Ref. UV No. 059/2014

The Registration N0. 0107537001030

11 November 2014

Subject: Explanation on Financial Statements of the third quarter of the year 2014

Dear: Secretary
General Office of the Securities and Exchange Commission

Regarding, Univentures Public Company Limited ("the Company"), refer to our reviewed financial statements for the three-month period ended 30 September 2014 (Q3/2014) and the financial statements of the same period of last year (Q3/2013). Profit attributable to the owners of the company shown in our consolidated financial statements of Q3/2014 was Baht 99.2 million, decreased by Baht 122.4 million, or 55% as compared with that of the same period of previous year.

The Company would like to explain the consolidated operating result for Q3/2014 and financial position as at 30 September 2014 as follows:

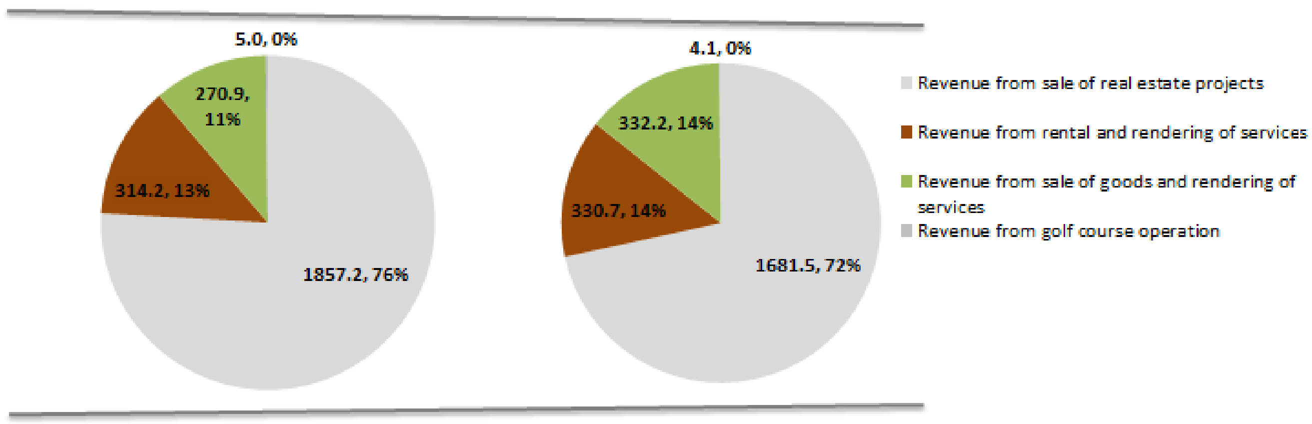
1. <u>Consolidated statements of comprehensive income</u>

The consolidated statements of comprehensive income for the three-month period ended 30 September 2014 (Q3/2014) compared with that of the same period of previous year (Q3/2013).

Unit: Million Baht	Q3/2014	Q3/2013	Increased (Decreased)	%
Revenue from sale of goods, rendering of services and rental	2,348.5	2,447.3	-98.8	-4%
Cost of sale of goods, rendering of services and rental	1,793.4	1,847.3	-53.9	-3%
Gross Profit	**555.1**	**600.0**	**-45.0**	**-7%**
Selling and administrative expenses	380.4	286.3	94.2	33%
Other Income	12.5	21.0	-8.5	-40%
Share of profit of equity-accounted investees Associates	7.8	7.4	0.4	-6%
Profit (loss) before Depreciation and Amortization (EBITDA)	**285.9**	**444.3**	**-158.4**	**-36%**
Depreciation and Amortization	91.0	102.2	-11.2	-11%
Profit (loss) before finance costs and income tax (EBIT)	**195.0**	**342.2**	**-147.2**	**-43%**
Finance costs	67.3	100.7	-33.4	-33%
Profit (loss) before income tax (EBT)	**127.7**	**241.5**	**-113.8**	**47%**
Income tax benefit (expense)	-41.3	-58.5	17.2	-29%
Profit (loss) for the period	**86.4**	**183.0**	**-96.6**	**-53%**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**86.4**	**183.0**	**-96.6**	**-53%**
Total comprehensive income attributable to:				
Owners of the Company	99.2	221.6	-122.4	-55%
Non-controlling interests	-12.7	-38.6	25.8	-67%

