

Part 3**Financial Statements and Operational Performance****13 Financial Highlight****13.1 Auditors**

2013	Mr.Paiboon Tunkoon	Certified public accountant registration No. 4298 PricewaterhouseCoopers ABAS Limited
Or	Miss. Sakuna Yamsakul	Certified public accountant registration No. 4906 PricewaterhouseCoopers ABAS Limited
Or	Mrs.Anothai Leekitwattana	Certified public accountant registration No. 3442 PricewaterhouseCoopers ABAS Limited
2011-2012	Mr.Boonlert Kamolchanokkul	Certified public accountant registration No. 5339 PricewaterhouseCoopers ABAS Limited
Or	Mrs.Anothai Leekitwattana	Certified public accountant registration No. 3442 PricewaterhouseCoopers ABAS Limited
Or	Mrs. Unakorn Phruithithada	Certified public accountant registration No. 3257 PricewaterhouseCoopers ABAS Limited

13.2 Audit report 2013

In the auditor's report on the audited consolidated and company financial statements for year 2013 by Mr. Paiboon Tunkoon, Certified Public Accountant registration No. 4298, PricewaterhouseCoopers ABAS Limited, it is the auditor's opinion that the consolidated and company financial statements present fairly, in all material respects, the consolidated and company financial position as at 31 December 2013 and the results of operations and cash flows for the year, in accordance with generally accepted accounting principles.

13.3 Table showing the Company's performance over the past three years

BALANCE SHEETS ; AS AT DECEMBER 31, 2011 2012 and 2013 (ASSETS)

	Company Only						Consolidated					
	2011	%	2012	%	2013	%	2011	%	2012	%	2013	%
	Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000	
Current assets												
Cash and cash equivalents	47,114	4.06%	61,077	6.19%	193,190	25.50%	864,437	77.12%	740,015	71.82%	479,381	60.54%
Short-term investments	14,296	1.23%	-		-		14,296	1.28%	112,209	10.89%	142,498	18.00%
Accounts and notes receivable, net	54,775	4.72%	20,416	2.07%	-		73,332	6.54%	32,981	3.20%	13,369	1.69%
Investment in non-performing assets, net	-		-		-		-		2,469	0.24%	-	
Amount due from related companies	188	0.02%	313	0.03%	8,885	1.17%	-		-		-	
Short-term loans to related companies, net	-	0.00%	10,400	1.05%	3,000	0.40%	-		-		-	
Short-term loans to other companies	30,497	2.63%	2,451	0.25%	-		60,497	5.40%	26,451	2.57%	84,393	10.66%
Other current assets, net	4,847	0.42%	2,050	0.21%	2,641	0.35%	18,686	1.67%	10,331	1.00%	12,955	1.64%
Total current assets	151,717	13.08%	96,707	9.81%	207,716	27.42%	1,031,248	92.00%	924,456	89.72%	732,596	92.52%
Non-current assets												
Long-term loan to related companies	11,437	0.99%	14,950	1.52%	-		-		-		-	
Long-term loan to other companies -net	-		4,969	0.50%	-		-		4,969	0.48%	-	
Investment in subsidiary companies	944,208	81.42%	828,992	84.08%	517,637	68.34%	-		-		-	
Long-term investments	-		-		-		1,747	0.16%	30,000	2.91%	-	
Leasehold improvements and equipment	40,844	3.52%	31,717	3.22%	25,734	3.40%	47,871	4.27%	45,731	4.44%	38,930	4.92%
Intangible assets, net	3,666	0.32%	2,859	0.29%	2,203	0.29%	6,832	0.61%	4,977	0.48%	3,973	0.50%
Deferred tax assets	-		-		-		18,612	1.66%	1,813	0.18%	-	
Other non-current assets, net	7,872	0.68%	5,817	0.59%	4,197	0.55%	14,561	1.30%	18,400	1.79%	16,285	2.06%
Total non-current assets	1,008,027	86.92%	889,304	90.19%	549,771	72.58%	89,623	8.00%	105,890	10.28%	59,188	7.48%
Total assets	1,159,744	100.00%	986,011	100.00%	757,487	100.00%	1,120,871	100.00%	1,030,346	100.00%	791,784	100.00%

BALANCE SHEETS (Cont'd)
AS AT DECEMBER 31, 2011, 2012 and 2013 (Liabilities and Shareholders' Equity)

