

**Part 1****NATURE OF BUSINESS****1. Policy and business overview****1.1 Vision, objective and target in the operation of the business of the Company and affiliates**

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

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

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

**1.2 Important of the Company Development**

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

**Year 1998**

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

**Year 2001**

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

**Year 2003**

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

**Year 2004**

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

Year 2005

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

Year 2006

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

Year 2007

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

Year 2008

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

Year 2009

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

Year 2010

- In February, ACS has registered with the Thai Consultant Database Center of the Ministry of Finance to be a financial advisor type A, license number 3093, as a result of which ACS is eligible to be considered for work by the public sector.
- ACAP (ASIA) Asset Management Company Limited was established as a subsidiary. The shares are owned primarily by two of its other subsidiaries, CAP OK and ACAP (Malaysia). It is licensed by the Bank of

Thailand to conduct asset management business regulated under the Asset Management Royal Decree B.E. 2541. It was established to participate in future NPL portfolio acquisitions.

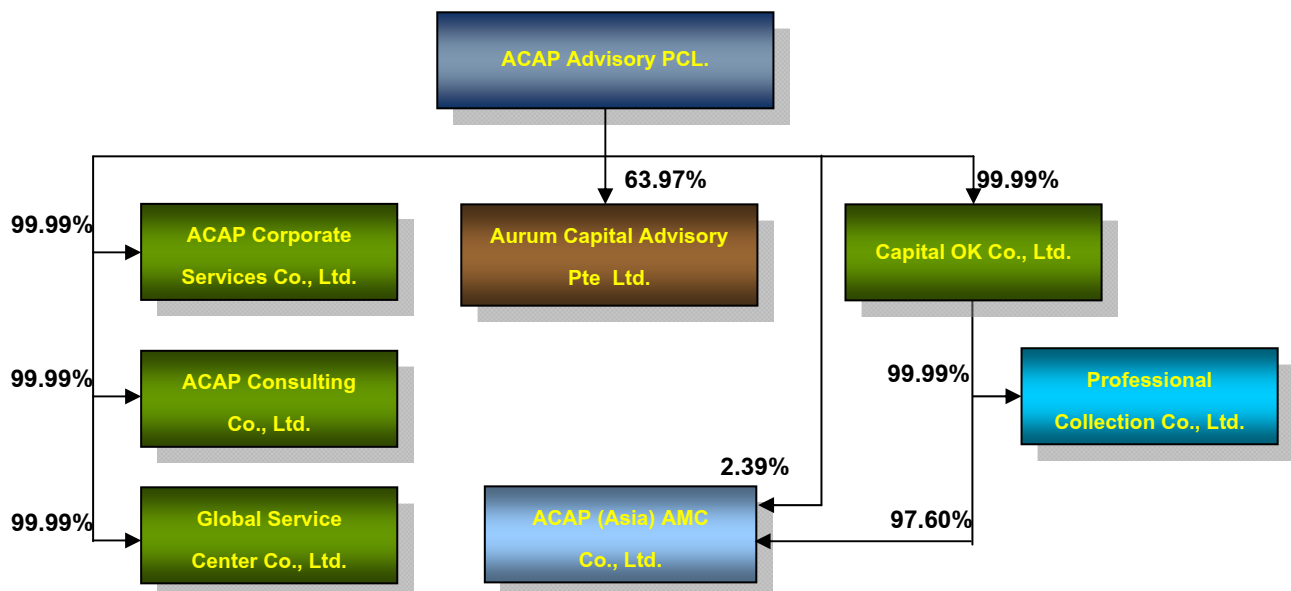
#### Year 2011

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

#### Year 2013

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

### 1.3 Overall of the Company and Subsidiaries of Business



ACAP Advisory Public Company Limited has in total 7 subsidiary companies, of which it has 99.99% share holding in 4 companies, 63.97% share holding in 1 company, and share holding through other subsidiaries in 2 companies. Details of each subsidiary are as follows:

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

1). ACAP Corporate Services Company Limited ("ACS") – formerly Asian International Planners Co., Ltd. ("AIP") – THB 27 million registered and paid-up capital. This company is certified by the S.E.C. to provide financial advisory service and is certified by the Business Reorganization Office of the Ministry of Justice to provide business rehabilitation planning and administration.

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

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

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

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

5). Aurum Capital Advisory Pte Limited (“Aurum”) – USD 475,000 registered and paid-up capital. 63.97% of issued shares are held by the Company. This company provides Investment Banking services in Singapore and region.

***Other Subsidiaries***

6). Professional Collection Company Limited (“PCOL”) – THB 62.05 million registered and paid-up capital 99.99% of issued shares held by CAP OK. Its main stream of revenue is from interest earned on bond investments. The firm also provides debt collection services to a government financial institution. .

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

## **2. Nature of Business**

The Company and subsidiaries provide financial advisory services as follows:

### **1). Non-performing Asset Management**

The Company and subsidiaries provide non-performing asset management services to owners of NPL portfolios, generally other asset management companies and other financial institutions, by monitoring and collecting debt from the debtors in the portfolio, including taking legal action, foreclosure of collateral and sale of collateral via public auction. As for the foreign asset management service, ACAP Malaysia is a servicer of NPL portfolios in Malaysia.

In addition, apart from servicing third party portfolios, the Company can also service portfolios acquired by subsidiaries ACAP Asia AMC.

### **2). Financial Advisory and Investment Banking Services**

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

### **3). Other Service**

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

## **The Business Ceased Operation Temporarily**

### **Consumer Finance Business**

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

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

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

## 2.1 Revenues Structure

### ACAP Advisory PLC and Subsidiaries

Type of Revenues	2011		2012		2013	
	Audited		Audited		Audited	
	M.Baht	%	M.Baht	%	M.Baht	%
Service Income	185.87	19.81	168.92	72.23	104.24	73.36
Interest income from non-performing asset management	82.04	8.75	22.48	9.61	-	-
Income from recovery of bad debt written-off	241.80	25.78	-	-	-	-
Other income*	428.28	45.66	42.47	18.16	37.85	26.64
<b>Total Revenue</b>	<b>937.99</b>	<b>100.00</b>	<b>233.87</b>	<b>100.00</b>	<b>142.09</b>	<b>100.00</b>

\* In 2011, Other income is mainly derived from:

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

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

1. Service Income is derived from providing financial advisory and investment banking services, NPL asset management services and call center services.
2. Interest Income from non-performing asset management is interest collected or recovered from NPL assets owned

## 2.2 Service Offerings

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

### 2.2.1 Non-performing Loan Asset Management

For many years, Thailand has been tremendously impacted by debt problems in public and various industrial sectors. Thus, the Company believes that providing asset management service of non-performing loans ("NPL") is a

growth business. Financial institutions often have difficulty resolving their NPL because of limitations in skills and the staff to do the job effectively.

