

ACAP ADVISORY PUBLIC COMPANY LIMITED

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

31 MARCH 2012

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and company statements of financial position as at 31 March 2012, the related consolidated and company statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2012 and 2011, and condensed notes to interim financial information of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Statement of financial position as at 31 December 2011 presented for comparative purpose

I have audited the consolidated and company financial statements for the year ended 31 December 2011 of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited, respectively, in accordance with Standards on Auditing and expressed an unqualified opinion on those statements in my report dated 28 February 2012. The consolidated and company statements of financial position as at 31 December 2011, presented for comparative purposes, are part of those financial statements. I have not performed any other auditing procedures subsequent to the date of that report.

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

Bangkok
11 May 2012

ACAP Advisory Public Company Limited
Statements of Financial Position
As at 31 March 2012 and 31 December 2011

	Notes	Consolidated		Company	
		Unaudited 31 March 2012 Baht'000	Audited 31 December 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Audited 31 December 2011 Baht'000
Assets					
Current assets					
Cash and cash equivalents		786,879	864,437	80,954	47,114
Short-term investments		81,772	14,296	-	14,296
Accounts and notes receivable, net		25,510	73,332	3,288	54,775
Amount due from related companies	10 d	-	-	326	188
Short-term loans to related companies, net	10 e	-	-	5,000	-
Short-term loans to other companies		30,000	60,497	-	30,497
Other current assets, net		28,026	18,686	14,396	4,847
Total current assets		952,187	1,031,248	103,964	151,717
Non-current assets					
Long-term loan to related companies	10 e	-	-	11,128	11,437
Long-term loan to other company	5	30,388	-	30,388	-
Investment in subsidiaries	6	-	-	853,109	944,208
Long-term investments		30,000	1,747	-	-
Building improvement and equipment, net	8	50,889	47,871	39,987	40,844
Intangible assets, net	8	6,309	6,832	3,466	3,666
Other non-current assets, net		11,911	14,561	5,904	7,872
Total non-current assets		129,497	71,011	943,982	1,008,027
Total assets		1,081,684	1,102,259	1,047,946	1,159,744

Director _____ Director _____

Date _____

The notes to the interim financial information on pages 9 to 18 are an integral part of these interim financial information.

ACAP Advisory Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2012 and 31 December 2011

	Notes	Consolidated		Company	
		Unaudited 31 March 2012 Baht'000	Audited 31 December 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Audited 31 December 2011 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Amount due to related companies	10 d	-	-	67,714	54,207
Short-term loan from related company	10 f	-	-	20,000	20,000
Current portion of liability under finance leases	7	5,631	5,714	5,152	5,714
Other current liabilities		31,121	37,974	3,638	3,768
Total current liabilities		36,752	43,688	96,504	83,689
Non-current liabilities					
Liability under finance leases, net	7	9,501	8,987	7,918	8,987
Long-term loans from related companies	10 f	-	-	760,000	760,000
Provision for employee benefits		9,656	7,628	6,616	5,229
Other liabilities		6,909	6,909	2,911	2,912
Total non-current liabilities		26,066	23,524	777,445	777,128
Total liabilities		62,818	67,212	873,949	860,817
Shareholders' equity					
Share capital					
Authorised share capital					
125,000,000 ordinary shares of par Baht 1 each		125,000	125,000	125,000	125,000
Issued and paid-up share capital					
125,000,000 ordinary shares of par 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		545,787	560,606	(301,245)	(176,315)
Other components of equity		(2,404)	(2,485)	-	-
Equity attributable to owners of the parent		1,018,625	1,033,363	173,997	298,927
Non-controlling interests		241	1,684	-	-
Total shareholders' equity		1,018,866	1,035,047	173,997	298,927
Total liabilities and shareholders' equity		1,081,684	1,102,259	1,047,946	1,159,744

The notes to the interim financial information on pages 9 to 18 are an integral part of these interim financial information.

