

ACAP ADVISORY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND
COMPANY FINANCIAL STATEMENTS (UNAUDITED)**

30 JUNE 2011

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

I have reviewed the accompanying consolidated and company statements of financial position as at 30 June 2011, and the consolidated and company statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010, and the consolidated and company statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2011 and 2010 of ACAP Advisory Public Company Limited and its subsidiaries, and of ACAP Advisory Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the reviews to obtain a moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and company financial statements for the year ended 31 December 2010 of ACAP Advisory Public Company Limited and its subsidiaries, and of ACAP Advisory Public Company Limited respectively, in accordance with generally accepted auditing standards and expressed unqualified opinion on those statements in my report dated 24 February 2011. The consolidated and company statements of financial position as at 31 December 2010, presented herewith for comparative purposes, are part of the consolidated and company financial statements which I have audited and issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
PricewaterhouseCoopers ABAS Ltd.

Bangkok
11 August 2011

ACAP Advisory Public Company Limited
Statement of Financial Position
As at 30 June 2011 and 31 December 2010

	Notes	Consolidated		Company	
		Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000
Assets					
Current assets					
Cash and cash equivalents		987,018	990,545	65,240	106,839
Short-term investments		23,287	23,173	-	-
Accounts and notes receivable, net		36,977	24,866	14,346	2
Current portion of investment in non-performing assets, net	7	110,388	1,203,134	-	-
Current portion of loans to non-performing assets, net	8	183,268	907,632	-	-
Loans to consumers and interests receivable, net	9	-	53,323	-	-
Accounts receivable - related companies	15 iv	-	2,845	5,967	10,467
Amount due from related companies	15 iv	3,510	7,606	3,934	7,719
Short-term loans to related companies	15 v	-	-	10,000	5,000
Current portion of long-term loans to related companies	15 v	-	-	10,768	39,753
Other current assets, net		642,271	649,308	8,604	5,594
Total current assets		1,986,719	3,862,432	118,859	175,374
Non-current assets					
Investment in non-performing assets, net	7	668,979	656,970	-	-
Loans to non-performing assets, net	8	89,917	91,507	-	-
Long-term loan to related companies	15 v	-	-	32,142	21,047
Investment in subsidiary companies	10	-	-	944,758	938,865
Long-term investments		1,695	1,662	-	-
Building improvement and equipment, net	12	58,242	75,924	46,383	52,181
Intangible assets, net	12	8,909	13,378	4,075	4,478
Other non-current assets, net		19,436	14,707	8,415	5,127
Total non-current assets		847,178	854,148	1,035,773	1,021,698
Total assets		2,833,897	4,716,580	1,154,632	1,197,072

Director _____ Director _____

Date _____

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ACAP Advisory Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2011 and 31 December 2010

	Notes	Consolidated		Company	
		Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Accounts and notes payable		-	16,419	-	-
Amount due to related companies	15 iv	87,831	88,942	27,716	2,032
Current portion of long-term loans					
from financial institutions	17	285,960	1,270,226	-	-
Current portion of long-term loan					
from related company	15 vi	466,779	501,620	-	-
Current portion of financial lease contracts	11	7,046	7,596	7,046	7,596
Other current liabilities	17	128,685	742,078	2,584	5,555
Total current liabilities		976,301	2,626,881	37,346	15,183
Non-current liabilities					
Liabilities under financial lease contract, net	11	11,024	12,732	11,024	12,732
Long-term loans from financial institutions	17	-	332,348	-	-
Long-term loans from related companies	15 vi	1,103,498	1,103,498	760,000	760,000
Other non-current liabilities	3	12,600	-	5,883	-
Total non-current liabilities		1,127,122	1,448,578	776,907	772,732
Total liabilities		2,103,423	4,075,459	814,253	787,915
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
Issued and paid-up share capital					
125,000,000 ordinary shares of Baht 1 each		125,000	125,000	125,000	125,000
Premium on share capital (deficit)		337,742	337,742	337,742	337,742
Retained earnings					
Appropriated		12,500	12,500	12,500	12,500
Unappropriated		251,335	167,475	(134,863)	(66,085)
Other components of equity		(1,246)	(1,596)	-	-
Equity attributable to owners of the parent		725,331	641,121	340,379	409,157
Non-controlling interests		5,143	-	-	-
Total shareholders' equity		730,474	641,121	340,379	409,157
Total liabilities and shareholders' equity		2,833,897	4,716,580	1,154,632	1,197,072

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ACAP Advisory Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month periods ended 30 June 2011 and 2010