	Company Only						Consolidated					
	2011	%	2012	%	2013	%	2011	%	2012	%	2013	%
	Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000	
Liabilities and shareholders' equity												
Current liabilities												
Amount due to related companies	54,207	4.67%	107,644	10.92%	41	0.01%	-		-		-	
Current portion of long-term loan												
from related company	20,000	1.72%	18,000	1.83%	-		-		-		-	
Current portion of financial lease contracts	5,714	0.49%	4,178	0.42%	4,002	0.53%	5,714	0.51%	4,847	0.47%	4,705	0.59%
Other current liabilities	3,768	0.32%	4,108	0.42%	1,092	0.14%	37,974	3.39%	26,278	2.55%	23,108	2.92%
Total current liabilities	83,689	7.22%	133,930	13.58%	5,135	0.68%	43,688	3.90%	31,125	3.02%	27,813	3.51%
Non-current liabilities												
Liabilities under financial lease contracts, net	8,987	0.77%	4,408	0.45%	2,321	0.31%	8,987	0.80%	6,119	0.59%	3,330	0.42%
Long-term loans from financial institutions	-		-		-		1,878	0.17%	2,584	0.25%	3,236	0.41%
Long-term loans from related companies	760,000	65.53%	760,000	77.08%	-		-		-		-	
Deferred tax liabilities	-		-		-		228	0.02%	158	0.02%	158	0.02%
Employee benefits Obligations	5,229	0.45%	5,928	0.60%	7,259	0.96%	7,628	0.68%	9,831	0.95%	12,874	1.63%
Other liabilities	2,912	0.25%	2,912	0.30%	1,310	0.17%	5,031	0.45%	12,097	1.17%	10,700	1.35%
Total non-current liabilities	777,128	67.01%	773,248	78.42%	10,890	1.44%	23,752	2.12%	30,789	2.99%	30,298	3.83%
Total liabilities	860,817	74.22%	907,178	92.00%	16,025	2.12%	67,440	6.02%	61,914	6.01%	58,111	7.34%

BALANCE SHEETS (Cont'd)
AS AT DECEMBER 31, 2011, 2012 and 2013 (Liabilities and Shareholders' Equity)

	Company Only						Consolidated					
	2011	%	2012	%	2013	%	2011	%	2012	%	2013	%
	Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000	
Shareholders' equity												
Authorised, issued and paid-up share capital												
125,000,000 ordinary shares of												
Baht 1 each	125,000	10.78%	125,000	12.68%	125,000	16.50%	125,000	11.15%	125,000	12.13%	125,000	15.79%
Premium on share capital	337,742	29.12%	337,742	34.25%	337,742	44.59%	337,742	30.13%	337,742	32.78%	337,742	42.66%
Retained earnings (deficit)												
Appropriated	12,500	1.08%	12,500	1.27%	12,500	1.65%	12,500	1.12%	12,500	1.21%	12,500	1.58%
Unappropriated	(176,315)	-15.20%	(396,409)	-40.20%	266,220	35.15%	578,990	51.66%	499,510	48.48%	266,924	33.71%
Other components of equity	-		-		-	-	(2,485)	-0.22%	(2,484)	-0.24%	(2,146)	-0.27%
Equity attributable to owners of the parent	298,927	25.78%	78,833	8.00%	741,462	97.88%	1,051,747	93.83%	972,268	94.36%	740,020	93.46%
Non-controlling interests	-		-		-		1,684	0.15%	(3,836)	-0.37%	(6,347)	-0.80%
Total shareholders' equity	298,927	25.78%	78,833	8.00%	741,462	97.88%	1,053,431	93.98%	968,432	93.99%	733,673	92.66%
Total liabilities and shareholders' equity	1,159,744	100.00%	986,011	100.00%	757,487	100.00%	1,120,871	100.00%	1,030,346	100.00%	791,784	100.00%

