

ACAP ADVISORY PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2012

AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company financial statements of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and company financial statements of ACAP Advisory Public Company Limited and its subsidiaries and of ACAP Advisory Public Company Limited referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2012, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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

Bangkok
27 February 2013

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

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Assets					
Current assets					
Cash and cash equivalents	7	740,015	864,437	61,077	47,114
Short-term investments	8	112,209	14,296	-	14,296
Accounts and notes receivable, net	9	32,981	73,332	20,416	54,775
Investment in non - performing asset		2,469	-	-	-
Amount due from related companies	26 iv)	-	-	313	188
Short-term loans to related companies, net	26 v)	-	-	10,400	-
Short-term loans to other companies, net	10	26,451	60,497	2,451	30,497
Other current assets, net	14	10,331	18,686	2,050	4,847
Total current assets		924,456	1,031,248	96,707	151,717
Non-current assets					
Long-term loan to related companies	26 v)	-	-	14,950	11,437
Long-term loan to other companies, net	11	4,969	-	4,969	-
Investment in subsidiary companies	12	-	-	828,992	944,208
Long-term investments	13	30,000	1,747	-	-
Building improvement and equipment, net	16	45,731	47,871	31,717	40,844
Intangible assets, net	17	4,977	6,832	2,859	3,666
Other non-current assets, net	15	18,400	14,561	5,817	7,872
Total non-current assets		104,077	71,011	889,304	1,008,027
Total assets		1,028,533	1,102,259	986,011	1,159,744

Director _____ Director _____

Date _____

The notes on pages 11 to 39 are an integral part of these financial statements.

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

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Amount due to related companies	26 iv)	-	-	107,644	54,207
Current portion of long-term loan from related company	26 vi)	-	-	18,000	20,000
Current portion of financial lease contracts	19	4,847	5,714	4,178	5,714
Other current liabilities	18	26,278	37,974	4,108	3,768
Total current liabilities		31,125	43,688	133,930	83,689
Non-current liabilities					
Liabilities under financial lease contracts, net	19	6,119	8,987	4,408	8,987
Long-term loans from financial institution		2,584	1,878	-	-
Long-term loans from related companies	26 vi)	-	-	760,000	760,000
Employee benefits obligations	20	9,831	7,628	5,928	5,229
Other liabilities		12,097	5,031	2,912	2,912
Total non-current liabilities		30,631	23,524	773,248	777,128
Total liabilities		61,756	67,212	907,178	860,817
Shareholders' equity					
Share capital					
Authorised, issued and paid-up share capital 125,000,000 ordinary shares of Baht 1 each		125,000	125,000	125,000	125,000
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 (deficits)					
Appropriated		12,500	12,500	12,500	12,500
Unappropriated		497,855	560,606	(396,409)	(176,315)
Other components of equity		(2,484)	(2,485)	-	-
Equity attributable to owners of the parent		970,613	1,033,363	78,833	298,927
Non-controlling interests		(3,836)	1,684	-	-
Total shareholders' equity		966,777	1,035,047	78,833	298,927
Total liabilities and shareholders' equity		1,028,533	1,102,259	986,011	1,159,744

The notes on pages 11 to 39 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Comprehensive Income
For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Revenues					
Service income	26 i)	168,923	185,868	71,327	131,911
Interest income from non-performing asset management		22,480	82,036	-	-
Income from recovery of bad debt written-off	29	-	241,805	-	-
Other income	22, 26 i)	42,473	428,279	18,251	21,414
Total revenues		233,876	937,988	89,578	153,325
Expenses					
Cost of services, asset management and loans	26 ii)	124,984	135,744	33,280	45,567
Administrative expenses	23, 26 ii)	147,853	366,243	192,923	136,439
Management remunerations	28	22,395	27,264	22,395	27,264
Total expenses		295,232	529,251	248,598	209,270
Profit (loss) before financial costs and income tax		(61,356)	408,737	(159,020)	(55,945)
Financial costs	26 iii)	4,317	14,226	61,074	54,285
Profit (loss) before income tax		(65,673)	394,511	(220,094)	(110,230)
Income tax		2,707	4,765	-	-
Net profit (loss) for the year		(68,380)	389,746	(220,094)	(110,230)
Other comprehensive income (loss)					
Exchange differences on translating financial statement		110	(963)	-	-
Other comprehensive loss, net of tax		110	(963)	-	-
Total comprehensive income (loss)		(68,270)	388,783	(220,094)	(110,230)
Profit (loss) attributable to:					
Shareholders of the parent		(62,751)	393,131	(220,094)	(110,230)
Non-controlling interests		(5,629)	(3,385)	-	-
		(68,380)	389,746	(220,094)	(110,230)
Total comprehensive income (loss) attributable to:					
Shareholders of the parent		(62,750)	392,242	(220,094)	(110,230)
Non-controlling interests		(5,520)	(3,459)	-	-
		(68,270)	388,783	(220,094)	(110,230)
Earning (loss) per share (expressed in Baht per share)					
Basic earnings (loss) per share	24	(0.55)	3.12	(1.76)	(0.88)

