

ACAP ADVISORY PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2013

AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company financial statements of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
PricewaterhouseCoopers ABAS Ltd.

Bangkok
26 February 2014

ACAP Advisory Public Company Limited
 Statements of Financial Position
 As at 31 December 2013

	Notes	Consolidated			Company		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Assets							
Current assets							
Cash and cash equivalents	7	479,381	740,015	864,437	193,190	61,077	47,114
Short-term investments	8	142,498	112,209	14,296	-	-	14,296
Accounts receivable, net	9	13,369	32,981	73,332	-	20,416	54,775
Investment in non - performing asset		-	2,469	-	-	-	-
Amounts due from related companies	27 iv)	-	-	-	8,885	313	188
Short-term loans to related companies, net	27 v)	-	-	-	3,000	10,400	-
Short-term loans to other companies, net	10	84,393	26,451	60,497	-	2,451	30,497
Other current assets	12	12,955	10,331	18,686	2,641	2,050	4,847
Total current assets		732,596	924,456	1,031,248	207,716	96,707	151,717
Non-current assets							
Long-term loan to related companies, net	27 v)	-	-	-	-	14,950	11,437
Long-term loan to other companies, net		-	4,969	-	-	4,969	-
Investment in subsidiary companies	11	-	-	-	517,637	828,992	-
Long-term investments		-	30,000	1,747	-	-	944,208
Leasehold improvements and equipment	14	38,930	45,731	47,871	25,734	31,717	40,844
Intangible assets	15	3,973	4,977	6,832	2,203	2,859	3,666
Deferred tax assets	16	-	1,813	18,612	-	-	-
Other non-current assets	13	16,285	18,400	14,561	4,197	5,817	7,872
Total non-current assets		59,188	105,890	89,623	549,771	889,304	1,008,027
Total assets		791,784	1,030,346	1,120,871	757,487	986,011	1,159,744

Director _____ Director _____

Date _____

The notes on pages 11 to 51 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 31 December 2013

	Notes	Consolidated			Company		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and shareholders' equity							
Current liabilities							
Amounts due to related companies	27 iv)	-	-	-	41	107,644	54,207
Current portion of long-term loan from related company	27 vi)	-	-	-	-	18,000	20,000
Current portion of financial lease contracts	18	4,705	4,847	5,714	4,002	4,178	5,714
Other current liabilities	17	23,108	26,278	37,974	1,092	4,108	3,768
Total current liabilities		27,813	31,125	43,688	5,135	133,930	83,689
Non-current liabilities							
Liabilities under financial lease contracts, net	18	3,330	6,119	8,987	2,321	4,408	8,987
Long-term borrowings from financial institution		3,236	2,584	1,878	-	-	-
Long-term borrowings from related companies	27 vi)	-	-	-	-	760,000	760,000
Deferred tax liabilities	16	158	158	228	-	-	-
Employee benefits obligations	19	12,874	9,831	7,628	7,259	5,928	5,229
Other liabilities		10,700	12,097	5,031	1,310	2,912	2,912
Total non-current liabilities		30,298	30,789	23,752	10,890	773,248	777,128
Total liabilities		58,111	61,914	67,440	16,025	907,178	860,817
Shareholders' equity							
Share capital							
Authorised, issued and paid-up share capital 125,000,000 ordinary shares of Baht 1 each		125,000	125,000	125,000	125,000	125,000	125,000
Issued and paid-up share capital 125,000,000 ordinary shares of Baht 1 each		125,000	125,000	125,000	125,000	125,000	125,000
Premium on share capital		337,742	337,742	337,742	337,742	337,742	337,742
Retained earnings (deficits)							
Appropriated		12,500	12,500	12,500	12,500	12,500	12,500
Unappropriated		266,924	499,510	578,990	266,220	(396,409)	(176,315)
Other components of equity		(2,146)	(2,484)	(2,485)	-	-	-
Equity attributable to owners of the parent		740,020	972,268	1,051,747	741,462	78,833	298,927
Non-controlling interests		(6,347)	(3,836)	1,684	-	-	-
Total shareholders' equity		733,673	968,432	1,053,431	741,462	78,833	298,927
Total liabilities and shareholders' equity		791,784	1,030,346	1,120,871	757,487	986,011	1,159,744

The notes on pages 11 to 51 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Revenues					
Service income		104,239	168,923	3,832	71,327
Interest income from non-performing asset management		-	22,480	-	-
Dividend income		-	-	795,720	9,804
Other income	21, 27 i)	37,855	42,473	21,830	8,447
Total revenues		142,094	233,876	821,382	89,578
Expenses					
Cost of services and asset management	27 ii)	106,636	124,984	7,025	33,280
Administrative expenses	22, 27 ii)	119,961	147,853	(7,919)	192,923
Management remunerations	29	20,484	22,395	20,444	22,395
Total expenses		247,081	295,232	19,550	248,598
(Loss) profit before financial costs and income tax					
		(104,987)	(61,356)	801,832	(159,020)
Financial costs	27 iii)	1,186	4,317	14,203	61,074
(Loss) profit before income tax					
		(106,173)	(65,673)	787,629	(220,094)
Income tax		4,206	19,436	-	-
Net (loss) profit for the year		(110,379)	(85,109)	787,629	(220,094)
Other comprehensive income					
Exchange differences on translating financial statement		620	110	-	-
Other comprehensive income, net of tax		620	110	-	-
Total comprehensive (expense) income		(109,759)	(84,999)	787,629	(220,094)
(Loss) profit attributable to:					
Shareholders of the parent		(107,586)	(79,480)	787,629	(220,094)
Non-controlling interests		(2,793)	(5,629)	-	-
		(110,379)	(85,109)	787,629	(220,094)
Total comprehensive (expense) income attributable to:					
Shareholders of the parent		(107,248)	(79,479)	787,629	(220,094)
Non-controlling interests		(2,511)	(5,520)	-	-
		(109,759)	(84,999)	787,629	(220,094)
(Loss) earnings per share (expressed in Baht per share)					
Basic (loss) earnings per share	24	(0.88)	(0.68)	6.30	(1.76)

The notes on pages 11 to 51 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the year ended 31 December 2013

Consolidated									
Equity attributable to shareholders of the parent									
	Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other component of equity Currency translation differences from subsidiary in overseas Baht'000	Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
				Appropriated Baht'000	Unappropriated Baht'000				
Opening balance as at 1 January 2013		125,000	337,742	12,500	497,855	(2,484)	970,613	(3,836)	966,777
Impact from the adoption of TAS 12 Income taxes		-	-	-	1,655	-	1,655	-	1,655
Opening balance after adjustment		125,000	337,742	12,500	499,510	(2,484)	972,268	(3,836)	968,432
Total comprehensive (expenses) income		-	-	-	(107,586)	338	(107,248)	(2,511)	(109,759)
Dividend payment	26	-	-	-	(125,000)	-	(125,000)	-	(125,000)
Ending balance as at 31 December 2013		<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>266,924</u>	<u>(2,146)</u>	<u>740,020</u>	<u>(6,347)</u>	<u>733,673</u>