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

	Company Only						Consolidated					
	2011	%	2012	%	2013	%	2011	%	2012	%	2013	%
	Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000		Baht ' 000	
Revenues												
Service income	131,911	86.03%	71,327	79.63%	3,832	0.47%	185,868	19.82%	168,923	72.23%	104,239	73.36%
Interest income from NPL	-		-		-		82,036	8.75%	22,480	9.61%	-	
Income from recovery of bad debt written off	-		-		-		241,805	25.78%	-		-	
Dividend income	-		-		795,720	96.88%	-		-		-	
Other income	21,414	13.97%	18,251	20.37%	21,830	2.66%	428,279	45.66%	42,473	18.16%	37,855	26.64%
Total revenues	153,325	100.00%	89,578	100.00%	821,382	100.00%	937,988	100.00%	233,876	100.00%	142,094	100.00%
Expenses												
Cost of services, asset management and loans	45,567	29.72%	33,280	37.15%	7,025	0.86%	135,744	14.47%	124,984	53.44%	106,636	75.05%
Administrative expenses	136,439	88.99%	192,923	215.37%	(7,919)	-0.96%	366,243	39.05%	147,853	63.22%	119,961	84.42%
Management remunerations	27,264	17.78%	22,395	25.00%	20,444	2.49%	27,264	2.91%	22,395	9.58%	20,484	14.42%
Total expenses	209,270	136.49%	248,598	277.52%	19,550	2.38%	529,251	56.42%	295,232	126.23%	247,081	173.89%
Profit (loss) before financial costs and income tax	(55,945)	-36.49%	(159,020)	-177.52%	801,832	97.62%	408,737	43.58%	(61,356)	-26.23%	(104,987)	-73.89%
Financial costs	54,285	35.41%	61,074	68.18%	14,203	1.73%	14,226	1.52%	4,317	1.85%	1,186	0.83%
Profit (loss) before income tax	(110,230)	-71.89%	(220,094)	-245.70%	787,629	95.89%	394,511	42.06%	(65,673)	-28.08%	(106,173)	-74.72%
Income tax	-		-		-		4,765	0.51%	19,436	8.31%	4,206	2.96%
Net profit (loss) for the year	(110,230)	-71.89%	(220,094)	-245.70%	787,629	95.89%	389,746	41.55%	(85,109)	-36.39%	(110,379)	-77.68%

STATEMENTS OF INCOME (Cont'd)
FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

	Company Only						Consolidated											
	2011		%	2012		%	2013		%	2011		%	2012		%	2013		%
	Baht ' 000			Baht ' 000			Baht ' 000			Baht ' 000			Baht ' 000			Baht ' 000		
Other comprehensive income (loss)																		
Exchange differences on translating F/S	-			-			-			(963) -0.10%			110 0.05%			620 0.44%		
Other comprehensive loss, net of tax	-			-			-			(963) -0.10%			110 0.05%			620 0.44%		
Total comprehensive income (loss)	(110,230) -71.89%			(220,094) -245.70%			787,629 95.89%			388,783 41.45%			(84,999) -36.34%			(109,759) -77.24%		
Profit (loss) attributable to:																		
Shareholders of the parent	(110,230) -71.89%			(220,094) -245.70%			787,629 95.89%			393,131 41.91%			(79,480) -33.98%			(107,586) -75.71%		
Non-controlling interests	-			-			- -			(3,385) -0.36%			(5,629) -2.41%			(2,793) -1.97%		
	(110,230) -71.89%			(220,094) -245.70%			787,629 95.89%			389,746 41.55%			(85,109) -36.39%			(110,379) -77.68%		
Total comprehensive income (loss) attributable to:																		
Shareholders of the parent	(110,230) -71.89%			(220,094) -245.70%			787,629 95.89%			392,242 41.82%			(79,479) -33.98%			(107,248) -75.48%		
Non-controlling interests	-			-			-			(3,459) -0.37%			(5,520) -2.36%			(2,511) -1.77%		
	(110,230) -71.89%			(220,094) -245.70%			787,629 95.89%			388,783 41.45%			(84,999) -36.34%			(109,759) -77.24%		
Basic earnings (loss) per shar	(0.88)			(1.76)			6.30			3.12			(0.68)			(0.88)		

STATEMENTS OF CASH FLOWS (Cont'd) ; FOR THE YEARS ENDED DECEMBER 31, 2011 2012 AND 2013

	Company Only			Consolidated		
	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000
Cash flows from operating activities						
Profit (loss) before income tax	(110,229)	(220,094)	787,629	394,511	(65,673)	(106,173)
Adjustment for :						
Depreciation and amortisation	12,946	9,195	7,642	32,301	14,699	13,648
Interest income	(2,492)	(4,736)	(8,324)	(106,404)	(41,060)	(23,686)
Interest expense	53,280	60,422	13,756	8,411	3,584	-
Interest expense from finance leases	1,005	652	447	1,005	733	548
Dividend income	(9,259)	(9,804)	(795,720)	-	-	-
Loss on impairment/written off withholding tax assets	-	3,299	785	-	5,791	4,900
Bad debt and doubtful account of loans to non-performing assets	-	-	-	(8,608)	-	-
Impairment loss from investments in subsidiaries (reversal)	10,550	117,217	(97,145)	-	-	-
unrealised loss (gain) on investment in fair value	-	-	-	-	(2,160)	1,489
Loss from restructuring in loans to non-performing assets	-	-	-	30,677	-	-
Loss on impairment of loans (reversal)	28,400	7,300	31,613	-	9,800	(9,800)
Loss on loan forgiveness	-	-	13,726	-	-	13,726
Gain from sale of investment	1,079	(751)	-	1,079	(12,052)	(2,278)
Gain from sale of subsidiary	-	-	(9,000)	(315,624)	-	(129)
Gain on disposal/impairment/write-off assets	2,968	(1,157)	(1,016)	13,294	(624)	(1,196)
Realised (Gain) loss on foreign currencies translation	(1,411)	1,473	(2,963)	(6,366)	1,396	(1,833)
Unrealised loss on foreign exchange translation	-	-	-	-	109	622
Provision for employee benefits	5,229	699	1,331	7,839	2,203	3393
Reversal on provision on dismantling cost	-	-	(1,602)	-	-	(1,602)

