

Ref no: E201011/05

Date: November 11, 2010

Subject: Explanation of Net Profit for the three-month period ended 30 September 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 September 2010 is Baht 44.6 million, compared to a net loss of Baht 11.0 million for the three-month period ended 30 September 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 September 2010 was Baht 96.3 million, compared to Baht 22.1 million for the three-month period ended 30 September 2009. The increase of Baht 74.2 million, or 337%, was mainly due to the Company recognising Baht 61.2 million from the appreciation of value of its investment in Red Planet Hotels Limited. Such profit is based on the differences between the Group proportion of net asset value in each entity after financial contributions/subscriptions 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 September 2010 totaled Baht 10.6 million compared to Baht 16.9 million for the three-month period ended 30 September 2009. The decrease of Baht 6.3 million was due to a temporary suspension of a client's construction projects.

Revenue from management income during the three-month period ended 30 September 2010 totaled Baht 16.2 million, compared to Baht 1.1 million for the three-month period ended 30 September 2009. The increase of Baht 15.1 million, or 1,372%, was mainly due to increased management services during the last quarter amounting to Baht 14.9 million.

2. The Cost of Services and Selling & Administrative Expenses for the three-month period ended 30 September 2010 were Baht 6.9 million and 30.7 million respectively, compared to Baht 11.9 million and 21.3 million respectively, for the three-month period ended 30 September 2009. The net increase of Baht 4.3 million or 13% was mainly due to increased costs pertaining to third parties' management services, professional fees, and loan origination fees.
3. Share of loss from investments in associates and joint ventures for the three-month period ended 30 September 2010 was Baht 13.7 million, compared to Baht 0.5 million for the three-month period ended 30 September 2009. The increase of Baht 13.2 million was mainly due to a share of loss amounting to Baht 15.2 million from an associate company which was incorporated at the beginning of 2010.

4. Finance costs for the three-month period ended 30 September 2010 were Baht 0.4 million, and this was mainly due to loan from a local financial institution for the purposes of working capital and to support the Company's projects.

Please be informed accordingly.

Yours Sincerely,



(Mark Michael Reinecke)
Director