Consolidated									
Equity attributable to shareholders of the parent									
	Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other component of equity Currency translation differences from subsidiary in overseas Baht'000	Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
				Appropriated Baht'000	Unappropriated Baht'000				
Opening balance as at 1 January 2012		125,000	337,742	12,500	560,606	(2,485)	1,033,363	1,684	1,035,047
Impact from the adoption of TAS 12 Income taxes		-	-	-	18,384	-	18,384	-	18,384
Opening balance after adjustment		125,000	337,742	12,500	578,990	(2,485)	1,051,747	1,684	1,053,431
Total comprehensive (expenses) income		-	-	-	(79,480)	1	(79,479)	(5,520)	(84,999)
Ending balance as at 31 December 2012		<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>499,510</u>	<u>(2,484)</u>	<u>972,268</u>	<u>(3,836)</u>	<u>968,432</u>

The notes on pages 11 to 51 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the year ended 31 December 2013

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

	Company					
	Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings (deficits)		Total shareholders' equity Baht'000
				Appropriated Baht'000	Unappropriated Baht'000	
Opening balance as at 1 January 2012		125,000	337,742	12,500	(176,315)	298,927
Total comprehensive expenses		-	-	-	(220,094)	(220,094)
Closing balance as at 31 December 2012		<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>(396,409)</u>	<u>78,833</u>

The notes on pages 11 to 51 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Cash flows from operating activities					
(Loss) profit before income tax		(106,173)	(65,673)	787,629	(220,094)
Adjustments for:					
Depreciation and amortisation	14,15	13,648	14,699	7,642	9,195
Interest income		(23,686)	(41,060)	(8,324)	(4,736)
Interest expense		-	3,584	13,756	60,422
Interest expense from finance leases		548	733	447	652
Dividend income	27 i)	-	-	(795,720)	(9,804)
Loss on impairment/written off withholding tax assets		4,900	5,791	785	3,299
Impairment loss from investments in subsidiaries (reversal)		-	-	(97,145)	117,217
Unrealised loss (gain) on investment in fair value		1,489	(2,160)	-	-
Loss on impairment of loans (reversal)		(9,800)	9,800	31,613	7,300
Loss on loan forgiveness	10	13,726	-	13,726	-
Gain from sale of investment		(2,278)	(12,052)	-	(751)
Gain from sale of subsidiary		(129)	-	(9,000)	-
Gain on disposal/impairment/write-off assets		(1,196)	(624)	(1,016)	(1,157)
Realised (gain) loss on foreign currencies translation		(1,833)	1,396	(2,963)	1,473
Unrealised loss on foreign exchange translation		622	109	-	-
Provision for employee benefits	19	3,393	2,203	1,331	699
Reversal on provision on dismantling cost		(1,602)	-	(1,602)	-
Loss from operating activities before changes in operating assets and liabilities		(108,371)	(83,254)	(58,841)	(36,285)
(Increase) decrease in operating assets					
Accounts receivable		19,587	32,851	20,416	34,359
Investment in non-performing assets		-	(2,469)	-	-
Amounts due from - related companies		-	-	(50)	(109)
Other receivables		-	245	-	228
Other current assets		(9)	2,579	679	530
Other non-current assets		613	306	118	114
Increase (decrease) in operating liabilities					
Amounts due to related companies		-	-	(15)	(482)
Other current liabilities		(4,132)	(12,012)	(1,490)	(1,186)
Other non-current liabilities		(73)	(435)	-	-
Cash used in operation before interest and income tax received (paid)		(92,385)	(62,189)	(39,183)	(2,831)
Interest income received		18,483	48,117	2,582	4,703
Interest expense paid excluding finance leases		-	-	(121,345)	(2,939)
Income tax paid		(4,900)	(5,791)	(785)	(3,299)
Net cash used in operating activities		(78,802)	(19,863)	(158,731)	(4,366)

The notes on pages 11 to 51 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2013

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities				
Purchase of short-term investment	(4,500)	(128,550)	-	(15,342)
Short-term loans made to related companies	-	-	(20,500)	(169,000)
Short-term loans made to other company	(65,000)	-	-	-
Long-term loans made to related companies	-	-	(9,800)	(3,899)
Purchase of long-term investments	-	(30,000)	-	-
Cash paid for increase of issuing share of subsidiaries	-	-	(4,000)	(2,000)
Purchase of building improvements, equipment and intangible assets	(7,184)	(6,950)	(1,242)	(98)
Proceeds from disposal of short-term investment	5,000	36,005	-	31,004
Proceeds from disposal of investment in subsidiary	2,584	-	9,000	-
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 loan to other companies	10,664	6,000	-	-
Loan repayments received from short-term loans to related companies	-	-	14,400	161,100
Loan repayments received from long-term loans to other company	-	13,277	6,057	13,277
Proceeds from disposal of building improvement, equipment and intangible assets	4,762	3,935	3,419	3,935
Dividend received from investment in subsidiaries	-	-	787,050	9,804
Net cash (used in) provided by investing activities	<u>(53,674)</u>	<u>(94,951)</u>	<u>1,196,884</u>	<u>28,781</u>

The notes on pages 11 to 51 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2013

	Note	Consolidated		Company	
		2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Cash flows from financing activities					
Payment on short-term borrowings from related companies		-	-	(913,588)	(152,000)
Payment on long-term borrowings from related companies		-	-	(760,000)	-
Proceeds from long-term borrowings from financial institutions		653	-	-	-
Proceeds from short-term borrowings from related companies		-	-	895,588	150,000
Proceeds from long-term borrowings from financial institution		-	706	-	-
Dividend paid	26	(125,000)	-	(125,000)	-
Payment on liabilities under finance lease		(5,644)	(8,177)	(4,873)	(6,767)
Net cash used in financing activities		(129,991)	(7,471)	(907,873)	(8,767)
Net (decrease) increase in cash and cash equivalents		(262,467)	(122,285)	130,280	15,648
Cash and cash equivalents at beginning of the year		740,015	864,437	61,077	47,114
Exchange gain (loss) on cash		1,833	(2,137)	1,833	(1,685)
Cash and cash equivalents at end of the year		<u>479,381</u>	<u>740,015</u>	<u>193,190</u>	<u>61,077</u>
Non-cash transactions					
Purchase of equipment under finance lease		2,164	3,710	2,164	-
Reversal of dismantling cost		61	3,354	-	1,941
Reclassification of long-term investment to short-term investment		30,000	674	-	-
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	-

The notes on pages 11 to 51 are an integral part of these financial statements.

1 General information

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

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

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

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

The consolidated and company financial statements were authorised for issue by the Board of Directors on 26 February 2014.

2 Accounting policies

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

2.1 Basis of preparation

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

On 2 September 2013 the Company sold all shares of ACAP Asset Management Company Limited. Therefore, the Company has no control over ACAP Asset Management Company Limited onward. Consequently, the statements of financial position as at 31 December 2013 did not include the financial position of ACAP Asset Management Company Limited (Notes 11 to the financial statements).

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

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

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

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Company are:

TAS 12	Income Taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. New accounting policy of income taxes and the significant impact to the Company are described in Note 2.19.

TAS 21 (Revised 2009) requires the Company to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that Thai Baht is the Company's functional currency. As a consequence, applying TAS 21 (Revised 2009) has no impact to assets, liabilities and retained earnings. New accounting policy is described in Note 2.4.

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is described in Note 2.22. The impact to the Company in applying TFRS 8 is only on a disclosure.

2.2.2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group:

a) Revised accounting standards effective for the periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

a) Revised accounting standards effective for the periods beginning on or after 1 January 2014 (Cont'd)

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange difference relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to the Group.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

a) Revised accounting standards effective for the periods beginning on or after 1 January 2014 (Cont'd)

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group. This standard has no impact to the Group.