ACAP Advisory Public Company Limited
Statements of Comprehensive Income
For the three-month periods ended 31 March 2012 and 2011

	Notes	Consolidated		Company	
		Unaudited 31 March 2012 Baht'000	Unaudited 31 March 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Unaudited 31 March 2011 Baht'000
Revenues					
Service income	10 a	34,728	42,453	12,432	26,333
Interest income from non-performing asset management		-	11,910	-	-
Gain from sale of loans and receivables		-	242,177	-	-
Other income	10 a	19,015	14,340	1,632	1,767
Total revenues		<u>53,743</u>	<u>310,880</u>	<u>14,064</u>	<u>28,100</u>
Expenses					
Cost of services, assets management and loans	10 b	26,736	37,242	5,718	12,094
Administrative expenses	10 b	36,540	156,022	113,354	27,740
Management remunerations		6,090	6,031	6,090	6,031
Total expenses		<u>69,366</u>	<u>199,295</u>	<u>125,162</u>	<u>45,865</u>
Profit (loss) before finance costs and income tax	4	(15,623)	111,585	(111,098)	(17,765)
Finance costs	10 c	190	(3,504)	13,832	12,740
Profit (loss) before income tax		(15,813)	115,089	(124,930)	(30,505)
Income tax	9	436	1,204	-	-
Net profit (loss) for the period		<u>(16,249)</u>	<u>113,885</u>	<u>(124,930)</u>	<u>(30,505)</u>
Other comprehensive income					
Exchange differences on translating financial information		68	178	-	-
Total comprehensive income for the period, net of tax		<u>68</u>	<u>178</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period		<u>(16,181)</u>	<u>114,063</u>	<u>(124,930)</u>	<u>(30,505)</u>
Profit (loss) attributable to:					
Owners of the parent		(14,819)	113,885	(124,930)	(30,505)
Non-controlling interests		(1,430)	-	-	-
		<u>(16,249)</u>	<u>113,885</u>	<u>(124,930)</u>	<u>(30,505)</u>
Total comprehensive income (loss) attributable to:					
Owners of the parent		(14,738)	114,063	(124,930)	(30,505)
Non-controlling interests		(1,443)	-	-	-
		<u>(16,181)</u>	<u>114,063</u>	<u>(124,930)</u>	<u>(30,505)</u>
Earning (loss) per share (expressed in Baht per share)					
Basic earnings (loss) per share		<u>(0.13)</u>	<u>0.91</u>	<u>(1.00)</u>	<u>(0.24)</u>

The notes to the interim financial information on pages 9 to 18 are an integral part of these interim financial information.

ACAP Advisory Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the three-month periods ended 31 March 2012 and 2011

Consolidated (Unaudited)									
Attributable to owners of the parent									
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity		Total owners of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated Baht'000	Unappropriated Baht'000	Currency translation differences from subsidiary in overseas Baht'000				
Opening balance as at 1 January 2012	125,000	337,742	12,500	560,606	(2,485)	1,033,363	1,684	1,035,047	
Total comprehensive income (loss) for the period	-	-	-	(14,819)	81	(14,738)	(1,443)	(16,181)	
Ending balance as at 31 March 2012	125,000	337,742	12,500	545,787	(2,404)	1,018,625	241	1,018,866	

Consolidated (Unaudited)									
Equity holders of the Company									
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity		Total owners of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated Baht'000	Unappropriated Baht'000	Currency translation differences from subsidiary in overseas Baht'000				
Opening balance as at 1 January 2011	125,000	337,742	12,500	167,475	(1,596)	641,121	-	641,121	
Total comprehensive loss for the period	-	-	-	113,885	178	114,063	-	114,063	
Ending balance as at 31 March 2011	125,000	337,742	12,500	281,360	(1,418)	755,184	-	755,184	

The notes to the interim financial information on pages 9 to 18 are an integral part of these interim financial information.