	Notes	Consolidated		Company	
		Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000
Revenues					
Service income	15 i	38,553	36,124	19,628	33,189
Interest income from non-performing asset management		22,014	67,579	-	-
Interest income from loans to consumers		-	8,550	-	-
Other income	15 i	12,957	57,585	5,921	18,332
Total revenues		73,524	169,838	25,549	51,521
Expenses					
Cost of services, assets management and loans		26,119	46,448	8,948	12,607
Administrative expenses	13, 15 ii	54,442	51,931	31,784	21,856
Management remunerations		9,310	7,536	9,310	7,536
Total expenses		89,871	105,915	50,042	41,999
Profit (loss) before finance costs and income tax		(16,347)	63,923	(24,493)	9,522
Finance costs	15 iii	11,671	29,410	13,779	11,466
Profit (loss) before income tax		(28,018)	34,513	(38,272)	(1,944)
Income tax	14	2,007	1,666	-	71
Net profit (loss) for the period		(30,025)	32,847	(38,272)	(2,015)
Other comprehensive income (loss)					
Exchange differences on translating financial statement		172	237	-	-
Losses on remeasuring available-for-sale investments		-	(729)	-	(729)
Other comprehensive loss for the period, net of tax		172	(492)	-	(729)
Total comprehensive income (loss) for the period		(29,853)	32,355	(38,272)	(2,744)
Profit (loss) attributable to:					
Owners of the parent		(30,025)	32,847	(38,272)	(2,015)
Non-controlling interests		-	-	-	-
		(30,025)	32,847	(38,272)	(2,015)
Total comprehensive income (loss) attributable to:					
Owners of the parent		(29,853)	32,355	(38,272)	(2,744)
Non-controlling interests		-	-	-	-
		(29,853)	32,355	(38,272)	(2,744)
Earning (loss) per share (expressed in Baht per share)					
Basic earnings (loss) per share	6	(0.24)	0.26	(0.31)	(0.02)

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ACAP Advisory Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

	Notes	Consolidated		Company	
		Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000
Revenues					
Service income	15 i	81,006	73,380	45,961	72,473
Interest income from non-performing asset management		33,923	141,141	-	-
Interest income from loans to consumers		-	21,440	-	-
Gain from sale of loans and receivables	18	242,177	-	-	-
Other income	15 i	27,297	135,173	7,688	27,469
Total revenues		384,403	371,134	53,649	99,942
Expenses					
Cost of services, assets management and loans		63,360	84,797	21,043	24,887
Administrative expenses	13, 15 ii	210,465	267,475	59,524	43,727
Management remunerations		15,341	15,113	15,341	15,113
Total expenses		289,166	367,385	95,908	83,727
Profit (loss) before finance costs and income tax		95,237	3,749	(42,259)	16,215
Finance costs	15 iii	8,167	126,454	26,519	22,583
Profit (loss) before income tax		87,070	(122,705)	(68,778)	(6,368)
Income tax	14	3,210	3,345	-	71
Net profit (loss) for the period		83,860	(126,050)	(68,778)	(6,439)
Other comprehensive income (loss)					
Exchange differences on translating financial statement		350	316	-	-
Losses on remeasuring available-for-sale investments		-	(1,307)	-	(1,307)
Other comprehensive loss for the period, net of tax		350	(991)	-	(1,307)
Total comprehensive income (loss) for the period		84,210	(127,041)	(68,778)	(7,746)
Profit (loss) attributable to:					
Owners of the parent		83,860	(126,050)	(68,778)	(6,439)
Non-controlling interests		-	-	-	-
		83,860	(126,050)	(68,778)	(6,439)
Total comprehensive income (loss) attributable to:					
Owners of the parent		84,210	(127,041)	(68,778)	(7,746)
Non-controlling interests		-	-	-	-
		84,210	(127,041)	(68,778)	(7,746)
Earning (loss) per share (expressed in Baht per share)					
Basic earnings (loss) per share	6	0.67	(1.01)	(0.55)	(0.05)

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ACAP Advisory Public Company Limited

Statements of Changes in Shareholders' Equity (Unaudited)

For the six-month periods ended 30 June 2011 and 2010

	Consolidated (Unaudited)								
	Equity attributable to owners of the parent								
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity		Total owners of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated Baht'000	Unappropriated Baht'000	Unrealised gain on change in fair value of investment Baht'000	Currency translation differences from subsidiary in overseas Baht'000			
Opening balance as at 1 January 2011	125,000	337,742	12,500	167,475	-	(1,596)	641,121	-	641,121
Issued share capital	-	-	-	-	-	-	-	5,143	5,143
Total comprehensive income for the period	-	-	-	83,860	-	350	84,210	-	84,210
Ending balance as at 30 June 2011	125,000	337,742	12,500	251,335	-	(1,246)	725,331	5,143	730,474

	Consolidated (Unaudited)								
	Equity attributable to owners of the parent								
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity		Total owners of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated Baht'000	Unappropriated Baht'000	Unrealised gain on change in fair value of investment Baht'000	Currency translation differences from subsidiary in overseas Baht'000			
Opening balance as at 1 January 2010	125,000	337,742	12,500	383,343	1,307	(1,889)	858,003	-	858,003
Total comprehensive income (loss) for the period	-	-	-	(126,050)	(1,307)	316	(127,041)	-	(127,041)
Ending balance as at 30 June 2010	125,000	337,742	12,500	257,293	-	(1,573)	730,962	-	730,962

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ACAP Advisory Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd) (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

	Company (Unaudited)					Total shareholders' equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings (deficit)		Other components of equity	
			Appropriated	Unappropriated	Unrealised gain on	
			Baht'000	Baht'000	change in fair value of investment Baht'000	
Opening balance as at 1 January 2011	125,000	337,742	12,500	(66,085)	-	409,157
Total comprehensive loss for the period	-	-	-	(68,778)	-	(68,778)
Closing balance as at 30 June 2011	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>(134,863)</u>	<u>-</u>	<u>340,379</u>

	Company (Unaudited)					Total shareholders' equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity	
			Appropriated	Unappropriated	Unrealised gain on	
			Baht'000	Baht'000	change in fair value of investment Baht'000	
Opening balance as at 1 January 2010	125,000	337,742	12,500	45,501	1,307	522,050
Total comprehensive loss for the period	-	-	-	(6,439)	(1,307)	(7,746)
Closing balance as at 30 June 2010	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>39,062</u>	<u>-</u>	<u>514,304</u>