TAS 38 (revised 2012) Clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2013) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. TFRIC 4 is not relevant to the Group's operations.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the group's operations.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014 (Cont'd)

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. TFRIC 13 is not relevant to the Group's operations.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 "Leases". The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 "Intangible Assets". This interpretation has no impact to the Group.

c) New accounting standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4 Insurance Contracts

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

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investment in subsidiaries

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

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

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

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

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

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

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

A list of the Group's subsidiaries is set out in Note 11 to the financial statements.

2.4 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

2 Accounting policies (Cont'd)

2.4 Foreign currency translation (Cont'd)

c) Group companies

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

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

2.5 Cash and cash equivalents

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

2.6 Investment in securities

Investment in securities is classified as (1) trading investments and (2) held-to-maturity investments which the classification is dependent on the purpose for which the investment was acquired. Management determines the appropriate classification of its investment at the time of the purchase and re-evaluates such designation on a regular basis.

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.7 Accounts receivable

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

2.8 Inventories

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

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

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

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

Loans to non-performing assets are non-performing assets transferred from investment in non-performing assets of those who enter into debt restructuring or changes of the conditions or re-agreements in debt repayment with the subsidiaries. Loans to non-performing assets are stated at fair value as at the transferred date net of allowance for doubtful accounts. Allowance for doubtful accounts of loans to non-performing assets are recognised in statement of comprehensive income.

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

2 Accounting policies (Cont'd)

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

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

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

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

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

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

2.12 Intangible assets

Computer software

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

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

2.13 Building improvements and equipment

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

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

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

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

2 Accounting policies (Cont'd)

2.13 Building improvement and equipment (Cont'd)

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

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

2.14 Impairment of assets

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

2.15 Leases - where a Group company is the lessee

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

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

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

2.16 Borrowings

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

2 Accounting policies (Cont'd)

2.17 Employee benefits

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

- Defined benefit plans - Retirement benefits

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

- Defined contribution plans - Provident fund

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

2.18 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

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

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

2 Accounting policies (Cont'd)

2.19 Current and deferred income taxes

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

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.20 Revenues and expenses recognition

Revenues from financial advisor and investment consultant

- Monthly fee is recognised based on the performance of services under related contract. The Company will cease revenue recognition when receivables are continuously delinquent on payments for more than 3 months.
- Service fee on condition of contract is recognised on success of each step of contract.
- Service fee on completion is recognised when the service is completely rendered.

Revenues from non-performing assets management

- Revenue from recovery operation expenses (Base Fee) is recognised monthly based on service performed.
- Revenue from cash collection sharing (Cash Collection Fee) is recognised based on percentage of cash collected in accordance with the terms in service agreement.

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

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

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

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

Other incomes and expenses are recognised on accrual basis.

2.21 Dividends

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

2.22 Segment reporting

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

3 Financial risk management

Significant financial assets carried on the statements of financial position include cash and cash equivalents, short-term investments, accounts receivable, investment in non-performing assets, loans to other companies. Significant financial liabilities carried on the statements of financial position include borrowings and liabilities under finance lease contracts. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

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

4 Critical accounting estimates, assumptions and judgements

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

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

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

4.2 Building improvements, equipment and intangible assets

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

4.3 Employee benefits

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

5 Capital risk management

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

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

6 Segment information

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

- Financial advisory and investment banking services - to provide financial advisory and investment banking services for debt restructuring, preparation and management of rehabilitation plan, fund raising, financial restructuring, seeking strategic alliance, purchase/sales and merger & acquisition while a subsidiary company engages into the business of being rehabilitation plan administrator under the Bankruptcy Act.
- Non-performing assets management - to provide non-performing assets management in terms of negotiation and collection of non-performing loans of financial institutions and various non-performing assets management organisations. The Group also provides litigation services for debt payment and management of disposal transferred assets for debt repayment or foreclosure of collaterals and trading of consumer product.
- Consumers finance Business - to provide consumers finance services to customers.

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6 Segment information (Cont'd)

	Consolidated				
	Advisory and investment banking Baht'000	Non- performing asset ("NPA") management Baht'000	Consumer finance Baht'000	Elimination Baht'000	Total Baht'000
For the year ended					
31 December 2013					
Revenues					
Third party revenue	83,075	32,052	26,967	-	142,094
Inter-segment revenue	2,104	808,455	24,569	(835,128)	-
Total revenues	<u>85,179</u>	<u>840,507</u>	<u>51,536</u>	<u>(835,128)</u>	<u>142,094</u>
Operating results	(112,763)	(42,188)	818,461	(910,591)	(247,081)
Financial costs	<u>(1,543)</u>	<u>(14,844)</u>	-	15,201	<u>(1,186)</u>
(Loss) profit before tax	(29,127)	783,475	869,997	(1,730,518)	(106,173)
Income tax	-	2,272	1,934	-	4,206
(Loss) profit before non-controlling interests	(29,127)	781,203	868,063	(1,730,518)	(110,379)
Non-controlling interests	-	-	-	2,793	2,793
Net (loss) profit for the year	<u>(29,127)</u>	<u>781,203</u>	<u>868,063</u>	<u>(1,727,725)</u>	<u>(107,586)</u>
Segment assets	40,042	763,635	510,591	(522,484)	791,784
Segment liabilities	91,171	17,182	17,852	(68,094)	58,111
Capital expenditure	7,366	25,734	6,549	(719)	38,930
Depreciation and amortisation	2,989	7,242	2,939	(956)	12,214

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6 Segment information (Cont'd)

	Consolidated				
	Advisory and investment banking Baht'000	Non- performing asset ("NPA") management Baht'000	Consumer finance Baht'000	Elimination Baht'000	Total Baht'000
For the year ended					
31 December 2012					
Revenues					
Third party revenue	67,990	127,740	38,146	-	233,876
Inter-segment revenue	1,944	15,187	62,386	(79,517)	-
Total revenues	<u>69,934</u>	<u>142,927</u>	<u>100,532</u>	<u>(79,517)</u>	<u>233,876</u>
Operating results	(26,601)	(131,425)	(815,701)	912,371	(61,356)
Financial costs	(1,118)	(64,621)	-	61,422	(4,317)
(Loss) profit before tax	(27,719)	(196,046)	(815,701)	973,793	(65,673)
Income tax	-	(6,016)	(13,420)	-	(19,436)
(Loss) profit before non-controlling interests	(27,719)	(202,062)	(829,121)	973,793	(85,109)
Non-controlling interests	-	-	-	(5,629)	(5,629)
Net (loss) profit for the year	<u>(27,719)</u>	<u>(202,062)</u>	<u>(829,121)</u>	<u>979,422</u>	<u>(79,480)</u>
Segment assets	43,040	1,029,245	852,989	(894,928)	1,030,346
Segment liabilities	65,875	924,797	18,919	(947,677)	61,914
Capital expenditure	8,266	33,517	5,601	(1,653)	45,731
Depreciation and amortisation	3,243	9,919	2,493	(956)	14,699

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7 Cash and cash equivalents

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Cash on hand	109	222	6	95
Deposit held at call with banks	167,968	79,512	25,857	25,492
Fixed deposit less than 3 months	37,327	206,282	37,327	25,491
Short-term investment	273,977	453,999	130,000	9,999
Total cash and cash equivalents	479,381	740,015	193,190	61,077

The interest rate of deposit held at call with banks is 0.71% per annum (2012: 0.74% per annum). The interest rate of fixed deposit at banks with original maturity of 3 months is 3.15% per annum (2012: 1% - 2.75% per annum).