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

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

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

#### **A. Asset Management Services Provided to Other Financial Institutions**

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

Asset management operations are under the responsibility of the Deputy Managing Director of Asset Management. The selection and recruitment of staff differs from those in the financial and investment banking advisory business since non-performing loan portfolios have various types of debtors with different characteristics. To efficiently operate its asset management business and successfully handle debtors in various NPL portfolios, the Company has staff skilled in various aspects of asset management business. The numbers of staff is varied depends on the quantity of portfolios being administered by the Company.

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

ability to collect debt successfully within the duration specified in the contract. Staffs in these sections are deployed in NPL asset management only.

At the end of 2013, the Company did not have any subordinate assets management contract at all owing to the expiry of every old subordinate assets management contract, meanwhile, without continual inflow of additional new assets management contracts. Although in the past year, the Company had been soliciting new debt portfolios for continuous management; but due to increased competition coupled with rather paltry number of portfolios, the Company had no new debt portfolios for management at all.

#### ■ **Fee Structure**

Two types of fees are normally charged for asset management services as follows:

1. A cash collection fee which is a percentage based fee calculated on the net cash recovered from a portfolio and is collected from the portfolio owner on a quarterly basis. However, in the current portfolio management contracts with STAR AMC, this fee portion is a percentage calculated on cash received directly from debtor only.
2. An asset management fee, or base fee, which is the fee charged to cover overhead expenses such as human resources and office expenses and is collected from the hirer on a monthly basis.

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

Participation in NPL auctions will be conducted by subsidiaries ACAP (Asia) AMC. The aforementioned subsidiary company is licensed by the Bank of Thailand to operate as Asset Management Companies under Asset Management Decree B.E. 2541 (1998). This enables the companies to bid for and acquire NPL portfolios from financial institutions. The companies in turn subcontract the management of certain portfolios to the Company, since the Company already has a well developed asset management platform that can be expanded to accommodate almost any portfolio.

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

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

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

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

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

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

Corporate finance and investment banking advisory involve debt restructuring, merger and acquisition, sourcing of funds, NPL portfolio valuations and cash monitoring. The advisory business is now conducted by the Company's wholly-owned subsidiary, ACAP Corporate Services Co., Ltd. ("ACS"), which is licensed by the S.E.C. to operate as an advisor in issuing and offering securities, listing a company on the SET, and on mergers and acquisitions. ACS is also a qualified advisor for rehabilitation planning and plan administration under the Bankruptcy Act.

ACS's S.E.C. license is effective from December 3, 2013 to December 2, 2018. ACS has three licensed financial advisors certified by the S.E.C. and five staffs involved in the financial advisory business. The majority of projects in financial advisory service come from clients' word-of-mouth, strong relationships between ACS management and the senior management of a wide range of other businesses, and recommendations from other financial institutions. Before accepting an assignment, management will hold discussions with the potential client to analyse the problem and the client's objectives. Next, the Company assigns staff to conduct initial due diligence to analyse the problem and to verify the client's information. It then prepares a financial advisory service agreement which specifies scope of work, fees, and terms and conditions. Once the agreement is signed, a detailed due diligence will be conducted and advisory service commences based on the client's objectives and the agreed scope of work.

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

##### **1. Debt Restructuring Services**

- Developing debt restructuring plans, including acting as the clients' representative or mediator in negotiations between creditors and debtors, and advising and scheduling debt repayment. This includes debt restructuring plans under the Central Bankruptcy Court. ACS subsidiary is licensed by the Business Reorganization Office, Legal Execution Department, as a rehabilitation planner and plan administrator under the laws of Ministry of Justice.
- In its role as Planner, ACS provides advice, information and document preparation for debt restructuring and rehabilitation planning, and other necessary documents for creditors and related parties to consider before approving the plan.

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

## 2. Investment Banking Advisory

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

## 3. Other Related Financial Advisory Services

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

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

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

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

### 2.2.3 Other Services

Other diverse aspects of service work such as outsourcing business are provided to clients characterized by being the service of Call Center acting as a coordinate center between the clients and the users of products or the client's services such as providing service as being a call center of the credit card business, the mobile phone business, the business of the provider of basic public utility service, debt collection service, the service of customer relations center, the service in connection with application procedure for various credit approval, etc. Besides the service aspect work, ACON, which is the subsidiary company, has also made investment in cosmetics and beauty products business. But it is expected that during the first 2 years period, it is a tentative investment to sound out the response of the market as to determine the prospect of growth or probability of income creation. If in the future, the cosmetics and the beauty products distribution business can increasingly create good returns on investment; there may be consideration to further increase in sale of investments in this business.

#### *Other Service Fees*

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

### Temporarily Ceased Business Operations

#### **Consumer Finance Business**

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

Services previously offered by CAP OK are described as follows:

#### *1. Personal Loans*

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

#### *2. Sales Finance*

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

#### *3. Credit Card*

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

#### *4. Hire Purchase*

CAP OK granted this type of loan for motorcycle purchases. Repayment is made in form of instalments within a specified period. The loan limit granted is based on the down payment. The instalment period is calculated based on the customer's financial status, motorcycle's brand, model, and price. The interest charged is a flat fee rate as qualified by the customer. In some cases, the customer may be required to have a guarantor if his qualifications do not meet the credit approval policy.

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

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

### **2.3 Marketing and Competitiveness**

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

#### *Customer Characteristic Types*

Many companies in Thailand have been facing economic and financial problems over the last few years, including the need to raise funds for their business operations. These companies may be affected by various issues and ongoing problems such as hotel or tourism businesses that were severely impacted by the political protest situation, the decrease in exports resulting from the appreciating Thai Baht, disastrous effects from the flood situation, increasing prices of products, etc. These factors will contribute to several problems, such as increased debt and lack of market liquidity.