The notes on pages 11 to 39 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 2012 and 2011

	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 component of equity Currency translation differences from subsidiary in overseas Baht'000	Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated Baht'000	Unappropriated Baht'000				
Opening balance as at 1 January 2012	125,000	337,742	12,500	560,606	(2,485)	1,033,363	1,684	1,035,047
Total comprehensive loss	-	-	-	(62,751)	1	(62,750)	(5,520)	(68,270)
Ending balance as at 31 December 2012	125,000	337,742	12,500	497,855	(2,484)	970,613	(3,836)	966,777

	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 component of equity Currency translation differences from subsidiary in overseas Baht'000	Total shareholders of the parent Baht'000	Non-controlling interests Baht'000	Total shareholders' equity Baht'000
			Appropriated Baht'000	Unappropriated Baht'000				
Opening balance as at 1 January 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

The notes on pages 11 to 39 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 2012 and 2011

	Company				Total shareholders' equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings (deficits)		
			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	-	-	-	(220,094)	(220,094)
Closing balance as at 31 December 2012	<u>125,000</u>	<u>337,742</u>	<u>12,500</u>	<u>(396,409)</u>	<u>78,833</u>

	Company				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	
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>298,927</u>

The notes on pages 11 to 39 are an integral part of these financial statements.

ACAP Advisory Public Company Limited
Statements of Cash Flows
For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Cash flows from operating activities					
Profit (loss) before income tax		(65,673)	394,511	(220,094)	(110,230)
Adjustment for:					
Depreciation and amortisation		14,699	32,301	9,195	12,946
Interest income		(41,060)	(106,404)	(4,736)	(2,491)
Interest expense		3,584	8,411	60,422	53,280
Interest expense from finance leases		733	1,005	652	1,005
Dividend income	12	-	-	(9,804)	(9,259)
Loss on impairment/written off withholding tax assets		5,791	-	3,299	-
Reversal on bad debt and doubtful account of loans to non-performing assets		-	(8,608)	-	-
Impairment loss from investments in subsidiaries	12	-	-	117,217	10,550
Unrealised gain on investment in fair value		(2,160)	-	-	-
Loss from restructuring in loans to non-performing assets and investment in non-performing assets		-	30,677	-	-
Loss on impairment of loans		9,800	-	7,300	28,400
(Gain) loss from sale of investment	8	(12,052)	1,079	(751)	1,079
Gain from sale of subsidiary	22	-	(315,624)	-	-
(Gain) loss on disposal/impairment/write-off assets		(624)	13,294	(1,157)	2,968
Realised (gain) loss on foreign currencies translation		1,396	(6,366)	1,473	(1,411)
Unrealised loss on foreign exchange translation		109	-	-	-
Provision for employee benefits	20	2,203	7,839	699	5,229
Profit (loss) from operating activities before changes in operating assets and liabilities		(83,254)	52,115	(36,285)	(7,934)
(Increase) decrease in operating assets					
Accounts and notes receivable		32,851	(48,466)	34,359	(54,774)
Investment in non-performing assets		(2,469)	1,073,075	-	-
Loans to non-performing assets		-	819,479	-	-
Loans to consumers and interests receivable		-	53,323	-	-
Accounts receivable - related companies		-	2,845	-	10,467
Amount due from - related companies		-	4,096	(109)	5,290
Other receivables		245	-	228	2,357
Other current assets		2,579	30,367	530	712
Other non-current assets		307	43,076	114	(804)
Increase (decrease) in operating liabilities					
Accounts and notes payable		-	(5,896)	-	-
Amount due to related companies		-	2,895	(482)	(984)
Other current liabilities		(12,012)	(642,227)	(1,186)	(1,787)
Other non-current liabilities		(435)	-	-	-