8 Short-term investments

	Consolidated		Company	
	2013	2012	2013	2012
	Cost/ book value Baht'000	Cost/ book value Baht'000	Cost/ book value Baht'000	Cost/ book value Baht'000
Trading investment - Equity securities	112,498	112,209	-	-
Held to maturity investment - Debt securities	30,000	-	-	-
Total	142,498	112,209	-	-

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

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance	112,209	14,296	-	14,296
Additions	4,500	128,550	-	15,342
Reclassification of long-term investment to short-term investment	30,000	674	-	-
Repayment during the year	(5,000)	(36,005)	-	(31,004)
Gain on sales of short-term investment	2,278	2,019	-	751
Foreign currency translation	-	515	-	615
Change in fair value	(1,489)	2,160	-	-
Ending balance	142,498	112,209	-	-

As at 31 December 2013, short-term investments in the consolidated financial statements represented trading investments in equity security, and open fund with financial institutions, and a held-to-maturity investment which is debenture note issued by a commercial bank. The face value of the note is Baht 30 million with a progressive interest rate and the maturity date on 24 February 2014.

As at 31 December 2012, short-term investments in the consolidated financial statements represented the trading investment - equity in open fund with financial institutions.

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9 Accounts receivables, net

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Accrued income	6,589	4,914	-	4,733
Undue and up to 30 days	5,237	27,175	-	15,683
Overdue 30 days but not over 180 days	1,043	464	-	-
Overdue 180 days but not over 1 year	-	-	-	-
Overdue more than 1 year	16,256	16,184	11,646	11,646
Total	29,125	48,737	11,646	32,062
<u>Less</u> allowance for doubtful accounts	<u>(15,756)</u>	<u>(15,756)</u>	<u>(11,646)</u>	<u>(11,646)</u>
Net amount	13,369	32,981	-	20,416

10 Short-term loans to other companies, net

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Chiangrai Industrial 1111 Company Limited	19,393	24,000	-	-
Andaman Long Beach Resort Company Limited	50,000	-	-	-
ACAP Asset Management Company Limited	15,000	-	-	-
Star Asset Management Ltd.	-	3,851	-	3,851
<u>Less</u> allowance for impairment	<u>-</u>	<u>(1,400)</u>	<u>-</u>	<u>(1,400)</u>
	<u>-</u>	<u>2,451</u>	<u>-</u>	<u>2,451</u>
Total	84,393	26,451	-	2,451

Short-term loans to Chiangrai Industrial 1111 Company Limited amounting to Baht 19.4 million are due in November 2014. The interest rate is at 15% per annum and repayable every 3 month after the drawdown date. In 2013, Chiangrai Industrial 1111 Company Limited repaid loans amounting to Baht 4.6 million to the Group.

Short-term loans to Andaman Long Beach Resort Company Limited amounting to Baht 50 million are due in July 2014. The interest rate is at 10% per annum and repayable every 3 month after the drawdown date.

Short-term loans to ACAP Asset Management Company Limited amounting to Baht 15 million are due in September 2014. The interest rate is at 7% per annum and repayable every 3 month after the drawdown date.

As at 31 December 2012, the Company had a loan and interest receivable to Star Asset Management Ltd. totally of Baht 19.8 million. During 2013, the Company entered into an agreement to forgive all obligations of Star Asset Management Ltd amounting to Baht 13.7 million; and then, Star Asset Management repaid the loan amounting to Baht 6.1 million to the Company. The Company recorded a loss on loan forgiveness amounting to Baht 13.7 million as administrative expense in the consolidated and company statement of comprehensive income, and reversed reverse relevant impairment amounting to Baht 9.8 million accordingly.

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11 Investment in subsidiaries

List of subsidiaries is as follow:

Company's name	Country of establishment	Type of business	Nature of relationship	Percentage of investment	
				2013	2012
Subsidiaries					
ACAP Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder	-	99.99
ACAP Corporate Services Co., Ltd.	Thailand	Financial advisory	Shareholder	99.99	99.99
Global Service Center Co., Ltd.	Thailand	Asset rental service	Shareholder	99.99	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory and trading consumer product	Shareholder	99.99	99.99
ACAP (Malaysia) Sdn. Bhd.	Malaysia	Non-performing assets management	Shareholder	99.99	99.99
Capital OK Co., Ltd.	Thailand	Consumers Finance	Shareholder	99.99	99.99
Aurum Capital Advisory Pte. Ltd.	Singapore	Investment Banking	Shareholder	63.97	63.97
Subsidiaries under Capital OK Co., Ltd.					
Professional Collection Co., Ltd.	Thailand	Collection services	Indirect	99.99	99.99
ACAP (Asia) Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder Indirect	2.40 97.60	2.40 97.60

The followings are details of investment in subsidiaries.

	2013						
	Company						
	Paid-up capital Baht'000	Cost method		Net Baht'000	Investment proportion		Dividend paid by subsidiaries Baht'000
Cost Baht'000		Allowance for impairment Baht'000	Amount at par Baht'000		Percentage of holding		
ACAP Corporate Services Co., Ltd.	27,000	27,000	(25,179)	1,821	27,000	99.99	-
Global Service Center Co., Ltd	10,000	10,000	(10,000)	-	10,000	99.99	-
ACAP Consulting Co., Ltd.	550	550	(550)	-	550	99.99	-
ACAP (Malaysia) Sdn. Bhd.	5,290	5,290	-	5,290	5,290	99.99	8,670
Capital OK Co., Ltd.	412,500	509,926	-	509,926	412,500	99.99	787,050
ACAP (Asia) Asset Management Co., Ltd.	25,000	600	-	600	25,000	2.40	-
Aurum Capital Advisory Pte, Ltd.	14,274	10,892	(10,892)	-	14,274	63.97	-
		564,258	(46,621)	517,637	494,614		795,720

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11 Investment in subsidiaries (Cont'd)

The followings are details of investment in subsidiaries. (Cont'd)

	2012						Dividend paid by subsidiaries Baht'000
	Company				Investment proportion	Percentage of holding	
	Paid-up capital Baht'000	Cost method	Allowance for impairment Baht'000	Net Baht'000			
	Cost						
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000		
ACAP Asset Management Co., Ltd.	25,000	25,000	(25,000)	-	25,000	99.99	-
ACAP Corporate Services Co., Ltd.	23,000	23,000	(21,528)	1,472	23,000	99.99	-
Global Service Center Co., Ltd	10,000	10,000	(10,000)	-	10,000	99.99	-
ACAP Consulting Co., Ltd.	550	550	(550)	-	550	99.99	-
ACAP (Malaysia) Sdn. Bhd.	5,290	5,290	-	5,290	5,290	99.99	9,804
Capital OK Co., Ltd.	825,000	922,426	(100,796)	821,630	825,000	99.99	-
ACAP (Asia) Asset Management Co., Ltd.	25,000	600	-	600	25,000	2.40	-
Aurum Capital Advisory Pte, Ltd.	14,274	10,892	(10,892)	-	14,274	63.97	-
		<u>997,758</u>	<u>(168,766)</u>	<u>828,992</u>	<u>928,114</u>		<u>9,804</u>

The movement in investment in subsidiaries are as follows:

	Company Baht'000
For the year ended 31 December 2013	
Beginning net book balance	828,992
Addition on investment in ACAP Corporate Services Co., Ltd.	4,000
Disposal of investment in ACAP Asset Management Co., Ltd.	(25,000)
Decreasing in investment in Capital OK Co., Ltd. from share capital reduction	(412,500)
Increasing in allowance for impairment on investment in ACAP Corporate Services Co., Ltd. during the year	(3,651)
Reversal of allowance for impairment from the disposal of investment in ACAP Asset Management Co., Ltd.	25,000
Reversal of allowance for impairment of investment in Capital OK Co., Ltd.	100,796
Closing net book balance	<u>517,637</u>

In 2013, the Company's management had provided additional allowance for impairment of investment in ACAP Corporate Services Co., Ltd. amounting to Baht 3.7 million.