The Company believes that these issues will affect the amount of non-performing loans (NPL). It is expected that within 2-3 years, the level of NPLs in Thailand should not decrease significantly. Moreover, the Company sees new opportunities in the NPL market from financial institutions which are likely to resume auctioning their NPL portfolios. During this time of economic and financial uncertainty, ACAP AMC and ACAP Asia AMC should have ample opportunity to participate in future bidding for NPL portfolios. This is not limited only to Thailand since the economic downtrend has impacted other regions as well.

As a result, this opens an opportunity for the Company to obtain more asset management work, especially in Southeast Asia region. One of the Company's competitive advantages is that its ACAP (Malaysia) Sdn. Bhd. subsidiary operates in the NPL asset management business in Malaysia.

## 2.4 Competitive Strategy

### ■ ***Non-performing Loan Asset Management***

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

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

### ■ ***Financial and Investment Banking Advisory***

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

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

### ■ ***Other Services***

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

For distribution of cosmetics and beauty products, the subsidiary company, ACON, will apply the strategy of offering the products in imported brands with an emphasis on the product quality to make a distinction from the products of other competitors as to create customer satisfaction and brand loyalty of the products.

## 2.5 Distribution Channels

### ■ *Non-performing Asset Management*

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

### ■ *Financial and Investment Banking Advisory*

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

### ■ *Other Services*

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

Meanwhile the business of cosmetics and beauty products distribution employs the distribution channels such as the opening of the website at [www.cheonsabeauty.com](http://www.cheonsabeauty.com) in which the channels for contact to buy goods are specified through requiring the sales staff to phone the target customers based on a list of names obtained from various data sources by inviting the customers as well as introducing the products for trial use. Moreover, a method of leasing the space in various office buildings is used to introduce the products to customers in such business area and another channel for distribution is via a convenience store such as the Seven Eleven, for example.

## 2.6 Target Customers

### ■ *Non-Performing Loan Asset Management*

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

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

### ■ **Financial and Investment Banking Advisory**

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

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

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

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

### **Some of the Completed Financial and Investment Banking Advisory Projects of The Company and Subsidiaries as of December 31, 2013**

No.	Company / Subsidiary	Client's Business	Type of Service	Contract Period		Debts / Funds Sourced * (THB million)
				Beginning	Ending	
1	ACAP	Computer & Electronics	Debt Restructuring + Sources for funds	2001	2002	2,400 400
2	ACAP	Furniture	Plan administration consultant + Sources for funds	2001	2002	1,040 100
3	ACS (AIP)	Real Estate	Planner & Planning administration	2001	2005	17,000
4	ACAP	Telecommunications	Debt Restructuring + Planning administration consultant	2002	2003	516
5	ACAP	Real Estate	Debt Restructuring	2002	2003	1,500
6	ACAP	Construction equipment	Debt Restructuring	2002	2003	700
7	ACAP	Construction equipment	Debt Restructuring Sources for funds	2002	2003	700 167
8	ACAP	Textile	Debt Restructuring	2002	2003	18,000
9	ACS (AIP)	Transformers	Debt Restructuring and Rehabilitation Planning & Administration Sources for funds	2002	2004	1,650 400

No.	Company / Subsidiary	Client's Business	Type of Service	Contract Period		Debts / Funds Sourced * (THB million)
				Beginning	Ending	
10	ACAP	Canned Seafood	Debt Restructuring+ Sources for funds	2002	2004	5,586 1,430
11	ACAP	Electrical Appliances	Debt Restructuring	2003	2003	416
12	ACAP	Construction	Planning administration consultant	2003	2004	1,100
13	ACAP	Real Estate	Debt Restructuring + Planner consultant	2004	2005	66,000
14	ACS (AIP)	Importer and distributor of chemical products	Debt Restructuring + Sources for funds	2004	2005	700 300
15	ACAP	Rubber Latex	Cash flow review	2004	2006	n. a.
16	ACAP	Lenses and Glasses	Private Placement + IPO	2004	2006	200 200
17	ACAP	Transformers	Sources for funds	2005	2006	1,350
18	ACAP	Financial Institution	Debenture bond offering	2005	2005	50,000
19	ACS (AIP)	Canned Fruit	Debt Restructuring + Sources for funds	2005	2006	1,100 400
20	ACAP	Transformers	Financial Consultant	2006	2007	70
21	ACS (AIP)	Machinery parts	Planner consultant + Sources for funds	2006	2007	2,665 400
22	ACS (AIP)	Food	Planner	2006	2008	19,033
23	ACAP	Electronics	Planner consultant + Sources for funds	2007	2007	3,221 772
24	ACAP	Food	Debt Restructuring + Sources for funds	2007	2007	1,359 63
25	ACS	Manufacture of motorcycles	Planner consultant + Sources for funds	2007	2009	2,665 400
26	ACS	Orange Farm	Planner consultant	2008	2009	1,019
27	ACS	Building and repairing of ships	Plan administrator	2008	2010	821
28	ACS	Canned Fruit	Tender Offer Advisor	2009	2009	80
29	ACS	Manufacture of lace	Debt Restructuring	2009	2012	911
30	ACS	Research Institution	Structure Capital Advisory	2010	2011	n.a.
31	ACS	Frozen Seafood	Business Valuation Consultant	2010	2011	n.a.
32	ACS	Manufacture of electronic valves and tubes and other electronic components	Planning administration consultant	2010	2011	4,000
33	ACS	Shoes manufacturer	Planner consultant	2010	2012	445
34	ACS	Agro Industry	Sources for Funds	2011	2013	30
35	ACS	Television Media	Independent Financial Advisory	2012	2012	n.a.

