)	(9,727,456)	(84,980,345)	(9,897,863)
<i>Cash flows from financing activities</i>				
Finance costs paid	(23,255,120)	(23,278,463)	(23,366,190)	(24,227,021)
Dividends paid to owners of the Company	(59,987,950)	(45,000,000)	(59,987,950)	(45,000,000)
Increase in bank overdrafts and short-term loans from financial institutions	714,355,462	45,135,022	714,355,462	91,534,627
Increase in short-term loans and accrued interest from related parties	332,031,878	4,321,265	334,145,269	41,732,692
Repayment of short-term loans and accrued interest from related parties	-	(15,347,591)	(268,415)	(51,711,271)
Proceeds from long-term loans from financial institutions	21,500,000	-	21,500,000	-
Repayment of long-term loans from financial institutions	(25,008,000)	(5,362,000)	(25,008,000)	(5,362,000)
Finance lease payments	(1,507,029)	(1,020,075)	(1,507,029)	(1,020,075)
Proceeds from issue of ordinary shares	242,300,000	25,000,000	242,300,000	25,000,000
Net cash from (used in) financing activities	1,200,429,241	(15,551,842)	1,202,163,147	30,946,952
Net increase (decrease) in cash and cash equivalents	38,192,691	(19,361,341)	39,903,812	(17,556,983)
Cash and cash equivalents at 1 January	9,323,190	28,684,531	3,232,958	20,789,941
Cash and cash equivalents at 31 December	47,515,881	9,323,190	43,136,770	3,232,958

Non-cash transactions

During the year 2014, the Group acquired property, plant and equipment at total cost of Baht 65.6 million (2013: Baht 15.4 million) of which Baht 58.6 million was made by cash payment (2013: Baht 13.8 million), Baht 1 million (2013: Baht -Nil- million) was acquired by means of financial lease, and Baht 6 million was outstanding as payable for purchases of property, plant and equipment as at 31 December 2014 (2013: Baht 1.6 million).

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

Notes to the financial Statement

Crown Tech Advance Public Company Limited and its Subsidiaries

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Notes to the financial Statement

Crown Tech Advance Public Company Limited and its Subsidiaries

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of directors on 25 February 2015.

1 General information

Crown Tech Advance Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 30/10-14 Moo 5, Soi Tangpattana Paisarn, Leabklongsiwapasawat Road, Kokkrabue Sub-district, Muang District, Samutsakorn.

The Company was listed on the Stock Exchange of Thailand in January 2014.

The Company’s major shareholders during the financial year were Meemano and Pativetpinyo family who held 51.02% shareholding.

The principal activities of the Company are wholesaling and retailing of electric appliances including parts. Details of the Company’s associate and subsidiaries as at 31 December 2014 and 2013 are given in notes 9 and 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
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 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 10 (revised 10)	Interim Financial Reporting and Impairment

The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 35.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3(s)	Current and deferred taxation
Note 19	Measurement of defined benefit obligations
Note 32	Valuation of financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign are translated to the functional currency at the exchange rates ruling at that date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operations. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

(d) Hedging

Hedge of foreign currency

Gains and losses from forward exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Restricted deposits at financial institutions are separately presented as “Restricted deposits at financial institutions” under “Other non-current assets” in the statement of financial position.

(f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investments

Investments in associates and subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in debt securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and improvement	5 and 20 years
Office equipment	5 years
Tools	5 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Intangible assets*

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows: □

Music license	2-5 years
Computer software	5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an assets or its cash generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for sales return

A provision for sales return is recognised when the underlying products are sold. The provision is based on weighting of all possible outcomes against their associated sales return.

Provision for warranties

A provision for warranties of product quality is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated loss.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Investments

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

(u) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associate are described in notes 9 and 10. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Jinda Meemano	Thai	Director
Nasika Meemanonun	Thai	Shareholder
Wanida Waseesumpanpong	Thai	Shareholder
Jintana Meemano	Thai	Shareholder
Somchai Waseesumpanpong	Thai	Shareholder
Yoon Puntasen	Thai	Shareholder
Pailin Sangpongittaya	Thai	Shareholder
Cap Advance Co., Ltd.	Thai	Common shareholder and director

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales/purchases of goods	Cost plus margin
Management service income	Agreed prices
Dividend income	As declared
Interest income	Agreed rate
Interest expense	Agreed rate
Key management personnel compensation	As defined by the nomination and remuneration committee
Right of using the advertisement presenter	Agreed prices

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Subsidiaries					
Sales of goods		-	-	13	22,972
Management service income		-	-	-	11,681
Dividend income	23	-	-	-	15,840
Interest income		-	-	16	-
Purchases of goods		-	-	65	617
Interest expense		-	-	113	411

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Key management personnel					
Interest expense		159	321	159	321
Key management personnel compensation					
Short-term employee benefit		23,881	16,333	23,881	16,333
Post-employment benefits		307	156	307	156
Total key management personnel compensation		24,188	16,489	24,188	16,489
Other related parties					
Shareholders					
Interest expense		873	-	873	-
Other party					
Right of using the advertisement presenter		8,938	-	8,938	-

In January 2013, a subsidiary company declared dividend amounting to Baht 16 million to the Company.

Balances as at 31 December with related parties were as follows:

<i>Short term loan to related party</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
Happy Import Export Co., Ltd	-	-	3,231	-
Total	-	-	3,231	-

Movements during the years ended 31 December of short-term loans and accrued interest from related party was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	-	-
Increase	-	-	6,242	-
Decrease	-	-	(3,011)	-
At 31 December	-	-	3,231	-

As at 31 December 2014, the short-term loans to the Company's subsidiary amounted to Baht 3 million (2013 Baht -Nil- million) was at call. Such loans bear interest rate at 3.96% per annum.