STATEMENTS OF CASH FLOWS (Cont'd) ; FOR THE YEARS ENDED DECEMBER 31, 2011 2012 AND 2013

	Company Only			Consolidated		
	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000
Profit (loss) from operating activities before changes in operating assets and liabilities	(7,934)	(36,285)	(58,841)	52,115	(83,254)	(108,371)
(Increase) decrease in operating assets						
Accounts and notes receivable	(54,774)	34,359	20,416	(48,466)	32,851	19,587
Investment in non-performing assets	-	-	-	1,073,075	(2,469)	-
Loans to non-performing assets	-	-	-	819,479	-	-
Loans to consumers and interests receivable	-	-	-	53,323	-	-
Accounts receivable - related companies	10,467	-	-	2,845	-	-
Amount due from - related companies	5,290	(109)	(50)	4,096	-	-
Other receivables	2,357	228	-	-	245	-
Other current assets	712	530	679	30,367	2,579	(9)
Other non-current assets	(804)	114	118	43,076	306	613
Increase (decrease) in operating liabilities						
Accounts and notes payable	-	-	-	(5,896)	-	-
Amount due to related companies	(984)	(482)	(15)	2,895	-	-
Other current liabilities	(1,787)	(1,186)	(1,490)	(642,227)	(12,012)	(4,132)
Other non-current liabilities	-	-	-	-	(435)	(73)
Cash generated from (used in) operation before						
Interest and income tax received (paid)	(47,457)	(2,831)	(39,183)	1,384,682	(62,189)	(92,385)
Interest income received	2,411	4,703	2,582	114,880	48,117	18,483
Interest expense paid excluding finance lease contracts	(121)	(2,939)	(121,345)	(14,035)	-	-
Income tax paid	(2,809)	(3,299)	(785)	(14,650)	(5,791)	(4,900)
Net cash provided by (used in) operating activities	(47,976)	(4,366)	(158,731)	1,470,877	(19,863)	(78,802)

STATEMENTS OF CASH FLOWS (Cont'd) ; FOR THE YEARS ENDED DECEMBER 31, 2011 2012 AND 2013

	Company Only			Consolidated		
	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000
Cash flows from investing activities						
Purchase of short-term investment	(30,431)	(15,342)	-	(30,431)	(128,550)	(4,500)
Short-term loans made to related companies	(27,500)	(169,000)	(20,500)	-	-	-
Short-term loans made to other company	-	-	-	(30,000)	-	(65,000)
Long-term loans made to related companies	(10,893)	(3,899)	(9,800)	-	-	-
Purchase of long-term investment	-	-	-	(86)	(30,000)	-
Cash paid for increase of issuing share of subsidiaries	(15,893)	(2,000)	(4,000)	-	-	-
Cash paid for acquisition of minority interest of a subsidiary	-	-	-	-	-	-
Purchase of building improvement, equipment and intangible assets	(396)	(98)	(1,242)	(4,576)	(6,950)	(7,184)
Proceeds from disposal of short-term investment	15,434	31,004	-	38,808	36,005	5,000
Proceeds from disposal of investment in subsidiary	-	-	9,000	-	-	2,584
Cash received from share capital reduction of investment in subsidiary	-	-	412,500	-	-	-
Proceeds from disposal of long-term investment	-	-	-	-	11,332	-
Proceeds from short-term loans to other companies	-	-	-	-	6,000	10,664
Loan repayment received from short-term loans to related companies	6,541	161,100	14,400	-	-	-
Cash received from long-term loans to related companies	27,862	-	-	-	-	-
Loan repayment received from long-term loans to other companies	-	13,277	6,057	-	13,277	-
Proceeds from disposal of building improvement equipment and intangible assets	1,576.00	3,935	3,419.00	5,934	3,935	4,762
Cash received from issuance of share capital from non-controlling interests	-	-	-	5,143	-	-
Dividend received from investment in subsidiaries	9,259	9,804	787,050	-	-	-
Disposal of subsidiary, net of cash disposed	-	-	-	(151,659)	-	-
Net cash provided by (used in) investing activities	(24,441)	28,781	1,196,884	(166,867)	(94,951)	(53,674)