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

	Note	Consolidated		Company	
		Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000
Cash flows from operating activities					
Profit (loss) before income tax		87,070	(122,705)	(68,778)	(6,368)
Adjustment for:					
Depreciation and amortisation		19,650	34,939	6,512	5,478
Interest income		(38,259)	(167,041)	(1,221)	(5,477)
Interest expenses		7,616	125,945	25,968	22,095
Interest expenses from hire-purchase and finance lease contracts		551	509	551	488
Dividend income		-	-	-	(9,649)
Loss on impairment of investment in non-performing assets (reversal)		(4,499)	(31,218)	-	-
Bad debt and doubtful accounts of loans to consumers and interest receivable (reversal)		-	(88,056)	-	-
Bad debt and doubtful account (reversal) of loans to non-performing assets		(8,242)	181,056	-	-
Loss from restructuring in loan to non-performing assets and investment in non-performing assets		11,115	2,503	-	-
(Gain) loss on sales/impairment/write-off of assets		13,001	(2,992)	11,353	(1,696)
(Gain) loss on foreign currencies translation		4,956	(12,498)	(962)	629
Provision for retirement benefits and other liabilities	3	5,477	-	2,971	-
Profit (loss) from operating activities before changes in operating assets and liabilities		98,436	(79,558)	(23,606)	5,500
(Increase) decrease in operating assets					
Accounts and notes receivable		(12,111)	1,542	(14,344)	(37)
Investment in non-performing assets		1,013,080	57,622	-	-
Loans to non-performing assets		768,538	386,146	-	-
Loans to consumers and interests receivable		53,323	100,728	-	-
Accounts receivable-related companies		2,845	2,978	4,500	3,436
Amount due from related companies		4,096	9,460	3,662	(4,401)
Other current assets		22,065	(26,741)	(3,038)	(6,062)
Other non-current assets		(358)	5,845	(862)	(175)
Increase (decrease) in operating liabilities					
Accounts and notes payable		(16,419)	(720)	-	(4,273)
Amount due to related companies		(366)	(311)	(284)	(23,173)
Other current liabilities		(621,398)	(159,555)	(2,971)	(66,376)
Other non-current liabilities		1,878	-	-	-
Cash generated from (used in) operation before interest and income tax receive (paid)		1,313,609	297,436	(36,943)	(95,561)
Interest income received		49,312	181,279	1,371	2,845
Interest paid excluding finance lease contracts		(7,720)	(44,438)	-	(22,216)
Income tax paid		(3,965)	(2,970)	(1,194)	(4,755)
Net cash provided by (used in) operating activities		1,351,236	431,307	(36,766)	(119,687)

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the six-month periods ended 30 June 2011 and 2010

	Notes	Consolidated		Company	
		Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Unaudited 30 June 2010 Baht'000
Cash flows from investing activities					
Cash paid for short-term loan to related companies	15 v	-	-	(5,000)	(7,500)
Cash paid for long-term loan to related company	15 v	-	-	(10,893)	-
Cash paid for investment in subsidiaries	10	-	-	(15,893)	-
Purchase of building improvement, equipment and intangible assets		(3,728)	(12,804)	(394)	(9,067)
Cash paid for short-term investment		-	28,760	-	11,845
Cash received for short-term loan to related companies	15 v	-	-	-	1,200
Cash received from long-term loan to related companies	15 v	-	-	28,985	4,197
Cash received from disposal of building improvement, equipment and intangible assets		3,891	6,138	1,576	1,776
Cash received from issuance of share capital received from non-controlling interests		5,143	-	-	-
Dividend received from related party		-	-	-	9,649
Net cash provided by (used in) investing activities		5,306	22,094	(1,619)	12,100
Cash flows from financing activities					
Cash paid on long-term loans from related companies	15 vi	(34,841)	(71,475)	-	-
Cash paid for long-term loans from financial institutions	17	(1,322,251)	(526,077)	-	-
Cash paid for liabilities under financial lease contracts		(3,974)	(3,409)	(3,974)	(2,799)
Net cash used in financing activities		(1,361,066)	(600,961)	(3,974)	(2,799)
Net decrease in cash and cash equivalents		(4,524)	(147,560)	(42,359)	(110,386)
Cash and cash equivalents at beginning of the period		990,545	1,438,982	106,839	245,098
Exchange gain (loss) on cash		997	(351)	760	(351)
Cash and cash equivalents at end of the period		987,018	1,291,071	65,240	134,361
Significant non-cash transactions					
Purchase equipment under financial lease contracts		1,166	20,454	1,166	20,454
Restructuring investment in non-performing assets to be loans to non-performing assets		53,976	688,466	-	-
Foreclosed assets acquired through foreclosure		26,700	26,669	-	-

The notes to the interim financial statements on pages 10 to 25 are an integral part of these interim 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 registered as a listed company in 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 Group are financial advisory, non-performing assets management and consumer lendings.

The interim consolidated and company financial statements were authorised for issue by the Board of Directors on 11 August 2011.

The interim consolidated and company financial statements have been reviewed but not audited.

2 Basis of preparation

These interim consolidated and company financial statements are 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 Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e., statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

An English version of the interim consolidated and company interim financial statements have been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

3 Accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010, except as describe in note 4 which is accounting policy regarding employee benefits. The impact of the adoption of new accounting policies, new accounting standards and amendments to accounting standards that are effective for the financial year beginning or after 1 January 2011 are summarised as follows:

- TAS 1 (Revised 2009) prohibits the presentation of items of income and expenses in the statement of changes in equity. The Group chooses to present the statement of comprehensive income in one statement. Where the Group restates or reclassifies comparative information, it will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and the first period applies this standard, the Group can choose to present statement of financial position only two periods without the statement of financial position as at the beginning comparative period.