	Consolidated financial statements		Separate financial statements	
<i>Trade accounts payable - related parties</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Siam Advance Electronic Co., Ltd.	-	-	11	33
T&C Advance Electronic Co., Ltd.	-	-	50,678	53,878
Happy Import Export Co., Ltd	-	-	-	11
Total	-	-	50,689	53,922

	Consolidated financial statements		Separate financial statements	
<i>Other payables - related parties</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Siam Advance Electronic Co., Ltd.	-	-	-	57
T&C Advance Electronic Co., Ltd.	-	-	150	150
Total	-	-	150	207

	Consolidated financial statements		Separate financial statements	
<i>Short-term loans and accrued interest - related parties</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Siam Advance Electronic Co., Ltd.	-	-	817	1,048
T&C Advance Electronic Co., Ltd.	-	-	2,076	-
Key management personnel	89,759	-	89,759	-
Other related parties	242,273	-	242,273	-
Total	332,032	-	334,925	1,048

Movements during the years ended 31 December of short-term loans and accrued interest from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	1,048	-
Increase	-	-	2,113	37,411
Decrease	-	-	(268)	(36,363)
At 31 December	-	-	2,893	1,048
Key management personnel				
At 1 January	-	11,026	-	11,026
Increase	89,759	4,321	89,759	4,322
Decrease	-	(15,347)	-	(15,348)
At 31 December	89,759	-	89,759	-

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other related parties				
At 1 January	-	-	-	-
Increase	242,273	-	242,273	-
Decrease	-	-	-	-
At 31 December	242,273	-	242,273	-
Total short-term loans from related parties				
At 1 January	-	11,026	1,048	11,026
Increase	332,032	4,321	334,145	41,733
Decrease	-	(15,347)	(268)	(51,711)
At 31 December	332,032	-	334,925	1,048

As at 31 December 2014, the Group's short-term loans and accrued interest from related parties amounting to Baht 332 million (2013: Baht - million) was at call. The interest rate was 3.96% per annum (2013: - % per annum).

As at 31 December 2014, the Company's short-term loans and accrued interest from related parties amounting to Baht 335 million (2013: Baht 1 million) was at call. The interest rates were ranging from 3.96% per annum to 4.15% per annum (2013: 4.1% per annum).

Significant agreements with related parties

Agreement of transferring rights for using an advertisement presenter

In April 2014, the Company entered into an agreement for transferring rights of using an advertisement presenter from Cap Advance Co., Ltd. The Company has paid compensation amounting to Baht 13.3 million. The Company has the right to use the advertisement presenter for a period of 1 year from completion of advertisement production.

Guarantee obligations

The Company and its subsidiaries had outstanding guarantee obligations with its related parties as described in Note 33.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	170	137	160	128
Cash at banks - current accounts	3,606	1,528	2,243	695
Cash at banks - savings accounts	7,290	7,529	4,284	2,281
Highly liquid short-term investments	36,450	129	36,450	129
Total	47,516	9,323	43,137	3,233

Cash and cash equivalents of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

6 Trade receivables

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other parties	963,459	570,029	962,290	568,413
Total	963,459	570,029	962,290	568,413
Less allowance for doubtful accounts	(2,253)	(3,697)	(1,206)	(2,081)
Net	961,206	566,332	961,084	566,332
Reversal of bad and doubtful debts expense for the year	(1,443)	(2,977)	(874)	(299)

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	597,424	409,892	597,423	409,932
Overdue:				
Less than 3 months	362,835	155,272	362,857	155,207
3 - 6 months	914	1,454	844	1,376
6 - 12 months	350	1,830	342	1,523
Over 12 months	1,936	1,581	824	375
	963,459	570,029	962,290	568,413
Less allowance for doubtful accounts	(2,253)	(3,697)	(1,206)	(2,081)
Net	961,206	566,332	961,084	566,332

The normal credit terms granted by the Group ranges from 30 days to 120 days.

Trade accounts receivable of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

7 Other receivables

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other parties				
Deposit for purchase of goods	302,271	11,077	302,271	11,077
Rebate receivable	244,673	-	244,673	-
Coupon receivable	144,205	-	144,205	-
Advance payment	11,366	1,308	11,366	1,308
Prepaid expenses	14,511	13,230	11,292	13,094
Others	16,942	5,354	3,315	2,287
Total	733,968	30,969	717,122	27,766

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Merchandised goods	628,317	298,600	614,338	300,696
Spare parts	39,831	45,043	39,831	45,043
Goods in transit	223,872	41,329	223,872	41,329
	<u>892,020</u>	<u>384,972</u>	<u>878,041</u>	<u>387,068</u>
Less allowance for decline in value	(21,967)	(15,203)	(21,967)	(15,203)
Net	<u>870,053</u>	<u>369,769</u>	<u>856,074</u>	<u>371,865</u>

9 Investments in Associate

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>	
At 1 January	-	-	-	-
Acquisitions	861	-	861	-
Share of net losses of equity accounted associate	(1)	-	-	-
At 31 December	<u>860</u>	<u>-</u>	<u>861</u>	<u>-</u>

Acquisitions

On 15 October 2014, the Company invested in Muangthai Digital Company Ltd., an associate, incorporated in Thailand, amounting to Baht 0.9 million representing 30% of registered share capital.

Investments in associate as at 31 December 2014 and 2013 were as follows:

Consolidated financial statements									
Associate	Ownership interest 2014	Ownership interest 2013 (%)	Paid-up capital		Cost		Equity		
			2014	2013	2014	2013 (in thousand Baht)	2014	2013	
Muangthai Digital Co., Ltd.	30	-	3,000	-	861	-	860	-	
Separate financial statements									
Associate	Ownership interest 2014	Ownership interest 2013 (%)	Paid-up capital		Cost		Impairment		At cost – Net 2014 2013
			2014	2013	2014	2013 (in thousand Baht)	2014	2013	
Muangthai Digital Co., Ltd.	30	-	3,000	-	861	-	861	-	-

The following summarised financial information on equity-accounted investees is not adjusted for the percentage ownership held by the Group:

2014 Associate	Reporting date	Ownership interest (%)	Current assets		Non-current assets		Total assets		Current liabilities		Non-current liabilities		Total liabilities		Total revenues		Total expenses		Profit/ (loss)
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Muangthai Digital Co., Ltd.	31 December	30	638	-	-	-	638	-	20	-	-	-	20	-	6	-	10	-	(4)

None of the Group's equity-accounted investees are publicly listed and consequently do not have published price quotations.

