

ACAP ADVISORY PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2011

AUDITOR'S REPORT

To the Shareholders of ACAP Advisory Public Company Limited

I have audited the accompanying consolidated and company statements of financial position as at 31 December 2011 and 2010 and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended 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 financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my 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 as at 31 December 2011 and 2010, and the consolidated and company results of operations and cash flows for the years then ended of ACAP Advisory Public Company Limited and its subsidiaries, and of ACAP Advisory Public Company Limited, respectively, in accordance with generally accepted accounting principles.

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

Bangkok
28 February 2012

ACAP Advisory Public Company Limited
Statements of Financial Position
As at 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Assets					
Current assets					
Cash and cash equivalents	7	864,437	990,545	47,114	106,839
Short-term investments	8	14,296	23,173	14,296	-
Accounts and notes receivable, net	9	73,332	24,866	54,775	2
Current portion of investment in non-performing assets, net	11	-	1,203,134	-	-
Current portion of loans to non-performing assets, net	12, 13	-	907,632	-	-
Loans to consumers and interests receivable, net	14	-	53,323	-	-
Accounts receivable - related companies	30 iv	-	2,845	-	10,467
Amount due from related companies	30 iv	-	7,606	188	7,719
Short-term loans to related companies, net	30 v	-	-	-	5,000
Short-term loans to other companies	15	60,497	-	30,497	-
Current portion of long-term loans to related companies	30 v	-	-	-	39,753
Other current assets, net	16	18,686	649,308	4,847	5,594
Total current assets		1,031,248	3,862,432	151,717	175,374
Non-current assets					
Investment in non-performing assets, net	11	-	656,970	-	-
Loans to non-performing assets, net	12, 13	-	91,507	-	-
Long-term loan to related companies	30 v	-	-	11,437	21,047
Investment in subsidiary companies	10	-	-	944,208	938,865
Long-term investments		1,747	1,662	-	-
Building improvement and equipment, net	18	47,871	75,924	40,844	52,181
Intangible assets, net	19	6,832	13,378	3,666	4,478
Other non-current assets, net	17	14,561	14,707	7,872	5,127
Total non-current assets		71,011	854,148	1,008,027	1,021,698
Total assets		1,102,259	4,716,580	1,159,744	1,197,072

Director _____ Director _____

Date _____

The notes on pages 10 to 50 are an integral part of these financial statements.

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

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Accounts and notes payable		-	16,419	-	-
Amount due to related companies	30 iv	-	88,942	54,207	2,032
Current portion of long-term loans from financial institutions	23	-	1,270,226	-	-
Current portion of long-term loan from related company	30 vi	-	501,620	20,000	-
Current portion of financial lease contracts	21	5,714	7,596	5,714	7,596
Other current liabilities	20	37,974	742,078	3,768	5,555
Total current liabilities		43,688	2,626,881	83,689	15,183
Non-current liabilities					
Liabilities under financial lease contracts, net	21	8,987	12,732	8,987	12,732
Long-term loans from financial institutions	23	-	332,348	-	-
Long-term loans from related companies	30 vi	-	1,103,498	760,000	760,000
Provision on employee benefits	22	7,628	-	5,229	-
Other liabilities		6,909	-	2,912	-
Total non-current liabilities		23,524	1,448,578	777,128	772,732
Total liabilities		67,212	4,075,459	860,817	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		337,742	337,742	337,742	337,742
Retained earnings (deficit)					
Appropriated		12,500	12,500	12,500	12,500
Unappropriated		560,606	167,475	(176,315)	(66,085)
Other components of equity		(2,485)	(1,596)	-	-
Equity attributable to owners of the parent		1,033,363	641,121	298,927	409,157
Non-controlling interests		1,684	-	-	-
Total shareholders' equity		1,035,047	641,121	298,927	409,157
Total liabilities and shareholders' equity		1,102,259	4,716,580	1,159,744	1,197,072

The notes on pages 10 to 50 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Comprehensive Income
For the years ended 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Revenues					
Service income	30 i)	185,868	156,255	131,911	143,650
Interest income from non-performing asset management		82,036	228,957	-	-
Interest income from loans to consumers		-	30,828	-	-
Income from recovery of bad debt written-off	35	241,805	-	-	-
Income from loan forgiveness	34	-	1,495,010	-	-
Other income	26, 30 i)	428,279	281,485	21,414	460,613
Total revenues		937,988	2,192,535	153,325	604,263
Expenses					
Cost of services, asset management and loans	30 ii)	135,744	204,929	45,567	48,392
Administrative expenses	27	366,243	1,597,871	136,439	152,880
Management remunerations	32	27,264	30,303	27,264	30,303
Total expenses		529,251	1,833,103	209,270	231,575
Profit (loss) before financial costs and income tax					
		408,737	359,432	(55,945)	372,688
Financial costs	30 iii)	14,226	130,784	54,285	46,703
Profit (loss) before income tax		394,511	228,648	(110,230)	325,985
Income tax		4,765	7,016	-	71
Net profit (loss) for the year		389,746	221,632	(110,230)	325,914
Other comprehensive income (loss)					
Exchange differences on translating financial statement		(963)	293	-	-
Realised gain on change in fair value of investment		-	(1,307)	-	(1,307)
Other comprehensive loss, net of tax		(963)	(1,014)	-	(1,307)
Total comprehensive income (loss)		388,783	220,618	(110,230)	324,607
Profit (loss) attributable to:					
Shareholders of the parent		393,131	221,632	(110,230)	325,914
Non-controlling interests		(3,385)	-	-	-
		389,746	221,632	(110,230)	325,914
Total comprehensive income (loss) attributable to:					
Shareholders of the parent		392,242	220,618	(110,230)	325,914
Non-controlling interests		(3,459)	-	-	-
		388,783	220,618	(110,230)	325,914
Earning (loss) per share (expressed in Bah per share)					
Basic earnings (loss) per share	28	<u>3.12</u>	<u>1.77</u>	<u>(0.88)</u>	<u>2.61</u>

The notes on pages 10 to 50 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the years ended 31 December 2011 and 2010

	Consolidated									
	Equity attributable to shareholders of the parent									
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity			Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated	Unappropriated	Unrealised gain on change in fair value of investment Baht'000	Currency translation differences from subsidiary in overseas Baht'000				
Baht'000			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 (loss)	-	-	-	393,131	-	(889)	392,242	(3,459)	388,783	
Ending balance as at 31 December 2011	125,000	337,742	12,500	560,606	-	(2,485)	1,033,363	1,684	1,035,047	

	Consolidated									
	Equity attributable to shareholders of the parent									
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity			Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated	Unappropriated	Unrealised gain on change in fair value of investment Baht'000	Currency translation differences from subsidiary in overseas Baht'000				
Baht'000			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	
Dividend paid	-	-	-	(437,500)	-	-	(437,500)	-	(437,500)	
Total comprehensive income (loss)	-	-	-	221,632	(1,307)	293	220,618	-	220,618	
Ending balance as at 31 December 2010	125,000	337,742	12,500	167,475	-	(1,596)	641,121	-	641,121	

The notes on pages 10 to 50 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the years ended 31 December 2011 and 2010

	Company				Other component of equity	Total shareholders' equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earning (deficit)			
			Appropriated Baht'000	Unappropriated Baht'000	of investment Baht'000	
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	
Opening balance as at 1 January 2011	125,000	337,742	12,500	(66,085)	-	409,157
Total comprehensive loss	-	-	-	(110,230)	-	(110,230)
Closing balance as at 31 December 2011	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>(176,315)</u>	<u>-</u>	<u>298,927</u>

	Company				Other component of equity	Total shareholders' equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings			
			Appropriated Baht'000	Unappropriated Baht'000	value of investment Baht'000	
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	
Opening balance as at 1 January 2010	125,000	337,742	12,500	45,501	1,307	522,050
Dividend paid	-	-	-	(437,500)	-	(437,500)
Total comprehensive income (loss)	-	-	-	325,914	(1,307)	324,607
Closing balance as at 31 December 2010	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>(66,085)</u>	<u>-</u>	<u>409,157</u>