3 Accounting policies (Cont'd)

- TAS 19 deals with accounting for employee benefits. The Group has two categories of employee benefit: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan). The standard requires the Group to measure the defined benefit plan by using the Projected Unit Credit method (PUC). The Group chooses to recognise any actuarial gain or loss for defined benefit plan in profit and loss. The Group calculated the provision for post-employment benefits as at 1 January 2011 amounting to Baht 31 million and Baht 17 million for the consolidated and company financial statements, respectively. The Group recognises such provision by applying straight-line method throughout five years as stated in notification of Federation of Accounting Professions no.17/2554 and recognises the current year provision as expense for the year.

The impact of the adoption of accounting policies are as follows:

	<u>Consolidated Baht'000</u>	<u>Company Baht'000</u>
Statement of financial position as at 30 June 2011		
Provisions for post-employment benefits increased	5,477	2,971
Statement of comprehensive income		
For the three-month period ended 30 June 2011 (Unaudited)		
Personnel expenses increased	1,962	1,097
For the six-month period ended 30 June 2011 (Unaudited)		
Personnel expenses increased	5,477	2,971
For the three-month period ended 30 June 2010		
Other comprehensive loss increased	492	729
For the six-month period ended 30 June 2010		
Other comprehensive loss increased	991	1,307

New accounting standards, amendments to accounting standards and new interpretation

- a) The following new interpretation is mandatory for the accounting periods beginning on or after 1 January 2011,

TSIC 31 Revenue - Barter Transactions Involving Advertising Services

The Group's management has assessed and determined that this interpretation does not significantly impact the interim financial statements being presented.

- b) The following new accounting standards, amendments to accounting standards and new interpretation are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group has not early adopted them:

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Group's management has determined that the new accounting standards, amendments to accounting standards and new interpretation will not significantly impact the interim financial statements being presented except for TAS 12 Income taxes with expected to incur of deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate or defer such costs at the end of the financial year.

4 New accounting policies

Employee benefits

The Group has post-employment benefits 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.

5 Segment information

Primary reporting format - financial information by business segment

	Consolidated				
	Advisory and Investment Banking Baht'000	Non-Performing Asset ("NPA") Management Baht'000	Consumer Finance Baht'000	Eliminate Baht'000	Total Baht'000
For the three-month period ended 30 June 2011 (Unaudited)					
Revenues					
Revenue from operation	14,284	52,834	6,406	-	73,524
Revenue from inter-segment	1,227	8,465	14,978	(24,670)	-
Total revenues	15,511	61,299	21,384	(24,670)	73,524
Segment expenses	18,326	64,377	18,754	(11,586)	89,871
Operating profit (loss)	(2,815)	(3,078)	2,630	(13,084)	(16,347)

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5 Segment information (Cont'd)

	Consolidated				
	Advisory and Investment Banking Baht'000	Non-Performing Asset ("NPA") Management Baht'000	Consumer Finance Baht'000	Eliminate Baht'000	Total Baht'000
For the three-month period ended 30 June 2010 (Unaudited)					
Revenues					
Revenue from operation	8,098	100,436	61,304	-	169,838
Revenue from inter-segment	5,183	33,853	11,921	(50,957)	-
Total revenues	<u>13,281</u>	<u>134,289</u>	<u>73,225</u>	<u>(50,957)</u>	<u>169,838</u>
Segment expenses	<u>12,025</u>	<u>38,750</u>	<u>86,360</u>	<u>(31,220)</u>	<u>105,915</u>
Operating profit (loss)	<u>1,256</u>	<u>95,539</u>	<u>(13,135)</u>	<u>(19,737)</u>	<u>63,923</u>

	Consolidated				
	Advisory and Investment Banking Baht'000	Non-Performing Asset ("NPA") Management Baht'000	Consumer Finance Baht'000	Eliminate Baht'000	Total Baht'000
For the six-month period ended 30 June 2011 (Unaudited)					
Revenues					
Revenue from operation	27,964	96,039	260,400	-	384,403
Revenue from inter-segment	3,812	13,112	30,860	(47,784)	-
Total revenues	<u>31,776</u>	<u>109,151</u>	<u>291,260</u>	<u>(47,784)</u>	<u>384,403</u>
Segment expenses	<u>42,476</u>	<u>139,035</u>	<u>135,106</u>	<u>(27,451)</u>	<u>289,166</u>
Operating profit (loss)	<u>(10,700)</u>	<u>(29,884)</u>	<u>156,154</u>	<u>(20,333)</u>	<u>95,237</u>

	Consolidated				
	Advisory and Investment Banking Baht'000	Non-Performing Asset ("NPA") Management Baht'000	Consumer Finance Baht'000	Eliminate Baht'000	Total Baht'000
For the six-month period ended 30 June 2010 (Unaudited)					
Revenues					
Revenue from operation	15,114	209,476	146,544	-	371,134
Revenue from inter-segment	10,606	55,571	24,476	(90,653)	-
Total revenues	<u>25,720</u>	<u>265,047</u>	<u>171,020</u>	<u>(90,653)</u>	<u>371,134</u>
Segment expenses	<u>23,606</u>	<u>312,527</u>	<u>88,362</u>	<u>(57,110)</u>	<u>367,385</u>
Operating profit (loss)	<u>2,114</u>	<u>(47,480)</u>	<u>82,658</u>	<u>(33,543)</u>	<u>3,749</u>

6 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to equity holders by the weighted average number of ordinary shares in issue during the period (2011 and 2010: 125,000,000 shares).