In 2013, the Company had reversed allowance for impairment of investment in Capital OK Co., Ltd. amounting to Baht 100.8 million as the Company's management had considered that the subsidiary's financial position had been improved from a substantial amount of repayment made by its large debtor in 2013.

On 11 March 2013, the Executive Directors Committee Meeting No. 3/2556 had approved the reduction of share capital of Professional Collection Co., Ltd., which was a subsidiary, by decreasing the number of shares in order to compensate the deficits of Baht 62.30 million and refunding part of capital to the subsidiary's shareholders of Baht 95.65 million. Prior to share capital reduction, subsidiary had share capital of Baht 220 million, divided into 22,000,000 shares. After the share reduction on 10 May 2013, the subsidiary has registered share capital of Baht 62.05 million, divided into 6,205,000 shares at par value of Baht 10 each reduction.

On 2 April 2013, the Executive Directors Committee Meeting No. 4/2556 had approved the decrease of registered share capital of Capital OK Co., Ltd., a subsidiary, by decreasing the par value of shares in order to refund a partial capital to the subsidiary's shareholders amounting to Baht 412.5 million. Prior to the capital reduction, the subsidiary had registered capital of Baht 825 million, divided into 82,500,000 shares at par value of Baht 10 each. On 25 October 2013, Capital OK Co., Ltd. had registered its reduction of share capital, and had registered share capital of Baht 412.5 million, divided into 82,500,000 shares at par value of Baht 5 each.

11 Investment in subsidiaries (Cont'd)

The movement in investment in subsidiaries are as follows: (Cont'd)

On 22 April 2013, the Executive Directors Committee Meeting No. 5/2556 had a resolution to approve the additional share purchase of ACAP Corporate Services Co. Ltd., a subsidiary, for 400,000 share capital at par value of Baht 10 each, totalling Baht 4 million.

On 2 September 2013, the Executive Directors Committee Meeting No. 10/2556 had a resolution to approve the sale of investment in ACAP Asset Management Company Limited of Baht 25 million, which the Company had provided for full impairment, to MAK Consulting (Asia) Company Limited. Therefore, the consolidated statement of financial position as at 30 September 2013 did not include the financial position of ACAP Asset Management Company Limited as the Company had no control since the selling date. The consolidated statement of comprehensive income included the comprehensive income of ACAP Asset Management Company Limited until the selling date. The consolidated and the company statement of comprehensive income for the year included gain on disposal of the subsidiary amounting to Baht 0.1 million and Baht 9 million, respectively, as included in other income.

12 Other current assets

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Inventories	556	275	-	-
Other receivables	123	649	-	479
VAT receivable	5,138	5,226	7	-
Interest receivable	2,364	1,249	49	315
Deposits	1,500	-	1,500	-
Others	3,274	2,932	1,085	1,256
	<u>12,955</u>	<u>10,331</u>	<u>2,641</u>	<u>2,050</u>

13 Other non-current assets

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Deposits	12,844	15,880	3,042	4,551
Others	3,441	2,520	1,155	1,266
	<u>16,285</u>	<u>18,400</u>	<u>4,197</u>	<u>5,817</u>

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14 Leasehold improvements and equipment

	Consolidated					Total Baht'000
	Leasehold improvements Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	
At 31 December 2011						
Cost	12,268	162,885	27,894	26,298	56,509	285,854
<u>Less</u> Accumulated depreciation	(10,451)	(155,453)	(17,242)	(24,464)	(30,373)	(237,983)
Net book amount	<u>1,817</u>	<u>7,432</u>	<u>10,652</u>	<u>1,834</u>	<u>26,136</u>	<u>47,871</u>
For the year ended 31 December 2012						
Opening net book amount	1,817	7,432	10,652	1,834	26,136	47,871
Additions	330	2,869	2,275	1,363	3,754	10,591
Reversal of dismantling cost	3,354	-	-	-	-	3,354
Disposals/write offs, net	(177)	-	(285)	(71)	(2,777)	(3,310)
Depreciation charge	(2,095)	(3,425)	(2,420)	(1,201)	(3,634)	(12,775)
Closing net book amount	<u>3,229</u>	<u>6,876</u>	<u>10,222</u>	<u>1,925</u>	<u>23,479</u>	<u>45,731</u>
At 31 December 2012						
Cost	16,224	165,225	29,118	27,906	52,361	290,834
<u>Less</u> Accumulated depreciation	(12,995)	(158,349)	(18,896)	(25,981)	(28,882)	(245,103)
Net book amount	<u>3,229</u>	<u>6,876</u>	<u>10,222</u>	<u>1,925</u>	<u>23,479</u>	<u>45,731</u>
For the year ended 31 December 2013						
Opening net book amount	3,229	6,876	10,222	1,925	23,479	45,731
Transfer in/(out)	1,936	-	(1,936)	-	-	-
Additions	294	2,838	144	2,122	3,315	8,774
Reversal of dismantling cost	61	-	-	-	-	61
Disposals/write offs, net	(62)	(40)	(1,059)	(86)	(2,319)	(3,566)
Depreciation charge	(2,234)	(3,368)	(1,763)	(985)	(3,659)	(12,009)
Closing net book amount	<u>3,224</u>	<u>6,306</u>	<u>5,608</u>	<u>2,976</u>	<u>20,816</u>	<u>38,930</u>
At 31 December 2013						
Cost	15,731	113,783	23,760	27,124	38,311	218,709
<u>Less</u> Accumulated depreciation	(12,507)	(107,477)	(18,152)	(24,148)	(17,495)	(179,779)
Net book amount	<u>3,224</u>	<u>6,306</u>	<u>5,608</u>	<u>2,976</u>	<u>20,816</u>	<u>38,930</u>

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14 Leasehold improvements and equipment (Cont'd)