10 Investments in Subsidiaries

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 January	13,860	13,860
Acquisitions	6,200	-
Disposals	-	-
At 31 December	20,060	13,860

The increase in share capital of a subsidiary

At the annual general meeting of the shareholders on October 27, 2014, the shareholders of Happy Import Export Co., Ltd., a subsidiary, approved the increase in the registered share capital from Baht 4 million to Baht 20 million by issuing new 1,600,000 ordinary shares with par value of Baht 10 per share.

The Company purchased the increased share capital in such subsidiary for 620,000 shares amounting to Baht 6.2 million. Pasang Yasorn Co., Ltd. purchased the increased share capital 980,000 shares amounting to Baht 9.8 million. Such increase in share capital resulted in the reduction of the Company's ownership interest from 100% to 50.80% without a change in control over the subsidiary.

The carrying value of Happy Export Company Ltd, as presented in the consolidated financial statements as at increasing in share capital date amounted to Baht 3.9 million. The Group recognised the increase in non-controlling interest of Baht 9.8 million and the decrease in retained earnings of Baht 9.5 million.

The following summarises the effect of the change in the Group's ownership interest in Happy Import and Export Co., Ltd.:

	2014 (in thousand Baht)
Group's ownership interest at 1 January	3,483
Increase in share capital	6,200
Effect of decrease in Group's ownership interest	(61)
Group's ownership interest at 31 December	9,622

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements							
Type of business	Ownership interest		Paid-up capital		At cost		Dividend income
	2014	2013	2014	2013	2014	2013	
	(%)				(in thousand Baht)		
Siam Advance Electronic Co., Ltd.	100	100	5,000	5,000	4,950	4,950	15,840
T&C Advance Electronic Co., Ltd.	100	100	5,000	5,000	4,950	4,950	-
Happy Import Export Co., Ltd.	50.8	100	20,000	4,000	10,160	3,960	-
Total					20,060	13,860	15,840

(1) Subsidiaries operate the businesses in Thailand of retailing and wholesaling of electric appliance, including parts.

(2) Subsidiary operates the business in Thailand of TV's drama programs, and other entertainment media. In 2014, the subsidiary did not have income from this operating business.

11 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Restricted investments</i>				
Deposits at financial institutions	35,810	21,200	35,810	21,200
Investment in debt securities	3,000	3,000	3,000	3,000
Total	38,810	24,200	38,810	24,200

Deposits at financial institutions

As at 31 December 2014, the Group and the Company had restricted fixed deposits at financial institutions of Baht 35.8 million which were used as collateral for electricity usage and discounted receivable sold to financial institutions (2013: Baht 21.2 million).

Investment in debt securities

As at 31 December 2014 and 2013, the Company had an investment in debenture with a financial institution of Baht 3 million for a period of three years. The debenture has redemption date on 24 February 2015 and bears interest rates ranging from 3.3% per annum to 4.5% per annum. The debenture was used as collateral for debt repayment and commitment of a subsidiary.

12 Property, plant and equipment

Consolidated financial statements

	Land and improvement	Buildings and improvement	Office equipment	Tools (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2013	154,291	37,331	9,601	11,558	12,634	300	225,715
Additions	5,889	2,428	1,239	748	3,805	1,331	15,440
Disposals	-	-	(337)	-	(1,386)	-	(1,723)
At 31 December 2013 and 1 January 2014	160,180	39,759	10,503	12,306	15,053	1,631	239,432
Additions	150	128	1,923	6,592	-	56,808	65,601
Transfers	-	48,325	-	49	2,599	(50,973)	-
Disposals	(386)	-	-	-	(480)	(17)	(883)
At 31 December 2014	159,944	88,212	12,426	18,947	17,172	7,449	304,150
Depreciation							
At 1 January 2013	-	(16,122)	(5,136)	(736)	(8,597)	-	(30,591)
Depreciation charge for the year	-	(3,481)	(1,406)	(2,387)	(1,298)	-	(8,572)
Disposals	-	-	337	-	1,177	-	1,514
At 31 December 2013 and 1 January 2014	-	(19,603)	(6,205)	(3,123)	(8,718)	-	(37,649)
Depreciation charge for the year	-	(3,554)	(1,622)	(3,098)	(2,164)	-	(10,438)
Transfers	-	10	-	(10)	-	-	-
Disposals	-	-	-	-	148	-	148
At 31 December 2014	-	(23,147)	(7,827)	(6,231)	(10,734)	-	(47,939)

Consolidated financial statements

	<i>(in thousand Baht)</i>						Total
	Land and improvement	Buildings and improvement	Office equipment	Tools	Vehicles	Assets under construction and installation	
Net book value							
At 1 January 2013							
Owned assets	154,291	21,209	4,465	10,822	514	300	191,601
Assets under finance leases	-	-	-	-	3,523	-	3,523
	154,291	21,209	4,465	10,822	4,037	300	195,124
At 31 December 2013 and 1 January 2014							
Owned assets	160,180	20,156	4,298	9,183	4,103	1,631	199,551
Assets under finance leases	-	-	-	-	2,232	-	2,232
	160,180	20,156	4,298	9,183	6,335	1,631	201,783
At 31 December 2014							
Owned assets	159,944	65,065	4,599	12,716	3,994	7,449	253,767
Assets under finance leases	-	-	-	-	2,444	-	2,444
	159,944	65,065	4,599	12,716	6,438	7,449	256,211

Separate financial statements

	Land and improvement	Buildings and improvement	Office equipment	Tools (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2013	154,291	37,261	8,254	11,390	11,329	300	222,825
Additions	5,889	2,428	1,239	748	3,805	1,331	15,440
Disposals	-	-	(337)	-	(1,386)	-	(1,723)
At 31 December 2013 and 1 January 2014	160,180	39,689	9,156	12,138	13,748	1,631	236,542
Additions	150	128	1,923	6,592	-	56,808	65,601
Transfers	-	48,325	-	49	2,599	(50,973)	-
Disposals	(386)	-	-	-	(480)	(17)	(883)
At 31 December 2014	159,944	88,142	11,079	18,779	15,867	7,449	301,260
Depreciation							
At 1 January 2013	-	(16,052)	(3,789)	(568)	(4,609)	-	(25,018)
Depreciation charge for the year	-	(3,481)	(1,406)	(2,387)	(1,839)	-	(9,113)
Disposals	-	-	337	-	1,177	-	1,514
At 31 December 2013 and 1 January 2014	-	(19,533)	(4,858)	(2,955)	(5,271)	-	(32,617)
Depreciation charge for the year	-	(3,554)	(1,622)	(3,098)	(2,615)	-	(10,889)
Transfers	-	10	-	(10)	-	-	-
Disposals	-	-	-	-	148	-	148
At 31 December 2014	-	(23,077)	(6,480)	(6,063)	(7,738)	-	(43,358)