The notes on pages 10 to 50 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows
For the years ended 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Cash flows from operating activities					
Profit (loss) before income tax		394,511	228,648	(110,229)	325,985
Adjustment for:					
Depreciation and amortisation		32,301	69,611	12,946	11,741
Interest income		(106,404)	(271,667)	(2,492)	(8,619)
Interest expense		8,411	129,620	53,280	45,568
Interest expense from hire-purchase and financial lease contracts		1,005	1,164	1,005	1,135
Dividend income	10	-	-	(9,259)	(429,649)
Restructuring provision (reversal)		-	(33,693)	-	-
Loss on impairment of investment in non-performing assets		-	925,990	-	-
Bad debt and doubtful account (reversal)		-	(85,364)	-	-
Bad debt and doubtful account of loans to non-performing assets		(8,608)	275,943	-	-
Impairment loss from investments in subsidiaries	10	-	-	10,550	41,000
(Income) loss from loan forgiveness	23, 30 v)	-	(1,495,010)	-	17,472
Loss from restructuring in loans to non-performing assets and investment in non-performing assets		30,677	19,593	-	-
Loss on impairment of loans		-	-	28,400	-
Loss from sale of short-term investment	26	1,079	-	1,079	-
Gain from sale of subsidiary		(315,624)	-	-	-
Loss on sales/impairment/write-off assets		13,294	53,978	2,968	3,459
(Gain) loss on foreign currencies translation		(6,366)	2,371	(1,411)	1,901
Provision for employee benefits	22	7,839	-	5,229	-
Profit (loss) from operating activities before changes in operating assets and liabilities		52,115	(178,816)	(7,934)	9,993
(Increase) decrease in operating assets					
Accounts and notes receivable		(48,466)	(6,371)	(54,774)	103
Investment in non-performing assets		1,073,075	40,044	-	-
Loans to non-performing assets		819,479	501,525	-	-
Loans to consumers and interests receivable		53,323	146,155	-	-
Accounts receivable - related companies		2,845	1,437	10,467	10,860
Amount due from - related companies		4,096	(1,049)	5,290	1,367
Other receivables		-	-	2,357	-
Other current assets		30,367	(7,517)	712	(5,591)
Other non-current assets		43,076	5,899	(804)	(1,067)
Increase (decrease) in operating liabilities					
Accounts and notes payable		(5,896)	15,649	-	(4,273)
Amount due to related companies		2,895	(476)	(984)	(627)
Other current liabilities		(642,227)	466,464	(1,787)	(91,501)

The notes on pages 10 to 50 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows (Cont'd)
For the years ended 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Cash flows from operating activities (Cont'd)					
Cash generated from (used in) operation before interest and income tax received (paid)		1,384,682	982,944	(47,457)	(80,736)
Interest income received		114,880	294,296	2,411	5,893
Interest expense paid excluding finance lease contracts		(14,035)	(53,321)	(121)	(45,546)
Income tax paid		(14,650)	(15,435)	(2,809)	(7,362)
Net cash provided by (used in) operating activities		1,470,877	1,208,484	(47,976)	(127,751)
Cash flows from investing activities					
Cash paid for short-term investment	8	(30,431)	-	(30,431)	-
Cash paid for short-term loans to related companies	30 v)	-	-	(27,500)	(10,500)
Cash paid for short-term loans to other company		(30,000)	-	-	-
Cash paid for long-term loans to related companies		-	-	(10,893)	-
Cash received from issuance of share capital received from non-controlling interest		(86)	-	-	-
Cash paid for increase of issuing share of subsidiaries	10	-	-	(15,893)	(6,600)
Cash paid for purchase of building improvement, equipment and intangible assets		(4,576)	(20,235)	(396)	(10,601)
Cash received from disposal of short-term investment	8	38,808	28,702	15,434	11,845
Cash received from short-term loans to related companies	30 v)	-	-	6,541	10,300
Cash received from long-term loans to related companies	30 v)	-	-	27,862	9,545
Proceeds from disposal of building improvement equipment and intangible assets		5,934	5,081	1,576	1,776
Cash received from issuance of share capital received from non-controlling interests	10	5,143	-	-	-
Dividend received from investment in subsidiaries	10	-	-	9,259	429,649
Disposal of subsidiary, net of cash disposed		(151,659)	-	-	-
Net cash provided by (used in) investing activities		(166,867)	13,548	(24,441)	435,414

The notes on pages 10 to 50 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows (Cont'd)
For the years ended 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Cash flows from financing activities					
Cash paid for short-term loans to related companies	30 vi)	-	-	20,000	-
Cash paid for long-term loans from financial institutions	23	(1,611,419)	(1,049,739)	-	-
Cash paid on long-term loans from related companies		(34,841)	(173,591)	-	-
Cash received from long-term loan related companies		221,572	-	-	-
Cash received from issuing convertible loan		1,878	-	-	-
Dividend paid	25	-	(437,500)	-	(437,500)
Cash paid for liabilities under financial lease contracts		(7,798)	(8,016)	(7,798)	(6,798)
Net cash provided by (used in) financing activities		(1,430,608)	(1,668,846)	12,202	(444,298)
Net decrease in cash and cash equivalents		(126,598)	(446,814)	(60,215)	(136,635)
Cash and cash equivalents at beginning of the year		990,545	1,438,982	106,839	245,098
Exchange gain (loss) on cash		490	(1,623)	490	(1,624)
Cash and cash equivalents at end of the year		<u>864,437</u>	<u>990,545</u>	<u>47,114</u>	<u>106,839</u>
Non-cash transactions					
Purchase equipment under financial lease contracts		1,166	20,454	1,166	20,454
Restructuring investment in non-performing assets	12	106,943	1,209,249	-	-
Foreclosed assets acquired by auction and repossession for debt settlement					
- Investment in non-performing assets		3,221	152,150	-	-
- Loans to non-performing assets		12,164	427,860	-	-

The notes on pages 10 to 50 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 28 February 2012.

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.

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.

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 New accounting standards, new financial reporting standards new interpretation and amendments to accounting standards

- a) The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are effective for accounting periods beginning on or after 1 January 2011:

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards new interpretation and amendments to accounting standards (Cont'd)

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.
 - 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 the statement of comprehensive income. 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. During 2011, the Group restructured the organisation which resulted in a decrease of provision for employ benefits amount of Baht 17.8 million and Baht 12.3 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 impacts are to increase a provision for employee benefits as at 31 December 2011 for the Group and the Company amounting to Baht 3.6 million and Baht 2.5 million, respectively, and to increase personal expense for the Group and the Company amounting to Baht 3.6 million and Baht 2.5 million, respectively.
- b) The following new accounting standards, amendments to accounting standards and new interpretation are effective for accounting periods beginning on or after 1 January 2013. The Group has not adopted them early:

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

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards new interpretation and amendments to accounting standards (Cont'd)

The management of the Company has assessed that TAS 20 (Revised 2009) and TSIC 10 are not relevant to the main business of the Company and subsidiaries. For other accounting standards, they are in the process of evaluating the effect of such standards to the financial statement for the year initially applied. New accounting standard which may impact significantly to the financial statement is shown as follows:

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or a liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard retrospectively with effect from 1 January 2013, with the expectation of incurring a deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

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 income statement.

Intercompany transactions, balances and unrealised gains 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.

2 Accounting policies (Cont'd)

2.3 Group accounting - investment in subsidiaries (Cont'd)

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 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 10.

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using Thai Baht. The consolidated and company financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss.

The statements of comprehensive income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and the statement of financial position are translated at the exchange rates ruling on the end of reporting period. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise 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 debt securities is classified as available-for-sale 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.

Available-for-sale securities is carried at fair value, less allowance for impairment (if any). Differences between carrying values and fair values are presented as unrealised gain or loss in the shareholders' equity. The fair value of debt securities are calculated by reference to the last quoted bid prices at the close of business on the statement of financial position date.

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 and notes receivable

Accounts and notes 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 the statement of comprehensive income.

2.8 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.

2.9 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 asset of whose entering into debt restructuring or changed the condition or re-agreement 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 required the asset management company to comply about the provision of allowance for doubtful accounts in order to conform to the BOT's criteria. The subsidiaries have classified loans to non-performing assets and allowance for doubtful accounts to be conformed to the guideline 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 the allowance for doubtful accounts by estimating cash flows expected to be received from the debtors under the restructuring plan or rehabilitation plan. If the debtors could not complied with the plan, the allowance for doubtful accounts will be provided following by BOT's criteria.

2.10 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 is inherent in the subsidiary.

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 trend of each loan category's potential historical loss rate.

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 Accounting policies (Cont'd)

2.11 Troubled debt restructuring

The subsidiaries record transaction relating to troubled debt restructuring in accordance with the Accounting Standards No. 104 "Accounting for Troubled Debt Restructuring" and in conformity with the guideline of the BOT. In case of debt restructuring that the subsidiaries agreed to release the repayment condition and calculated fair value of receivables after debt restructuring by calculating present value of cash flows which expected to be received from the debtors deducting by the deferred purchased non-performing assets which equal to bid price.