The notes on pages 11 to 39 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 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Cash flows from operating activities (Cont'd)					
Cash generated from (used in) operation before interest and income tax received (paid)		(62,188)	1,384,682	(2,831)	(47,457)
Interest income received		48,117	114,880	4,703	2,411
Interest expense paid excluding finance leases		-	(14,035)	(2,939)	(121)
Income tax paid		(5,791)	(14,650)	(3,299)	(2,809)
Net cash provided by (used in) operating activities		(19,862)	1,470,877	(4,366)	(47,976)
Cash flows from investing activities					
Cash paid for short-term investment	8	(128,550)	(30,431)	(15,342)	(30,431)
Cash paid for short-term loans to related companies	26 v)	-	-	(169,000)	(27,500)
Cash paid for short-term loans to other company		-	(30,000)	-	-
Cash paid for long-term loans to related companies	26 v)	-	-	(3,899)	(10,893)
Cash paid for long-term investments		(30,000)	(86)	-	-
Cash paid for increase of issuing share of subsidiaries	12	-	-	(2,000)	(15,893)
Cash paid for purchase of building improvement, equipment and intangible assets		(6,950)	(4,576)	(98)	(396)
Cash received from disposal of short-term investment	8	36,005	38,808	31,004	15,434
Cash received from disposal of long-term investment		11,332	-	-	-
Cash received from short-term loan to other companies		6,000	-	-	-
Cash received from short-term loans to related companies	26 v)	-	-	161,100	6,541
Cash received from long-term loans to related companies		-	-	-	27,862
Cash received from long-term loans to other company	11	13,277	-	13,277	-
Proceeds from disposal of building improvement, equipment and intangible assets		3,935	5,934	3,935	1,576
Cash received from issuance of share capital received from non-controlling interests	12	-	5,143	-	-
Dividend received from investment in subsidiaries	12	-	-	9,804	9,259
Disposal of subsidiary, net of cash disposed		-	(151,659)	-	-
Net cash provided by (used in) investing activities		(94,951)	(166,867)	28,781	(24,441)

The notes on pages 11 to 39 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 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Cash flows from financing activities					
Cash paid for short-term loans from related companies	26 vi)	-	-	(152,000)	-
Cash paid for long-term loans from financial institutions		-	(1,611,419)	-	-
Cash paid on long-term loans from related companies		-	(34,841)	-	-
Cash received from short-term loan from related companies	26 vi)	-	-	150,000	20,000
Cash received for long-term loans from financial institution		706	-	-	-
Cash received from long-term loan from related companies		-	221,572	-	-
Cash received from issuing convertible loan		-	1,878	-	-
Cash paid for liabilities under finance lease		(8,177)	(7,798)	(6,767)	(7,798)
Net cash provided by (used in) financing activities		(7,471)	(1,430,608)	(8,767)	12,202
Net increase (decrease) in cash and cash equivalents		(122,284)	(126,598)	15,648	(60,215)
Cash and cash equivalents at beginning of the year		864,437	990,545	47,114	106,839
Exchange gain (loss) on cash		(2,137)	490	(1,685)	490
Cash and cash equivalents at end of the year		<u>740,016</u>	<u>864,437</u>	<u>61,077</u>	<u>47,114</u>
Non-cash transactions					
Purchase equipment under finance lease		3,710	1,166	-	1,166
Restructuring investment in non-performing assets		-	106,943	-	-
Foreclosed assets acquired by auction and repossession for debt settlement					
- Investment in non-performing assets		-	3,221	-	-
- Loans to non-performing assets		-	12,164	-	-
Reversal of dismantling cost	16	3,354	-	1,941	-
Reclassification of long-term investment to short-term investment		674	-	-	-
Reclassification of current asset to non-current asset		7,500	-	-	-
Reclassification of current liability to non-current liability		7,500	-	-	-

The notes on pages 11 to 39 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 27 February 2013.

2 Accounting policies

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

2.1 Basis of preparation

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

On 30 December 2011 the Company had sold all shares of Star Asset Management Ltd.. Therefore, the Company has no control over Star Asset Management Ltd. onward. Consequently, the statements of financial position as at 31 December 2011 and 2012 did not include the financial position of Star Asset Management Ltd. (Notes 12 and 26 to the financial statements).

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

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

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

2 Accounting policies (Cont'd)

2.2 New accounting standards, amendments to accounting standards and new interpretations

New accounting standards, new financial reporting standard, new interpretations and amendments to accounting standard that are not yet effective and have not been early adopted by the Group:

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating 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 consolidated and company financial statement 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.

Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The Group's management has determined that the new accounting standards, amendments to accounting standards and new interpretation will not significantly impact the consolidated and company financial statements being presented.

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 12 to the financial statements.

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.

Translation differences on investments in debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain 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

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

2.6 Investment in securities

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

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

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

2 Accounting policies (Cont'd)

2.6 Investment in securities (Cont'd)

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

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

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

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

2.7 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 profit or loss within administrative expenses.

2.8 Inventories

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

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

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

2 Accounting policies (Cont'd)

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

Loans to non-performing assets are non-performing assets transferred from investment in non-performing 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.

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

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

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

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

2.12 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 Accounting policies (Cont'd)

2.13 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.

2.14 Intangible assets

2.14.1 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.

2.14.2 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.

2.15 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.

2 Accounting policies (Cont'd)

2.15 Building improvement and equipment (Cont'd)

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.

2.16 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.

2.17 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 calculated on the basis of establishment of the business to be carried out in that country.

2.18 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.

2.19 Borrowings

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

2 Accounting policies (Cont'd)

2.20 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.

2.21 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.

2.22 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.

2 Accounting policies (Cont'd)

2.22 Revenues and expenses recognition

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.