ACAP Advisory Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the three-month periods ended 31 March 2012 and 2011

	Company (Unaudited)				Total shareholders' equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings (deficit)		
			Appropriated Baht'000	Unappropriated Baht'000	
Opening balance as at 1 January 2012	125,000	337,742	12,500	(176,315)	298,927
Total comprehensive loss for the period	-	-	-	(124,930)	(124,930)
Closing balance as at 31 March 2012	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>(301,245)</u>	<u>173,997</u>

	Company (Unaudited)				Total shareholders' equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings (deficit)		
			Appropriated Baht'000	Unappropriated Baht'000	
Opening balance as at 1 January 2011	125,000	337,742	12,500	(66,085)	409,157
Total comprehensive loss for the period	-	-	-	(30,505)	(30,505)
Closing balance as at 31 March 2011	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>(96,590)</u>	<u>378,652</u>

The notes to the interim financial information on pages 9 to 18 are an integral part of these interim financial information.

ACAP Advisory Public Company Limited

Statements of Cash Flows

For the three-month periods ended 31 March 2012 and 2011

	Notes	Consolidated		Company	
		Unaudited 31 March 2012 Baht'000	Unaudited 31 March 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Unaudited 31 March 2011 Baht'000
Cash flows from operating activities					
Profit (loss) before income tax		(15,813)	115,089	(124,930)	(30,505)
Adjustment for:					
Depreciation and amortisation	8	3,618	11,095	2,436	3,072
Interest income		(6,419)	(11,140)	(42)	(205)
Interest expenses		-	(3,789)	13,642	12,454
Interest expenses from finance leases		190	286	190	286
Reversal of loss on impairment of investment in non-performing assets		-	(3,642)	-	-
Loss on impairment of investment in subsidiary		-	-	91,099	-
Loss on impairment of short-term loan to related company	10 e	-	-	2,000	-
Reversal of bad debt and doubtful account of loans to non-performing assets		-	(5,273)	-	-
Loss from restructuring in loan to non-performing assets and investment in non-performing assets		-	10,299	-	-
Loss on sales/impairment/write-off of assets		1,319	10,102	852	159
Gain on sales of short-term investment		-	-	(187)	-
Unrealise (gain) loss on foreign currencies translation		754	1,425	1,189	(183)
Unrealise gain on revaluation of investment		(1,120)	-	-	-
Gain on sales of long-term investment		(10,221)	-	-	-
Provision for employee benefits		2,028	3,515	1,387	1,874
Profit (loss) from operating activities before changes in operating assets and liabilities		(25,664)	127,967	(12,364)	(13,048)
(Increase) decrease in operating assets					
Accounts and notes receivable		47,822	(8,944)	51,487	(9,636)
Investment in non-performing assets		-	1,006,177	-	-
Loans to non-performing assets		-	744,470	-	-
Loans to consumers and interests receivable		-	53,323	-	-
Accounts receivable-related companies		-	2,845	-	1,716
Amount due from related companies		-	4,096	(190)	4,836
Other current assets		(8,813)	5,421	(9,550)	(6,896)
Other non-current assets		(705)	767	26	(904)
Increase (decrease) in operating liabilities					
Accounts and notes payable		-	(16,419)	-	-
Amount due to related companies		-	(186)	(19)	1,380
Other current liabilities		(7,173)	(572,229)	(131)	238
Cash generated from (used in) operation before interest and income tax receive (paid)		5,467	1,347,288	29,259	(22,314)
Interest received		5,892	20,356	93	611
Interest paid excluding finance lease contracts		(115)	(3,938)	(115)	-
Income tax paid		(2,371)	(2,286)	(1,937)	(593)
Net cash provided by (used in) operating activities		8,873	1,361,420	27,300	(22,296)

The notes to the interim financial information on pages 9 to 18 are an integral part of these interim financial information.