Loss on debt restructuring of each receivable is recognised when estimated cash flows received from each receivable less than bid price.

2.12 Foreclosed assets

Foreclosed assets consists of immovable and movable assets are stated at the lower of cost or market value of the acquisition assets. Where the carrying value of foreclosed assets incurred impairment, the subsidiaries will recognise the provision for impairment of foreclosed assets in total.

The subsidiaries will recognise gain (loss) on sales of foreclosed assets as income or expenses in whole amount in accordance with the notifications of the Bank of Thailand.

2.13 Intangible assets

2.13.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.13.2 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 to the original cost of the software.

2 Accounting policies (Cont'd)

2.14 Building improvement and equipment

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

Residual value and the estimated useful life of the assets are revised at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of fixed assets determined by comparing proceeds with the carrying amount and are included in operating profit.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

2.15 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.

2.16 Income tax

The Group calculates income tax based on the conditions described in Revenue Code and records income tax on an accrual basis.

Overseas subsidiary's income tax is recorded on an accrual basis which is calculated on the basis of establishment of the business to be carried out in that country.

2 Accounting policies (Cont'd)

2.17 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.

2.18 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.

2.19 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.

2 Accounting policies (Cont'd)

2.20 Provisions

Provisions, excluding the provisions for employee benefits, 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.21 Revenues and expenses recognition

Revenues from financial advisor and investment consultant

- Monthly fee is recognised on service of contract. The Company will cease income recognition when receivables are continuously delinquent on payment for 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 by monthly service.
- Revenue from share of cash collection (Cash Collection Fee) is recognised on percentage of cash collection on service agreement.

Interest and fee income is recognised on an accrual basis, except loans receivable which is uncollected over three periods where interest is recognised on collection basis. The Company 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 both from investment in non-performing assets and loans to non-performing assets are recorded on accrual basis by using the effective interest rate except when expected cash collections and uncertain, these income are recorded when actually received.

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

Other incomes and expenses are recognised on accrual basis.

2.22 Dividends

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

2.23 Accounting for derivative financial instruments

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 33.

3 Financial risk management

Significant financial assets carried on the statements of financial position include cash and cash equivalents, short-term investments, investment in non-performing assets, loans to non-performing assets and loans to consumers. Significant financial liabilities carried on the statements of financial position include borrowings. 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 consumers

The Group maintains an impairment of investments in non-performing assets, allowance for doubtful accounts of loans to non-performing assets and loans to consumers to reflect impairment of investments in non-performing assets, loans to non-performing assets, and loans to consumers 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 improvement, equipment and intangible assets

Management determines the estimated useful lives and residual values for the Company's building improvement, 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.

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6 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 year ended 31 December 2011					
Revenues					
Third party revenue	59,403	544,427	334,158	-	937,988
Inter-segment revenue	2,238	(239,707)	54,290	183,179	-
Total revenues	61,641	304,720	388,448	183,179	937,988
Operating results	(18,359)	(44,266)	193,340	278,022	408,737
Financial costs	(337)	(68,301)	-	54,412	(14,226)
Profit (loss) before tax	(18,696)	(112,567)	193,340	332,434	394,511
Income tax	-	(4,765)	-	-	(4,765)
Profit (loss) before non-controlling interests	(18,696)	(117,332)	193,340	332,434	389,746
Non-controlling interests	-	-	-	3,385	3,385
Net profit (loss) for the year	(18,696)	(117,332)	193,340	335,819	393,131
Segment assets	48,754	1,197,645	1,668,681	(1,812,821)	1,102,259
Segment liabilities	46,375	884,424	20,428	(884,015)	67,212
Capital expenditure	3,835	42,822	3,802	(2,588)	47,871
Depreciation and amortisation	4,407	13,114	14,283	(956)	30,847

	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 year ended 31 December 2010					
Revenues					
Third party revenue	36,753	1,863,103	292,679	-	2,192,535
Inter-segment revenue	22,813	541,886	50,677	(615,376)	-
Total revenues	59,566	2,404,989	343,356	(615,376)	2,192,535
Operating results	(11,513)	770,922	27,007	(426,984)	359,432
Financial costs	(65)	(179,426)	-	48,707	(130,784)
Profit (loss) before tax	(11,578)	591,496	27,007	(378,277)	228,648
Income tax	-	(7,016)	-	-	(7,016)
Profit (loss) before non-controlling interests	(11,578)	584,480	27,007	(378,277)	221,632
Non-controlling interests	-	-	-	-	-
Net profit (loss) for the year	(11,578)	584,480	27,007	(378,277)	221,632
Segment assets	42,111	4,899,363	1,585,968	(1,810,861)	4,716,580
Segment liabilities	33,491	4,788,425	131,055	(877,512)	4,075,459
Capital expenditure	12,533	54,916	11,997	(3,523)	75,924
Depreciation and amortisation	3,582	12,995	49,047	(877)	64,747

6 Segment information (Cont'd)

The Group divided 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 in 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 service of litigation for debt payment and management of disposal transferred assets for debt repayment or foreclosure of collaterals.
- Consumers finance Business - to provide consumers finance services to other customers consist of personal loans, instalment credits, credit cards and hire-purchase of motorcycle credit.

Secondary Reporting format - financial information by geographical segments

The Group business segments are managed in two countries as follows:

- Thailand, home country of the Group, which includes all areas of operation to primary business segments.
- Foreign, which includes Malaysia and Singapore, the area of operation are non-performing assets management segment and investment banking segment.

	Consolidated			
	Total revenue Baht'000	Total assets Baht'000	Total liabilities Baht'000	Capital expenditure Baht'000
For the year ended 31 December 2011				
Thailand	901,434	1,051,513	49,864	45,352
Foreign	36,554	50,746	17,348	2,519
Total	937,988	1,102,259	67,212	47,871

	Consolidated			
	Total revenue Baht'000	Total assets Baht'000	Total liabilities Baht'000	Capital expenditure Baht'000
For the year ended 31 December 2010				
Thailand	2,156,595	4,691,056	4,064,584	73,781
Foreign	35,940	25,524	10,875	2,143
Total	2,192,535	4,716,580	4,075,459	75,924

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7 Cash and cash equivalents

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Cash on hand	167	518	78	89
Deposit held at call with banks	81,270	484,069	47,036	50,792
Fixed deposit no longer than 3 months	783,000	505,958	-	55,958
Total cash and cash equivalents	864,437	990,545	47,114	106,839

The interest rate of deposit held at call with banks at 0.8% per annum (2010: 0.5% per annum). The interest rate of fixed deposit at banks with original maturity of 3 months or less range at 1.7% - 3.5% per annum (2010: 0.5% - 0.8% per annum).

8 Short-term investments

	Consolidated		Company	
	2011	2010	2011	2010
	Cost/ book value Baht'000	Cost/ book value Baht'000	Cost/ book value Baht'000	Cost/ book value Baht'000
Fixed deposit with financial institution with original maturity over three months	-	23,173	-	-
Held to maturity investment - Debt securities	14,296	-	14,296	-
Total	14,296	23,173	14,296	-

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

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance	23,173	51,861	-	11,831
Additions	30,431	-	30,431	-
Repayment during the period	(38,607)	(28,702)	(15,434)	(11,845)
Loss on sale of short-term investment	(1,079)	-	(1,079)	-
Foreign currency translation	378	(278)	378	(278)
Amortisation of discount on investment	-	1,059	-	1,059
Change in fair value	-	(767)	-	(767)
Ending balance	14,296	23,173	14,296	-

In April 2009, the Company invested in subordinated debt securities, called "Non-cumulative step-up perpetual preferred securities series 1", of a foreign bank amounting to USD 0.275 million, which has a redemption value at USD 0.35 million, bearing interest rate at 9.547%. Interest is non-cumulative. Interest may not be paid if the borrower does not have sufficient profit or is limited in making payment on other obligations. These subordinate debt securities have no fixed redemption date and the borrower has a right to call for redemption. The first optional redemption date is on 30 June 2010. If the borrower does not call for redemption, the borrower will pay an interest rate at three-month LIBOR plus 4%. As at 31 December 2009, the Company classified this investment as a short-term investment and recognised change in fair value as unrealised gain in shareholders' equity. On 30 June 2010, the borrower redeemed full amount of subordinated debt securities.