Separate financial statements

	Land and improvement	Buildings and improvement	Office equipment	Tools (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Net book value							
At 1 January 2013							
Owned assets	154,291	21,209	4,465	10,822	2,625	300	193,712
Assets under finance leases	-	-	-	-	4,095	-	4,095
	154,291	21,209	4,465	10,822	6,720	300	197,807
At 31 December 2013 and 1 January 2014							
Owned assets	160,180	20,156	4,298	9,183	6,245	1,631	201,693
Assets under finance leases	-	-	-	-	2,232	-	2,232
	160,180	20,156	4,298	9,183	8,477	1,631	203,925
At 31 December 2014							
Owned assets	159,944	65,065	4,599	12,716	5,684	7,449	255,457
Assets under finance leases	-	-	-	-	2,445	-	2,445
	159,944	65,065	4,599	12,716	8,129	7,449	257,902

The gross amount of the Group's and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2014 amounted to Baht 12.2 million (2013: Baht 10.5 million).

Guarantee

As at 31 December 2014, the Group's and the Company's asset book value amounted to Baht 225.0 million (2013: Baht 179.8 million) were used as collateral for credit facilities from financial institutions (see note 15).

13 Intangible assets

	Consolidated financial statements		
	Music licenses and computer software	Computer software under installation (in thousand Baht)	Total
<i>Cost</i>			
At 1 January 2013	7,817	2,392	10,209
Additions	12,354	824	13,178
Transfers	2,392	(2,392)	-
At 31 December 2013 and 1 January 2014	22,563	824	23,387
Additions	2,669	-	2,669
Transfers	183	(183)	-
Disposals	(2,833)	(468)	(3,301)
At 31 December 2014	22,582	173	22,755
<i>Amortisation</i>			
At 1 January 2013	6,472	-	6,472
Amortisation for the year	5,058	-	5,058
At 31 December 2013 and 1 January 2014	11,530	-	11,530
Amortisation for the year	6,197	-	6,197
Disposals	(1,159)	-	(1,159)
At 31 December 2014	16,568	-	16,568
<i>Net book value</i>			
At 1 January 2013	1,345	2,392	3,737
At 31 December 2013 and 1 January 2014	11,033	824	11,857
At 31 December 2014	6,014	173	6,187

	Separate financial statements		
	Music licenses and computer software	Computer software under installation (in thousand Baht)	Total
Cost			
At 1 January 2013	7,327	2,392	9,719
Additions	12,354	824	13,178
Transfers	2,392	(2,392)	-
At 31 December 2013 and 1 January 2014	22,073	824	22,897
Additions	2,669	-	2,669
Transfers	183	(183)	-
Disposals	(2,833)	(468)	(3,301)
At 31 December 2014	22,092	173	22,265
Amortisation			
At 1 January 2013	5,982	-	5,982
Amortisation for the year	5,058	-	5,058
At 31 December 2013 and 1 January 2014	11,040	-	11,040
Amortisation for the year	6,197	-	6,197
Disposals	(1,159)	-	(1,159)
At 31 December 2014	16,078	-	16,078
Net book value			
At 1 January 2013	1,345	2,392	3,737
At 31 December 2013 and 1 January 2014	11,033	824	11,857
At 31 December 2014	6,014	173	6,187

14 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	12,543	6,342	-	(21)
Set off of tax	-	(21)	-	21
Net deferred tax assets (liabilities)	12,543	6,321	-	-
	Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	12,333	6,020	-	(21)
Set off of tax	-	(21)	-	21
Net deferred tax assets (liabilities)	12,333	5,999	-	-

Movements in total deferred tax assets and liabilities during the year ended 31 December 2014 and 2013 were as follows:

	Consolidated financial statements			
		(Charged) / Credited to		
	At 1 January 2014	Profit or loss	Other comprehensive income	At 31 December 2014
		(in thousand Baht)		
Deferred tax assets				
Trade accounts receivable (<i>doubtful accounts</i>)	738	(287)	-	451
Inventories (<i>allowance for decline in value</i>)	3,041	1,352	-	4,393
Intangible assets (<i>amortisation gap</i>)	510	120	-	630
Other current liabilities (<i>provisions</i>)	1,606	2,410	-	4,016
Employee benefit obligation	447	159	-	606
Difference from recognition revenue and cost of sales	-	2,447	-	2,447
Total	6,342	6,201	-	12,543
Deferred tax liabilities				
Difference from recognition revenue and cost of sales	(21)	21	-	-
Total	(21)	21	-	-
Net	6,321	6,222	-	12,543

	Consolidated financial statements			
		(Charged) / Credited to		
	At 1 January 2013	Profit or loss	Other comprehensive income	At 31 December 2013
		(in thousand Baht)		
Deferred tax assets				
Trade accounts receivable (doubtful accounts)	1,335	(597)	-	738
Inventories (allowance for decline in value)	3,721	(680)	-	3,041
Intangible assets (amortisation gap)	570	(60)	-	510
Other current liabilities (provisions)	1,412	194	-	1,606
Employee benefit obligation	235	71	141	447
Total	<u>7,273</u>	<u>(1,072)</u>	<u>141</u>	<u>6,342</u>
Deferred tax liabilities				
Difference from recognition revenue and cost of sales	-	(21)	-	(21)
Total	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>(21)</u>
Net	7,273	(1,093)	141	6,321

	At 1 January 2014	Separate financial statements (Charged) / Credited to		At 31 December 2014
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable (<i>doubtful accounts</i>)	416	(175)	-	241
Inventories (<i>allowance for decline in value</i>)	3,041	1,352	-	4,393
Intangible assets (<i>amortisation gap</i>)	510	120	-	630
Other current liabilities (<i>provisions</i>)	1,606	2,410	-	4,016
Employee benefit obligation	447	159	-	606
Difference from recognition revenue and cost of sales	-	2,447	-	2,447
Total	6,020	6,313	-	12,333
Deferred tax liabilities				
Difference from recognition revenue and cost of sales	(21)	21	-	-
Total	21	21	-	-
Net	5,999	6,334	-	12,333