	Company					Total Baht'000
	Leasehold improvements Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	
At 31 December 2011						
Cost	-	10,247	15,242	6,840	51,150	83,479
<u>Less</u> Accumulated depreciation	-	(6,011)	(6,714)	(5,915)	(23,995)	(42,635)
Net book amount	-	4,236	8,528	925	27,155	40,844
For the year ended 31 December 2012						
Opening net book amount	-	4,236	8,528	925	27,155	40,844
Additions	-	71	-	27	-	98
Disposals	-	-	-	-	(2,778)	(2,778)
Reversal of dismantling cost	1,941	-	-	-	-	1,941
Depreciation charge	(971)	(1,750)	(1,609)	(686)	(3,372)	(8,388)
Closing net book amount	970	2,557	6,919	266	21,005	31,717
At 31 December 2012						
Cost	1,941	10,318	15,242	6,867	43,263	77,631
<u>Less</u> Accumulated depreciation	(971)	(7,761)	(8,323)	(6,601)	(22,258)	(45,914)
Net book amount	970	2,557	6,919	266	21,005	31,717
For the year ended 31 December 2013						
Opening net book amount	970	2,557	6,919	266	21,005	31,717
Additions	-	65	-	56	3,285	3,406
Disposals	-	(6)	(74)	(5)	(2,318)	(2,403)
Depreciation charge	(566)	(1,402)	(1,420)	(204)	(3,394)	(6,986)
Closing net book amount	404	1,214	5,425	113	18,578	25,734
At 31 December 2013						
Cost	1,941	9,832	15,034	5,706	36,036	68,549
<u>Less</u> Accumulated depreciation	(1,537)	(8,618)	(9,609)	(5,593)	(17,458)	(42,815)
Net book amount	404	1,214	5,425	113	18,578	25,734

15 Intangible assets

	<u>Consolidated</u>	<u>Company</u>
	<u>Computer</u>	<u>Computer</u>
	<u>software</u>	<u>software</u>
	<u>Baht'000</u>	<u>Baht'000</u>
At 31 December 2012		
Cost	242,077	5,921
<u>Less</u> Accumulated amortisation	<u>(235,245)</u>	<u>(2,255)</u>
Net book amount	<u>6,832</u>	<u>3,666</u>
For the year ended 31 December 2012		
Opening net book amount	6,832	3,666
Additions	69	-
Amortisation charge	<u>(1,924)</u>	<u>(807)</u>
Closing net book amount	<u>4,977</u>	<u>2,859</u>
At 31 December 2012		
Cost	242,146	5,921
<u>Less</u> Accumulated amortisation	<u>(237,169)</u>	<u>(3,062)</u>
Net book amount	<u>4,977</u>	<u>2,859</u>
For the year ended 31 December 2013		
Opening net book amount	4,977	2,859
Additions	635	-
Amortisation charge	<u>(1,639)</u>	<u>(656)</u>
Closing net book amount	<u>3,973</u>	<u>2,203</u>
At 31 December 2013		
Cost	242,781	5,921
<u>Less</u> Accumulated amortisation	<u>(238,808)</u>	<u>(3,718)</u>
Net book amount	<u>3,973</u>	<u>2,203</u>

16 Deferred income taxes

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

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	-	1,813	-	-
Deferred tax asset to be recovered after more than 12 months	-	-	-	-
	-	1,813	-	-
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	158	158	-	-
Deferred tax liability to be settled after more than 12 months	-	-	-	-
	158	158	-	-
Deferred tax asset, net	158	1,655	-	-

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

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
At 1 January	1,813	18,612	-	-
Charged to profit or loss	(1,813)	(16,799)	-	-
At 31 December	-	1,813	-	-

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

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
At 1 January	158	228	-	-
Credited to profit or loss	-	(70)	-	-
At 31 December	158	158	-	-

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16 Deferred income taxes (Cont'd)

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

	<u>Consolidated</u> <u>Tax losses</u> <u>Baht'000</u>	<u>Company</u> <u>Tax losses</u> <u>Baht'000</u>
Deferred tax assets		
At 1 January 2013	1,813	-
Charged to profit or loss	(1,813)	-
At 31 December 2013	-	-
At 1 January 2012	18,612	-
Charged to profit or loss	(16,799)	-
At 31 December 2012	1,813	-
	<u>Consolidated</u> <u>Depreciation</u> <u>Baht'000</u>	<u>Company</u> <u>Depreciation</u> <u>Baht'000</u>
Deferred tax liabilities		
At 1 January 2013	158	-
Charged to profit or loss	-	-
At 31 December 2013	-	-
At 1 January 2012	228	-
Credit to profit or loss	(70)	-
At 31 December 2012	158	-

Deferred income tax assets are recognised from tax loss and carry forward only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 754.60 million (2012: Baht 1,050.30 million), to carry forward against future taxable income; these tax losses will expire in 2014 - 2018. Deferred tax liabilities mainly relate to depreciation of equipment.

17 Other current liabilities

	<u>Consolidated</u>		<u>Company</u>	
	<u>2013</u> <u>Baht'000</u>	<u>2012</u> <u>Baht'000</u>	<u>2013</u> <u>Baht'000</u>	<u>2012</u> <u>Baht'000</u>
Accrued interest expense	-	1,546	-	1,526
Other payables	3,334	2,278	432	375
Other accrued expenses	18,462	13,550	585	931
Accrued withholding tax	91	1,368	26	896
Others	1,221	7,536	49	380
	<u>23,108</u>	<u>26,278</u>	<u>1,092</u>	<u>4,108</u>

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18 Liabilities under finance lease contracts, net

	Consolidated		Company	
	2013	2012	2012	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Minimum lease payments obligation under long-term lease contracts (lease of vehicles)	8,539	11,678	6,772	9,094
<u>Less</u> Deferred interest	(504)	(712)	(449)	(508)
	8,035	10,966	6,323	8,586
Current portion due within one year	4,705	4,847	4,002	4,178
Non-current portion due after one year	3,330	6,119	2,321	4,408
	8,035	10,966	6,323	8,586

19 Employee benefits obligations

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Statement of financial position</u>				
Employee benefits	12,874	9,831	7,259	5,928
	12,874	9,831	7,259	5,928
<u>Profit or loss</u>				
Employee benefits (included in administrative expenses and cost of services)	3,393	2,203	1,331	699
	3,393	2,203	1,331	699

As at 1 January 2011, employment benefits obligations for the consolidated and the company financial statements amounting to Baht 17.1 million and Baht 12.3 million, respectively, which the Group recognised such obligations by applying straight-line method throughout five years as stated in notification of Federation of Accounting Professions no. 17/2554. The Group has recognised such obligations as expense for the year 2013 amounting to Baht 3.4 million and Baht 2.5 million in the consolidated and company financial statements, respectively.

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

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	9,831	7,628	5,928	5,229
Past service cost	3,414	3,497	2,460	2,460
Current service cost	3,380	3,553	2,118	2,351
Interest cost	522	1,062	327	736
Actuarial gains	-	(2,895)	-	(1,930)
	17,147	12,845	10,833	8,846
<u>Less</u> Transferred out from consolidation	(350)	-	-	-
Benefits paid	(3,923)	(3,014)	(3,574)	(2,918)
At 31 December	12,874	9,831	7,259	5,928

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19 Employee benefits obligations (Cont'd)

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

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Past service cost	3,414	3,497	2,460	2,460
Current service cost	3,380	3,553	2,118	2,351
Interest cost	522	1,062	327	736
Actuarial gains	-	(2,895)	-	(1,930)
<u>Less</u> Benefits paid	<u>(3,923)</u>	<u>(3,014)</u>	<u>(3,574)</u>	<u>(2,918)</u>
Total (included in administrative expenses and cost of services)	<u>3,393</u>	<u>2,203</u>	<u>1,331</u>	<u>699</u>

The principal actuarial assumptions used are as follows:

	Consolidated and Company
	2013 and 2012
Discount rate	4.06%
Salary increase rate	4%
Average turnover rate	0% - 10%
Pre-retirement mortality rate	80% of mortality rate
Retirement age	60, 70 years old