1.1 Revenue from sale of goods, rendering of services and rental

Total revenue from sale of goods, rendering of services and rental of Univentures Public Company Limited ("the Company") for Q3/2014 were Baht 2,348.5 million, decreased by Baht 98.5 million or 4% from Q3/2013, as shown in figure 1, illustrated proportion detail of revenue from sale of goods, rendering of services and rental. Revenue from sale of real estate projects in Q3/2014 was 72% of total revenue, decreasing from the same period of previous year, which was 76%. Revenue from rental and rendering of services in Q3/2014 was 14% of total revenue, consistent with the same period of previous year, which was 13%. The revenue from sale of goods and rendering of services in Q3/2014 was 14% of total revenue, increasing from the same period of previous year, which was 11%.



Total (MB)	2,447.3	2,348.5	-4%
	Q3/2013	Q3/2014	

Figure 1- Proportion of Revenue from sale of goods, rendering of services and rental

- **Revenue from sale of real estate projects**

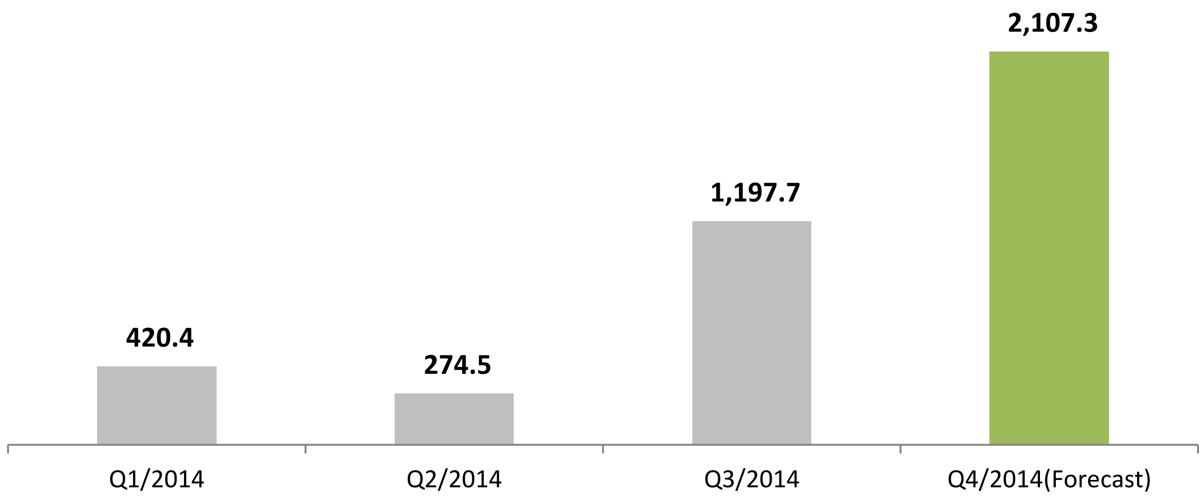
The revenue from sale of real estate projects in Q3/2014 was Baht 1,681.5 million, decreasing from the same period of previous year by Baht 175.7 million or 9%. The recognition of revenue derived from real estate projects per follows;

Revenue from sale of real estate projects	Q3/2014	Q3/2013	Increased (Decreased)	%
High-rise	1,197.7	1,676.6	-478.9	-29%
Low-rise	483.8	180.5	303.2	168%
Total	**1,681.5**	**1,857.2**	**-175.7**	**-9%**

High-rise Projects under Grand Unity Development Co., Ltd.