ACAP Advisory Public Company Limited

Statements of Cash Flows (Cont'd)

For the three-month periods ended 31 March 2012 and 2011

	Notes	Consolidated		Company	
		Unaudited 31 March 2012 Baht'000	Unaudited 31 March 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Unaudited 31 March 2011 Baht'000
Cash flows from investing activities					
Cash paid for short-term investment		(80,000)	(43)	-	-
Cash paid for short-term loans to related companies	10 e	-	-	(7,000)	(5,000)
Cash paid for long-term investment		(30,000)	-	-	-
Cash paid for purchases of building improvement, equipment and intangible assets	8	(640)	(1,046)	(28)	(7)
Proceed from disposal of short-term investment		14,691	-	14,691	-
Cash received from short-term loan to other companies		109	-	109	-
Cash received from long-term loan to related companies		-	-	-	28,495
Proceed from disposal of long-term investment		11,332	-	-	-
Proceed from disposal of building improvement, equipment and intangible assets		1,673	1,710	1,673	1,576
Net cash provided by (used in) investing activities		(82,835)	621	9,445	25,064
Cash flows from financing activities					
Cash paid on long-term loans from related companies		-	(11,322)	-	-
Cash paid for long-term loans from finance institutions		-	(1,287,816)	-	-
Cash paid for liability under finance leases		(2,499)	(2,050)	(1,820)	(2,050)
Net cash used in financing activities		(2,499)	(1,301,188)	(1,820)	(2,050)
Net increase (decrease) in cash and cash equivalents		(76,461)	60,853	34,925	718
Cash and cash equivalents at beginning of the period		864,437	990,545	47,114	106,839
Exchange gains (loss) on cash		(1,097)	183	(1,085)	183
Cash and cash equivalents at end of the period		786,879	1,051,581	80,954	107,740
Non-cash transactions					
Purchase equipment under finance leases		2,741	-	-	-
Restructuring investment in non-performing assets to be loans to non-performing assets		-	32,562	-	-
Foreclosed assets acquired through foreclosure		-	20,740	-	-
Loss on written off withholding tax assets		2,371	-	1,937	-
Reversal of renovation cost		3,354	-	1,941	-

The notes to the interim financial information on pages 9 to 18 are an integral part of these interim financial information.

1 General information

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

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

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

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

The interim consolidated and company financial information were authorised for issuing by the Board of Directors on 11 May 2012.

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

The interim consolidated and company financial information should be read together with the financial statements for the year ended 31 December 2011.

2 Basis of financial information preparation

These interim consolidated and company financial information are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards (TAS) issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e., statements of financial position and the related statements of comprehensive income, statements of changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Notifications of the Office of the Securities and Exchange Commission. The notes to the interim financial information are prepared in a condensed format according to Thai Accounting Standard no. 34 “Interim Financial Reporting” and additional notes are presented as required by Notification of the Office of the Securities and Exchange Commission under the Securities and Exchange Act.

On 30 December 2011 the Company had sold all share of Star Asset Management Co., Ltd. Therefore, the Company has no control over Star Asset Management Co., Ltd. onward. Consequently, the statements of financial position as at 31 March 2012 and 31 December 2011 did not include the financial position of Star Asset Management Co., Ltd. (Notes 7 and 11).

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

ACAP Advisory Public Company Limited
Condensed Notes to Interim Consolidated and Company Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2011.

New accounting standards, amendments to accounting standards and new interpretation

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

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operation Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

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

TFRS 8: The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

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

4 Segment information

Primary reporting format - financial information by business segment

	Consolidated				
	Advisory and Investment Banking Baht'000	Non-Performing Asset ("NPA") Management Baht'000	Consumer Finance Baht'000	Eliminate Baht'000	Total Baht'000
For the three-month period ended 31 March 2012 (Unaudited)					
Revenues					
Revenue from operation	15,153	20,732	17,858	-	53,743
Revenue from inter-segment	423	830	14,862	(16,115)	-
Total revenues	<u>15,576</u>	<u>21,562</u>	<u>32,720</u>	<u>(16,115)</u>	<u>53,743</u>
Segment expenses	<u>21,723</u>	<u>131,429</u>	<u>838,994</u>	<u>(922,780)</u>	<u>69,366</u>
Operating loss	<u>(6,147)</u>	<u>(109,867)</u>	<u>(806,274)</u>	<u>906,665</u>	<u>(15,623)</u>