No.	Company / Subsidiary	Client's Business	Type of Service	Contract Period		Debts / Funds Sourced * (THB million)
				Beginning	Ending	
36	ACS	Agriculture	General Advisory	2012	2012	n.a.
37	ACS	Sea Food	General Advisory	2012	2012	n.a.
38	ACS	Communication	Independent Financial Advisory	2012	2012	n.a.
39	ACS	Textile	Debt Restructuring	2012	2013	631
40	ACS	Communication	Planning Administration Consultant	2013	2013	n.a.
41	ACS	Communication	Business Valuation Consultant	2013	2013	n.a.
<b>Total</b>						<b>211,940</b>

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

**Work in Progress for Financial and Investment Banking Advisory Projects of  
The Company and Subsidiaries as of December 31, 2013**

No.	Company / Subsidiary	Client's Business	Type of Services	Contract Starts in Year	Debts / Funds Sourced * (M Baht)
1.	ACS	Manufacture of electronic valves and tubes and other electronic components	Debt Restructuring + Sources for Funds	2012	4,000 420
2.	ACS	Hotel	Sources for Funds	2013	1,600
3.	ACS	Agriculture	General Advisory	2013	n.a.
4.	ACS	Shoes manufacturer	Sources for Funds	2013	904
5.	ACS	Electrical Engineering	Sources for Funds	2013	200
<b>Total</b>					<b>7,124</b>

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

Project value is subject to change due to possible termination of advisory service

■ **Other Services**

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

While for the distribution of cosmetic and beauty products, 80 % of the customers will be the working women groups, namely, office staff, businesswomen, housewives, etc. These people take interest in beauty care and they have purchasing power. Meanwhile, a group of customers who are students is deemed be a target group of increased proportion.

## 2.7 Pricing Policies

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

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

## 2.8 Industry Outlook and Competition

### ***Debt Restructuring and Non-Performing Loan Asset Management Industry***

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

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

- **Emergency Decree on Financial Sector Restructuring B.E. 2540 (1997)** – The act was aimed by the Ministry of Finance at establishing the Asset Management Company or AMC, to manage NPL transferred from Trust or Extinguished Financial Institutions that were held by the government's financial rehabilitation and development fund (Financial Institutions Development Fund or "FIDF").
- **Asset Management Royal Decree B.E. 2541 (1998)** – The act was aimed to protect the Asset Management Company in terms of assets and collateral transferred from financial institutions.
- **Bankruptcy Act (Amended B.E. 2542 (1999))** – The amended Act included the rehabilitation process which specified that a rehabilitation plan must be established and that the rehabilitation planner/administrator must manage the debtor's assets and operates under this act.

- **Thai Asset Management Corporation Decree B.E. 2544 (2001)** – This decree was intended to hasten the process of separating NPL from the banking and financial institution system. The Thai Asset Management Company Limited (“TAMC”) was established under this decree to manage transferred NPL and carry out debt restructuring and management. The decree specified that all banks and asset management companies who are more than 50% owned by the government must transfer their non-performing assets to TAMC. However, any new NPL emerging after the end of December 2000 were not covered by this TAMC Decree. The Decree also defined the transfer price, including dividend methodology, and scope of responsibilities of transferor and transferee in case of loss.

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

### ***Industry Structure***

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

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

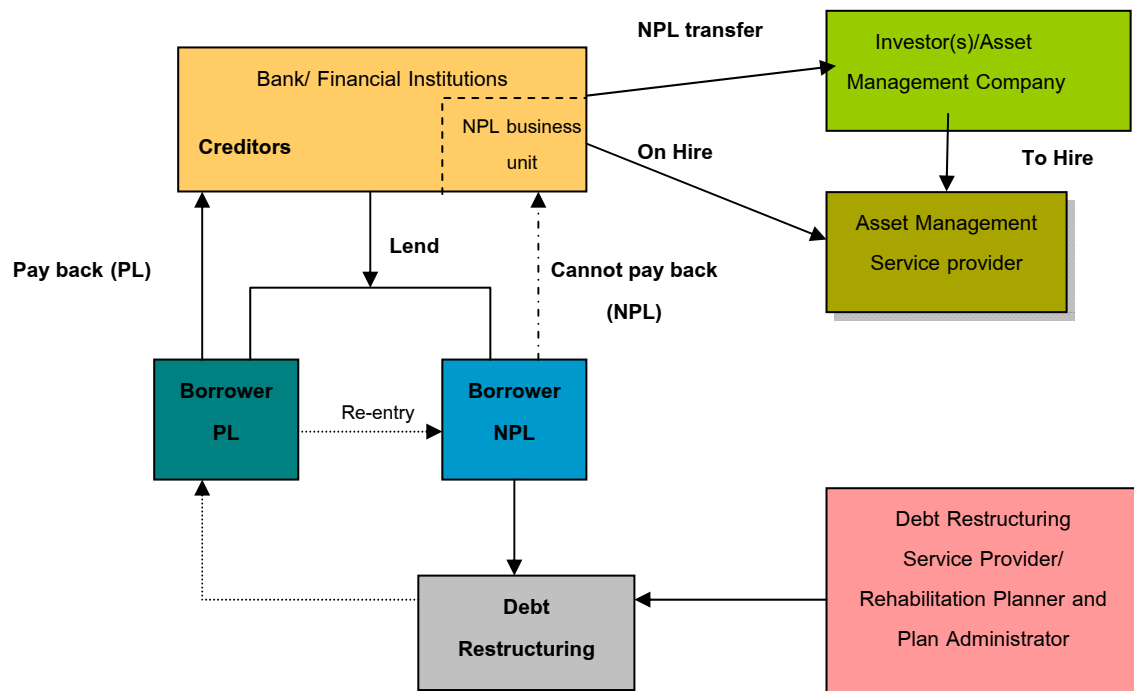
The Company, in conjunction with ACS, is one of the few service providers to offer a comprehensive range of non-performing loan asset management services complemented by debt restructuring, rehabilitation planning and administration services, and other related financial advisory and investment banking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

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

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

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

#### NPL Industry Structure and Management



#### Market Size and Competition

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

According to updated information from the Bank of Thailand ("BOT") released on February 20, 2014, Gross NPL outstanding (loans classified as Substandard, Doubtful, and Loss as per the BOT's classification) in Thailand's financial system, which includes commercial banks, branch of the foreign commercial banks, at the end of the 4th quarter of 2013 was THB 265,648 million or 2.15% of total loans in the financial system. This amount of Gross NPL has increased compared to the same period last year, by approximately THB 11,441 million. These NPL outstanding were mainly from the production sector, at THB 78,347 million, followed by the Personal and Consumer Finance in the amount of 71,612 million. This number includes both individual and business debtors.