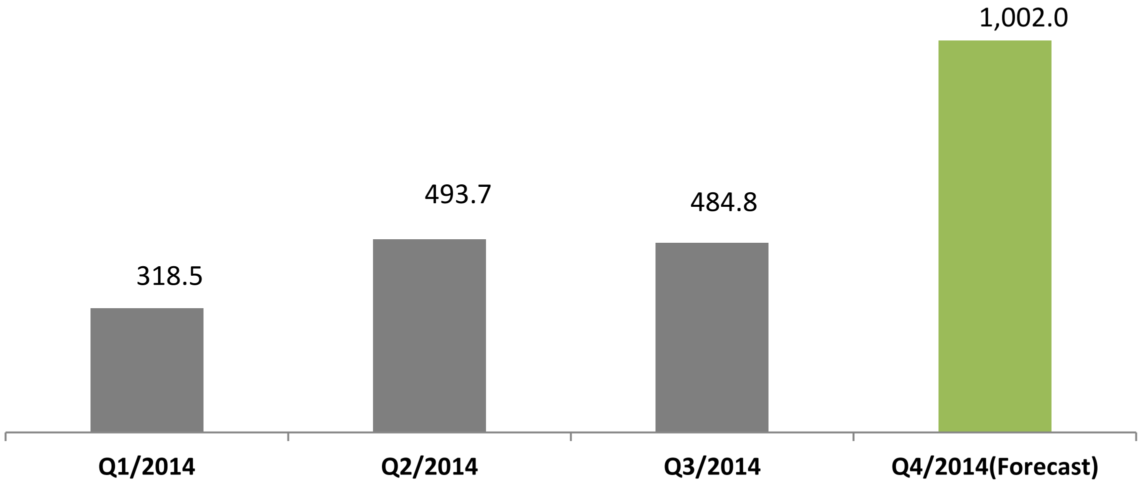
For 2014, revenue target from existing high-rise projects was Baht 4,000 million. Recognized revenue in Q3/2014 was Baht 1,197.7 million. Total revenue accumulated was Baht 1,894.1 million or 47% of target revenue, which derived from 4 existing projects - U Delight 3 Prachachuen-BangSue (UD3PB), U Delight Residence Patanakarn-Thonglor (UDRPK) , Condo U @ Huamak Station (CUHM) and Condo U Ratchayothin (CURT).

For the fourth quarter 2014, forecast revenue is expected to derive from Condo U Ratchayothin (CURT), Condo U Vibha – Lat Phrao (CUVL) and Condo U D-light Rattanathibet (UDRB) amounting to Baht 2,107.3 million. At end of Q3/2014, outstanding high-rise backlog was Baht 2,153 million.



Low-rise projects under Golden land property development plc.

For 2014, revenue target recognized from low-rise projects was Baht 2,299 million derived from 4 gradually closing projects (in which 3 projects have been closed) and 7 new projects lauched. Recognized revenue in Q3/2014 was Baht 483.8 million. Total revenue accumulated from low-rise projects was Baht 1,296 million mainly from 4 new projects- Golden Village Bangna-Kingkaew , Golden Avenue Changwattana-Tiwanon, Golden Town Kaset-Lad prakao, and Golden Town Pinklao-Jaransanitwong. Consequently, the remaining revenue to be recognized in Q4/2014 was Baht 1,002.0 million. At end of Q3/2014, outstanding low-rise backlog was Baht 1,092 million.



- **Revenue from rental and rendering of services**

For Q3/2014, revenue from rental and rendering of services was Baht 330.7 million, increasing from the same period of previous year by Baht 16.5 million or 5%. The main contributors of revenue from rental and rendering of services are per follows:

- Park Ventures Ecoplex-- the office grade "A" building, provided rental revenue of Baht 79.7 million, increasing from the same period of previous year by Baht 5.3 million or 7% . Customers who have signed contract with deposit paid contributed 100% of total leasable area with average rental rent at Baht 841per sqm.

- Office buildings from Golden Land group in Q3/2014, provided rental revenue of Baht 251.1 million, increasing from the same period of previous year by Baht 11.2 million or 5% mainly due to higher occupancy rate and higher rental rate of Sathorn square whose occupancy rate and average rental rate were at 75% and 672 per sqm respectively, increasing from the same period of previous year, which were at 63% and Baht 657 per sqm respectively.

Revenue from rental and rendering of services	Q3/2014	Q3/2013	Increased (Decreased)	%
Park Ventures Ecoplex	79.7	74.4	5.3	7%
Golden Land Offices	251.1	239.8	11.2	5%
Total	**330.7**	**314.2**	16.5	5%

- **Revenue from sale of goods and rendering of services**

For Q3/2014, revenue from sale of goods and rendering of services was Baht 332 million, increasing from the same period of previous year by Baht 61.3 million or 23%. The increased revenue from sale of goods and rendering of services was mainly due to increasing revenue from zinc oxide in Q3/2014, which was Baht 309 million, up from the same period of previous year by Baht 47.8 million or 18%. Increasing zinc revenue was due to zinc price incremental, in line with increasing zinc ingot price in LME market.