	At 1 January 2013	Separate financial statements (Charged) / Credited to		At 31 December 2013
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable (<i>doubtful accounts</i>)	476	(60)	-	416
Inventories (<i>allowance for decline in value</i>)	3,721	(680)	-	3,041
Intangible assets (<i>amortisation gap</i>)	570	(60)	-	510
Other current liabilities (<i>provisions</i>)	1,412	194	-	1,606
Employee benefit obligation	235	71	141	447
Total	6,414	(535)	141	6,020
Deferred tax liabilities				
Difference from recognition revenue and cost of sales	-	(21)	-	(21)
Total	-	(21)	-	(21)
Net	6,414	(556)	141	5,999

15 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current					
Bank overdrafts					
- secured		7,713	2,173	7,713	2,173
Short-term loans from financial institutions					
- secured		389,252	237,304	389,252	237,304
Trust receipts					
- secured		839,824	288,160	839,824	288,160
Total bank overdrafts and short-term loans from financial institutions		1,236,789	527,637	1,236,789	527,637
Short-term loans and accrued interest from related parties					
- unsecured	4	332,032	-	334,925	1,048
Current portion of long-term loans from financial institutions					
- secured		25,008	25,008	25,008	25,008
Current portion of finance lease liabilities		736	786	736	786
Total current interest-bearing liabilities		1,594,565	553,431	1,597,458	554,479
Non-current					
Long-term loans from financial institutions					
- secured		77,076	80,584	77,076	80,584
Finance lease agreements		1,039	352	1,039	352
Total non-current interest-bearing liabilities		78,115	80,936	78,115	80,936
Total		1,672,680	634,367	1,675,573	635,415

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	1,593,829	552,645	1,596,721	553,693
After one year but within five years	77,076	80,584	77,076	80,584
Total	1,670,905	633,229	1,673,797	634,277

Short-term loans

As of 31 December 2014, the Group and the Company had bank overdrafts and short-term loans from financial institutions which bear interest at rates ranging from 1.85 % to 7.75 % per annum (2013: 2.08% per annum to 7.75% per annum).

Details of long-term loans from financial institutions as at 31 December 2014 and 2013 are as follows:

No.	Long-term loan agreement date	Loan facility (in million Baht)	Long-term loan amount		Loan period	Interest rate (per annum)	Repayment Monthly principal (in thousand Baht)
			2014	2013			
			(in thousand Baht)				
1.	22 July 2010	25	9,802	13,378	7 years	MLR - 1%	298
2.	14 November 2012	150	92,282	92,214	8 years	Year 1 st - 4 th , MLR - 2.5% Year 5 th - 8 th , MLR - 1.75%	1,786
			102,084	105,592			
			(25,008)	(25,008)			
			77,076	80,584			
	Less current portion						
	Net						

The Company has to comply with certain terms and conditions as prescribed in the agreement, e.g. maintaining collateral as mortgaged land including existing buildings and future buildings to be constructed on such land, etc.

As of 31 December 2014 and 2013, secured interest-bearing liabilities and credit facilities with financial institutions were collateralised by fixed deposits at financial institutions, investment in debt securities, land and buildings of the Company, directors and related parties of which the details of collateralized assets were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Fixed deposits at financial institutions	11	35,810	21,200	35,810	21,200
Investment in debt securities	11	3,000	3,000	3,000	3,000
Land and buildings	12	225,016	179,884	225,016	179,884
Total		263,826	204,084	263,826	204,084

As at 31 December 2014, the Group and the Company had unutilised credit facilities totaling Baht 2,016.2 million (2013: Baht 650.4 million).

As at 31 December 2014, the Company could not maintain debt to equity ratio as terms and conditions prescribed in the short term loan agreement with a financial institution. The request was proposed to the bank for the waiver in certain terms and conditions under the loan agreement. Subsequent to the reporting date, bank had issued the waiver letter for breaching the certain terms and conditions under the loan agreement.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	801	65	736	828	42	786
After one year but within five years	1,101	62	1,039	360	8	352
Total	1,902	127	1,775	1,188	50	1,138

	Separate financial statements					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	801	65	736	828	42	786
After one year but within five years	1,101	62	1,039	360	8	352
Total	1,902	127	1,775	1,188	50	1,138

The Group entered into finance lease agreements with a local company for vehicles acquired for business operations. The agreements are for the period of 4 years, expiring in November 2015 bearing interest rates ranging from 3.65% to 4.64% per annum.

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Thai Baht (THB)	1,287,054	388,033	1,289,947	389,081
United States Dollars (USD)	385,626	246,334	385,626	246,334
Total	1,672,680	634,367	1,675,573	635,415

16 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)			
Related parties	4	-	-	50,689	53,922
Other parties		296,182	87,609	296,182	87,609
Total		296,182	87,609	346,871	141,531

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Thai Baht (THB)	87,221	1,359	137,910	55,281
United States Dollars (USD)	208,961	86,250	208,961	86,250
Total	296,182	87,609	346,871	141,531

17 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	150	207
Others					
Accrued operating expenses		117,650	73,414	115,245	70,675
Other payables		111,155	36,326	111,151	36,323
Others		8,415	604	1,634	604
Total		237,220	110,344	228,180	107,809

Other payables of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

18 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Provision for sales returns	17,404	6,216	17,404	6,216
Provision for warranties	2,677	1,813	2,677	1,813
Employee deposits for inventory loss	8,258	-	8,258	526
Others	2,985	2,074	2,802	1,507
Total	31,324	10,103	31,141	10,062