As at 31 December 2011, short-term investment of the Company represented an investment in one-month debt securities which is a structured product and link with price of gold. If the price of gold increases and higher than or equal to the price specified in the contract, the Company will receive a return at 15% per annum. If the price of gold is less than the specified price, the Company will receive the cash at the price which the gold is eventually sold.

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9 Accounts and notes receivables, net

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Accounts receivable				
Accrued incomes	7,391	8,047	6,668	2
Undue and up to 30 days	56,159	7,250	48,107	-
Overdue 30 days but not over 180 days	760	406	-	-
Overdue 180 days but not over 1 year	509	155	-	-
Overdue more than 1 year	22,959	23,452	11,646	11,646
Total	87,778	39,310	66,421	11,648
<u>Less</u> Allowance for doubtful accounts	(14,446)	(14,444)	(11,646)	(11,646)
Accounts and notes receivable, net	<u>73,332</u>	<u>24,866</u>	<u>54,775</u>	<u>2</u>

10 Investment in subsidiaries

List of subsidiaries are as follow:

Company's name	Country of establishment	Type of business	Nature of relationship	Percentage of investment	
				2011	2010
Subsidiaries					
ACAP Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder	99.99	99.99
STAR Asset Management Ltd.	Thailand	Non-performing assets management	Shareholder	-	83.44
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	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	-
Subsidiaries under Capital OK Co., Ltd.					
Professional Collection Co., Ltd.	Thailand	Collection services	Shareholder	99.99	99.99
ACAP (Asia) Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder Indirect	57.60 42.40	57.60 42.40

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10 Investment in subsidiaries (Cont'd)

The followings are details of investment in subsidiaries.

	2011						
	Company						
	Paid-up capital Baht'000	Cost method Cost Baht'000	Allowance for impairment Baht'000	Net Baht'000	Investment proportion Amount at par Baht'000	Percentage of holding	Dividend paid by subsidiaries Baht'000
ACAP Asset Management Co., Ltd.	25,000	25,000	(25,000)	-	25,000	99.99	-
ACAP Corporate Services Co., Ltd.	21,000	21,000	(16,000)	5,000	21,000	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	9,259
Capital OK Co., Ltd.	1,875,000	922,426	-	922,426	1,875,000	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	-
		995,758	(51,550)	944,208	1,961,839		9,259

	2010						
	Company						
	Paid-up capital Baht'000	Cost method Cost Baht'000	Allowance for impairment Baht'000	Net Baht'000	Investment proportion Amount at par Baht'000	Percentage of holding	Dividend paid by subsidiaries Baht'000
ACAP Asset Management Co., Ltd.	25,000	25,000	(25,000)	-	25,000	99.99	-
Star Asset Management Ltd.	25,000	-	-	-	20,860	83.44	-
ACAP Corporate Services Co., Ltd.	16,000	16,000	(16,000)	-	16,000	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	9,649
Capital OK Co., Ltd.	1,875,000	922,425	-	922,425	1,875,000	99.99	420,000
ACAP (Asia) Asset Management Co., Ltd.	25,000	600	-	600	25,000	2.40	-
		979,865	(41,000)	938,865	1,977,700		429,649

On 31 May 2010, the Executive Directors Committee No. 5/2553 approved to purchase share capital of ACAP Corporate Services Company Limited, a subsidiary, for 600,000 shares at par value of Baht 10 each, totalling Baht 6,000,000.

On 28 June 2010, the Executive Directors Committee No. 6/2553 approved to incorporate a new subsidiary. The Company purchased share capital of ACAP (Asia) Asset Management Company Limited for 59,996 shares at par value of Baht 10 each, totalling Baht 599,960.

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 5,000,000 Baht.

On 30 December 2011, the Executive Directors Committee No. 12/2554 approved to sell all shares capital of STAR Asset Management Company Limited, a subsidiary, to Mrs. Watana Limnararat and Mr. Padungsak Laohasurayothin. The shares were sold Baht 2. The statement of financial position as at 31 December 2011 was not included the financial position of STAR Asset Management Company Limited. The Company has no control in the subsidiaries since the selling date. The statement of comprehensive income for the year then ended 31 December 2011 included gain on disposal of the subsidiary amounting to Baht 316 million which presented as other income (Note 26) from the reversal of the beginning balance of deficit amount to Baht 303 million and loss from operation during the year 2011 of the subsidiary amounting to Baht 13 million.

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11 Investments in non-performing assets

	Consolidated	
	2011	2010
	Baht'000	Baht'000
Investment in non-performing assets	-	3,513,324
<u>Less</u> Allowance for impairment	-	(1,653,220)
Net book value	-	1,860,104

	Consolidated	
	2011	2010
	Baht'000	Baht'000
Current portion	-	1,203,134
Non-current portion	-	656,970
	-	1,860,104

Fair value of investment in non-performing assets calculated by estimating the present value of cash flows expected to be received from disposal of collaterals because the subsidiaries can not estimate the expected cash to be received from debtors. As at 31 December 2010, fair value of investment in non-performing assets is approximate to the acquisition cost net of allowance for impairment. In addition, allowance for impairment of investments in non-performing assets as at 31 December 2010 was added as the result in loss from selling the investment (Note 34).

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

	Consolidated					
	Number of loan		Outstanding principal balance		Investment at cost	
	2011	2010	2011	2010	2011	2010
			Baht'000	Baht'000	Baht'000	Baht'000
For the years ended 31 December						
Beginning net book balance	803	879	16,989,526	19,523,505	1,860,104	4,187,538
Repayments	-	(8)	(517,047)	(1,092,597)	(64,655)	(192,195)
Transfer to loans to non-performing assets						
- Transfer of investments	(23)	(68)	(150,454)	(1,441,382)	(106,943)	(1,209,249)
- Reversal of allowance for impairment of investment	-	-	-	-	21,207	180,647
Impairment on investment in non-performing assets	-	-	-	-	(28,671)	(1,106,637)
Sold (Note 34) and transferred out from consolidation (Note 10)	(780)	-	(16,302,025)	-	(1,681,042)	-
Closing balance	-	803	-	16,989,526	-	1,860,104

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12 Loans to non-performing assets

	Consolidated	
	2011	2010
	Baht'000	Baht'000
Estimated cash flows in the future	-	1,399,379
<u>Less</u> Deferred income from loans to non-performing assets	-	(114,531)
Total	-	1,284,848
<u>Less</u> Allowance for doubtful accounts (Note 13)	-	(285,709)
Net book value	-	999,139
Current portion	-	907,632
Non-current portion	-	91,507
	-	999,139

Loans to non-performing assets are transferred from investment in non-performing assets at fair value on the transferred date. Therefore, the fair value of loans to non-performing assets as at 31 December 2010 are approximate to the net carrying value. The net carrying value calculated by estimating cash flows to be received from debtors in the future and discount at the rate which the present value of estimated cash flows will be equal to the carrying value of loans to non-performing asset and less allowance for doubtful accounts. In addition, allowance for doubtful accounts of loans to non-performing assets as at 31 December 2010 was added as the result in loss from selling the loans (Note 34).

Type of business as at 31 December 2010 are as follows:

	Consolidated					Total
	2010					
	Normal	Special	Sub-	Doubtful	Doubtful	Total
	Baht'000	mentioned	standard	Baht'000	accounts	Baht'000
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Agriculture and mining	-	-	9	-	38,579	38,588
Industrials and commerce	6,812	-	16,478	-	727,217	750,507
Property and construction	-	-	4,748	-	490	5,238
Utilities and services	466,358	-	9	-	18,930	485,297
Personal housing	-	-	858	-	2,440	3,298
Eliminate transactions	-	-	-	-	1,920	1,920
Total	473,170	-	22,102	-	789,576	1,284,848

ACAP Advisory Public Company Limited
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12 Loans to non-performing assets (Cont'd)

Classification as at 31 December 2010 are as follows:

	Consolidated			
	2010			
	Book value Baht'000	Book value after net collateral value Baht'000	Rate allowance for doubtful accounts %	Allowance for doubtful accounts Baht'000
<u>Loans to non-performing assets</u>				
Normal receivables	473,170	16,173	1	16,173
Special mentioned receivables	-	-	2	-
Sub-standard receivables	22,102	9	100	9
Doubtful receivables	-	-	100	-
Doubtful accounts receivables	787,656	269,527	100	269,527
Eliminate transactions	1,920	-		-
Total	1,284,848	285,709		285,709

Rates are according to the Bank of Thailand for loans to non-performing assets and the calculation is based on outstanding balance after collateral value is deducted.