ACAP Advisory Public Company Limited
Condensed Notes to Interim Consolidated and Company Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

4 Segment information (Cont'd)

	Consolidated				
	Advisory and Investment Banking Baht'000	Non-Performing Asset ("NPA") Management Baht'000	Consumer Finance Baht'000	Eliminate Baht'000	Total Baht'000
For the three-month period ended 31 March 2011 (Unaudited)					
Revenues					
Revenue from operation	13,681	43,205	253,994	-	310,880
Revenue from inter-segment	2,585	4,646	15,882	(23,113)	-
Total revenues	16,266	47,851	269,876	(23,113)	310,880
Segment expenses	24,150	74,658	116,352	(15,865)	199,295
Operating profit (loss)	(7,884)	(26,807)	153,524	(7,248)	111,585

5 Long-term loan to other company

The Company had entered into the loan facility agreements with Star Asset Management Ltd., which was a subsidiary of the Company, outstanding principals totaling Baht 30 million. The criteria of repayments, incentive fees and interest expenses are calculated on a quarterly basis, which varied by criteria and conditions in the agreements. The maturity date of principals are as follows:

- The outstanding principal of Baht 9 million, the maturity date was on 25 October 2009 unless the two parties agree to extend the final repayment date for a future period.

Subsequently, the Company has entered into an agreement on 2 April 2012 to extend the final repayment to 2 December 2013.

- The outstanding principal of Baht 21 million, the maturity date was on 18 February 2011. On 2 December 2009. The Company agreed to revise the repayment of the loan facility agreement, which postponed until all repayments have been made to the financial institution. Subsequently, the Company has entered into an agreement to extend the final repayment to 31 December 2012.

Subsequently, the Company has entered into an agreement on 8 March 2012 to extend the final repayment to 30 June 2014.

All of above outstanding loans have been presented as the long-term loans because the repayment varied by criteria and conditions in the agreement and there is an uncertainty in identifying the repayment amount in each year

ACAP Advisory Public Company Limited
Condensed Notes to Interim Consolidated and Company Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

6 Investment in subsidiaries

List of subsidiaries as at 31 March 2012 are as follow:

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

The movement in investment in subsidiaries are as follows:

	Unaudited Company Baht'000
For the three-month period ended 31 March 2012	
Beginning net book balance	944,208
Additional allowance for impairment during the period	<u>(91,099)</u>
Closing net book balance	<u>853,109</u>

In the interim period ended 31 March 2012, the Company's management has determine to provide allowance for impairment of investment in Capital OK Co., Ltd. amounting to Baht 91 million.

- 6.1 On 31 March 2011, the Executive Directors Committee No. 4/2554 had resolution to 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 capital of AURUM CAPITAL ADVISORY PTE. LTD. for 303,858 shares capital, par value of USD 1, totalling USD 362,500. The Company holds 63.97% of total issued and paid up shares capital.
- 6.2 On 23 May 2011, the Executive Directors Committee No. 6/2554 had resolution to approve to purchase share capital of ACAP Corporate Services Co. Ltd., a subsidiary, for 500,000 shares capital at par value of Baht 10 each, totalling Baht 5 million.
- 6.3 On 30 December 2011, the Executive Directors Committee No. 12/2554 had resolution to approved to sell all shares of Star Asset Management Ltd.(Note 2).