NPL in 2013 increased over the previous year by THB 50,316 million. According to the BOT's data at end of the 4<sup>th</sup> quarter of 2013, the sector with the largest absolute increase in NPL was the personal and consumer finance sector, where NPL grew by THB 20,208 million, and accounted for 40.16% of the total increase in NPL. Of the increase in industrial NPL, THB 2,239 million were re-entry NPL and THB 17,555 million were new NPL. The production sector

also had large absolute increases in NPL of THB 12,867 million (or 25.57% of the total increase), respectively. Details of the increase in NPL in 2013 by major sector are as follows:

Industry Type	As of End-4 <sup>th</sup> Quarter 2013 (THB million)			
	New NPL	Re-Entry NPL	Other	Total NPL
1. Agriculture, Fishery and Forest	317	274	21	613
2. Mining	9	18	2	29
3. Production Sector	5,312	4,247	3,308	12,867
4. Construction	658	240	202	1,100
5. Commercial Sector	6,108	2,585	682	9,375
6. Finance and Insurance	45	10	8	63
7. Real Estate	554	329	230	1,114
8. Public Utility and Transport	522	946	55	1,523
9. Services	1,178	2,087	155	3,420
10. Personal Consumption	17,555	2,239	414	20,208
11. Other	4	0	0	4
<b>Total</b>	<b>32,262</b>	<b>12,975</b>	<b>5,079</b>	<b>50,316</b>

Source: Data as of December 31, 2013 and reported by Bank of Thailand on February 20, 2014.

#### ***Corporate Debt Restructuring and Rehabilitation Planning and Administration***

There are a considerable number of debt restructuring cases to be initiated which are the target market for Debt Restructuring and Rehabilitation Planning and Administration Services. The Central Bankruptcy Court has the authority to appoint a planner or a plan administrator in these cases. The appointed planner and plan administrator may be the existing debtors, creditors, or professional planners. A professional planner and plan administrator can be appointed for each case, but they must be qualified with the Business Reorganization Office under the Execution Department of the Ministry of Justice. As of December 31, 2013, there were 14 authorized professional planners and 18 plan administrators, including ACS, the Company's subsidiary. In most cases these firms will act simultaneously as the planner and plan administrator.

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

### ***Non-Performing Loan Asset Management Service***

The market size of this service mostly will be determined by the amount of debts under legal case or the amount of outstanding payment. The service also includes the management of marketing regarding foreclosure of collateral. According to the BOT's preliminary data, NPL remaining in the system total THB 265,648 million (2.15% of total financial institution debt). This represents an increase of THB 50,316 million. Of this number, THB 20,208 million are new NPL (or 40.16% of the total increase). In addition, there are NPLs that have been restructured totalling THB 12,975 million (or 25.79% of the total increase). The amounts of NPL for the current year was increased to THB 50,316 million compared to THB 41,965 million in 2012. However, at the end of 2013, the size of new NPL increased from THB 27,259 million to THB 32,262 million. This shown that Thailand still has a substantial amount of NPLs in its financial system which indicates a good outlook for the non-performing asset management business.

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

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

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

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

AMC and ACAP ASIA AMC, the Company has potential to compete effectively as it is able to manage NPL portfolios for its subsidiaries.

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

1. The Company has highly qualified and skilled staffs who understand the nature of the non-performing loan asset management business and who are able to determine the optimal balance for resolutions between the debtor and the creditor, provide cost effective, high quality and timely service, and alleviate losses to the financial institution. The personnel are qualified to train and create new teams to support new projects and the Company promotes talented staff to be team leaders.

2. The Company has made substantial investments in Information Technology systems for efficient data management that function at the same standard as the banks and other large financial institutions.

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

4. The Company offers competitive service fees and is able to reduce the cost of managing non-performing loan asset management for its clients.

5. The Company has enhanced its opportunities to provide asset management services as it can service ACAP AMC, ACAP ASIA AMC as well as third party AMCs. The Company can also provide bidding services for these AMCs.

#### ***Non-performing Loan Asset Management under the Government Agencies***

At present, there are a number of government-owned Asset Management Companies, namely Bangkok Commercial Asset Management Co., Ltd. (BAM), Sukhumvit Asset Management Co., Ltd. (SAM), and Thai Asset Management Co., Ltd. (TAMC). These asset management companies purchase non-performing assets or acquire non-performing assets that were transferred from financial institutions to reduce the burden of the banks and financial institutions and allow them to focus on their portfolios of performing loans. These non-performing asset management companies can either manage non-performing asset portfolios by themselves or outsource to other companies to provide such services. To date, approximately 3-4% of NPL remains in the financial system. The main factors that cause NPL to remain high are the economic downturn, strict classification criterion of Bank of Thailand, and fluctuation of global financial markets. Moreover, the Company believes that NPL is necessary in financial system, especially in country with high rate of economic growth or emerging countries, for example, Asian region including India, China, Korea, etc. NPL in Thailand is in sufficient amount and tends to increase, which will eventually impact to economic situation either in political aspect, natural disaster or foreign exchange rate of the Baht. NPL remaining in the economic system for each year is adequate to generate revenue and growth to the Company including other transactions relating to loan asset management, which is the key business opportunity to the Company.

#### ***Financial Advisory Industry***

In the past year, the Thai economic trends had not shown clear sign of recovery. Partially, it reflects the operating result of companies listed in the Thai Stock Exchange, which in the majority, their operating results were slowing down coupled with political upheavals. These are responsible for the accompanying delay in various investment policies. Clearly obvious is the outflow of overseas fund, foreign investors taking less interest in the

capital market of Thailand rendering the inevitable impact on the financial advisory service in relation to raising fund, the issue of financial instruments.

Currently, many securities companies centre their attention on financial advisory services and the investment banking business due to the increase in revenues and support its securities companies including growing number of new financial advisory companies. As of February 18, 2014, there were 76 financial advisory companies authorised by the Securities and Exchange Commission (S.E.C.). To compete effectively in the financial advisory business, the firms must have high quality, skilled and experienced staff. Although, the Company has a competitive disadvantage due to a lack of a license for underwriting securities, it maintains good relationships with many qualified underwriters which enables the Company to give confidence to its clients regarding issuing shares to the public.

Furthermore, despite having more competition in financial advisory service for issuing equity instrument, ACS is able to provide other important services to customers such as debt restructuring, merger and acquisition, and rehabilitation planner and plan administrator.