Troubled debts restructuring

As at 31 December 2011 and 2010, the subsidiaries have outstanding loan balances which have been restructured as follows:

	Consolidated			
	2011		2010	
	Number of loans	Outstanding balance after restructuring Baht'000	Number of loans	Outstanding balance after restructuring Baht'000
Beginning balance	77	1,284,848	81	1,023,339
Restructured during the year	23	106,943	68	1,209,249
Repaid and closed during the year	(38)	(144,074)	(72)	(947,740)
Sold (Note 34) and transferred out from consolidation (Note 10)	(62)	(1,247,717)	-	-
Ending balance	-	-	77	1,284,848

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12 Loans to non-performing assets (Cont'd)

Details of the restructured debts during the year classified into the restructuring methods are as follows:

	Consolidated		
	2011		
	Number of debtors	Balance before debt restructuring Baht'000	Balance after debt restructuring Baht'000
Changes in repayment conditions	23	106,943	83,712
	23	106,943	83,712
	Consolidated		
	2010		
	Number of debtors	Balance before debt restructuring Baht'000	Balance after debt restructuring Baht'000
Changes in repayment conditions	68	1,209,249	1,190,087
	68	1,209,249	1,190,087

The subsidiaries considered that carrying value in the amount Baht 84 million and Baht 1,190 million, respectively, is fair value of debtors as at the transferring date.

For the year ended 31 December 2011 and 2010 the subsidiaries recognised loss from debt restructuring amounting to Baht 23.23 million and Baht 19.59 million, respectively.

As at 31 December 2011 and 2010, outstanding balance after restructuring of restructured loans to non-performing assets are classified by the remaining years of agreements are as follows:

	Consolidated			
	2011		2010	
	Number of debtors	Baht'000	Number of debtors	Baht'000
Within one year	-	-	57	1,141,586
More than one year	-	-	20	143,262
Total	-	-	77	1,284,848

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13 Allowance for doubtful accounts of loans to non-performing assets

	Consolidated					
	2011					
	Normal Baht'000	Special mentioned Bah'000	Sub- standard Baht'000	Doubtful Baht'000	Doubtful loss Baht'000	Total Baht'000
Balance at beginning of the year	16,173	-	9	-	269,527	285,709
Sold (Note 34) and transferred out from consolidation (Note 10)	(16,173)	-	(9)	-	(269,527)	(285,709)
Balance at the end of the year	-	-	-	-	-	-
	Consolidated					
	2010					
	Normal Baht'000	Special mentioned Bah'000	Sub- standard Baht'000	Doubtful Baht'000	Doubtful loss Baht'000	Total Baht'000
Balance at beginning of the year	-	-	137	-	8,052	8,189
(Increase) decrease during the year	16,173	-	(128)	-	261,475	277,520
Balance at the end of the year	16,173	-	9	-	269,527	285,709

Allowance for doubtful accounts of classified assets provided in accordance with the BOT's basis are calculated from variance of carrying value and present value of cash flows expected to receive from debtors or dispose collaterals by using the discount rate and period which expected to dispose collaterals in accordance with the BOT's basis.

14 Loans to consumers and interest receivable, net

Outstanding loans to consumers and interest receivable are summary as follows:

	Consolidated	
	2011 Baht'000	2010 Baht'000
Overdue below 3 months	-	58,180
Overdue more than 3 months	-	87,866
Total	-	146,046
<u>Less</u> Allowance for doubtful accounts	-	(92,723)
	-	53,323
Current portion	-	53,323
Non-current portion	-	-
	-	53,323

As at 31 December 2010, fair value of loans to consumers are approximate to the carrying value net allowance for doubtful accounts. A subsidiary signed a Memorandum of Understanding to sell loans to consumers (Note 35).

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15 Short-term loans to other companies

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Short-term loan</u>				
Chiangrai Industrial 1111 Company Limited	30,000	-	-	-
<u>Current portion of long-term loan</u>				
Star Asset Management Company Limited	30,497	-	30,497	-
Total	60,497	-	30,497	-

The short-term loan amounting to Baht 30 million is a loan to Chiangrai Industrial 1111 Company Limited which is due within 1 year after the drawdown date. The interest rate shall be at 15% per annum and repayable every 3 months after the drawdown date.

The detail of current portion of long-term loan to Star Asset Management Company Limited was disclosed in Note 30

16 Other current assets

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Foreclosed assets, net	-	566,299	-	-
Other receivable	786	23,222	708	3,064
Advance to other companies, net	-	18,683	-	14
Interest receivable	3,106	17,336	2,353	32
Others	14,794	23,768	1,786	2,484
	18,686	649,308	4,847	5,594

17 Other non-current assets

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Deposit	8,523	12,780	4,551	4,559
Contingent Asset	3,354	-	1,941	-
Others	2,684	1,927	1,380	568
	14,561	14,707	7,872	5,127

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18 Building improvement and equipments

	Consolidated					
	Building improvement Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	Total Baht'000
At 1 January 2010						
Cost	50,684	199,032	49,910	52,909	35,345	387,880
<u>Less</u> Accumulated depreciation	(44,278)	(164,047)	(31,636)	(39,863)	(21,507)	(301,331)
Allowance for impairment	(5,758)	-	(119)	(72)	-	(5,949)
Net book amount	<u>648</u>	<u>34,985</u>	<u>18,155</u>	<u>12,974</u>	<u>13,838</u>	<u>80,600</u>
For the year ended 31 December 2010						
Opening net book amount	648	34,985	18,155	12,974	13,838	80,600
Additions	31	4,629	4,026	2,108	28,858	39,652
Disposals/write off, net	(2,564)	(653)	(745)	(721)	(620)	(5,303)
Reversal of impairment charges	5,758	-	119	72	-	5,949
Depreciation charge	(3,290)	(21,588)	(4,826)	(7,392)	(7,878)	(44,974)
Closing net book amount	<u>583</u>	<u>17,373</u>	<u>16,729</u>	<u>7,041</u>	<u>34,198</u>	<u>75,924</u>
At 31 December 2010						
Cost	26,300	191,026	45,028	48,839	56,815	368,008
<u>Less</u> Accumulated depreciation	(25,717)	(173,653)	(28,299)	(41,798)	(22,617)	(292,084)
Net book amount	<u>583</u>	<u>17,373</u>	<u>16,729</u>	<u>7,041</u>	<u>34,198</u>	<u>75,924</u>
For the year ended 31 December 2011						
Opening net book amount	583	17,373	16,729	7,041	34,198	75,924
Additions	2,055	519	713	62	1,555	4,904
Disposals/write off, net	(433)	(1,623)	(3,898)	(1,916)	(1,648)	(9,518)
Depreciation charge	(388)	(8,599)	(2,892)	(3,029)	(7,969)	(22,877)
Sold (Note 34) and transferred out from consolidation	-	(238)	-	(324)	-	(562)
Closing 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>
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>

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18 Building improvement and equipments (Cont'd)

	Company				
	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	Total Baht'000
At 1 January 2010					
Cost	8,735	15,235	6,938	26,520	57,428
<u>Less</u> Accumulated depreciation	(2,621)	(3,433)	(4,330)	(13,795)	(24,179)
Net book amount	<u>6,114</u>	<u>11,802</u>	<u>2,608</u>	<u>12,725</u>	<u>33,249</u>
For the year ended 31 December 2010					
Opening net book amount	6,114	11,802	2,608	12,725	33,249
Additions	1,653	-	68	28,845	30,566
Disposal	-	-	(1)	(619)	(620)
Depreciation charge	(1,657)	(1,641)	(911)	(6,805)	(11,014)
Closing net book amount	<u>6,110</u>	<u>10,161</u>	<u>1,764</u>	<u>34,146</u>	<u>52,181</u>
At 31 December 2010					
Cost	10,388	15,235	7,005	51,477	84,105
<u>Less</u> Accumulated depreciation	(4,278)	(5,074)	(5,241)	(17,331)	(31,924)
Net book amount	<u>6,110</u>	<u>10,161</u>	<u>1,764</u>	<u>34,146</u>	<u>52,181</u>
For the year ended 31 December 2011					
Opening net book amount	6,110	10,161	1,764	34,146	52,181
Additions	-	7	-	1,555	1,562
Disposal	(61)	-	(27)	(1,647)	(1,735)
Depreciation charge	(1,813)	(1,640)	(812)	(6,899)	(11,164)
Closing net book amount	<u>4,236</u>	<u>8,528</u>	<u>925</u>	<u>27,155</u>	<u>40,844</u>
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	<u>4,236</u>	<u>8,528</u>	<u>925</u>	<u>27,155</u>	<u>40,844</u>