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

Other incomes and expenses are recognised on accrual basis.

2.23 Dividends

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

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 2012					
Revenues					
Third party revenue	67,990	127,740	38,146	-	233,876
Inter-segment revenue	1,944	15,187	62,386	(79,517)	-
Total revenues	<u>69,934</u>	<u>142,927</u>	<u>100,532</u>	<u>(79,517)</u>	<u>233,876</u>
Operating results	(26,601)	(131,425)	(815,701)	912,371	(61,356)
Financial costs	(1,118)	(64,621)	-	61,422	(4,317)
Loss before tax	(27,719)	(196,046)	(815,701)	973,793	(65,673)
Income tax	-	(2,569)	(138)	-	(2,707)
Loss before non-controlling interests	(27,719)	(198,615)	(815,839)	973,793	(68,380)
Non-controlling interests	-	-	-	5,629	5,629
Net loss for the year	<u>(27,719)</u>	<u>(198,615)</u>	<u>(815,839)</u>	<u>979,422</u>	<u>(62,751)</u>
Segment assets	43,040	1,029,245	851,176	(894,928)	1,028,533
Segment liabilities	65,875	924,797	18,762	(947,677)	61,756
Capital expenditure	8,266	33,517	5,601	(1,653)	45,731
Depreciation and amortisation	3,243	9,919	2,493	(956)	14,699

	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	<u>61,641</u>	<u>304,720</u>	<u>388,448</u>	<u>183,179</u>	<u>937,988</u>
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	<u>(18,696)</u>	<u>(117,332)</u>	<u>193,340</u>	<u>335,819</u>	<u>393,131</u>
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

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 and sells of trading consumer product.
- 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 2012				
Thailand	204,806	994,705	33,893	44,140
Foreign	29,070	33,828	27,863	1,591
Total	233,876	1,028,533	61,756	45,731

	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

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7 Cash and cash equivalents

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Cash on hand	222	167	95	78
Deposit held at call with banks	79,512	105,270	25,492	47,036
Fixed deposit no longer than 3 months	206,282	-	25,491	-
Short-term investment	453,999	759,000	9,999	-
Total cash and cash equivalents	740,015	864,437	61,077	47,114

The interest rate of deposit held at call with banks at 0.74% per annum (2011: 0.8% per annum). The interest rate of fixed deposit at banks with original maturity of 3 months or less range at 1% - 2.75% per annum (2011: 1.7% - 3.5% per annum).

8 Short-term investments

	Consolidated		Company	
	2012	2011	2012	2011
	Cost/ book value Baht'000	Cost/ book value Baht'000	Cost/ book value Baht'000	Cost/ book value Baht'000
Trading investment - Equity securities	112,209	-	-	-
Held to maturity investment - Debt securities	-	14,296	-	14,296
Total	112,209	14,296	-	14,296

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance	14,296	23,173	14,296	-
Additions	128,550	30,431	15,342	30,431
Reclassification of long-term investment to Short-term investment	674	-	-	-
Repayment during the period	(36,005)	(38,607)	(31,004)	(15,434)
Gain (loss) on sales of short-term investment	2,019	(1,079)	751	(1,079)
Foreign currency translation	515	378	615	378
Change in fair value	2,160	-	-	-
Ending balance	112,209	14,296	-	14,296

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

As at 31 December 2011, short-term investment of the Consolidated and 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	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Accounts receivable				
Accrued incomes	4,914	7,391	4,733	6,668
Undue and up to 30 days	27,175	56,159	15,683	48,107
Overdue 30 days but not over 180 days	464	760	-	-
Overdue 180 days but not over 1 year	-	509	-	-
Overdue more than 1 year	16,184	22,959	11,646	11,646
Total	48,737	87,778	32,062	66,421
<u>Less</u> Allowance for doubtful accounts	(15,756)	(14,446)	(11,646)	(11,646)
Accounts and notes receivable, net	32,981	73,332	20,416	54,775

10 Short-term loans to other companies, net

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
<u>Short-term loan</u>				
Chiangrai Industrial 1111 Company Limited	24,000	30,000	-	-
Star Asset Management Ltd.	3,851	30,497	3,851	30,497
<u>Less</u> Impairment	(1,400)	-	(1,400)	-
	2,451	30,497	2,451	30,497
Total	26,451	60,497	2,451	30,497

The short-term loan amounting to Baht 24 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 Ltd. was disclosed in Note 11 to the financial statements.

11 Long-term loan to other company, net

The movement in long-term loan to other company is as follow:

	Consolidated and company Baht'000
For the period ended 31 December 2012	
Opening balance	-
Reclassified from short-term loan to other company	30,497
<u>Less</u> Repayment	(13,277)
Allowance for doubtful account	(9,800)
Reclassified to short-term loan to other company, net (Note 10)	(2,451)
Long-term loan to other company, net	4,969

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11 Long-term loan to other company (Cont'd)

The Company has entered into loan facility agreements with Star Asset Management Ltd., which was a subsidiary of the Company, outstanding principals totaling Baht 17 million as at 31 December 2012. 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 4 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 loan has been presented as short-term loan.