Revenue from sale of Zinc Oxide	Q3/2014	Q3/2013	Increased (Decreased)	%
Zinc Oxide Sale Volume (Ton)	4,173	4,282	-109.0	-3%
Production (Ton)	4,500	4,275	225.0	5%
Zinc Oxide Revenue (MB)	309.0	261.2	47.8	18%
Average LME Price (USD/Ton)	2,341	1,860	481.0	25.9%

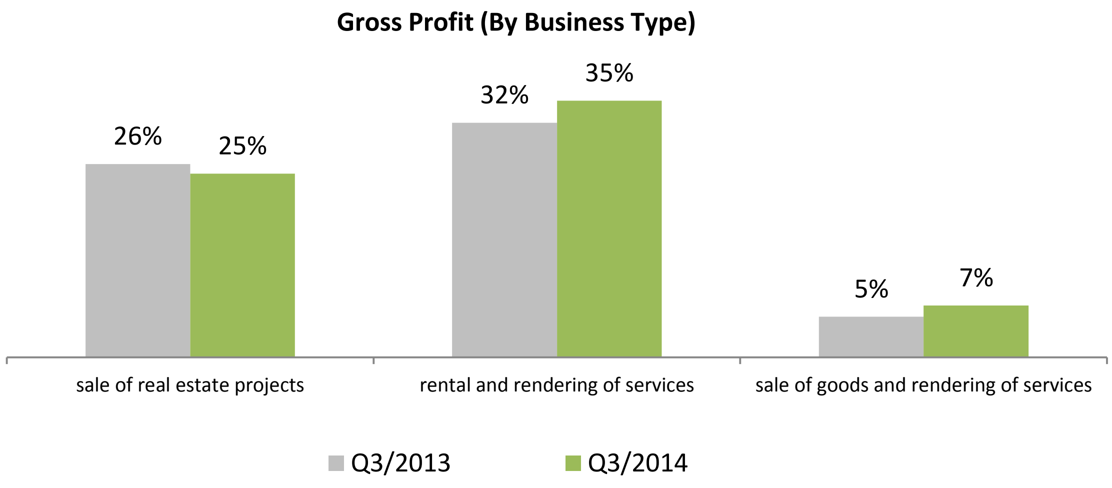
Average zinc ingot price in LME market in Q3/2014 was USD 2,341 per ton, compared to the same period of previous year which was USD 1,860 per ton.

1.2 Gross profit

For Q3/2014, the company generated gross profit Baht 555.1 million, decreasing from the same period of previous year by Baht 45 million or 7%.

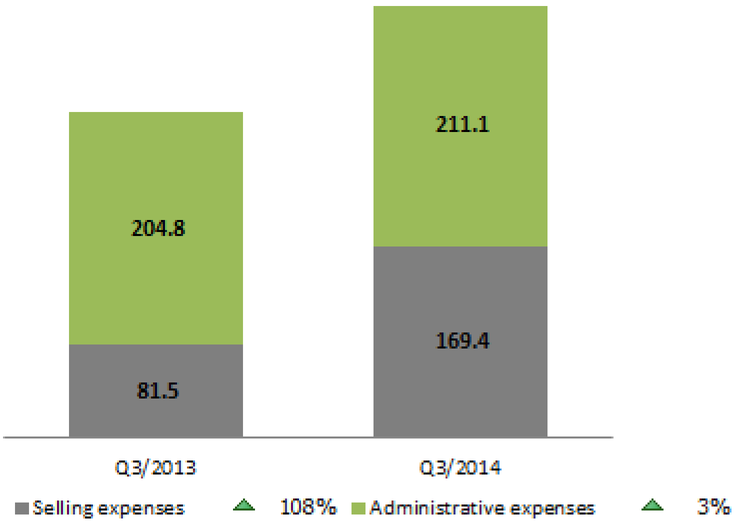
Gross Profit	Q3/2014	Q3/2013	Increased (Decreased)	%
Gross profit- sale of real estate projects	416.4	484.2	-67.9	-14%
Gross profit- rental and rendering of services	114.5	99.4	15.0	15%
Gross profit- sale of goods and rendering of services	23.1	14.8	8.4	57%
Gross profit - golf course operation	1.1	1.6	-0.5	-31.8%
Total	**555.1**	**600.0**	**-45.0**	**-7%**

In addition, gross profit margin (gross profit/revenue) calculated from each business segments showed that both real estate for rent and sale of goods and rendering of services generated higher gross profit in Q3/2014 at 35% and 7% respectively, compared to the same period of previous year which were at 32% and 5% respectively. However, real estate for sale generated gross profit at 24%, slightly decline from same period of previous year which was at 25%.