STATEMENTS OF CASH FLOWS (Cont'd) ; FOR THE YEARS ENDED DECEMBER 31, 2011 2012 AND 2013

	Company Only			Consolidated		
	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000
Cash flows from financing activities						
Payment on short-term borrowing from related companies		(152,000)	(913,588)	-	-	-
Proceeds from long-term borrowings from financial institutions	-	-	-	-	706	653
Cash paid for long-term loans from financial institutions	-	-	-	(1,611,419)	-	-
Cash paid on long-term loans from related companies	-	-	(760,000)	(34,841)	-	-
Proceeds from short-term borrowings from related companies	20,000	150,000	895,588	-	-	-
Cash received from long-term loan related companies	-	-	-	221,572	-	-
Cash received from issuing convertible loan	-	-	-	1,878	-	-
Dividend paid	-	-	(125,000)	-	-	(125,000)
Payment on liabilities under financial lease contracts	(7,798)	(6,767)	(4,873)	(7,798)	(8,177)	(5,644)
Net cash provided by (used in) financing activities	12,202	(8,767)	(907,873)	(1,430,608)	(7,471)	(129,991)
Net decrease in cash and cash equivalents	(60,215)	15,648	130,280	(126,598)	(122,285)	(262,467)
Cash and cash equivalents at beginning of the year	106,839	47,114	61,077	990,545	864,437	740,015
Exchange gain (loss) on cash	490	(1,685)	1,833	490	(2,137)	1,833
Cash and cash equivalents at end of the year	47,114	61,077	193,190	864,437	740,015	479,381

STATEMENTS OF CASH FLOWS (Cont'd) ; FOR THE YEARS ENDED DECEMBER 31, 2011 2012 AND 2013

	Company Only			Consolidated		
	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000	2011 Baht ' 000	2012 Baht ' 000	2013 Baht ' 000
Non-cash transactions						
Purchase equipment under financial lease contracts	1,166	-	2,164	1,166	3,710	2,164
Restructuring investment in non-performing assets	-	-	-	106,943	-	
Foreclosed assets acquired by auction and repossession for debt settlement						
- Investment in non-performing assets	-	-	-	3,221	-	
- Loans to non-performing assets	-	-	-	12,164	-	
Reversal of dismantling cost	-	1,941	-	-	3,354	61
Reclassification of long-term investment to short-term investment	-	-	-	-	674	30,000
Reclassification of current asset to non-current asset	-	-	-	-	7,500	-
Reclassification of non-current asset to current asset	-	-	1,500			1,500
Reclassification of current liability to non-current liability	-	-	-	-	7,500	-
Dividend receivable	-	-	8,670	-	-	-

Ratio Analysis

	Company Only						Consolidated					
	2011		2012		2013		2011		2012		2013	
<u>Liquidity Ratio</u>												
Current Ratio	1.81	Times	0.72	Times	40.45	Times	23.60	Times	29.70	Times	26.34	Times
Quick Ratio	1.39	Times	0.61	Times	37.62	Times	21.79	Times	28.44	Times	22.84	Times
Cash Flows Liquidity Ratio	-0.97	Times	-0.04	Times	-2.28	Times	2.10	Times	-0.53	Times	-2.67	Times
Accounts Receivable Turnover	4.82	Times	1.90	Times	0.38	Times	5.46	Times	3.60	Times	4.50	Times
Day Receivable	75	Days	190	Days	959	Days	66	Days	100	Days	80	Days
Accounts Payable Turnover	n.a.	Times	n.a.	Times	n.a.	Times	16.53	Times	n.a.	Times	n.a.	Times
Repayment Period	n.a.	Days	n.a.	Days	n.a.	Days	22	Days	n.a.	Days	n.a.	Days
Cash Cycle	n.a.	Days	n.a.	Days	n.a.	Days	44	Days	n.a.	Days	n.a.	Days
<u>Profitability Ratio</u>												
Gross Profit Margin	65.46	%	53.34	%	99.12	%	73.37	%	34.70	%	-2.30	%
Earnings Before Interest and Tax Ratio	-37.98	%	-217.14	%	100.11	%	1.51	%	-42.55	%	-117.38	%
Other Profit Margin	13.97	%	20.37	%	2.66	%	45.66	%	18.16	%	26.64	%
Cash per Earnings Margin	0.96	Times	0.03	Times	-0.20	Times	190.48	Times	0.24	Times	0.64	Times
Net Profit Margin	-71.89	%	-245.70	%	95.89	%	41.91	%	-33.98	%	-75.71	%
Return on Equity	-31.13	%	-116.53	%	192.04	%	46.45	%	-7.85	%	-12.57	%
<u>Efficiency Ratio</u>												
Return on Total Assets	-9.56	%	-20.51	%	90.35	%	19.01	%	-7.39	%	-11.81	%
Return on Fixed Assets	209.16	%	-581.30	%	2,768.52	%	687.32	%	-138.42	%	-221.92	%
Assets Turnover	0.13	Times	0.08	Times	0.94	Times	0.45	Times	0.22	Times	0.16	Times