At present, the Company is seeking new opportunities to diversify its investment without relying on one particular business. The Company is ready to make an investment if it considers that such investment will generate good returns with low risk. For instance, at the yearend 2012, ACAP Consulting Company Limited, a subsidiary company, has expanded its business operations into cosmetics lines such as distribution of cosmetics, supplementary foods, and herbs, etc. The initial investment of the subsidiary company's business is not more than THB 1 million. However, in any future circumstance, if the business operation is in good condition, the Company may consider for additionally investment.

## **2.9 Service Execution**

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

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

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

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

Meanwhile, experience in debt collection from the asset management business enables the Company's management to operate synergistically in the Personal Loan and Consumer Finance business and other businesses that require similar skills and experiences, for example outsourcing business, collection business, and call center business.

## 2.10 Unfinished Projects

Asset management projects and financial and investment banking advisory projects which are ongoing and are not expired or have been terminated are classified as “unfinished projects”. Currently, all the non-performing loan asset management servicing agreements are completed. Last year, the Company did not sign any new servicing agreement. Under the financial advisory and investment banking business, there are 5 projects in progress as of December 31, 2013. In the aspect of financial advisory, the total debt or fund raising value is amounted to THB 7,124 million.

## 3. Risk Factors

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

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

#### Protection and reduction of risks

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

### 3.2 Risk from having to rely on major clients

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

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

Protection and reduction of risk

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

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

**3.3 Risk in respect of personnel resource**

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

Protection and reduction of risk

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

able to find a new executive director to fill the vacancy immediately. At the present, the Company has 6 executive-level directors, which is considered appropriate to the workload of the Company.

Meanwhile, for personnel in other disciplines, the number can be either increased or reduced to be consistent with the workload at all times thanks to the laying down of the management policy on a yearly basis. The management of human resource at operational level is therefore going smoothly consistently. Incidentally, after all contracts for assets management have been exhausted, at the end of 2013, the Company had a total of 25 executives and personnel. All the personnel are able to meet the responsibility of existing workload adequately with proper division of duty in every department appropriately without affecting the operating efficiency and the operating results of the Company. If in the future, the workload of the Company is on the increase, the Company will yet be able to recruit qualified and knowledgeable personnel to join the Company.

### **3.4 Risk of not receiving payment or delayed payment of service charge**

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

#### Protection and reduction of risk

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

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

### **3.5 Risk of being to rely on various licenses**

The operation of both subsidiary and the Company such as in entering into bidding for buying the portfolio of subordinate assets management or the providing of financial consultancy service under the supervision of the Office of the Securities and Exchange Commission ("SEC Office") or the work of providing service as the planner or

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

Protection and reduction of risk

The Company and its subsidiary hedge the risk by checking the expiry date of the license to operate each category of business regularly as to preclude the operation of the Company and its subsidiary from being disqualified to operate the business. Presently, the license to operate the financial consultancy business under the supervision of the Office of Securities and Exchange Commission was issued to the subsidiary company, namely, ACAPS Corporate Services (ACS). The Company was approved as the consultant for merchant banking business by the Office of Securities and Exchange Commission and its license will expire on 2 December 2018 subject to immediate renewal as the Company is fully qualified in every respect without faulty performance. Moreover, ACS was also granted the license from the Office of Business Rehabilitation, the Legal Execution Department, to be the planner and the administrator of the business rehabilitation. The license for the planner will expire in 2014 and the license for the administrator of business rehabilitation will expire in 2017 subject to renewal on expiry date as ACS is fully qualified for renewal of the license. The risk for loss of the license for operation of each category of the business is therefore low.

**3.6 Risk due to change in the cycle of business**

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

Protection and reduction of risk

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

Moreover, the economic recession would increasingly cause debt problems for clients. As a result, they would be increasingly forced to use the service from the Company in relation to the business of debt restructuring.

Being as such, the Company could create earning from this part of clients in substitution for the reduction in the income to be earned from customers to whom the service in relation to investment is given.

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

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

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

Presently, the major shareholder accounting for 10 percent of authorized capital is Mr. Vivat Vithoontien, the Chief Executive Officer (CEO) of the Company, at the end of 2013 with the shareholding ratio of 49.19 percent of the registered capital. Meanwhile, shareholding by first 10 directors and other financial institutions of the Company has the ratio of about 12.79 percent of the registered capital, when combined with the shareholding of Dr. Vivat Vithoontien, other first 10 directors and the financial institutional shareholders of the company, the combined shareholding ratio is more than 50 percent of total share of the Company. Investors therefore would face the risk of a drop in the Company's share price in the Stock Exchange in the event that shareholders and the financial institutions are selling off their share.

#### Protection and reduction of risk

There is no other shareholder who is the director of the Company than Dr. Vivat Vithoontien, being the major shareholder or holding share upwards of 10 percent. All the directors are jointly working for the Company since its listing in the Stock Exchange. They share a common goal to develop the business of the Company to continuing growth in the future. This will be the value added for the business they all own. Therefore the return on the growth of the Company in each year, as each director would receive from the shareholding, is more motivating than selling off share to make profit.

For overseas institutional shareholders of the Company, in the past, some shares were sold out, but such shareholders are not the major shareholder and most of them do not have policy of short-term investment or to make profit from the margin of share price; but they would invest in the share of the company for about 3 years to 4 years to seek returns on a long-term basis. However, the Company does not rely on any key technology or any key personnel from the institutional shareholders except seeking financial support to invest in the company's business, e.g., borrowing to finance the cost of bidding to buy portfolio of subordinate assets, etc. Therefore in the future, if there is selling off share of the said institutional group, there will be no impact on the operation of the company thanks to the experience of the Company in seeking funds from other famed investors and financial institutions.

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

As the operation of the subsidiary which is an assets management company must use a large amount of fund to bid for purchase of each assets portfolio, the subsidiary company must seek fund support from various

finance institutions which are alliance of the Company. Therefore there is the risk of not getting the credit line, thus affecting the opportunity to enter into the bidding for the quality subordinate assets portfolio or the risk of default on loan in the future, provided that the subsidiary's operation of managing the said subordinate assets is not successful.