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19 Intangible assets

	Consolidated		Company	
	Goodwill Baht'000	Computer software Baht'000	Software Baht'000	
At 1 January 2010				
Cost	13,052	242,524	5,432	
<u>Less</u> Accumulated amortisation	-	(199,838)	(717)	
Allowance for impairment loss	(10,514)	(8,222)	-	
Net book amount	<u>2,538</u>	<u>34,464</u>	<u>4,715</u>	
For the year ended 31 December 2010				
Opening net book amount	2,538	34,464	4,715	
Additions	-	1,171	489	
Disposals	-	(159)	-	
Amortisation charge	(2,538)	(22,098)	(726)	
Closing net book amount	<u>-</u>	<u>13,378</u>	<u>4,478</u>	
At 31 December 2010				
Cost	13,052	241,443	5,921	
<u>Less</u> Accumulated amortisation	(13,052)	(228,065)	(1,443)	
Net book amount	<u>-</u>	<u>13,378</u>	<u>4,478</u>	
For the year ended 31 December 2011				
Opening net book amount	-	13,378	4,478	
Transfer out from consolidation	-	(99)	-	
Additions	-	770	-	
Amortisation charge	-	(7,217)	(812)	
Closing net book amount	<u>-</u>	<u>6,832</u>	<u>3,666</u>	
At 31 December 2011				
Cost	-	242,077	5,921	
<u>Less</u> Accumulated amortisation	-	(235,245)	(2,255)	
Net book amount	<u>-</u>	<u>6,832</u>	<u>3,666</u>	

20 Other current liabilities

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Deposits (Note 34)	-	477,637	-	-
Other payable (Note 34)	9,363	171,780	611	615
Other accrued expense	13,581	54,383	1,509	1,329
Accrued withholding tax	1,461	3,856	1,066	971
Suspense accounts from receivables in process of disposing	12,273	7,455	-	-
Other provision	-	19,600	-	-
Others	1,296	7,367	582	2,640
	<u>37,974</u>	<u>742,078</u>	<u>3,768</u>	<u>5,555</u>

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21 Obligation under long term lease contracts

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Minimum lease payments obligation under long-term lease contracts	15,934	22,520	15,934	22,520
<u>Less</u> Deferred interest	(1,233)	(2,192)	(1,233)	(2,192)
	<u>14,701</u>	<u>20,328</u>	<u>14,701</u>	<u>20,328</u>
Current portion due within one year	5,714	7,596	5,714	7,596
Non-current portion due after one year	8,987	12,732	8,987	12,732
	<u>14,701</u>	<u>20,328</u>	<u>14,701</u>	<u>20,328</u>

22 Provision for employee benefits

	Consolidated	Company
	Baht'000	Baht'000
Balance sheet obligations	7,628	5,229
Charge in the statement of revenues and expenses	7,839	5,229

As at 1 January 2011 the provision for post-employment benefits for the consolidated and the company financial statements amounting to Baht 17.8 million and Baht 12.3 million, respectively, which the Group amortizing such provision by applying straight-line method throughout five years as stated in notification of Federation of Accounting Professions no. 17/2554. The Group has amortizing such provision as expense for the year 2011 amounting to Baht 3.6 million and Baht 2.5 million in the consolidated and company financial statements, respectively.

Movements of the provision for employee benefits are as follows:

	Consolidated	Company
	Baht'000	Baht'000
Past service costs	3,560	2,460
Current service costs	4,279	2,769
	7,839	5,229
<u>Less</u> Transferred out from consolidation	(211)	-
Ending balance	7,628	5,229
<u>Less</u> Current portion	-	-
Total non-current	<u>7,628</u>	<u>5,229</u>

The principal actuarial assumptions used are as follows:

	Consolidated and company
Discount rate	4.22%
Salary increase rate	4%
Average turnover rate	0 – 10%
Pre-retirement mortality rate	60% of mortality rate
Retirement age	60 years old

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23 Long-term loans from financial institutions

	Consolidated	
	2011	2010
	Baht'000	Baht'000
Beginning balance	1,602,574	4,147,323
Repayment during the year	(1,602,574)	(1,014,410)
Unrealised gain from exchange rate	-	(35,329)
Income from loan forgiveness (Note 34)	-	(1,495,010)
Ending balance	<u>-</u>	<u>1,602,574</u>
Current portion	-	1,270,226
Non-current portion	-	332,348
	<u>-</u>	<u>1,602,574</u>

In February and April 2007, the ACAP Asset Management Company Limited, a subsidiary, has borrowed from the Company (Note 30 v) and VTB Capital Plc. (formerly name "VTB Bank Europe Plc.") for investing in non-performing assets. The criteria of borrowings from financial institution are as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Interest expense of long-term investment from financial institution will be calculated on a quarterly basis at the rate of 90% of the excess from the principal repayment in each quarter collected from non-performing assets deducted with direct expenses as mutually agreed with lenders.
- The facility will expire in 3 years unless the two parties agree to extend the facility for a future period.

A subsidiary has sold investment port of non-performing assets as disclosed in Note 34.

On 15 December 2009, Star Assets Management Ltd., has a borrowing from a financial institution amounting to USD 26 million to partially repay of borrowing from related parties and to manage investment in non-performing asset. This borrowing bear interest rate at 3 – month LIBOR plus 4.5% and repayment of principal and interest on a quarterly basis on the last working day each quarter. Star Assets Management Ltd., is obligated at a minimum to repay the borrowing as follows:

- 15% of USD 26 million by 31 December 2010
- 75% of USD 26 million by 31 December 2011
- 100% of USD 26 million by 30 June 2012

The subsidiary has to maintain the ratio of purchase price of the remaining portfolio assets to the principal outstanding borrowing is no less than 2.25: 1 at any time after the first 12 months following the first draw down.

The borrowing in USD has been hedged by using foreign currency forward contracts to protect foreign currency risk (Note 33).

On 28 December 2011, the subsidiary repaid for all outstanding loans to financial institutions.

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24 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.

25 Dividends paid

At the Board of Director's meeting on 11 November 2010, it proposed to approve the interim dividend of Baht 3.50 per share from the retained earnings and from the operating results for the nine-month period ended 30 September 2010 to the shareholders, totaling Baht 437.5 million. Interim dividend was paid to the shareholders on 8 December 2010.

26 Other income

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Gain on disposal a subsidiary (Note 10)	315,623	-	-	-
Recovery of bad debts written-off	-	223,091	-	-
Interest income	24,273	12,239	2,096	7,559
Other income	88,383	46,155	19,318	453,054
Total	428,279	281,485	21,414	460,613

27 Administrative expenses

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Impairment loss from investment in non-performing asset	7,447	914,876	-	-
Bad debt and doubtful accounts of loans to non-performing assets (reversal)	(7,759)	276,024	-	-
Bad debt and doubtful accounts (reversal)	(833)	(69,437)	14	-
Personnel expenses	174,751	189,379	71,087	74,941
Operating expenses	93,112	141,324	16,109	7,512
Depreciation and amortisation charges	31,957	69,611	11,976	11,741
Rental expenses	42,161	38,811	17,526	19,525
Impairment loss from foreclosed assets	3,826	34,258	-	-
Loss from debt restructuring	23,230	19,593	-	-
Repair and maintenance expenses	13,115	17,028	1,582	1,281
Impairment loss from investment in and loans to subsidiaries	-	-	38,950	58,472
Restructuring provision (reversal)	-	(33,693)	-	-

28 Basic earnings (loss) per share

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

	Consolidated		Company	
	2011	2010	2011	2010
Net profit (loss) attributable to ordinary shareholders (Baht'000)	389,746	221,632	(110,230)	325,914
Weighted average number of ordinary shares issued during the year (Shares)	125,000	125,000	125,000	125,000
Basic earning (loss) per share (Baht)	3.12	1.77	(0.88)	2.61

There are no potential dilutive ordinary share issued for the years ended 31 December 2011 and 2010.

29 Staff provident fund

The Group and the Company paid to provident fund for the year ended 31 December 2011 in the amount of Baht 6.6 million and Baht 3.3 million, respectively (2010: Baht 9.72 million and Baht 4.10 million, respectively).

30 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.

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.