- The outstanding principal of Baht 13 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 a 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.

The outstanding loan has 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.

12 Investment in subsidiaries

List of subsidiaries are as follow:

Company's name	Country of establishment	Type of business	Nature of relationship	Percentage of investment	
				2012	2011
Subsidiaries					
ACAP Asset Management Co., Ltd.	Thailand	Non-performing assets management	Shareholder	99.99	99.99
ACAP Corporate Services Co., Ltd.	Thailand	Financial advisory	Shareholder	99.99	99.99
Global Service Center Co., Ltd.	Thailand	Asset rental service	Shareholder	99.99	99.99
ACAP Consulting Co., Ltd.	Thailand	Legal advisory and trading consumer product	Shareholder	99.99	99.99
ACAP (Malaysia) Sdn. Bhd.	Malaysia	Non-performing assets management	Shareholder	99.99	99.99
Capital OK Co., Ltd.	Thailand	Consumers Finance	Shareholder	99.99	99.99
Aurum Capital Advisory Pte. Ltd.	Singapore	Investment Banking	Shareholder	63.97	63.97
Subsidiaries under Capital OK Co., Ltd.					
Professional Collection Co., Ltd.	Thailand	Collection services	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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12 Investment in subsidiaries (Cont'd)

The followings are details of investment in subsidiaries.

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

	2011						
	Company						
	Paid-up capital Baht'000	Cost method		Net Baht'000	Investment proportion		Dividend paid by subsidiaries Baht'000
Cost Baht'000		Allowance for impairment Baht'000	Amount at par Baht'000		Percentage of holding		
ACAP 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	-
		<u>995,758</u>	<u>(51,550)</u>	<u>944,208</u>	<u>1,976,144</u>		<u>9,259</u>

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

On 23 May 2011, the Executive Directors Committee No. 6/2554 approved to purchase share capital of ACAP Corporate Services Company Limited, a subsidiary, for 500,000 shares at par value of Baht 10 each, totalling 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 Ltd, 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. 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 22) 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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12 Investment in subsidiaries (Cont'd)

On 26 March 2012, the Executive Directors Committee Meeting No. 4/2555 had a resolution to approve to purchase share capital of ACAP Corporate Services Co. Ltd., a subsidiary, for 200,000 shares capital at par value of Baht 10 each, totalling Baht 2 million.

On 22 May 2012, the Executive Directors Committee Meeting No. 6/2555. had a resolution to approve to decrease share capital of Capital OK Co., Ltd., a subsidiary, by decrease number of shares in order to decrease deficits amounting Baht 1,050 million. The subsidiary has 187,500,000 shares with share capital of Baht 1,875 million. When the number of share decrease, the subsidiary will have share capital of Baht 825 million at par value of Baht 10 each, totaling Baht 825 million.

On 22 October 2012, the subsidiary has registered for the decrease of issued and paid-up share capital as at the Department of Business Development of the Ministry of Commerce.

13 Long-term investments

On 31 December 2012, long-term investment of the consolidated financial statement is a held-to-maturity investment which is debenture note issued by a commercial bank. The face value of the note is Baht 30 million with a progressive interest rate and the maturity date is 24 February 2014.

14 Other current assets

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Inventory	275	-	-	-
Other receivable	649	786	479	708
VAT receivable	5,226	4,447	-	-
Interest receivable	1,249	3,106	315	2,353
Others	2,932	10,347	1,256	1,786
	<u>10,331</u>	<u>18,686</u>	<u>2,050</u>	<u>4,847</u>

15 Other non-current assets

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Deposit	15,880	8,523	4,551	4,551
Contingent Asset	-	3,354	-	1,941
Others	2,520	2,684	1,266	1,380
	<u>18,400</u>	<u>14,561</u>	<u>5,817</u>	<u>7,872</u>

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16 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 2011						
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>
For the year ended 31 December 2012						
Opening net book amount	1,817	7,432	10,652	1,834	26,136	47,871
Additions	330	2,869	2,275	1,363	3,754	10,591
Reversal of Disman Hing cost	3,354	-	-	-	-	3,354
Disposals/write off, net	(177)	-	(285)	(71)	(2,777)	(3,310)
Depreciation charge	(2,095)	(3,425)	(2,420)	(1,201)	(3,634)	(12,775)
Closing net book amount	<u>3,229</u>	<u>6,876</u>	<u>10,222</u>	<u>1,925</u>	<u>23,479</u>	<u>45,731</u>
At 31 December 2012						
Cost	16,224	165,225	29,118	27,906	52,361	290,834
<u>Less</u> Accumulated depreciation	(12,995)	(158,349)	(18,896)	(25,981)	(28,882)	(245,103)
Net book amount	<u>3,229</u>	<u>6,876</u>	<u>10,222</u>	<u>1,925</u>	<u>23,479</u>	<u>45,731</u>