1.3 Selling and administrative expenses

For Q3/2014, the selling and administrative expenses (SG&A) were Baht 380.4 million—from administrative expenses Baht 211.1 million and from selling expenses Baht 169.3 million. The incremental expenses were mainly due to higher selling expenses resulted by 108% from increasing number of low-rise real estate for sale projects launched while the administrative expense slightly increased at 3% from the same period of last year.



1.4 Finance costs

For Q3/2014, Finance costs were Baht 67.3 million, decreasing from the same period of previous year by Baht 100.7 million, or 33% due to cash flow received from sale of non- core assets totaling of Baht 1,131.7 million that resulted in lower debts.

1.5 Total comprehensive income for the period

For Q3/2014, total comprehensive income for the period was Baht 86.4 million, decreasing from the same period of previous year by Baht 96.6 million or 53% in line with decreasing revenue from real estate for sale. However, it is expected that the company will recognize higher revenue in Q4/2014 based from current backlog Baht 3,245 million which is a positive factor to comprehensive income for the year 2014.

2. **Consolidated statements of financial position** *(Presented only significant items)*

Unit: MB	30 September 2014	31 December 2013	Increased (Decreased)	%
Assets				
Cash and cash equivalents	410.6	537.1	-126.5	-24%
Trade accounts receivable	339.5	368.0	-28.5	-8%
Inventories	448.9	216.0	232.9	108%
Real estate projects under development	9,177.0	5,400.5	3,776.5	70%
Non-current assets held for sale	-	62.7	-62.7	-100%
Other current assets	600.9	557.5	43.5	8%
Total current assets	**10,976.9**	**7,141.7**	**3,835.1**	**54%**
Investment in associates	85.0	91.7	-6.8	-7%
Investment properties	8,360.0	8,727.4	-367.4	-4%
Property, plant and equipment	2,366.7	2,257.6	109.1	5%
Prepaid rental expense	1,826.8	2,092.1	-265.3	-13%
Other non-current assets	833.5	550.0	283.5	52%
Total non-current assets	13,471.9	13,718.8	-246.9	-2%
Total assets	**24,448.8**	**20,860.6**	**3,588.3**	**17%**
Liabilities				
Bank overdrafts and short-term loans from financial institutions	2,226.8	2,157.6	69.2	3%
Trade accounts payable	937.1	319.8	617.3	193%
Current portion of long-term loans	1,968.9	585.9	1,383.0	236%
Advance received from customers	313.4	253.3	60.1	24%
Current portion of rental received in advance from related parties	52.6	52.6	0.0	0%
Other current liabilities	640.4	425.0	215.4	51%
Total current liabilities	**6,139.1**	**3,794.2**	**2,344.9**	**62%**
Long-term loans from financial institutions	5,169.9	4,903.2	266.6	5%
Rental received in advance from related parties	1,329.5	1,369.2	-39.6	-3%
Long-term provisions	326.8	318.4	8.5	3%
Deferred tax liabilities	268.3	297.2	-28.9	-10%
Other non-current liabilities	916.3	871.2	45.1	5%
Total non-current liabilities	**8,010.8**	**7,759.2**	**251.7**	**3%**
Total liabilities	**14,149.9**	**11,553.3**	**2,596.6**	**22%**
Equity attributable to owners of the Company	7,031.5	6,854.5	177.0	3%
Non-controlling interests	3,267.4	2,452.7	814.7	33%
Total equity	**10,298.9**	**9,307.3**	**991.7**	**11%**
Total liabilities and equity	**24,448.8**	**20,860.6**	**3,588.3**	**17%**

Assets

As of 30 September 2014, total assets were Baht 24,448.8 million, increasing from 31 December 2013 by Baht 3,588.3 million, or 17%. The major cause was due to higher value of real estate projects under development from both high-rise projects and low-rise projects totaling of Baht 3,776.5 million.

Liabilities

As of 30 September 2014, total liabilities were Baht 14,149.9 million, increasing from 31 December 2013 by Baht 2,596.6 million, or 22%. The major changes are from increase of current liabilities--current portion of long-term liabilities and trade account payable which increased by Baht 1,383 million and 617.3 million respectively. However, the company secured a solid liquidity position based from current ratio at 1.79 times, up from the same period of previous year which was 1.48 times (Key Financial Ratios- Appendix 1).