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30 Related party transactions (Cont'd)

As at 31 December 2011 and 2010, the relationship of related parties are as follows:

Company Name	Relationship	Cause of relationship
ACAP Asset Management Co., Ltd.	Subsidiary	Shareholder/mutual management
Star Asset Management 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	Subsidiary held by subsidiary	Shareholder/mutual management
ACAP (Asia) Asset Management Co., Ltd.	Subsidiary held by subsidiary	Shareholder/mutual management
Standard Bank Plc.	Related company	Mutual director
Inter Capital Alliance Asset Management Co., Ltd.	Related company	Mutual management

From 1 January 2011, the management of the Company was not the management of Inter Capital Alliance Asset Management Co., Ltd. Therefore, Inter Capital Alliance Asset Management Co., Ltd. was not the Company's related party in 2011.

On 30 December 2011, the Company disposed all investment in Star Asset Management Co., Ltd. (Note 10) then Star Asset Management Ltd. and Standard Bank Plc. are not a company under common control by parent company/mutual management/mutual direction from 30 December 2011.

The following significant transactions were carried out with related parties:

i) Income for the years ended 31 December

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Service income				
Base fee				
- ACAP Asset Management Co., Ltd.	-	-	1,248	33,776
- Star Asset Management Ltd.	-	-	27,679	26,765
- Inter Capital Alliance Asset Management Co., Ltd.	-	62,048	-	62,048
Collection fee				
- ACAP Asset Management Co., Ltd.	-	-	-	1,630
- Star Asset Management Ltd.	-	-	4,820	223
- Inter Capital Alliance Asset Management Co., Ltd.	-	8,051	-	8,051

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30 Related party transactions (Cont'd)

i) Income for the years ended 31 December (Cont'd)

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Service income				
Professional fee				
- ACAP Asset Management Co., Ltd.	-	-	40	960
- Star Asset Management Ltd.	-	-	2,160	2,200
- Inter Capital Alliance Asset Management Co., Ltd.	-	5,964	-	-
Other Service fee				
- Capital OK Co., Ltd.	-	-	832	1,508
- Professional Collection Company Limited	-	-	84	146
- Global Service Center Co., Ltd.	-	-	84	82
Total service income	-	76,063	36,947	137,389
Other income				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	3,375	4,500
- Capital OK Co., Ltd.	-	-	-	9,000
- Professional Collection Company Limited	-	-	-	4,500
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	674	8
- Star Asset Management Co., Ltd.	-	-	1	1
- ACAP Corporate Services Co., Ltd.	-	-	198	-
- ACAP Asset Management Co., Ltd.	-	-	199	-
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	23	452
- Star Asset Management Ltd.	-	-	34	2,616
- ACAP Consulting Co., Ltd.	-	-	58	35
- ACAP Corporate Services Co., Ltd.	-	-	25	36
- Global Service Center Co., Ltd.	-	-	179	-
- Aurum Capital Advisory PTE. Ltd.	-	-	76	-
Dividend income				
- ACAP (Malaysia) Sdn. Bhd.	-	-	9,259	9,649
- Capital OK Co., Ltd	-	-	-	420,000
Total other income	-	-	14,101	450,797

Pricing policy for service income from asset management and interest income received from related companies are set from loan agreement and service agreement as disclosed in Note 30 vi). Other income were carried out at the negotiated condition.

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30 Related party transactions (Cont'd)

ii) Expenses for the years ended 31 December

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Cost of service				
Professional fee				
- ACAP Consulting Co., Ltd.	-	-	1,000	1,960
Total cost of service	-	-	1,000	1,960
Administrative expenses				
Rental and maintenance equipment				
- Global Services Center Co., Ltd.	-	-	4,800	7,200
Total administrative expenses	-	-	4,800	7,200

iii) Finance costs for the years ended 31 December

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
- Standard Bank Plc.	-	90,784	-	-
- Capital OK Co., Ltd.	-	-	53,280	45,568
	-	90,784	53,280	45,568

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

	Consolidated		Company	
	2011	2010	2011	2010
	Baht'000	Baht'000	Baht'000	Baht'000
Accounts receivable				
related companies				
- Star Asset Management Ltd.	-	-	-	1,322
- ACAP Corporate Services	-	-	-	6,000
Co., Ltd.	-	-	-	750
- Capital OK Co., Ltd.	-	-	-	750
- Inter Capital Alliance Asset	-	2,845	-	1,645
Management Co., Ltd.	-	-	-	375
- Global Service Center Co., Ltd.	-	-	-	375
- Professional Collection Co., Ltd.	-	-	-	375
	-	2,845	-	10,467

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30 Related party transactions (Cont'd)

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Amount due from related companies				
- ACAP Asset Management Co., Ltd.	-	-	6	329
- Star Asset Management Ltd.	-	-	-	3,128
- ACAP Corporate Services Co., Ltd.	-	-	1	1
- ACAP Consulting Co., Ltd.	-	-	5	4
- Global Service Center Co., Ltd.	-	-	58	-
- ACAP (Malaysia) Sdn. Bhd.	-	-	40	61
- Inter Capital Alliance Asset Management Co., Ltd.	-	4,096	-	4,096
- Aurum Capital Advisory PTE. Ltd.	-	-	78	-
- Standard Bank Plc.	-	3,510	-	-
- Professional Collection Co., Ltd.	-	-	-	100
	-	7,606	188	7,719
Amount due to related companies				
- Standard Bank Plc.	-	88,942	-	-
- Capital Ok Co., Ltd.	-	-	54,185	1,240
- Professional Collection Co., Ltd.	-	-	11	71
- Global Service Center Co., Ltd.	-	-	11	71
- Star Asset Management Ltd.	-	-	-	650
	-	88,942	54,207	2,032

v) Loans to related parties

For the year ended 31 December 2011 and 2010, the Company has loan to subsidiaries as follows:

	Company				2011 Baht'000
	Short-term loans				
	2010 Baht'000	Addition during the year Baht'000	Repayment during the year Baht'000	Allowance for doubtful Baht'000	
ACAP Consulting Co., Ltd.	3,900	2,000	-	(5,900)	-
Global Service Center Co., Ltd.	-	20,000	-	(20,000)	-
ACAP Corporate Services Co., Ltd.	1,100	3,000	(4,100)	-	-
ACAP Asset Management Co., Ltd.	-	2,500	-	(2,500)	-
Total	5,000	27,500	(4,100)	(28,400)	-

On 27 February 2012, Global Service Center Co., Ltd. and ACAP Corporate Services Co., Ltd. issued promissory notes to the Company amounting to Baht 3 million and Baht 2 million, respectively. The notes, which are repayable at call, bear interest rate at 1% per annum and the interest is due every 30 days after drawn down.

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30 Related party transactions (Cont'd)

v) Loans to related parties (Cont'd)

For the year ended 31 December 2011 and 2010, the Company has loan to subsidiaries as follows:
(Cont'd)

	Company			2011 Baht'000
	Long-term loans			
	2010 Baht'000	Addition during the year Baht'000	Repayment/ transfer out during the year Baht'000	
<u>Current portion of long-term loans</u>				
Star Asset Management Ltd.	11,891	-	(11,891)	-
ACAP Asset Management Co., Ltd.	27,862	-	(27,862)	-
Total	39,753	-	(39,753)	-
<u>Long-term loans</u>				
Star Asset Management Ltd.	21,047	-	(21,047)	-
Aurum Capital Advisory PTE. Ltd.	-	11,437	-	11,437
Total	21,047	11,437	(21,047)	11,437

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.

vi) Loans from related parties

During the years ended 31 December 2011 and 2010, the Company and subsidiaries have loans from related parties as follows:

	Consolidated		
	Long-term loans		
	2010 Baht'000	Sold and transferred out from consolidation Baht'000	2011 Baht'000
<u>Current portion of long-term loans</u>			
Standard Bank Plc.	501,620	(501,620)	-
<u>Long-term loans</u>			
Standard Bank Plc.	1,103,498	(1,103,498)	-

30 Related party transactions (Cont'd)

vi) Loans from related parties (Cont'd)

During the years ended 31 December 2011 and 2010, the Company and subsidiaries have loans from related parties as follows: (Cont'd)

	Company			2011 Baht'000
	2010 Baht'000	Addition during the year Baht'000	Repayment during the year Baht'000	
<u>Short-term loans</u>				
Capital OK Co., Ltd.	-	20,000	-	20,000
<u>Long-term loans</u>				
Capital OK Co., Ltd.	760,000	-	-	760,000

Long-term loans from Standard Bank Plc.

(1) Borrowings for investing in non-performing assets (SCB1-3)

Star Asset Management Ltd., a subsidiary, has the following loan facility agreements with Standard Bank Asia Ltd., a related company, and the Company in order to invest in non-performing assets. The criteria of borrowings and incentive fee are as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Incentive fee will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders.
- Interest expense will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders.
- The maturity date of this facility is on 22 October 2009 and 25 October 2009 (Port 3 between the Company and Parent Company) unless the two parties agree to extend the final repayment date for a future period.