ACAP Advisory Public Company Limited
Condensed Notes to Interim Consolidated and Company Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

7 Liability under finance leases

	Consolidated		Company	
	Unaudited 31 March 2012 Baht'000	Audited 31 December 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Audited 31 December 2011 Baht'000
Minimum lease payments obligation under finance leases	16,386	15,934	14,114	15,934
<u>Less</u> Deferred interest	(1,254)	(1,233)	(1,044)	(1,233)
	<u>15,132</u>	<u>14,701</u>	<u>13,070</u>	<u>14,701</u>
Current portion due within one year	5,631	5,714	5,152	5,714
Non-current portion due after one year	9,501	8,987	7,918	8,987
	<u>15,132</u>	<u>14,701</u>	<u>13,070</u>	<u>14,701</u>

8 Capital expenditures

	Consolidated		Company	
	Building improvement and equipment Baht'000	Intangible assets Baht'000	Building improvement and equipment Baht'000	Intangible assets Baht'000
For the three-month period ended 31 March 2012 (Unaudited)				
Opening net book amount	47,871	6,832	40,844	3,666
Additions	3,379	2	28	-
Disposals and write-off, net	(662)	-	(589)	-
Reversal of renovation cost	3,354	-	1,941	-
Depreciation charge / amortisation	(3,093)	(525)	(2,236)	(200)
Ending net book amount	<u>50,889</u>	<u>6,309</u>	<u>39,987</u>	<u>3,466</u>

9 Income taxes

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

10 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 totalling 49.19% of total issued and paid-up shares capital. List of investment in subsidiaries are set out in Note 6.

On 30 December 2011, the Company sold all investment in Star Asset Management Ltd. Therefore, Star Asset Management Ltd. and Standard Bank Plc. are not a company under common control by company / mutual management / mutual direction since 30 December 2011. (Note 2)

Pricing policy

Fees charged for services in management of non-performing assets for Star Asset Management Ltd. and Standard Bank Plc. are as follows:

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

Subsequently, on 16 December 2011, the Company had amended above service agreement with regards to incentive fee calculation which 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.

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

ACAP Advisory Public Company Limited
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10 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

a) Service income

	Consolidated		Company	
	Unaudited 2012 Baht'000	Unaudited 2011 Baht'000	Unaudited 2012 Baht'000	Unaudited 2011 Baht'000
For the three-month periods ended 31 March				
Service income				
Base fee				
- ACAP Asset Management Co., Ltd.	-	-	-	1,248
- Star Asset Management Ltd.	-	-	-	6,214
Collection fee				
- Star Asset Management Ltd.	-	-	-	(651)
Professional fee				
- ACAP Asset Management Co., Ltd.	-	-	-	40
- Star Asset Management Ltd.	-	-	-	540
Other service fee				
- Capital OK Co., Ltd.				394
- Professional Collection Co., Ltd.	-	-	-	38
- Global Services Center Co., Ltd.	-	-	-	38
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,861</u>
Other income				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	6	1,125
- Capital OK Co., Ltd.	-	-	47	-
- Professional Collection Co., Ltd.	-	-	6	-
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	156	-
- ACAP Corporate Services Co., Ltd.	-	-	60	-
- ACAP Asset Management Co., Ltd.	-	-	60	-
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	30	-
- Star Asset Management Ltd.	-	-	-	(377)
- ACAP Consulting Co., Ltd.	-	-	15	13
- ACAP Corporate Services Co., Ltd.	-	-	6	9
- Global Service Center Co., Ltd.	-	-	177	-
- AURM CAPITAL ADVISORY PTE. LTD.	-	-	27	-
	<u>-</u>	<u>-</u>	<u>590</u>	<u>770</u>

ACAP Advisory Public Company Limited
Condensed Notes to Interim Consolidated and Company Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

10 Related party transactions (Cont'd)

b) Expenses

	Consolidated		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
For the three-month periods ended 31 March				
Cost of service				
Professional fee				
- ACAP Consulting Co., Ltd.	-	-	240	280
Administrative expenses				
Rental and maintenance equipment				
- Global Service Center Co., Ltd.	-	-	345	1,200

c) Interest expenses

	Consolidated		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
For the three-month periods ended 31 March				
- Capital OK Co., Ltd	-	-	13,642	12,454
- Standard Bank Plc.	-	(7,823)	-	-
	-	(7,823)	13,642	12,454