There is no dilutive share issued for the six-month periods ended 30 June 2011 and 2010.

7 Investments in non-performing assets

The movements in the investments in non-performing assets can be analysed as follows:

	Unaudited Consolidated Baht'000
For the six-month period ended 30 June 2011	
Beginning net book balance	1,860,104
Repayment	(20,641)
Disposal (Note 17)	(1,010,619)
Transfer to loans to non-performing assets	
- Transfer of investments	(53,976)
- Reversal of allowance for impairment of investments	7,543
Additional allowance for impairment during the period	(3,044)
	<hr/>
Closing net book balance	779,367
	<hr/>

8 Loans to non-performing assets

The movements in the loans to non-performing assets can be analysed as follows:

	Unaudited Consolidated Baht'000
For the six-month period ended 30 June 2011	
Beginning net book balance	999,139
Repayment	(69,195)
Disposal (Note 17)	(707,862)
Loss from restructuring	(11,115)
Transfer from investments in non-performing assets	
- Transfer from investments	53,976
- Allowance for impairment of transferred investments	(7,543)
Decrease in allowance for doubtful accounts during the period	15,785
	<hr/>
Closing net book balance	273,185
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ACAP Advisory Public Company Limited
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9 Loans to consumers and interest receivable, net

Outstanding loans to consumers and interest receivable can be analysed as follows:

	Consolidated	
	Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000
Overdue less 3 months	-	58,180
Overdue more than 3 months	-	87,866
Total	-	146,046
<u>Less</u> Allowance for doubtful accounts	-	(92,723)
	-	<u>53,323</u>

A subsidiary has sold all the loans to customers during this period (Note 18).

10 Investment in subsidiary companies

List of subsidiaries as at 30 June 2011 are as follow:

Company's name	Country of establishment	Type of business	Nature of relationship	Percentage of investment
Subsidiaries				
ACAP Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder	99.99
Star Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder	83.44
ACAP Corporate Services Co., Ltd.	Thailand	Financial advisory	Shareholder	99.99
Global Service Center Co., Ltd.	Thailand	Asset rental service	Shareholder	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory	Shareholder	99.99
ACAP (Malaysia) Sdn. Bhd.	Malaysia	Non-performing assets management	Shareholder	99.99
Capital OK Co., Ltd.	Thailand	Consumers Finance	Shareholder	99.99
AURUM CAPITAL ADVISORY PTE. LTD.	Singapore	Investment Banking	Shareholder	63.97
Subsidiaries under Capital OK Co., Ltd.				
Professional Collection Co., Ltd.	Thailand	Collection services	Shareholder	99.99
ACAP (Asia) Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder Indirect	57.60 42.40

ACAP Advisory Public Company Limited
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10 Investment in subsidiary companies (Cont'd)

The movement in investment in subsidiaries are as follows:

	Unaudited Company Baht'000
For the six-month period ended 30 June 2011	
Beginning net book balance	938,865
Additions	15,893
Additional allowance for impairment during the period	(10,000)
	<u>944,758</u>
Closing net book balance	<u><u>944,758</u></u>

At the Executive Directors Committee No. 4/2554 on 31 March 2011, it was approved to incorporate a new subsidiary, named AURUM CAPITAL ADVISORY PTE. LTD. which is registered in Singapore, to operate an investment banking business in Singapore. On 26 April 2011, the Company purchased shares of AURUM CAPITAL ADVISORY PTE. LTD. for 303,858 shares, par value of USD 1 USD, totalling USD 362,500. The Company hold 63.97% of total share capital.

On 23 May 2011, the Executive Directors Committee No. 6/2554 approved to purchase share capital of ACAP Corporate Services Company Limited, a subsidiary, for 500,000 shares at par value of Baht 10 each, totalling Baht 5,000,000.

11 Obligation under long term lease contracts

	Consolidated		Company	
	Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000
Minimum lease payments obligation under long-term lease contracts	19,758	22,520	19,758	22,520
<u>Less</u> Deferred interest	(1,688)	(2,192)	(1,688)	(2,192)
	<u>18,070</u>	<u>20,328</u>	<u>18,070</u>	<u>20,328</u>
Current portion due within one year	7,046	7,596	7,046	7,596
Non-current portion due after one year	11,024	12,732	11,024	12,732
	<u>18,070</u>	<u>20,328</u>	<u>18,070</u>	<u>20,328</u>

12 Capital expenditures

	Consolidated		Company	
	Building improvement and equipment Baht'000	Intangible assets Baht'000	Building improvement and equipment Baht'000	Intangible assets Baht'000
For the six-month period ended 30 June 2011 (Unaudited)				
Opening net book amount	75,924	13,378	52,181	4,478
Additions	4,121	772	1,561	-
Disposals and write-off, net	(8,268)	-	(1,735)	-
Depreciation charge/amortisation	(13,535)	(5,241)	(5,624)	(403)
Ending net book amount	58,242	8,909	46,383	4,075

13 Administrative expenses

Administrative expenses in the consolidated statement of comprehensive income for the six-month period ended 30 June 2010 included the reversal of bad debt and doubtful accounts which decreased in administrative expenses amounting to Baht 88 million of a subsidiary, while for the three-month period ended 30 June 2010 presented as expense amounting to Baht 5 million.