On 16 December 2011, the Company and related parties have amended the service agreement with regards to incentive fee calculation which it will be calculated retrospectively from 1 September 2011. The condition is as follows:

- Incentive fee will be calculated on a quarterly basis based on the recovery from negotiating or auction, according to the agreed rate basis between 1 September 2011 to 31 March 2013.

As at 31 December 2011, the subsidiary has outstanding borrowings from the Company and Standard Bank Plc amounting to Baht 9 million and Baht 138 million, respectively. The borrowing is in the process to negotiate the repayment term. Therefore, the outstanding balance with the Company amount of Baht 9 million is presented as a short-term loan to other company because STAR Asset Management Ltd. has not been a related company since 30 December 2011.

30 Related party transactions (Cont'd)

vi) Loans from related parties (Cont'd)

Long-term loans from Standard Bank Plc. (Cont'd)

(2) Borrowings for investing in non-performing assets (SCB4)

Star Asset Management Ltd., a subsidiary, has the following loan facility agreements with Standard Bank Asia Ltd., a related company, in order to invest in non-performing assets. The criteria of borrowings and incentive fee are as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Incentive fee will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with lender.
- Interest expense will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with lender.
- The maturity date of this facility is on 31 December 2009 unless the two parties agree to extend the final repayment date for a future period.

On 16 December 2011, the subsidiary and related parties have amended the service agreement with regards to incentive fee calculation which it will be calculated retrospectively from 1 September 2011. The condition is as follows:

- Incentive fee will be calculated on a quarterly basis based on the recovery from negotiating or auction according to the agreed rate basis, between 1 September 2011 to 31 March 2013.

30 Related party transactions (Cont'd)

vi) Loans from related parties (Cont'd)

Long-term loans from Standard Bank Plc. (Cont'd)

(3) Borrowings for investing in non-performing assets (KBANK)

The subsidiary engaged in the loan facility agreement with the Company (Note 32 v) and Standard Bank Plc. The criteria of borrowings and incentive fee are as follows:

- Principal repayments are made on a quarterly basis in Thai Baht and are calculated based on the purchasing price of each non-performing asset and proportion of actual cash collection during such quarter to the total estimated cash collection of each non-performing asset.
- Incentive fee will be calculated at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment, direct expenses as mutually agreed with both lenders, estimated cost of funding which referred from the LIBOR rate plus 2 per cent per annum and the agreed apportion of estimated decreases (increases) in present value of net cash flow of each non-performing asset.
- Interest expense of parent company and shareholders will be calculated on a quarterly basis at the agreed rate of the excess of actual cash collection during each quarter less the principal repayment and direct expenses as mutually agreed with both lenders (including incentive fee). However, the interest expense of borrowings would not greater than the maximum interest rate of Thai applicable law.
- The maturity date of this facility is on 14 February 2011 (between the Company and Standard Bank Plc) and on 18 February 2011 (between the Company and ACAP Advisory Public Company Limited).

On 2 December 2009, the lenders agreed that the repayment of the loan facility agreement will be postponed until all repayments have been made to the financial institution amounting to USD 26 million and the subsidiary has entered into an agreement to extend the final repayment to 31 December 2012.

On 16 December 2011, the subsidiary and related parties have amended the service agreement with regards to incentive fee calculation which it will be calculated retrospectively from 1 September 2011. The condition is as follows:

- Incentive fee will be calculated on a quarterly basis based on the Recovery from negotiating or auction between 1 September 2011 to 31 December 2012.

On 28 December 2011, the subsidiary has borrowed from Standard Bank Plc amounting to USD 7 million (Baht 223 million) to repay the borrowing from the financial institution which the conditions for this new borrowing are as follows:

- This borrowing bears interest rate at 3-MONTH LIBOR plus 4.5% and repayments of interest are on a quarterly basis on the last working day each quarter. The maturity date of this borrowing is on 31 December 2013.

The borrowing in USD has been hedged by using foreign currency forward contracts to protect foreign currency risk (Note 33).

Long-term loan from Capital OK Co., Ltd.

Long-term loan is due for repayment in 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.

31 Commitments

As at 31 December 2011 and 2010, there were commitments from operating lease agreements of office building, warehouses and equipment and other service agreements as follows:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Within 1 year	29,513	56,478	14,506	12,942
More than 1 year but less than 5 years	7,513	24,000	6,281	18,082
Total	<u>37,026</u>	<u>80,478</u>	<u>20,787</u>	<u>31,024</u>

32 Directors' remuneration

Directors' remuneration which included salary, bonus, director fee and special remuneration for the year ended 31 December 2011 for the Group and the Company was Baht 27.3 million (2010: Baht 30.30 million).

33 Financial instruments

A financial instrument is any contract that gave rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company and its subsidiary companies have no policy to speculate or trade in off-balance sheet derivative financial instruments.

Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company. The amount of maximum credit risk exposure is the carrying value deducted by allowance for doubtful accounts.

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that businesses are made to customers with an appropriate credit history.

The Group's main business is to purchase or accept the transfer of non-performing assets for management or sale later on. The Group considers that there is no material risk on the concentration of loans as they cover a large number of customers or counterparts and spread out over many types of businesses. In case of recognition of financial assets in the balance sheet, their book values after deduction of allowance for doubtful debts and allowance for adjusted value arisen from debt restructuring as appeared in the balance sheet are treated as highest value of risk that may occur in case of non-compliance with contracts.

The Group has a risk on giving credits relating to receivables since they range from financially secured and good payment record to those having financial problems e.g. companies under restructuring debts. The Group, however, believes that it has low risk in receivables inability to pay debts since the Group follows careful policy in giving credits. In addition, there are quite a number of receivables. The Group does not, therefore, expect any significant damage from debt collection.

33 Financial instruments (Cont'd)

Interest rate risk

Interest rate risk is the exposure to the risk associate with the effects of fluctuations in prevailing levels of market interest rates on the Group's financial instruments.

The Group determined the interest rate risk of financial instruments as follows:

- There is no interest rate risk for fixed deposits at banks due to the original maturity of six months or less.
- Interest income from non-performing assets and interest expense of long-term loans are substantially independent from change in market interest rates because it is dependent upon the ability to attain the profitability from debt restructuring and collection from non-performing assets.
- Interest income from loans to consumers are charged at fixed rate which do not exceed the maximum rate of loans to consumer.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and short-term investments. For non-performing assets management, the subsidiaries can borrow long-term loans to finance the investment in non-performing assets. In addition, long-term loans can be extended when the facility expires.

Foreign currency risk

In order to manage the risks arising from fluctuations in currency exchange rates, a subsidiary has hedged its foreign currency risk incurred from the borrowing from financial institution that the subsidiary has to repay in USD by using foreign currency forward contracts. As at 31 December 2011 and 2010, the settlement dates on open foreign currency forward contracts ranged within one year. The foreign currency amounts to be received and contractual exchange rates of the outstanding contracts were as follows:

<u>Average exchange rate</u>	<u>2011</u>		<u>2010</u>	
	<u>Foreign currency (USD Million)</u>	<u>Million Baht</u>	<u>Foreign currency (USD Million)</u>	<u>Million Baht</u>
USD 1 = Baht 31.82	7	223		
USD 1 = Baht 33.43			11	332

As at 31 December 2011 and 2010, the aggregate fair value of the outstanding foreign currency forward contracts which have been calculated by the counterparty bank to terminate the contracts at the statement of financial position date were negative at Baht 0.01 million and Baht 2.9 million, respectively.

Fair value

The Group determined the fair value of financial instruments on the basis as follows:

- Cash and cash equivalents and short-term investments
Fair value of cash and cash equivalents are approximate to the carrying amount as they are highly liquid.
- Investments in non-performing assets, loans to non-performing assets and loans to consumers
Fair value of investments in non-performing assets, loans to non-performing assets and loans to consumers approximate to the net carrying amount which is described in Note 11, 12 and 14, respectively.
- Long-term loans from financial institutions and from related companies

The management is unable to calculate the fair value of long-term loans for investing in non-performing assets because interest expense of long-term loans is calculated at the percentage of the excess from the principal repayment from non-performing assets as disclosed in Note 23 and 30. The management could not reliably estimate the expected cash to be received from non-performing assets.

34 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.

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.

35 Income from cash flow transfer for write-off accounts

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 31 December 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.