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16 Building improvement and equipments (Cont'd)

	Company					Total Baht'000
	Leasehold improvement Baht'000	Computers Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	
At 1 January 2011						
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	-	6,110	10,161	1,764	34,146	52,181
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	-	4,236	8,528	925	27,155	40,844
At 31 December 2011						
Cost	-	10,247	15,242	6,840	51,150	83,479
<u>Less</u> Accumulated depreciation	-	(6,011)	(6,714)	(5,915)	(23,995)	(42,635)
Net book amount	-	4,236	8,528	925	27,155	40,844
For the year ended 31 December 2012						
Opening net book amount	-	4,236	8,528	925	27,155	40,844
Additions	-	71	-	27	-	98
Disposal	-	-	-	-	(2,778)	(2,778)
Reversal of dismantling cost	1,941	-	-	-	-	1,941
Depreciation charge	(971)	(1,750)	(1,609)	(686)	(3,372)	(8,388)
Closing net book amount	970	2,557	6,919	266	21,005	31,717
At 31 December 2012						
Cost	1,941	10,318	15,242	6,867	43,263	77,631
<u>Less</u> Accumulated depreciation	(971)	(7,761)	(8,323)	(6,601)	(22,258)	(45,914)
Net book amount	970	2,557	6,919	266	21,005	31,717

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17 Intangible assets

	Consolidated		Company	
	Goodwill Baht'000	Computer software Baht'000	Software Baht'000	
At 1 January 2011				
Cost	13,052	241,443		5,921
<u>Less</u> Accumulated amortisation	(13,052)	(228,065)		(1,443)
Net book amount	-	13,378		4,478
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	-	6,832		3,666
At 31 December 2011				
Cost	-	242,077		5,921
<u>Less</u> Accumulated amortisation	-	(235,245)		(2,255)
Net book amount	-	6,832		3,666
For the year ended 31 December 2012				
Opening net book amount	-	6,832		3,666
Additions	-	69		-
Amortisation charge	-	(1,924)		(807)
Closing net book amount	-	4,977		2,859
At 31 December 2012				
Cost	-	242,146		5,921
<u>Less</u> Accumulated amortisation	-	(237,169)		(3,062)
Net book amount	-	4,977		2,859

18 Other current liabilities

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Interest payable	1,546	-	1,526	-
Other payable	2,278	9,363	375	611
Other accrued expense	13,550	13,581	931	1,509
Accrued withholding tax	1,368	1,461	896	1,066
Suspense accounts from receivables in process of disposing	-	12,273	-	-
Others	7,536	1,296	380	582
	26,278	37,974	4,108	3,768

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19 Obligation under long term lease contracts

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Minimum lease payments obligation under long-term lease contracts	11,678	15,934	9,094	15,934
<u>Less</u> Deferred interest	(712)	(1,233)	(508)	(1,233)
	<u>10,966</u>	<u>14,701</u>	<u>8,586</u>	<u>14,701</u>
Current portion due within one year	4,847	5,714	4,178	5,714
Non-current portion due after one year	6,119	8,987	4,408	8,987
	<u>10,966</u>	<u>14,701</u>	<u>8,586</u>	<u>14,701</u>

20 Employee benefits obligations

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Statement of financial position				
Employee benefits	9,831	7,628	5,928	5,229
	<u>9,831</u>	<u>7,628</u>	<u>5,928</u>	<u>5,229</u>
Profit or loss				
Employee benefits (included in administrative expenses and cost of services)	2,203	7,839	699	5,229
	<u>2,203</u>	<u>7,839</u>	<u>699</u>	<u>5,229</u>

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

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	7,628	-	5,229	-
Past service cost	3,497	3,560	2,460	2,460
Current service cost	3,553	3,385	2,351	2,159
Interest cost	1,062	894	736	610
Actuarial gains	(2,895)	-	(1,930)	-
	<u>12,845</u>	<u>7,839</u>	<u>8,846</u>	<u>5,229</u>
<u>Less</u> Transferred out from consolidation	-	(211)	-	-
Benefits paid	(3,014)	-	(2,918)	-
At 31 December	<u>9,831</u>	<u>7,628</u>	<u>5,928</u>	<u>5,229</u>

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20 Employee benefit obligations (Cont'd)

The amounts recognised in the income statement are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Current service cost	3,553	3,385	2,351	2,159
Interest cost	1,062	894	736	610
Past service cost	3,497	3,560	2,460	2,460
Actuarial gains	(2,895)	-	(1,930)	-
<u>Less</u> Benefits paid	(3,014)	-	(2,918)	-
Total, included in administrative expenses and cost of services	<u>2,203</u>	<u>7,839</u>	<u>699</u>	<u>5,229</u>

The principal actuarial assumptions used are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
Discount rate	4.06%	4.22%	4.06%	4.22%
Salary increase rate	4%	4%	4%	4%
Average turnover rate	0% - 10%	0% - 10%	0% - 10%	0% - 10%
Pre-retirement mortality rate	80% of mortality rate	60% of mortality rate	80% of mortality rate	60% of mortality rate
Retirement age	60,70 years old	60 years old	60,70 years old	60 years old

21 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.

