

# evolutioncapital

Ref no: E201008-05

Date: August 10, 2010

Subject: Explanation of Net Profit for the three-month period ended 30 June 2010 changing over 20% from the previous period

To: The President of Stock Exchange of Thailand

Evolution Capital Public Company Limited would like to notify the Stock Exchange of Thailand that its net profit for the three-month period ended 30 June 2010 is Baht 52.7 million, compared to a net profit of Baht 8.2 million for the three-month period ended 30 June 2009, which is an increase in net profit of more than 20%.

The main variances are as follows:

1. Revenue for the three-month period ended 30 June 2010 was Baht 102.4 million, compared to Baht 44.7 million for the three-month period ended 30 June 2009. The increase of Baht 57.7 million, or 129%, was mainly due to the Company recognising Baht 83.6 million from the restructuring of investments in Red Planet Hotels Limited which were further sold to new investors. Profit from restructuring of investments to further on-sell to new investors is based on the differences between the Group proportion of net asset value in each entity after the financial contributions/subscription by new investors and the initial carrying value of each such entity.

Revenue from property development consulting services during the three-month period ended 30 June 2010 totaled Baht 6.1 million compared to Baht 35.6 million for the three-month period ended 30 June 2009. The decrease of Baht 29.5 million was attributable to a Baht 20 million decrease of revenues from property development consulting services resulted from a temporary suspension of its client's construction projects, as well as a Baht 9 million decrease in non-recurring revenue from certain aspects of the Company's property development consulting services.

2. The Cost of Services and Administrative Expenses for the three-month period ended 30 June 2010 were Baht 4.6 million and 36.6 million respectively, compared to Baht 14.1 million and 21.9 million respectively, for the three-month period ended 30 June 2009. The net increase of Baht 5.2 million or 15% was mainly due to increased costs pertaining to staff expenses and third-party professional fees.
3. Share of loss from investments in associates and joint ventures for the three-month period ended 30 June 2010 was Baht 10.9 million, compared to Baht 0.2 million for the three-month period ended 30 June 2009. The increase of Baht 10.7 million was mainly due to a share of loss amounting to Baht 9.5 million from an associate company which was incorporated at the beginning of 2010.

Please be informed accordingly.

Yours Sincerely,

  
(Mark Reinecke)  
Director