	Consolidated financial statements			Separate financial statements		
	Provision for sales returns	Provision for warranties	Total	Provision for sales returns	Provision for warranties	Total
	<i>(in thousand Baht)</i>					
At 1 January 2013	7,000	60	7,060	7,000	60	7,060
Provisions made	4,109	2,982	7,091	4,109	2,982	7,091
Provisions used	(4,893)	(1,229)	(6,122)	(4,893)	(1,229)	(6,122)
At 31 December 2013 and 1 January 2014	6,216	1,813	8,029	6,216	1,813	8,029
Provisions made	13,722	978	14,700	13,722	978	14,700
Provisions used	(2,534)	(114)	(2,648)	(2,534)	(114)	(2,648)
At 31 December 2014	17,404	2,677	20,081	17,404	2,677	20,081
At 31 December 2013 and 1 January 2014						
Current	6,216	1,813	8,029	6,216	1,813	8,029
Non-current	-	-	-	-	-	-
Total	6,216	1,813	8,029	6,216	1,813	8,029
At 31 December 2014						
Current	17,404	2,677	20,081	17,404	2,677	20,081
Non-current	-	-	-	-	-	-
Total	17,404	2,677	20,081	17,404	2,677	20,081

19 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Post-employment benefits	3,029	2,235	3,029	2,235
For the year ended 31 December				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of comprehensive income: Recognised in profit or loss:				
Post-employment benefits	794	353	794	353
For the year ended 31 December				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	-	706	-	706

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	2,235	1,176	2,235	1,176
Current service costs and interest	794	353	794	353
Actuarial losses in other comprehensive income	-	706	-	706
Defined benefit obligations at 31 December	3,029	2,235	3,029	2,235

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs	695	304	695	304
Interest on obligation	99	49	99	49
Total	794	353	794	353

These expenses are recognised in the following line item in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Administrative expenses	338	71	338	71
Management benefit expenses	233	156	233	156
Selling expenses	223	126	223	126
Total	794	353	794	353

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Included in retained earnings:				
At 1 January	706	-	706	-
Recognised during the year	-	706	-	706
At 31 December	706	706	706	706

Principal actuarial assumptions at the reporting date:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(%)</i>			
Discount rate	4.4	4.4	4.4	4.4
Future salary increases	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0

Assumptions regarding future mortality are based on published statistics and mortality tables 2008.

20 Share capital

	Par value per share <i>(in Baht)</i>	2014		2013	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	-	-	300,000	300,000
- ordinary shares	0.50	600,000	300,000		
- reduction of registered share capital	1	-	-	(75,000)	(75,000)
				225,000	225,000
Split shares					
- from Baht 1 to Baht 0.50	0.50	-	-	450,000	225,000
- from Baht 0.50 to Baht 0.10	0.10	3,000,000	300,000	-	-
Increase the registered share capital	0.50	-	-	150,000	75,000
Increase the registered share capital	0.10	750,000	75,000	-	-
At 31 December					
- ordinary shares	0.50	-	-	600,000	300,000
- ordinary shares	0.10	3,750,000	375,000	-	-

	Par value per share	2014		2013	
		Number	Baht	Number	Baht
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	-	-	225,000	225,000
- ordinary shares	0.50	500,000	250,000	-	-
				<u>225,000</u>	<u>225,000</u>
Split shares					
- from Baht 1 to Baht 0.50	0.50	-	-	450,000	225,000
Issue of new shares	0.50	<u>100,000</u>	<u>50,000</u>	50,000	25,000
		<u>600,000</u>	<u>300,000</u>		
Split shares					
- from Baht 0.50 to Baht 0.10	0.10	<u>3,000,000</u>	<u>300,000</u>	-	-
At 31 December					
- ordinary shares	0.50	-	-	500,000	250,000
- ordinary shares	0.10	<u>3,000,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

On July 11, 2013, the extraordinary meeting of shareholders approved the following;

- 20.1 The reduction of the registered share capital by Baht 75 million from Baht 300 million (300 million ordinary shares with par value of Baht 1 each) to Baht 225 million (225 million ordinary share with par value of Baht 1 each)
- 20.2 The change in par value of the registered share capital from Baht 1 each to Baht 0.50 each.
- 20.3 The increase in the registered share capital by Baht 75 million from Baht 225 million (450 million ordinary shares with par value of Baht 0.50 each) to Baht 300 million (600 million ordinary shares with par value of Baht 0.50 each) and the allotment of the increased share capital of 150 million shares with par value of Baht 0.50 per share by issuing 50 million ordinary shares with par value of Baht 0.50 each to the Company's existing shareholders, and the remaining 100 million ordinary shares will be offered to the public after approval of the Company's initial public offering by The Securities of Exchanges Committee.
- 20.4 The Company registered the reduction of the registered share capital, the changing of the par value and the increase in registered the share capital on July 26, 2013 with The Ministry of Commerce.

On October 27, 2014, the extraordinary meeting of the shareholders had following resolutions

- 20.5 Change in par value from Baht 0.50 per share to Baht 0.10 per share by increasing the number of shares from 600 million shares to 3,000 million shares.
- 20.6 Approval of the issuance and offering of the first series of warrants ("AJD-W1") to purchase the Company's new ordinary shares issued by allocating to existing shareholders in the total of 750 million units free of charge and pro rata at the ratio of 4 ordinary shares per 1 unit of warrant. The term of warrant is 5 years from the issuance and offering date and has the exercise ratio at 1 unit of warrant per 1 ordinary share at an exercise price of Baht 2 per share.
- 20.7 The increase in registered capital by Baht 75 million from Baht 300 million (600 million ordinary shares with par value of Baht 0.50 each) to Baht 375 million (3,750 million ordinary shares with par value of Baht 0.10 each) and approval of the allotment of the increased share capital of

750 million shares with par value of Baht 0.10 each to accommodate the exercise of AJD-W1 warrants.

- 20.8 The Company registered the reduction of the registered share capital, the change in par value and the increase in registered share capital with The Ministry of Commerce on October 29, 2014.