22 Other income

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Gain on disposal a subsidiary	-	315,623	-	-
Interest income	18,580	24,273	4,736	2,096
Other income	23,892	88,383	13,515	19,318
Total	<u>42,472</u>	<u>428,279</u>	<u>18,251</u>	<u>21,414</u>

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23 Administrative expenses

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Impairment loss from investment in non-performing asset	-	7,447	-	-
Bad debt and doubtful accounts of loans to non-performing assets (reversal)	-	(7,759)	-	-
Bad debt and doubtful accounts (reversal)	1,310	(833)	-	14
Personnel expenses	79,028	174,751	49,966	71,087
Operating expenses	40,403	93,112	25,315	16,109
Depreciation and amortisation charges	14,000	31,957	9,195	11,976
Rental expenses	26,926	42,161	14,398	17,526
Impairment loss from foreclosed assets	-	3,826	-	-
Loss from debt restructuring	-	23,230	-	-
Repair and maintenance expenses	8,581	13,115	1,727	1,582
Impairment loss from investment in and loans to subsidiaries	-	-	114,717	38,950

24 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	
	2012	2011	2012	2011
Net profit (loss) attributable to ordinary shareholders (Baht'000)	(68,380)	389,746	(220,094)	(110,230)
Weighted average number of ordinary shares issued during the year (Shares)	125,000	125,000	125,000	125,000
Basic earnings (loss) per share (Baht)	(0.55)	3.12	(1.76)	(0.88)

There are no potential dilutive ordinary share issued for the years ended 31 December 2012 and 2011.

25 Staff provident fund

The Group and the Company paid to provident fund for the year ended 31 December 2012 in the amount of Baht 5.6 million and Baht 2.7 million, respectively (2011: Baht 6.6 million and Baht 3.3 million, respectively).

26 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.

As at 31 December 2012 and 2011, 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

On 30 December 2011, the Company disposed all investment in Star Asset Management Ltd. (Note 12) then Star Asset Management Ltd. is not a company under common control by parent company/mutual management from 30 December 2011.

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26 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

i) Income for the years ended 31 December

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Service income				
Base fee				
- ACAP Asset Management Co., Ltd.	-	-	-	1,248
- Star Asset Management Ltd.	-	-	-	27,679
Collection fee				
- Star Asset Management Ltd.	-	-	-	4,820
Service income				
Professional fee				
- ACAP Asset Management Co., Ltd.	-	-	-	40
- Star Asset Management Ltd.	-	-	-	2,160
Other Service fee				
- Capital OK Co., Ltd.	-	-	-	832
- Professional Collection Company Limited	-	-	-	84
- Global Service Center Co., Ltd.	-	-	-	84
Total service income	-	-	-	36,947
Other income				
Accounting and financial service income				
- Global Service Center Co., Ltd.	-	-	16	3,375
- Capital OK Co., Ltd.	-	-	156	-
- Professional Collection Company Limited	-	-	16	-
Sharing expense income				
- ACAP Consulting Co., Ltd.	-	-	635	674
- Star Asset Management Ltd.	-	-	-	1
- ACAP Corporate Services Co., Ltd.	-	-	246	198
- ACAP Asset Management Co., Ltd.	-	-	246	199
Interest income				
- ACAP Asset Management Co., Ltd.	-	-	2,803	23
- Star Asset Management Ltd.	-	-	-	34
- ACAP Consulting Co., Ltd.	-	-	59	58
- ACAP Corporate Services Co., Ltd.	-	-	31	25
- Global Service Center Co., Ltd.	-	-	876	179
- Aurum Capital Advisory PTE. Ltd.	-	-	124	76
Dividend income				
- ACAP (Malaysia) Sdn. Bhd.	-	-	9,804	9,259
Total other income	-	-	15,012	14,101

Pricing policy for interest income received from related companies are set from loan agreement as disclosed in Note 26 v). Other income were carried out at the negotiated condition.