20 Legal reserve

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

21 Other income

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Gain on disposal a subsidiary	129	-	9,000	-
Interest income	23,686	18,580	8,324	4,736
Other income	14,040	23,893	4,506	3,711
Total	<u>37,855</u>	<u>42,473</u>	<u>21,830</u>	<u>8,447</u>

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22 Administrative expenses

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

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Bad debt and doubtful accounts	-	1,310	-	-
Personnel expenses	64,394	79,028	37,056	49,966
Operating expenses	37,621	40,403	7,447	25,315
Depreciation and amortisation charges (Note 14 and 15)	12,213	14,000	7,642	9,195
Rental expenses	21,388	26,926	10,366	14,398
Repair and maintenance expenses	4,829	8,581	1,820	1,727
Impairment loss from investment in and loans to subsidiaries (reversal)	-	-	(65,532)	114,717
Loss on loan and interest receivable Forgiveness (Note 10)	-	-	13,726	-

23 Income tax expense

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Current tax:				
Current tax on profits for the year	2,393	2,707	-	-
Total current tax				
Deferred tax:				
Utilisation of tax losses	1,813	16,729	-	-
Total deferred tax	1,813	16,729	-	-
Total tax expense	4,206	19,436	-	-

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23 Income tax expense (Cont'd)

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

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Profit before tax	(106,173)	(65,673)	787,629	(220,094)
Tax calculated at a tax rate of 20% (2012: 23%)	(21,235)	(15,105)	157,526	(50,622)
Tax effect of:				
Income not subject to tax	(540)	(1,182)	(176,880)	(4)
Expenses not deductible for tax purpose	5,430	7,424	9,664	30,005
Utilisation of previously unrecognised tax losses	(732)	-	-	-
Tax losses for which no deferred income tax asset was recognised	21,283	25,077	9,690	17,931
Re-measurement of deferred tax - change in tax rate	-	3,222	-	2,690
Tax charge	4,206	19,436	-	-

The weighted average applicable tax rate was 3.96% (2012: 29.60%). The decrease is caused by a change in corporate income tax rate announced by the Government.

In 2013, as a result of the change in corporation tax rate from 23% to 20% which becomes effective from 1 January 2013, the relevant deferred tax balances have been re-measured. Deferred tax expected to be reversed in the year to 31 December 2013 had been measured using the effective rate of 20%.

24 Basic (loss) earnings per share

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

	Consolidated		Company	
	2013	2012	2013	2012
Net (loss) profit attributable to ordinary shareholders (Baht'000)	(110,379)	(85,109)	787,629	(220,094)
Weighted average number of ordinary shares issued during the year (Shares)	125,000	125,000	125,000	125,000
Basic (loss) earnings per share (Baht)	(0.88)	(0.68)	6.30	(1.76)

There are no potential dilutive ordinary share issued for the years ended 31 December 2013 and 2012.

25 Staff provident fund

The Group and the Company paid to provident fund for the year ended 31 December 2013 in the amount of Baht 2.9 million and Baht 1.4 million, respectively (2012: Baht 5.6 million and Baht 2.7 million, respectively).

26 Dividend payment

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

27 Related party transactions

The Company is located in Thailand and registered as a listed company in the Market for Alternative Investment (MAI). The major shareholder of the Company is Dr. Vivat Vitoontien which holds 49.19% of total registered share capital.

Pricing policy

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

Relationship of related parties is as follows:

<u>Company Name</u>	<u>Relationship</u>	<u>Cause of relationship</u>
ACAP Asset Management Co., Ltd.	Subsidiary	Shareholder/mutual management
ACAP Corporate Services Co., Ltd.	Subsidiary	Shareholder/mutual management
Global Service Center Co., Ltd.	Subsidiary	Shareholder/mutual management
ACAP Consulting Co., Ltd.	Subsidiary	Shareholder/mutual management
ACAP (Malaysia) Sdn. Bhd.	Subsidiary	Shareholder/mutual management
Capital OK Co., Ltd.	Subsidiary	Shareholder/mutual management
Professional Collection Company Limited	Shares held by subsidiary	Held by shareholder/mutual management
ACAP (Asia) Asset Management Co., Ltd.	Shares held by subsidiary	Held by shareholder/mutual management

On 2 September 2013, the Company disposed its investment in ACAP Asset Management Co., Ltd. (Note 11). Consequently, ACAP Asset Management Co., Ltd. is not a company under common control by parent company from 2 September 2013.

27 Related party transactions (Cont'd)

i) Income for the years ended 31 December

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Other income				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	9	16
- Capital OK Co., Ltd.	-	-	78	156
- Professional Collection Company Limited	-	-	9	16
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	132	635
- ACAP Corporate Services Co., Ltd.	-	-	238	246
- ACAP Asset Management Co., Ltd.	-	-	31	246
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	2	2,803
- ACAP Consulting Co., Ltd.	-	-	178	59
- ACAP Corporate Services Co., Ltd.	-	-	159	31
- Global Service Center Co., Ltd.	-	-	1,106	876
- Aurum Capital Advisory PTE. Ltd.	-	-	1,923	124
Dividend income				
- Capital OK Co., Ltd.	-	-	787,050	-
- ACAP (Malaysia) Sdn. Bhd.	-	-	8,670	9,804
	-	-	799,585	15,012

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

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

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

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

27 Related party transactions (Cont'd)

ii) Expenses for the years ended 31 December

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Cost of services				
Professional fee				
- ACAP Consulting Co., Ltd.	-	-	-	160
Rental and maintenance equipment				
- Global Services Center Co., Ltd.	-	-	249	-
	-	-	249	160
Administrative expenses				
Rental and maintenance equipment				
- Global Services Center Co., Ltd.	-	-	428	1,563
Other expenses				
- ACAP Consulting Co., Ltd.	-	-	-	7
	-	-	428	1,570

iii) Finance costs for the years ended 31 December

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
- Professional Collection Company Limited	-	-	3,603	-
- Capital OK Co., Ltd.	-	-	10,153	56,858
	-	-	13,756	56,858

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27 Related party transactions (Cont'd)

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

	Consolidated		Company	
	2012 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Amounts due from related companies				
- ACAP Corporate Services Co., Ltd.	-	-	7	1
- ACAP Consulting Co., Ltd.	-	-	18	5
- Global Service Center Co., Ltd.	-	-	190	163
- ACAP (Malaysia) Sdn. Bhd.	-	-	8,670	34
- Aurum Capital Advisory PTE. Ltd.	-	-	-	110
	-	-	8,885	313
Amounts due to related companies				
- Capital Ok Co., Ltd.	-	-	33	107,629
- Professional Collection Co., Ltd.	-	-	4	4
- Global Service Center Co., Ltd.	-	-	4	4
- ACAP Consulting Co., Ltd.	-	-	-	7
	-	-	41	107,644

v) Loans to related companies

	Company				
	Short-term loans				
	Opening balance Baht'000	Additions during the period Baht'000	Repayments during the period Baht'000	Reclassified to Long-term Baht'000	Ending balance Baht'000
For the year ended 31 December 2013					
ACAP Consulting Co., Ltd.	5,900	-	-	(5,900)	-
<u>Less</u> Allowance for impairment	(5,900)	-	-	5,900	-
	-	-	-	-	-
ACAP Corporate Services Co., Ltd.	400	15,500	(12,900)	-	3,000
<u>Less</u> Allowance for impairment	-	-	-	-	-
	-	15,500	(12,900)	-	3,000
Global Service Center Co. Ltd.	30,000	3,500	-	(35,000)	-
<u>Less</u> Allowance for impairment	(20,000)	-	-	(20,000)	-
	10,000	3,500	-	(13,500)	-
ACAP Asset Management Co., Ltd.	-	1,500	(1,500)	-	-
<u>Less</u> Allowance for impairment	-	-	-	-	-
	-	1,500	(1,500)	-	-
Total	10,400	20,500	(14,400)	(13,500)	3,000