Ratio Analysis (Cont'd)

	Company Only						Consolidated					
	2011		2012		2013		2011		2012		2013	
<u>Financial Policy Ratio</u>												
Debt per Equity Ratio	2.88	Times	11.51	Times	0.02	Times	0.07	Times	0.06	Times	0.08	Times
Interest Coverage Ratio	-3.03	Times	-4.60	Times	54.46	Times	26.97	Times	-14.91	Times	-88.17	Times
Ability to pay cash basis	-1.76	Times	-0.73	Times	-1.13	Times	315.50	Times	-0.54	Times	-0.60	Times
Dividend pay out Ratio	0.00	%	0.00	%	15.87	%	0.00	%	0.00	%	-113.25	%
<u>Growth Ratio</u>												
Total Assets	1.12	%	-14.98	%	-23.18	%	-62.69	%	-8.08	%	-23.15	%
Total Liability	9.25	%	5.39	%	-98.23	%	-97.60	%	-8.19	%	-6.14	%
Income from services	-8.17	%	-45.93	%	-94.63	%	-35.61	%	-28.56	%	-45.54	%
Selling and Administrative Expenses	-10.75	%	41.40	%	-104.10	%	-77.08	%	-59.63	%	-18.86	%
Net Profit (Loss) Ratio	133.82	%	99.67	%	-457.86	%	77.38	%	-120.22	%	35.36	%
<u>Data Per Share</u>												
Book Value per share	2.39	Baht	0.63	Baht	5.93	Baht	8.43	Baht	7.75	Baht	5.87	Baht
Earning (Loss) per share	-0.88	Baht	-1.76	Baht	6.30	Baht	3.12	Baht	-0.68	Baht	-0.88	Baht
Dividend per share	0.00	Baht	0.00	Baht	1.00	Baht	0.00	Baht	0.00	Baht	1.00	Baht

14. Financial Status and Operating Results Analysis

14.1 Operation overview and significant changes during the past year

In 2013 the business operation of the Company Group, i.e. the Company and subsidiaries, emphasized on investment banking business, e.g. finding investment sources for customers, while the contracts of the Company to provide services in respect of non-performing asset management to customers of all ports terminated in the previous year with no new contract. Since the Company no longer had any asset management contract, the Company reduced its manning structure in respect of asset management at the end of the previous year to save cost in conformity with the decreasing workload in the non-performing asset management business. Moreover, the Company disposed of all investments in a subsidiary company, namely, ACAP Asset Management Company Limited, and closed and liquidated another subsidiary company, namely ACAP (Malaysia) Sdn. Bhd. in Malaysia. The disposal of investments and closure of the 2 subsidiaries had no impact upon the competitive capability to bid for asset management ports because the Company still had another subsidiary qualified for bidding as asset management company similar to ACAP Asset Management Company Limited, namely ACAP (Asia) Asset Management Company Limited. However, since it became more difficult to find asset management ports which would depend on opportunity and time, although the Company was currently looking for additional investment channels, but it was not yet able to find any conclusion of new investments in the previous year. Consequently, earnings from business operation of the Company and subsidiaries in the previous year were decreasing. In 2013, as the results of business operation of the Company and subsidiaries compared with those of 2012, the consolidated financial statement presented total assets of 791.78 million Baht, decreasing by approximately 238.57 million Baht, total liabilities of 58.11 million Baht, decreasing by approximately 3.80 million Baht, shareholders' equity of the parent company of 740.02 million Baht, decreasing by approximately 232.25 million Baht, total revenues of 142.09 million Baht, decreasing by approximately 91.79 million Baht, total expenditures of 247.08 million Baht, decreasing by approximately 48.15 million Baht, loss from shareholders' equity of the parent company of 107.59 million Baht, increasing by 28.11 million Baht. The main reason why the Company had decreasing revenues, expenditures, profits and shareholders' equity was because the Company had decreasing revenues from business operation, particularly in respect of the decreasing asset management business. Details of business operation could be summarized as follows.