14 Income taxes

The Group's interim income tax expense is accrued based on actual profit for the period because of nature of business which is difficult for the management to estimate the expected total annual earnings.

15 Related party transactions

The Company is located in Thailand and registered as a listed company in the Market for Alternative Investment (MAI). The major shareholders of the Company are Dr. Vivat Vitoontien and family which hold 49.19% of total registered share capital. List of investment in subsidiaries are set out in Note 10.

Pricing policy

Fees charged for services in management of non-performing assets for subsidiaries and related companies are as follows:

- Revenue from service-base fee is chargeable basing on agreed-upon procedure which is calculated from budget expenses.
- Revenue from service-collection fee are chargeable basing on agreed-upon procedure at 7% - 10% of collected money after deduction of related direct collection expenses.

Other income is per normal business similar of other customers. Interest income/expense incurred from borrowings, cost of services and administrative expenses are carried out at the agreed rate as per contracts.

ACAP Advisory Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
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15 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

i) Service income

	Consolidated		Company	
	Unaudited 2011 Baht'000	Unaudited 2010 Baht'000	Unaudited 2011 Baht'000	Unaudited 2010 Baht'000
For the three-month periods ended 30 June				
Service income				
Base fee				
- ACAP Asset Management Co., Ltd.	-	-	-	7,905
- Star Asset Management Co., Ltd.	-	-	5,386	6,673
- Inter Capital Alliance Asset Management Co., Ltd.	-	15,270	-	15,270
Collection fee				
- ACAP Asset Management Co., Ltd.	-	-	-	561
- Star Asset Management Co., Ltd.	-	-	62	(106)
- Inter Capital Alliance Asset Management Co., Ltd.	-	1,132	-	1,132
Professional fee				
- ACAP Asset Management Co., Ltd.	-	-	-	240
- Star Asset Management Co., Ltd.	-	-	540	540
- Inter Capital Alliance Asset Management Co., Ltd.	-	1,421	-	-
Other Service fee				
- Capital OK Co., Ltd.	-	-	344	358
- Professional Collection Co., Ltd.	-	-	34	35
- Global Service Center Co., Ltd.	-	-	34	5
Total service income	-	17,823	6,400	32,613
Other income				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	1,125	1,125
- Capital OK Co., Ltd.	-	-	-	2,250
- Professional Collection Co., Ltd.	-	-	-	1,125
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	265	3
- ACAP Corporate service Co., Ltd.	-	-	78	-
- ACAP Asset Management Co., Ltd.	-	-	78	-
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	-	137
- Star Asset Management Co., Ltd.	-	-	235	660
- ACAP Consulting Co., Ltd.	-	-	15	14
- ACAP Corporate service Co., Ltd.	-	-	10	14
- AURUM CAPITAL ADVISORY PTE. LTD	-	-	20	-
Dividend income				
- ACAP (Malaysia) Sdn. Bhd.	-	-	-	9,649
Total other income	-	-	1,826	14,977

ACAP Advisory Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
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15 Related party transactions (Cont'd)

i) Service income (Cont'd)

	Consolidated		Company	
	Unaudited 2011 Baht'000	Unaudited 2010 Baht'000	Unaudited 2011 Baht'000	Unaudited 2010 Baht'000
For the six-month periods ended 30 June				
Service income				
Base fee				
- ACAP Asset Management Co., Ltd.	-	-	1,248	18,797
- Star Asset Management Co., Ltd.	-	-	11,600	13,418
- Inter Capital Alliance Asset Management Co., Ltd.	-	30,997	-	30,997
Collection fee				
- ACAP Asset Management Co., Ltd.	-	-	-	1,548
- Star Asset Management Co., Ltd.	-	-	(589)	(292)
- Inter Capital Alliance Asset Management Co., Ltd.	-	4,228	-	4,228
Professional fee				
- ACAP Asset Management Co., Ltd.	-	-	40	480
- Star Asset Management Co., Ltd.	-	-	1,080	1,120
- Inter Capital Alliance Asset Management Co., Ltd.	-	2,907	-	-
Other service fee				
- Capital OK Co., Ltd.	-	-	737	716
- Profession Collection Co., Ltd.	-	-	72	70
- Global Service Center Co., Ltd.	-	-	72	5
Total service income	-	38,132	14,260	71,087
Other income				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	2,250	2,250
- Capital OK Co., Ltd.	-	-	-	4,500
- Profession Collection Co., Ltd.	-	-	-	2,250
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	265	8
- Star Asset Management Co., Ltd.	-	-	-	1
- ACAP Corporate service Co., Ltd.	-	-	78	-
- ACAP Asset Management Co., Ltd.	-	-	78	-
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	-	456
- Star Asset Management Co., Ltd.	-	-	(142)	2,220
- ACAP Consulting Co., Ltd.	-	-	28	20
- ACAP Corporate Services Co., Ltd.	-	-	19	22
- AURUM CAPITAL ADVISORY PTE. LTD	-	-	20	-
Dividend income				
- ACAP (Malaysia) Sdn. Bhd.	-	-	-	9,649
Total other income	-	-	2,596	21,376