Protection and reduction of risk

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

#### 4. Assets in Business

##### 4.1 **Assets**

##### 4.1.1 Computers, office furniture and fixtures, and vehicles

As of December 31, 2013 are as per follows:

List	Rights of Asset	Book Value (Baht, '000s)
<b>ACAP</b>		
Adjustment to leasehold right	Owed	404
Computers and equipment	Owned	1,214
Furniture and fixtures	Owned	5,425
Office equipment	Owned	113
Vehicles	Owned	18,578
Intangible assets	Owned	2,203
<b>Total</b>		<b>27,937</b>
<b>ACS</b>		
Office equipment	Owned	4
Vehicles	Owned	1,290
<b>Total</b>		<b>1,294</b>

List	Rights of Asset	Book Value (Baht, '000s)
<b>Global Service Center</b>		
Adjustment to leasehold right	Owned	1,542
Computers and equipment	Owned	1,149
Furniture and fixtures	Owned	269
Office equipment	Owned	1,822
Vehicles	Owned	1,172
Intangible assets	Owned	1,082
<b>Total</b>		<b>7,036</b>

#### 4.1.2 Rental area Contracts

As of December 31, 2013

List	Rights of Asset	Book Value (Baht, '000s)
<b>ACON</b>		
Computers and equipment	Owned	31
Furniture and fixtures	Owned	11
Office equipment	Owned	56
Intangible assets	Owned	58
<b>Total</b>		<b>156</b>
<b>CAPITAL OK</b>		
Adjustment to leasehold right	Owned	1,216
Computers and equipment	Owned	4,143
Furniture and fixtures	Owned	1
Office equipment	Owned	1,054
Intangible assets	Owned	658
<b>Total</b>		<b>7,072</b>
<b>Professional Collection</b>		
Computers and equipment	Owned	74
Office equipment	Owned	1
<b>Total</b>		<b>75</b>

4.1.3 Rental area Contracts

As of December 31, 2013

Companies	Place	Rental Area (sq.m.)	Rental fee (Baht /month)	Contract term (yrs.)	Conditions
ACAP	Empire Tower 2 and 3, 22 <sup>nd</sup> Floor  Service fee	873	1 <sup>st</sup> year = 270,667 2 <sup>nd</sup> year = 279,398 3 <sup>rd</sup> year = 283,764 1 <sup>st</sup> year = 270,667 2 <sup>nd</sup> year = 279,398 3 <sup>rd</sup> year = 283,764	3 years from 16 <sup>th</sup> June 2013 to 15 <sup>th</sup> June 2016	Rental and service fee will be paid in advance within the 5 <sup>th</sup> of every month
ACS	Empire Tower 3, 22 <sup>nd</sup> Floor  Service fee	31	1 <sup>st</sup> year = 19,065 2 <sup>nd</sup> year = 19,680 3 <sup>rd</sup> year = 19,987	3 years from 16 <sup>th</sup> June 2013 to 15 <sup>th</sup> June 2016	ACS pays to the ACAP as the consideration for office space and office supplies. The payment will be made on every month
ACON	Empire Tower 3, 22 <sup>nd</sup> Floor  Service fee	16	1 <sup>st</sup> year = 10,224 2 <sup>nd</sup> year = 10,554 3 <sup>rd</sup> year = 10,719	3 years from 16 <sup>th</sup> June 2013 to 15 <sup>th</sup> June 2016	ACON pays to the ACAP as the consideration for office space and office supplies. The payment will be made on every month
	Shinnawat Tower 3, 5 <sup>th</sup> Floor  Service fee	10	1,500  4,250	1 year from 24 <sup>th</sup> June 2013 to 31 <sup>st</sup> May 2016	The rental contract can be renewed for 1 years per contract
GSC	Shinnawat Tower 3, 5 <sup>th</sup> Floor  Service fee	233	34,950  131,645	3 years from 1 <sup>st</sup> June 2013 to 31 <sup>st</sup> May 2016	The rental contract can be renewed for 1 years per contract
	Shinnawat Tower 3, 5 <sup>th</sup> Floor  Service fee	196	29,466  83,487	3 years from 1 <sup>st</sup> June 2013 to 31 <sup>st</sup> May 2016	The rental contract can be renewed for 1 years per contract
	Rental space for 1 branch upcountry	Building 2 Unit	25,000	3 years from 1 <sup>st</sup> June 2012 to 31 <sup>st</sup> May 2015	To make 90 days in advance notice to renew the rental contract
CAP OK	Shinnawat Tower 3, 4 <sup>th</sup> -5 <sup>th</sup> Floor	1,123	168,472	3 years from 1 <sup>st</sup> June 2012 to	To make 90 days in advance notice to

Companies	Place	Rental Area (sq.m.)	Rental fee (Baht /month)	Contract term (yrs.)	Conditions
	Service fee		385,873	31 <sup>st</sup> May 2015	renew the rental contract
<b>Professional Collection</b>	Shinnawat Tower 3, 5 <sup>th</sup> Floor,	60	9,000	3 years from 1 <sup>st</sup> June 2012 to 31 <sup>st</sup> May 2015	The rental contract can be renewed for 1 years per contract

#### 4.2 Investment Policy in Subsidiaries and Related Parties

At present, the Company has total of 7 subsidiaries of which 5 subsidiaries are the Company's direct investment and another two are companies which is invested by the Company's subsidiary. The shareholding proportion for each investment are as follows:

##### 4 Subsidiaries with 99.99% shareholding, which are:

- Capital OK Company Limited ("CAP OK")
- ACAP Corporate Services Co., Ltd. ("ACS")
- Global Service Center Co., Ltd. ("GSC") (previous name ACAP Services Co., Ltd.)
- ACAP Consulting Co., Ltd. ("ACON")

##### 1 Subsidiary with 63.97% shareholding, which is:

- Aurum Capital Advisory Pte., Ltd. ("AURUM")

##### 2 Subsidiaries owned by the Company's subsidiary.

- Professional Collection Co., Ltd. ("P COL")  
CAP OK holds 99.9% of the shares.
- ACAP (Asia) Asset Management Company Limited.  
Cap OK holds 97.60% of the shares.  
ACAP holds 2.39% of the shares.

The holding of shares in subsidiaries is for the purpose of business continuation and support the Company's business operation by which most of the subsidiaries have the same Board of Directors. However, the Board of Directors of overseas subsidiaries shall comprise a minimum of 2-3 members of the Company's Board of Directors. The details of each subsidiaries' business are stated in the Business Operations Section.