Initial public offering

In February 2014, the Company made an initial public offering of 100,000,000 common shares. The new shares were sold to the subscribers at Baht 2.5 per Share (Baht 0.5 paid in capital and Baht 2 share premium) totaling Baht 250 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 25 February 2014 and the shares of the Company began trading in Stock Exchange of Thailand on 27 February 2014. Directly attributable expenses of the initial public offering amounting to Baht 7.7 million were deducted from the premium on share capital received from new investors.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Warrants

On 26 December 2014, the first series of the Company's share warrant (AJD-W1) to purchase the Company's ordinary share as approved in the extraordinary meeting of the shareholder no.1/2014 to allot to existing shareholders in the total of 749,999,776 units was listed and begun trading in The Stock Exchange of Thailand. The aforesaid warrant which is specified warrant holders and transferable is for a period of 5 years from the issued date (20 November 2014). The exercise price is Baht 2 per share at a ratio of 1 share warrant to 1 new ordinary share, however, The aforesaid exercise price and/or exercise ratio may be adjusted if certain events in accordance with the conditions of adjustment and if the extraordinary meeting of the shareholders no. 1/2015 passed the solution to issue and sell the second series of the Company's share warrant (AJD-W2) (note 34).

21 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other Component of equity

Surplus from business combination under common control

Surplus from business combination under common control represents the excess of the book value of businesses under common control over cost as of the acquisition date and have been recorded as a surplus. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

22 Segment information

Management considers that the Group operates in a single line of business, namely wholesaling and retailing of electric appliances including parts, and has, therefore, only one major business segment.

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries

23 Dividend income

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Dividend income</i>				
Subsidiaries	-	-	-	15,840

24 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Sales promotion expenses	162,275	94,193	162,261	94,056
Commission expenses	123,114	145,677	123,114	145,677
Employee benefit expenses	96,000	82,111	96,000	82,111
Freight charges	46,849	45,901	46,849	45,532
Amortization of licenses	998	1,127	998	1,127
Total	429,236	369,009	429,222	368,503

25 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Employee benefit expenses	72,560	61,751	72,560	61,641
Depreciation of plant and equipment	10,437	8,572	10,889	9,112
Professional fees	6,895	6,315	6,637	6,019
Amortization of licenses	1,241	706	1,241	706
Travelling expenses	1,198	1,838	1,198	1,838
Others	25,064	28,237	25,471	27,001
Total	117,395	107,419	117,996	106,317

26 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Management				
Wages and salaries	19,445	16,627	19,445	16,627
Post-employment benefits	307	156	307	156
Others	4,436	3,226	4,436	3,226
	24,188	20,009	24,188	20,009
Employees				
Other salaries and wages	242,748	246,834	242,748	246,834
Post-employment benefits	486	197	486	197
Others	24,807	24,226	24,807	24,226
	268,041	271,257	268,041	271,257
Total	292,229	291,266	292,229	291,266

The defined contribution plan comprises provident funds established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate 2% of their basic salaries and by the Group at rate 2% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

27 Expenses by nature

The financial statements include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Changes in inventories of merchandised goods		(855,829)	(63,085)	(854,754)	(59,016)
Purchases of merchandised goods and consumables used		1,953,059	1,102,177	1,953,124	1,102,794
Employee benefit expenses	26	292,229	291,266	292,229	291,266
Depreciation and amortization	24,25	12,676	21,713	13,128	22,253
Sales promotional expenses	24	162,275	94,193	162,261	94,056
Delivery expenses	24	46,849	45,901	46,849	45,532
Others		78,881	39,928	79,032	38,284
Total cost of sales of goods, selling expenses and administrative expenses		1,690,140	1,532,093	1,691,869	1,535,169

28 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Interest expense					
Bank loans and overdrafts		22,223	22,957	22,221	22,866
Related parties	4	1,032	321	1,145	732
Total		23,255	23,278	23,366	23,598

29 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		36,966	16,724	36,965	16,423
Deferred tax expense					
Movements in temporary differences	14	(6,222)	1,093	(6,334)	556
Total		30,744	17,817	30,631	16,979

Income tax recognised in other comprehensive income

	Consolidated/ Separate financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	-	-	-	(706)	141	(565)

Reconciliation of effective tax rate

	Consolidated financial statements			
<i>For the year ended 31 December</i>	2014		2013	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		152,712		86,118
Income tax using the Thai corporation tax rate	20	30,542	20	17,224
Expenses not deductible for tax purposes		202		593
Total	20	30,744	21	17,817

Separate financial statements

For the year ended 31 December

	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		151,009		97,018
Income tax using the Thai corporation tax rate	20	30,202	20	19,404
Income not subject to tax		-		(3,168)
Expenses not deductible for tax purposes		429		743
Total	20	30,631	18	16,979

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No.577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax asset and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

30 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year. The number of ordinary shares outstanding during the years, after adjusting the number of ordinary shares to reflect the impact of reduction of par value. The prior year's basic earnings per share have been recalculated as if the reduction of par value had been distributed at the beginning of the earliest period as follow:

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2014	2013	2014	2013
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	122,145	68,301	120,379	80,039
Number of ordinary shares outstanding at 1 January	2,500,000	2,250,000	2,500,000	2,250,000
Effect of shares issued during the year	421,918	108,904	421,918	108,904
Weighted average number of ordinary shares outstanding (basic)	2,921,918	2,358,904	2,921,918	2,358,904
Earnings per share (basic) (in Baht)	0.042	0.029	0.041	0.034

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	122,145	68,301	120,379	80,039
Profit attributable to ordinary shareholders of the Company (diluted)	122,145	68,301	120,379	80,039
Weighted average number of ordinary shares outstanding (basic)	2,921,918	2,358,904	2,921,918	2,358,904
Effect of exercise of share options	33,362	-	33,362	-
Weighted average number of ordinary shares outstanding (diluted)	2,955,280	2,358,904	2,955,280	2,358,904
Earnings per share (diluted) (in Baht)	0.041	0.029	0.041	0.034

31 Dividends

At the annual general meeting of the shareholders of the Company held on 30 April 2014, the shareholders approved the appropriation of dividend of Baht 0.10 per share, amounting to Baht 60 million. This dividend was paid to shareholders during 2014.

At the annual general meeting of the shareholders of the Company held on April 30, 2013 the shareholders approved the appropriation of dividend of Baht 0.20 per share, amounting to Baht 45 million. The dividend was paid to shareholders during 2013.

32 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because financial assets and liabilities interest rates are mainly adjusted in accordance to market rate or are fixed which is close to current market rate.