ACAP Advisory Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

15 Related party transactions (Cont'd)

ii) Expenses

	Consolidated		Company	
	Unaudited 2011 Baht'000	Unaudited 2010 Baht'000	Unaudited 2011 Baht'000	Unaudited 2010 Baht'000
For the three-month periods ended 30 June				
Cost of service				
Professional fee				
- ACAP Consulting Co., Ltd.	-	-	240	480
Total cost of service	-	-	240	480
Administrative expenses				
Rental and maintenance equipment				
- Global Service Center Co., Ltd.	-	-	1,200	1,800
Total administrative expenses	-	-	1,200	1,800
For the six-month periods ended 30 June				
Cost of service				
Professional fee				
- ACAP Consulting Co., Ltd.	-	-	520	1,000
Total cost of service	-	-	520	1,000
Administrative expenses				
Rental and maintenance equipment				
- Global Service Center Co., Ltd.	-	-	2,400	3,600
Total administrative expenses	-	-	2,400	3,600

ACAP Advisory Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
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15 Related party transactions (Cont'd)

iii) Interest expense

	Consolidated		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
For the three-month periods ended 30 June				
- Standard Bank Plc.	6,712	18,522	-	-
- Capital OK Co., Ltd.	-	-	13,514	11,108
	<u>6,712</u>	<u>18,522</u>	<u>13,514</u>	<u>11,108</u>
For the six-month periods ended 30 June				
- Standard Bank Plc.	(1,111)	97,303	-	-
- Capital OK Co., Ltd.	-	-	25,968	22,095
	<u>(1,111)</u>	<u>97,303</u>	<u>25,968</u>	<u>22,095</u>

iv) Outstanding balances arising from sales/purchases of services

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Accounts receivable - related companies				
- Star Asset Management Co., Ltd.	-	-	958	1,322
- ACAP Corporate Services Co., Ltd.	-	-	3,500	6,000
- Capital OK Co., Ltd.	-	-	7	750
- Global Service Center Co., Ltd.	-	-	1	375
- Professional Collection Co., Ltd.	-	-	1,501	375
- Inter Capital Alliance Asset Management Co., Ltd.	-	2,845	-	1,645
	<u>-</u>	<u>2,845</u>	<u>5,967</u>	<u>10,467</u>

ACAP Advisory Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

15 Related party transactions (Cont'd)

iv) Outstanding balances arising from sales/purchases of services (Cont'd)

	Consolidated		Company	
	Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000	Unaudited 30 June 2011 Baht'000	Audited 31 December 2010 Baht'000
Amount due from related companies				
- ACAP Asset Management Co., Ltd.	-	-	-	329
- Star Asset Management Co., Ltd.	-	-	2,767	3,128
- ACAP Corporate Services Co., Ltd.	-	-	3	1
- ACAP Consulting Co., Ltd.	-	-	5	4
- ACAP (Malaysia) Sdn. Bhd.	-	-	125	61
- Professional Collection Co., Ltd	-	-	-	100
- AURUM CAPITAL ADVISORY PTE. LTD	-	-	1,034	-
- Inter Capital Alliance Asset Management Co., Ltd.	-	4,096	-	4,096
- Standard Bank Plc.	3,510	3,510	-	-
	3,510	7,606	3,934	7,719
Amount due to related companies				
- Global Service Center Co. Ltd.	-	-	-	71
- Professional Collection Co., Ltd.	-	-	-	71
- Star Asset Management Co., Ltd.	-	-	1,238	650
- Capital OK Co., Ltd.	-	-	26,478	1,240
- Standard Bank Plc.	87,831	88,942	-	-
	87,831	88,942	27,716	2,032

v) Loans to related parties

For the six-month period ended 30 June 2011, the Company has loan to subsidiaries as follows:

	Company		
	Short-term loans		
	Opening balance Baht'000	Addition during the period Baht'000	Ending balance Baht'000
ACAP Consulting Co., Ltd.	3,900	2,000	5,900
ACAP Corporate Services Co., Ltd.	1,100	3,000	4,100
Total	5,000	5,000	10,000

15 Related party transactions (Cont'd)

v) Loans to related parties (Cont'd)

	Company		
	Long-term loans		
	Opening balance Baht'000	Addition (repayment) during the period Baht'000	Ending balance Baht'000
<u>Current portion of long-term loans</u>			
Star Asset Management Co., Ltd.	11,891	(1,123)	10,768
ACAP Asset Management Co., Ltd.	45,334		
<u>Less</u> Allowance for doubtful accounts (Note 17)	(17,472)		
	<u>27,862</u>	<u>(27,862)</u>	<u>-</u>
Total	<u>39,753</u>	<u>(28,985)</u>	<u>10,768</u>
<u>Long-term loan</u>			
Star Asset Management Co., Ltd.	21,047	-	21,047
AURUM CAPITAL ADVISORY PTE. LTD.	-	11,095	11,095
Total	<u>21,047</u>	<u>11,095</u>	<u>32,142</u>

Due to the Company jointly lent loans to subsidiary for purchasing investment in non-performing assets with other borrowers, which are related companies or financial institution. The criteria of loan repayment, interest and incentive fee calculation were carried out at variable rate of return.

At the Executive Directors Committee No. 4/2554 on 31 March 2011, it was approved a convertible loan to AURUM CAPITAL ADVISORY PTE. LTD. amounting to USD 362,500. The three-year convertible loan agreement was signed on 18 April 2011 which will be repaid on the date falling three years from the drawdown date. The convertible loan is eligible for conversion into equity at the option of the investors after 24 months from the drawdown date. The long-term loan will bear interest rate of 1% per annum for the first year and at the rate of 10% per annum for the second and third year. The interest receivable shall be receivable on the last business day of each year. The loan was drawdown on 26 April 2011.