The Company has no policy to invest in the clients' businesses that acquire the Company's service in debt restructuring or seek alliance or fund raising. Furthermore, the engagement of the Company management in the financial business for many years resulted in the good relationship between the Company and many financial institutions both local and international, which are considered source of funding and important business alliances.

Moreover, the Company has no policy to act as financial advisor for the clients that entered into debt restructuring program, and plan to list in the stock market in order to avoid potential conflict of interest.

## 5. Legal Dispute

At this moment, there are eight legal disputes involving the company and such cases are under the consideration of the court. These cases relate to the ordinary course of business of the Company as a servicing of non-performing loans. The Company believes that each case will cause no material adverse affected on the Company or its subsidiaries. The company is following normal court procedure for each case.

## 6. Company General Information

### 6.1 General Information

Company Name	ACAP ADVISORY PUBLIC COMPANY LIMITED ("ACAP" / "The Company")
Type of Business	Corporate Financial Advisory and Asset Management Services
Company Registration Number	40854600033
Head Office Address	195 Empire Tower 2 and 3, 22 <sup>nd</sup> Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered Capital	125,000,000 Baht
Issued and paid up share capital	125,000,000 Baht
Type of Share	Common Stock
Total Issued and Sold share capital	125,000,000 Share
Par/Share	1 Baht
Telephone Number:	02-694-4999
Fax. Number:	02-670-1152
Home Page:	<a href="http://www.acap.co.th">www.acap.co.th</a>

*Details of Juristic persons that the company holds more than 10% Share holding*

Company Name (1)	ACAP CORPORATE SERVICES COMPANY LIMITED ("ACS")
The Company's share proportion	99.99%
Type of Business	Corporate Finance and Investment Banking Advisory.
Head Office Address	195 Empire Tower 2 and 3, 22 <sup>nd</sup> Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered Capital	27,000,000 Baht
Amount of Shares	2,700,000 Share
Par Value per Share	10 Baht
Type of Share	Common Stock
Telephone Number	02-694-4999
Fax. Number	02-670-3473

Company Name (2)	GLOBAL SERVICES CENTER COMPANY LIMITED ("GSC")
The Company's share proportion	99.99%
Type of Business	To invest in assets and systems supporting the asset management operations of ACAP. To provide services on debt collection and Call Center.
Head Office Address	1010 Shinawatra Tower 3, 5 <sup>th</sup> Floor., Viphavadi Rangsit Road, Chatuchak, Bangkok 10900
Registered Capital	10,000,000 Baht
Amount of Shares	1,000,000 Share
Par Value per Share	10 Baht
Type of Share	Common Stock
Telephone Number	02-694-4999
Fax. Number	02-670-1152

Company Name (3)	ACAP CONSULTING COMPANY LIMITED ("ACON")
The Company's share proportion	99.99%
Type of Business	Legal Advisory
Head Office Address	195 Empire Tower 2 and 3, 22 <sup>nd</sup> Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered Capital	1,000,000 Baht
Amount of Shares	100,000 Share
Par Value per Share	10 Baht
Type of Share	Common Stock
Telephone Number	02-694-4999
Fax. Number	02-694-4955

Company Name (4)	CAPITAL OK COMPANY LIMITED ("CAP OK")
The Company's share proportion	99.99%
Type of Business	Personal and consumer finance provider.
Head Office Address	1010 Shinawatra Tower 3, 5 <sup>th</sup> Floor., Viphavadi Rangsit Road, Chatuchak, Bangkok 10900
Registered Capital	412,500,000 Baht
Amount of Shares	82,500,000 Share
Par Value per Share	5 Baht
Type of Share	Common Stock
Telephone Number	02-793-3929
Fax. Number	02-793-3673-4

Company Name (5)	PROFESSIONAL COLLECTION COMPANY LIMITED ("P COL")
The Company's share proportion	99% Subsidiary of CAP OK
Type of Business	Debt collection provider.
Head Office Address	1010 Shinawatra Tower 3, 5 <sup>th</sup> Floor., Viphavadi Rangsit Road, Chatuchak, Bangkok 10900
Registered Capital	62,050,000 Baht
Amount of Shares	6,205,000 Share
Par Value per Share	10 Baht
Type of Share	Common Stock
Telephone Number	02-793-3929
Fax. Number	02-793-3673-4
Company Name (6)	ACAP (ASIA) ASSET MANAGEMENT COMPANY LIMITED
The Company's share proportion	97.60% Subsidiary of CAP OK, 2.39% Subsidiary of ACAP
Type of Business	Non-performing loan investment and asset management.
Head Office Address	195 Empire Tower 2 and 3, 22 <sup>nd</sup> Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registered Capital	25,000,000 Baht
Amount of Shares	250,000 Share
Par Value per Share	100 Baht
Type of Share	Common Stock
Telephone Number	02-670-0453
Fax. Number	02-670-0454
Company Name (7)	AURUM CAPITAL ADVISORY PTE LTD. ("AURUM")
The Company's share proportion	63.97%
Type of Business	Corporate Finance and Investment Banking Advisory. (Singapore)
Head Office Address	168 Robinson Road # 09-06 Capital Tower Singapore 068912
Registered Capital	475,000 USD
Amount of Shares	475,000 Share
Par Value per Share	1 USD
Type of Share	Common Stock
Telephone Number	65-6236-9388

## 6.2 Other Information

### *The Company's Registrar*

Thailand Securities Depository Company Limited.  
62 Stock Exchange of Thailand Building 7<sup>th</sup> Floor,  
Ratchadaphisek Road, Klongtoey  
Bangkok 10110  
Tel. 02-596-9305 Fax. 02-832-4994-5

### *Auditor's Company*

	Mr.Paiboon Tunkoon	Certified public accountant registration No. 4298 PricewaterhouseCoopers ABAS Limited
Or	Ms.Sakuna Yaemskul	Certified public accountant registration No. 4906 PricewaterhouseCoopers ABAS Limited
Or	Mrs.Anothai Leekitwattana	Certified public accountant registration No. 3442 PricewaterhouseCoopers ABAS Limited

PricewaterhouseCoopers ABAS Limited  
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