Equity

-Equity attributable to owners of the Company was Baht 7,031.5 million, increasing from 31 December 2013 by Baht 177.0 million mainly from accumulated comprehensive income in three quarters totaling of Baht 272.6 million deducted with dividend paid during the year Baht 95.6 million. As of 30 September 2014, total debt to equity ratio and interest-bearing debt to equity ratio were at 1.37 times and 0.94 times respectively, complied with internal financial policy that set maximum total debt to equity ratio and interest-bearing debt to equity ratio not exceeding 1.75 times and 1.25 times respectively.

- Non-controlling interest was Baht 3,267.4 million, increasing from 31 December 2013 by Baht 814.7 million or 33%. From total incremental amount, Baht 615.3 million resulted from capital increase after Golden land Group exercised warrant 370,148,342 shares, of which Univentures Group exercised 165,040,288 shares. The remaining incremental amount was due to three quarters operation performance in amount of Baht 199.4 million in year 2014.

3. Consolidated statements of cash flows

For the period of Nine month

Unit: Million Baht	30 Sep 2014	30 Sep 2013
Cash flows from operating activities-before changes in operating assets and liabilities	592.9	552.9
Net cash used in operating activities	(2,704.5)	(1,627.7)
Net cash provided by investing activities	638.9	(88.8)
Net cash provided by financing activities	1,940.2	1,225.0
Net increase in cash and cash equivalent-net	**(125.5)**	**(491.5)**
Cash and cash equivalents at beginning of the period-net	497.5	1,101.6
Cash and cash equivalents at end of the period-net	**372.0**	**610.0**

Cash flows from operating activities before changes in operating assets and liabilities were Baht 592.9 million, derived from cash flows from operations for nine month period ended 30 September 2014, which came from net profit for the nine month period totaling Baht 471.9 million, and non-cash item adjustments from depreciation and deferred items totaling Baht 89.2 million.

Net cash used in operating activities after changes in operating assets and liabilities was Baht 2,704.5 million, derived from operations and adjusted by changes in operating assets and liabilities, whereby major cash used was real estate project under development totaling Baht 3,718.0 million, which was regarded as operating assets and adjustment of trade account payable in amount of Baht 618.0 million.

Net cash provided by investing activities was Baht 638.9 million, mainly derived from divestment of investment properties and non-current assets held for sale in amount of Baht 1,131.8 million deducted with cash paid for new acquisition of property, plant and equipment, investment properties and prepaid rental expenses in amount of Baht 461.4 million.

Net cash provided by financing activities was Baht 1,940.2 million, mainly derived from net increase of long-term borrowing from financial institutions in amount of Baht 1,649.6 million and losses of interest in subsidiary in amount of Baht 615.3 million offsetting with interest payment and dividend payment in amount of Baht 368.2 million.

Net Cash and cash equivalent at end of the period was Baht 372 million, decreasing from the beginning of the period which was Baht 497.5 million.

In summary, the Company has shown stable operating performances and solid financial position proven from higher profitability ratio from Q1-Q3 in 2014, compared to the same period of year 2013 due to improved revenue recognition from real-estate for sale and real estate for rent. In addition, the Company has improved cash management efficiency and successfully divest of non-core asset divestment, which resulted in reduction of financial cost.

Please be informed accordingly.

Yours sincerely,

(Mr. Worawat Srisa-an)
President

Appendix 1- Key Financial Ratios

Key Financial Ratios Summary	Unit	Q3/2014	Q3/2013
Liquidity Ratio			
Current Ratio	times	1.79	1.48
Quick Ratio	times	0.12	0.23
Profitability Ratio			
Gross Profit/Revenue	%	23.6%	24.5%
EBITDA/Revenue	%	12.2%	18.2%
EBIT/Revenue	%	8.3%	14.0%
Net Profit/Revenue	%	3.7%	7.5%
ROA *	%	2.5%	-0.1%
ROE *	%	5.8%	-0.3%
Debt Structure Ratio			
D/E ratio	times	1.37	1.28
IBD/E ratio	times	0.94	0.77
EBIT Interest Coverage (times)	times	2.90	3.40
EBITDA Interest Coverage (times)	times	4.25	4.41

*Annualized