The effective interest rates of financial assets as at 31 December and the periods in which those assets mature were as follows:

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2014					
Current					
Cash and cash equivalents	0.12-1.25	43,740	-	-	43,740
Non-Current					
Other long-term investments	1.25-4.5	3,000	35,810	-	38,810
Total		46,740	35,810	-	82,550
2013					
Current					
Cash and cash equivalents	0.12-2.2	7,658	-	-	7,658
Non-Current					
Other long-term investments	2.0-3.65	-	24,200	-	24,200
Total		7,658	24,200	-	31,858
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2014					
Current					
Cash and cash equivalents	0.12-1.25	40,733	-	-	40,733
Non-Current					
Other long-term investments	1.25-4.5	3,000	35,810	-	38,810
Total		43,733	35,810	-	79,543
2013					
Current					
Cash and cash equivalents	0.12-2.2	2,410	-	-	2,410
Non-Current					
Other long-term investments	2.0-3.65	-	24,200	-	24,200
Total		2,410	24,200	-	26,610

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2014					
Bank overdrafts and short-term loans from financial institutions	1.85-7.75	1,236,789	-	-	1,236,789
Short-term loans from related parties	3.96	332,032	-	-	332,032
Finance lease liabilities	2.45-4.64	736	1,039	-	1,775
Long-term loans from financial institutions	4.867-6.323	25,008	77,076	-	102,084
Total		1,594,565	78,115	-	1,672,680
2013					
Bank overdrafts and short-term loans from financial institutions	2.08-7.75	527,637	-	-	527,637
Finance lease liabilities	3.65-4.64	786	352	-	1,138
Long-term loans from financial institutions	4.71-6.80	25,008	80,584	-	105,592
Total		553,431	80,936	-	634,367
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2014					
Bank overdrafts and short-term loans from financial institutions	1.85-7.75	1,236,789	-	-	1,236,789
Short-term loans from related parties	3.96-4.15	334,925	-	-	334,925
Finance lease liabilities	2.45-4.64	736	1,039	-	1,775
Long-term loans from financial institutions	4.867-6.323	25,008	77,076	-	102,084
Total		1,597,458	78,115	-	1,675,573
2013					
Bank overdrafts and short-term loans from financial institutions	2.08-7.75	527,637	-	-	527,637
Short-term loans from related parties	4.10	1,048	-	-	1,048
Finance lease liabilities	3.65-4.64	786	352	-	1,138
Long-term loans from financial institutions	4.71-6.80	25,008	80,584	-	105,592
Total		554,479	80,936	-	635,415

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the current and subsequent period.

At 31 December, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
United States Dollars					
			<i>(in million Baht)</i>		
Interest-bearing liabilities	15	386	246	386	246
Trade accounts payable	16	209	86	209	86
Gross balance sheet exposure		595	332	595	332
Currency forwards		-	(131)	-	(131)
Net exposure		595	201	595	201

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when the fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities are taken to approximate the carrying value as determined in the statement of financial position.

The carrying amounts of long term loan carrying floating rate at market rate are approximate at fair value amounts.

33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Capital commitments				
Contracted but not provided for:				
Building and other constructions	-	37,050	-	37,050
Other commitments				
Purchase orders for goods	712,660	10,832	712,660	10,832
Forward exchange contracts	-	131,005	-	131,005
Total	712,660	141,837	712,660	141,837

Sale and purchase agreements

The Group entered into sale and purchase agreements with modern trade for distribution of products under brand “AJ”. The Company is committed to pay sales promotion and other sales related expenses at amounts specified in the agreements. The agreements are for the periods within one year, which are automatically renewable unless either party notifies for termination.

Service agreements

The Group entered into several service agreements with other parties covering services of warehouse rental, security, sales promotional advertising and other services. The Company is committed to pay service charges at amounts specified in the agreements. The agreements are for the periods of 6 to 12 months.

Sale Agent agreement

The Company entered into a sale agent agreement with Sukhothai International 8888 Co., Ltd. for distribution of products under brand “AJ”. The Company is committed to pay commission fee at rates specified in the agreements. The term of agreement is for the period of 3 years which can be renewed year by year thereafter. The agreement will be automatically renewed in case there is no notification of termination. During July 2014, the Company terminated this sale agent agreement

As at 31 December 2014 and 2013, the Company and its subsidiaries had contingent liabilities in respect of guarantees of loans and other credit facilities as follows:

[illegible]

34 Events after the reporting period

A. On January 8, 2015, the extraordinary meeting of the shareholder no. 1/2015 approved the following resolutions:

1. Approval of the issuance and offering the second series of warrants (AJD-W2) to purchase the Company's new ordinary shares issued by allotting to existing shareholders at the right offering in the total of 750 million units free of charge at the ratio of 4 ordinary shares to 1 unit of warrant. The warrant will mature in 2 years after the issuance and offering date and has exercise ratio of 1 unit of warrant per 1 new ordinary share at the exercise price of Baht 0.20 per share.
2. Approval of the increase in registered capital by Baht 95 million from Baht 374.99 million (3,749.99 million ordinary shares with par value of Baht 0.10 per share) to Baht 470 million (4,700 million ordinary shares with par value of Baht 0.10 per share) and the allotment of the increased share capital of 950 million shares with par value of Baht 0.10 each to accommodate the exercise of AJD-W2 warrants 750 million units and the exercise right adjustment of the Company's first series warrant (AJD-W1) to purchase the new ordinary shares 200 million units.

The Company registered the increase in share capital and the change in par value with The Ministry of Commerce on January 26, 2015.

3. On January 14, 2015, the Company notified the adjustment of exercise price and exercise ratio of AJD-W1 to The Stock Exchange of Thailand in order to reserve the benefits of the AJD-W1 holders as follows;

	Before right adjustment	After right adjustment
Exercise Price	Baht 2.00 per 1share	Baht 1.6174 per 1 share
Exercise Ratio	1 unit per 1 share	1unit per 1.2365 share

B. At the Board of directors meeting held on February 25, 2015 passed the following resolutions;

1. To have a change in par value from Baht 0.1 per share to Baht 0.01 per share and to propose the resolution to the annual general meeting of shareholders for approval.
2. To approve loans obtained from directors and shareholders in credit line of Baht 466 million and having interest rates ranging from 3.90% - 3.96% per annum, repayment due within 6 months.

35 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 8(revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 14	TAS 19 (revised 2014) —The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.