d) Outstanding balances arising from sales / purchases of services

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Amount due from related companies				
- ACAP Asset Management Co., Ltd.	-	-	11	6
- ACAP Corporate Services Co., Ltd.	-	-	5	1
- ACAP Consulting Co., Ltd.	-	-	5	5
- ACAP (Malaysia) Sdn. Bhd.	-	-	157	40
- Global Service Center Co. Ltd.	-	-	120	58
- AURUM CAPITAL ADVISORY PTE. LTD	-	-	28	78
	-	-	326	188
Amount due to related companies				
- Global Service Center Co. Ltd.	-	-	120	11
- Professional Collection Co., Ltd.	-	-	5	11
- Capital OK Co., Ltd.	-	-	67,509	54,185
- ACAP Consulting Co., Ltd.	-	-	80	-
	-	-	67,714	54,207

10 Related party transactions (Cont'd)

e) Loans to related parties

For the three-month period ended 31 March 2012, the Company has loan to subsidiaries as follows:

	Company (Unaudited)			
	Short-term loans			
	Opening balance Baht'000	Addition during the period Baht'000	Impairment charge Baht'000	Ending Balance Baht'000
Short-term loans				
- ACAP Consulting Co., Ltd.	-	-	-	-
- ACAP Corporate Services Co., Ltd.	-	2,000	-	2,000
- Global Service Center Co. Ltd.	-	3,000	-	3,000
- ACAP Asset Management Co., Ltd.	-	2,000	(2,000)	-
	-	7,000	(2,000)	5,000

On 9 January 2012, the Company has entered into the loan agreements with ACAP Asset Management Co., Ltd. amounting to Baht 2 million. The subsidiary issued promissory notes, which are repayable at call as the collateral. The promissory notes bear interest rate at 2.75% per annum and the interest is due every 30 days after drawn down. This loan has been fully set impairment.

On 27 February 2012, the Company has entered into the loan agreements with Global Service Center Co., Ltd. and ACAP Corporate Services Co., Ltd. amounting to Baht 3 million and Baht 2 million, respectively. Both of subsidiaries issued promissory notes, which are repayable at call as the collateral. The promissory notes bear interest rate at 3% per annum and the interest is due every 30 days after drawn down.

	Company (Unaudited)		
	Long-term loans		
	Opening balance Baht'000	Decreased by exchange rate Baht'000	Ending Balance Baht'000
Long-term loan			
AURUM CAPITAL ADVISORY PTE. LTD.	11,437	(309)	11,128

On 31 March 2011, the Executive Directors Committee No. 4/2554 had resolution to approved to enter a convertible loan agreement with AURUM CAPITAL ADVISORY PTE. LTD. amounting to USD 362,500. The 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 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 fully drawdown on 26 April 2011.

10 Related party transactions (Cont'd)

f) Loans from related party

During the three-month period ended 31 March 2012, the Company has loans from related party as follows:

Counterparty	Company (Unaudited)			Ending balance Baht'000
	Opening balance Baht'000	Additions during the period Baht'000	Repayment during the period Baht'000	
Short-term loan				
- Capital OK Co., Ltd.	20,000	-	-	20,000
Long-term loan				
- Capital OK Co., Ltd.	760,000	-	-	760,000

11 Sale of loans to consumers

On 16 December 2010, Capital OK Co., Ltd., a subsidiary, signed a Memorandum of Understanding with JMT Network Services Co., Ltd. (JMT) to sell off the subsidiary's loans and receivables. The subsidiary would receive Baht 302 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 million, and the adjustment must be made within 30 April 2011. Subsequently, the selling price was adjusted approximately Baht 0.4 million during year 2011.

The subsidiary received Baht 282 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 million in 2011.

12 Significant agreement

On 19 December 2008, the Company has entered an agreement to provide services in management of non-performing assets and management for Star Asset Management Ltd., was a subsidiary. The pricing policy are set out in Note 10.

This agreement shall be terminated by either party giving not less than ninety days prior written notice to another party.