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26 Related party transactions (Cont'd)

ii) Expenses for the years ended 31 December

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Cost of service				
Professional fee				
- ACAP Consulting Co., Ltd.	-	-	160	1,000
Total cost of service	-	-	160	1,000
Administrative expenses				
Rental and maintenance equipment				
- Global Services Center Co., Ltd.	-	-	1,563	4,800
Other expenses				
- ACAP Consulting Co., Ltd.	-	-	7	-
Total administrative expenses	-	-	1,570	4,800

iii) Finance costs for the years ended 31 December

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
- Capital OK Co., Ltd.	-	-	56,858	53,280
	-	-	56,858	53,280

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Amount due from related companies				
- ACAP Asset Management Co., Ltd.	-	-	-	6
- ACAP Corporate Services Co., Ltd.	-	-	1	1
- ACAP Consulting Co., Ltd.	-	-	5	5
- Global Service Center Co., Ltd.	-	-	163	58
- ACAP (Malaysia) Sdn. Bhd.	-	-	34	40
- Aurum Capital Advisory PTE. Ltd.	-	-	110	78
	-	-	313	188
Amount due to related companies				
- Capital Ok Co., Ltd.	-	-	107,629	54,185
- Professional Collection Co., Ltd.	-	-	4	11
- Global Service Center Co., Ltd.	-	-	4	11
- ACAP Consulting Co., Ltd.	-	-	7	-
	-	-	107,644	54,207

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26 Related party transactions (Cont'd)

v) Loans to related companies

For the years ended 31 December 2012 and 2011, the Company has loan to subsidiaries as follows:

	Company				
	Short-term loans				
	2011	Addition during the year	Repayment during the year	Allowance for doubtful	2012
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
ACAP Consulting Co., Ltd.	5,900	-	-	(5,900)	-
Global Service Center Co., Ltd.	20,000	10,000	-	(20,000)	(10,000)
ACAP Corporate Services Co., Ltd.	-	2,500	(2,100)	-	(400)
ACAP Asset Management Co., Ltd.	2,500	156,500	(159,000)	-	-
Total	28,400	169,000	(161,100)	(25,900)	(10,400)

On 27 February 2012 and 27 June 2012, the Company has entered into loan agreements with ACAP Corporate Services Co., Ltd. amounting to Baht 2 million and Baht 0.5 million, respectively. The subsidiary 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. During the period, the Company has received the repayment amounting Baht 2.1 million.

On 27 February 2012, 2 May 2012 and 2 July 2012, the Company has entered into loan agreements with Global Service Center Co., Ltd. amounting to Baht 3 million, Baht 3 million and Baht 4 million, respectively. The subsidiary 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.

On 9 January 2012, 28 June 2012, 10 August 2012 and 28 November 2012, the Company has entered into loan agreements with ACAP Asset Management Co., Ltd. amounting to Baht 2 million, Baht 0.5 million, Baht 2 million Baht 2 million, respectively. 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.

Additionally, on 29 May 2012, the Company has entered into a loan agreement with ACAP Asset Management Co., Ltd. amounting to Baht 150 million, which is repayable at call. The loan bears interest rate at 3.5% per annum and the interest is due every 3 months after drawn down.

On 30 November 2012, the Company has received the repayment of all outstanding loan amounting to Baht 159 million

	Company			
	Long-term loans			
	2011	Addition during the year	Decreased by exchange rate	2012
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Long-term loans</u>				
Aurum Capital Advisory PTE. Ltd.	11,437	3,899	(386)	14,950
Total	11,437	3,899	(386)	14,950

26 Related party transactions (Cont'd)

v) Loans to related companies (Cont'd)

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.

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

vi) Loans from related company

During the years ended 31 December 2012 and 2011, the Company and subsidiaries have loans from related parties as follows:

	Company			
	2011	Addition	Repayment	2012
	Baht'000	during	during	Baht'000
		the year	the year	
		Baht'000	Baht'000	Baht'000
<u>Short-term loans</u>				
Capital OK Co., Ltd.	20,000	150,000	(152,000)	18,000
<u>Long-term loans</u>				
Capital OK Co., Ltd.	760,000	-	-	760,000

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

On 28 May 2012, the Company has entered into loan agreements with Capital OK Co., Ltd. amounting to Baht 150 million, which is repayable at call. The loan bear interest 3% per annum and the interest is due every 3 month after drawn down. Subsequent, on 3 July 2012 and 30 November 2012, the Company has repaid short-term loan amounting to Baht 2 million and Baht 150 million, respectively, to Capital OK Co., Ltd.

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

Long-term loan is due for repayment within five years. Then interest rate shall be the average Minimum Lending Rate (MLR) for the largest four commercial banks in Thailand weighted by days in each quarter. Interest on the loan shall be payable annually.

27 Commitments

As at 31 December 2012 and 2011, there were commitments from operating lease agreements of office building, warehouses and equipment and other service agreements as follows:

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Within 1 year	14,805	29,513	6,368	14,506
More than 1 year but less than 5 years	-	7,513	-	6,281
Total	14,805	37,026	6,368	20,787

28 Directors' remuneration

Directors' remuneration which included salary, bonus, director fee and special remuneration for the year ended 31 December 2012 for the Group and the Company was Baht 22.40 million (2011: Baht 27.30 million).

29 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 prorated 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.