27 Related party transactions (Cont'd)

v) Loans to related companies (Cont'd)

	Company				
	Short-term loans				
	Opening balance Baht'000	Additions during the period Baht'000	Repayments during the period Baht'000	Impairment Baht'000	Ending balance Baht'000
For the year ended					
31 December 2012					
ACAP Consulting Co., Ltd.	5,900	-	-	-	5,900
<u>Less</u> Allowance for impairment	-	-	-	(5,900)	(5,900)
	<u>5,900</u>	<u>-</u>	<u>-</u>	<u>(5,900)</u>	<u>-</u>
ACAP Corporate Services Co., Ltd.	-	2,500	(2,100)	-	400
<u>Less</u> Allowance for impairment	-	-	-	-	-
	<u>-</u>	<u>2,500</u>	<u>(2,100)</u>	<u>-</u>	<u>400</u>
Global Service Center Co. Ltd.	20,000	10,000	-	-	30,000
<u>Less</u> Allowance for impairment	-	-	-	(20,000)	(20,000)
	<u>20,000</u>	<u>10,000</u>	<u>-</u>	<u>(20,000)</u>	<u>10,000</u>
ACAP Asset Management Co., Ltd.	2,500	156,500	(159,000)	-	-
<u>Less</u> Allowance for impairment	-	-	-	-	-
	<u>2,500</u>	<u>156,500</u>	<u>(159,000)</u>	<u>-</u>	<u>-</u>
Total	<u><u>28,400</u></u>	<u><u>169,000</u></u>	<u><u>(161,100)</u></u>	<u><u>(25,900)</u></u>	<u><u>10,400</u></u>

During the year 2012, the Company had entered into loan agreements with ACAP Corporate Services Co., Ltd. amounting to Baht 2.5 million. The subsidiary issued promissory notes, which are repayable at call and bear interest rate at 3% per annum. The interest is due every 30 day after drawn down date. During the year 2012, the Company had received the repayment amounting Baht 2.1 million.

During the year 2012, the Company had entered into loan agreements with Global Service Center Co., Ltd. amounting to Baht 10 million, respectively. The subsidiary issued promissory notes, which are repayable at call and bear interest rate at 3% per annum. The interest is due every 30 days after drawn down.

During the year 2012, the Company had entered into loan agreements with ACAP Asset Management Co., Ltd. amounting to Baht 6.5 million and Baht 150 million, respectively. The subsidiary issued promissory notes, which are repayable at call. The promissory notes bear interest rate at 2.75% and 3.5% per annum, respectively and the interest is due every 30 day and 3 month, respectively, after drawn down. During the year 2012, the Company received the repayment of whole outstanding loan.

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

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

27 Related party transactions (Cont'd)

v) Loans to related companies (Cont'd)

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

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

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

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

27 Related party transactions (Cont'd)

v) Loans to related companies (Cont'd)

	Company			
	Long-term loans			
	Opening balance Baht'000	Addition during the year Baht'000	Increase from exchange rate Baht'000	Ending balance Baht'000
For the year ended 31 December 2012				
ACAP Consulting Co., Ltd.	11,437	3,899	(386)	14,950
<u>Less</u> Allowance for impairment	-	-	(386)	-
	<u>11,437</u>	<u>3,899</u>	<u>-</u>	<u>14,950</u>

At the Executive Directors Committee No. 12/2555 on 26 November 2012, it was approved a term loan facility to Aurum Capital Advisory Pte. Ltd. amounting to USD 127,000. The term loan facility agreement was signed on 18 December 2012 which will be repaid through cash sweep mechanism which is the repayment of debt by using surplus cash less operating expenses reserve. The sequence of repayment is interest and principal, respectively. The first repayment is on 31 March 2013 and every six month thereafter. The entire outstanding loan and interest shall be paid on maturity of convertible loan agreement. The long-term loan will bear interest rate of 10% per annum. The loan was drawdown on 28 December 2011.

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

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

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

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

27 Related party transactions (Cont'd)

vi) Borrowings from related party

Counterparty	Company			
	Opening balance Baht'000	Additions during the year Baht'000	Repayment during the year Baht'000	Ending balance Baht'000
For the year ended 31 December 2013				
Short-term borrowings				
- Capital OK Co., Ltd.	18,000	20,000	(38,000)	-
- Professional Collection Co., Ltd.	-	875,588	(875,588)	-
	<u>18,000</u>	<u>895,588</u>	<u>(913,588)</u>	<u>-</u>
Long-term borrowings				
- Capital OK Co., Ltd.	760,000	-	(760,000)	-
	<u>760,000</u>	<u>-</u>	<u>(760,000)</u>	<u>-</u>

Counterparty	Company			
	Opening balance Baht'000	Additions during the year Baht'000	Repayment during the year Baht'000	Ending balance Baht'000
For the year ended 31 December 2012				
Short-term borrowings				
- Capital OK Co., Ltd.	20,000	150,000	(152,000)	18,000
Long-term borrowings				
- Capital OK Co., Ltd.	760,000	-	-	760,000
	<u>760,000</u>	<u>-</u>	<u>-</u>	<u>760,000</u>

During the year 2012, the Company had entered into loan agreements with Capital OK Co., Ltd. amounting to Baht 150 million, which is repayable at call. The loan bear interest 3% per annum and the interest is due every 3 month after drawn down. The Company has repaid short-term loan amounting to Baht 2 million and Baht 150 million, respectively, to Capital OK Co., Ltd.

As at 31 December 2012, long-term loan from Capital OK Co., Ltd. was due for repayment within five years. Then interest rate shall be the average Minimum Lending Rate (MLR) for the largest four commercial banks in Thailand weighted by days in each quarter. Interest on the loan shall be payable annually.

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

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

During the year 2013, the Company had fully repaid short-term and long-term borrowings of to Capital OK Co., Ltd.

28 Commitments

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

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Within 1 year	19,549	14,805	6,618	6,368
More than 1 year but less than 5 years	21,562	-	9,895	-
Total	41,111	14,805	16,513	6,368

29 Directors' remuneration

Directors' remuneration which included salary, bonus, director fee and special remuneration for the year ended 31 December 2013 for the Group and the Company was Baht 20.48 million and Baht 20.44 million, respectively (2012: Baht 22.40 million and Baht 22.40 million).

30 Contingent liabilities

As at 31 December 2013, the Company was jointly litigated with Inter Capital Alliance Asset Management Co., Ltd for being part of the negotiation of debt collection of non-performing asset portfolio, which the Company involved as a service provider for debt collection in 2007. On 31 December 2013, this case was still pending for the consideration by the Southern Bangkok Civil Court. The management assesses the facts and believes that the case has no ground and will not result in any liability to the Company.