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

- *Revenues*

As per the 2013 consolidated financial statement, the Company had total revenues of 142.09 million Baht, decreasing by approximately 91.78 million Baht or 39.24 per cent from 2012. Sources of revenues were as follows.

Interest receivable from non-performing asset port by subsidiaries, both as investment in non-performing assets and converted as credits transacted on accrual basis by actual interest rate method, except where there was any uncertainty in collection, in which case it would be transacted upon receipt of payment. In 2013, the revenue in that respect was nil. When compared with the preceding year the revenues decreased by approximately 22.48 million Baht, or 100 per cent. The decrease of revenue in such respect was because a subsidiary was unable to collect payment

and it was uncertain whether the payment would be made or not. The Company would, therefore, transact it as revenue only after payment was made.

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

- Revenues from remunerations for operation expenses (Base Fee), collectable by the Company from employers on a monthly basis.

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

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

Of the revenues from provision of services in 2013 of 104.24 million, approximately 9.01 million Baht was earned from financial and investment banking advisory services, approximately 22.73 million Baht from non-performing asset port management contracts, approximately 0.57 million Baht from legal advisory services, approximately 71.08 million Baht from Call Center services, approximately 0.85 million Baht from sales of goods, respectively, decreasing by approximately 64.68 million Baht or 38.29 per cent compared with those of 2012, mainly because the increase of revenues of approximately 2.03 million Baht from financial and investment banking advisory services, the decrease of revenues of approximately 75.92 million Baht from non-performing asset port management contracts, the decrease of revenues of approximately 2.24 million Baht from legal advisory services, the increase of revenues of approximately 10.60 million Baht from Call Center services, and the increase of revenues of approximately 0.85 million Baht from sales of goods, respectively.

Other revenues in 2013 were 37.86 million Baht, mostly from bank deposit interest of approximately 19.91 million Baht, returns of approximately 3.77 million Baht from loans, profits of approximately 2.42 million from sales of assets, unrealized profits of approximately 2.96 million Baht from exchange rate, loan agreement extension fees of approximately 1.50 million Baht, approximately 2.40 million Baht from reversal of unidentified account receivables, profit of 0.50 million Baht from sales of liabilities, compensation of approximately 0.70 million Baht, gain on open fund of approximately 1.90 million Baht, respectively, decreasing by approximately 4.62 million Baht or (10.87) per cent compared with that of 2012, mainly because an increase of approximately 1.33 million Baht in bank deposit interest, bank deposit interest of approximately 19.91 million Baht, a decrease of approximately 14.15 million Baht in profit from sales of investment, an increase of approximately 3.77 million Baht in the returns from loans, an increase of approximately 2.96 million Baht from unrealized profit from exchange rate, respectively.

Cost of Service and Administrative Expenses

Service cost in 2013 was 106.64 million Baht, mostly incurred from personnel expenses of approximately 95.51 million Baht or 89.56 per cent. Said cost was decreasing when compared with approximately 16.00 million Baht of the preceding year, or decreasing by 14.35 per cent.

Sales and administrative expenses in 2013 were 119.96 million, mostly incurred from personnel expenses of approximately 41.35 million Baht, rents of 21.39 million Baht, advisory fees of 7.28 million Baht, depreciation and amortization of 13.65 million Baht, loss on loan forgiveness of 13.73 million Baht, impairment loss from loan reversal of (9.80) million Baht, provision for employee benefits of 3.39 million Baht, impairment loss from withholding tax of 4.90

million Baht, respectively, decreasing by approximately 27.89 million Baht or 18.86 per cent from that of the preceding year. Decreasing expenses mostly came from decrease of approximately 13.08 million Baht in personnel expenses representing 46.89 per cent of the decreasing expenses, with slightly reducing management remunerations of 20.48 million Baht in 2013.

Net Profit (loss)

The net profits (loss) of the Company and its subsidiaries for 2012 and 2013 were as follows:

	2012		2013	
	THB (million)	% compared to total revenues	THB (million)	% compared to total revenues
Gross Profit	66.42	28.40	(2.40)	(1.69)
EBITDA	(61.35)	(26.23)	(104.99)	(73.89)
Net Profit attributable to shareholders of the parent	(79.48)	(33.98)	(107.59)	(75.72)

In 2013 the Company and subsidiaries suffered a gross loss of 2.40 million Baht, increasing by 68.82 million Baht, with loss before interest expenses and income tax of 104.99 million Baht, increasing by 43.63 million Baht, and net loss in shareholders' equity of the parent company of 107.59 million Baht, increasing by 28.11 million Baht. When compared with that of 2012 the Company and subsidiaries had increasing net loss due to material decrease in revenues in respect of asset management business. Although the work administration cost and expenses were also decreasing but in less proportion than the decreasing revenues, thus causing the net loss per share to increase from 0.68 Baht to 0.88 Baht and negative return on equity (ROE) of 12.57% and negative return on assets (ROA) of 11.81%.