15 Related party transactions (Cont'd)

vi) Loans from related parties

During the six-month period ended 30 June 2011, the Company and subsidiaries have loans from related parties as follows:

Counterparty	Consolidated			Ending balance Baht'000
	Opening balance Baht'000	Additions during the period Baht'000	Repayment during the period Baht'000	
<u>Current portion of long-term loan</u>				
Standard Bank Plc.	501,620	-	(34,841)	466,779
<u>Long-term loans</u>				
Standard Bank Plc.	1,103,498	-	-	1,103,498
Counterparty	Company			Ending balance Baht'000
	Opening balance Baht'000	Additions during the period Baht'000	Repayment during the period Baht'000	
Capital OK Co., Ltd.	760,000	-	-	760,000

16 Commitments and contingencies

For the six-month period ended 30 June 2011, there were no significant changes in commitments and contingent liabilities, including other contracts from the year ended 31 December 2010 except for foreign currency forward contracts which the movements in the foreign currency forward contracts can be analysed as follows:

	Notional amount	
	Foreign currency USD Million	Million Baht
For the six-month period ended 30 June 2011 (Unaudited)		
Beginning net book balance	10.97	332.84
Addition during the period	9.26	286.42
Settlement during the period	(10.97)	(332.84)
Closing net book balance	9.26	286.42

17 Sale of investments in non-performing assets and loans to non-performing assets

On 22 November 2010, ACAP Asset Management Co., Ltd., a subsidiary, and Standard Chartered (Thai) Asset Management Co., Ltd. ("SCAMC") signed an asset sale and purchase agreement to sell all of its non-performing assets portfolio which included investments in non-performing assets, loans to non-performing assets and foreclosed assets with a purchase price of Baht 1,718 million (the cost of the assets was Baht 3,341 million). SCAMC paid a deposit of 25% or Baht 430 million on the date of the agreement. The remaining amount would be paid on 13 January 2011 or on such other date as the parties mutually agree. The subsidiary would transfer the asset documents and rights against debtors in the non-performing assets portfolio to SCAMC in accordance with the terms and conditions under the asset sale and purchase agreement. If SCAMC failed to pay any amount in accordance with the agreement, the subsidiary had the right to terminate the agreement.

17 Sale of investments in non-performing assets and loans to non-performing assets (Cont'd)

As a result of the asset sale and purchase agreement, the subsidiary has recognised an impairment loss on its non-performing assets portfolio of Baht 1,623 million in 2010. However, the subsidiary would receive a loan forgiveness for the remaining borrowings from VTB and the Company after offsetting with the amount to be received from the sale. The subsidiary recorded a gain on loan forgiveness of Baht 1,512 million in 2010, of which Baht 1,495 million will be received from VTB and Baht 17 million would be received from the Company. The amount that would be received from the Company has been eliminated in the consolidated financial statements.

As at 31 December 2010, the subsidiary had received a deposit of Baht 430 million from SCAMC and had an obligation to pay back cash received from debtors after 30 September 2010 amounting to Baht 129 million. These amounts were presented as other current liabilities in the consolidated statement of financial position, and the gain on loan forgiveness amounting to Baht 1,495 million was presented net of borrowings from VTB. The Company recorded a loss on loan forgiveness amounting to Baht 17 million in the company statement of comprehensive income and eliminated this transaction in the 2010 consolidated statement of comprehensive income.

On 13 January 2011, VTB sent a release letter to the subsidiary and informed the subsidiary that the remaining borrowing balance will be Baht 1,260 million after the subsidiary had received the remainder of the purchase price from SCAMC. On 16 January 2011, the Company sent a letter to the subsidiary requesting repayment of the remaining borrowing amount of Baht 28 million. VTB and the Company would not ask for any further repayment from the subsidiary once these amounts had been repaid.

On 17 January 2011, SCAMC paid the balance purchase price amounting to Baht 1,164 million to the subsidiary by netting with the collection amounts from debtors and incurred expenses for the period from 30 September 2010 to 31 December 2010. The subsidiary repaid for the outstanding borrowing to VTB amounting to Baht 1,260 million.

On 27 January 2011, the subsidiary repaid for the outstanding borrowing to the Company amounting to Baht 28 million.

18 Sale of Loans to consumers

On 16 December 2010, Capital OK Company Limited, a subsidiary, signed a Memorandum of Understanding with JMT Network Services Company Limited (JMT) to sell off the subsidiary's loans and receivables. The subsidiary would receive Baht 301.6 million (excluded VAT) as a consideration from the sale. As at 31 December 2010, the subsidiary had received a deposit for the sale of Baht 10 million and had an obligation to return cash received from the loans and receivables since 1 December 2010 amounting to Baht 30 million, which were presented as other current liabilities in the consolidated statement of financial position.

On 4 January 2011, the subsidiary had received the second deposit for the sale of Baht 10 million and on 10 January 2011, the subsidiary and JMT signed a purchase and sale agreement for the loans and receivables. Per the agreement, in case of a selling price adjustment, the amount would be pro rated by the total consideration amount, but would not exceed Baht 26.2 million, and the adjustment must be made by 30 April 2011. The subsidiary had no other contingent liabilities from the sale. As at 30 June 2011, selling price was adjusted approximately Baht 0.4 million.

The subsidiary received Baht 281.6 million on the date when the agreement was signed and recognised a gain from the sale of the loans and receivables in the amount of Baht 242.2 million in 2011.