14.3 Financial Status of the Company and its Subsidiaries

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

Assets

At the end of 2013 the Company had total assets of 791.78 million Baht as per the consolidated financial statement, mostly comprising cash and cash equivalents of approximately 479.38 million Baht or 60.54 per cent of the assets, short-term investment in the form of trading investment in equity instruments and equity fund with financial institutions of approximately 142.50 million Baht or 18 per cent of the assets, short-term loans to other companies of approximately 84.39 million Baht net, or 10.66 per cent of the assets, respectively.

The decrease of 260.63 million Baht in cash and cash equivalents in 2013 compared with the preceding year was because in the previous year the Company and subsidiaries had net cash used in operating activities of 78.80 million Baht and net cash used in investing activities of 53.67 million Baht, with net cash used in financing activities of 129.99 million Baht and profit from exchange rate of 1.83 million Baht.

Short-term loans to other companies increased by approximately 57.94 Baht compared with the preceding year because in the previous year the Company and subsidiaries provided additional loans of approximately 65 million Baht, received loan repayments of approximately 10.67 million, received transfer of long-term loans to other companies of approximately 4.97 million Baht, provided additional allowance for impairment of loans to other companies of approximately 1.36 million Baht.

Building improvements and equipments were 38.93 million Baht, slightly decreasing by 6.80 million Baht, comprised assets used in operation, mostly were office equipments, furniture and fixtures, computers, vehicles. The decrease in building improvements was due to depreciation of each item of the assets.

Trade account receivables and note receivables were 13.67 million Baht, decreasing by 19.61 million Baht, because more debts were collected in the previous year where undue debts decreased from 27.18 million Baht to only 5.24 million Baht. However, the Company and subsidiaries have provided allowance for doubtful account of said trade account receivable in the amount of 15.76 million Baht.

	Consolidated		Company Only	
	2012	2013	2012	2013
	THB (thousand)	THB (thousand)	THB (thousand)	THB (thousand)
Accounts receivable				
Accrued income	4,914	6,589	4,733	-
Undue and up to 30 days	27,175	5,237	15,683	-
Overdue 30 days but not over 180 days	464	1,043	-	-
Overdue 180 days but not over 1 year	-	-	-	-
Overdue more than 1 year	16,184	16,256	11,646	11,646
Total	48,737	29,125	32,062	11,646
<u>Less:</u> Allowance for doubtful accounts	(15,756)	(15,756)	(11,646)	(11,646)
Accounts and notes receivable - net	32,981	13,369	20,416	-

Liabilities

In 2013 the Company and subsidiaries had 58.11 million Baht balance of liabilities, decreasing from 61.91 million Baht in the preceding year. Most liabilities came from other current liabilities of 23.11 million Baht, mainly were accrued expenses of 18.46 million Baht or 79.88 per cent, non-current liabilities of approximately 35.00 million Baht mainly comprised of liabilities under finance lease contracts of approximately 8.04 million Baht, employee benefits obligations of 12.87 million Baht, deposits of 7.50 million Baht, respectively.

Shareholders' equity

The Company had shareholders' equity of the parent company of 740.02 million Baht as per the consolidated financial statement, decreasing by 232.25 million Baht or 23.89 per cent compared with the preceding year, because the Company had decreasing revenues in the previous year. Debt-equity ratio of the Company and subsidiaries in 2013 was higher than that of the preceding year, i.e. from 0.06 to 0.08 times.

- *Liquidity*

The Company and subsidiaries had decreasing liquidity ration from 29.70 to 26.34 times, reflecting that the Company and subsidiaries had decreasing operating liquidity because the Company and subsidiaries distributed dividends of approximately 125 million Baht and provided short-term loans of approximately 65 million Baht to other companies, respectively, in the previous year, thus resulted in the decrease to liquidity of the Company and subsidiaries. However, since the Company still had cash in hand of 479.38 million Baht, coupled with its business on provision of financial advisory services which used mainly the expertise and capabilities in the business operation unlike other businesses which required investments to purchase raw materials or in construction, it could, therefore, be deemed that the Company and subsidiaries had sound cash and liquidity.

14.4 Main factors which may impact upon the business operation or the financial position in the future

Economic Changes

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

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

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

Investor Confidence

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

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

Intensity of Competition in the Industry

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