Ref. UV No. 040/2014

The Registration N0. 0107537001030

6 August 2014

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

Dear: Mr. President

The Stock Exchange of Thailand

Regarding, Univentures Public Company Limited ("the Company"), refer to our reviewed financial statements for the three-month period ended 30 June 2014 (Q2/2014) and the financial statements of the same period of last year (Q2/2013). Profit attributable to the owners of the company shown in our consolidated financial statements of Q2/2014 was Baht 166.2 million, increased by Baht 264.9 million, or 269% as compared with that of the same period of previous year.

The Company would like to explain the consolidated operating result for Q2/2014 and financial position as at 30 June 2014 as follows:

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

The consolidated statements of comprehensive income for the three-month period ended 30 June 2014 (Q2/2014) compared with that of the same period of previous year (Q2/2013).

Unit: Million Baht	Q2/2014	Q2/2013	Increased (Decreased)	%
Revenue from sale of goods, rendering of services and rental	1,381.4	687.7	693.7	101%
Cost of sale of goods, rendering of services and rental	1,053.7	596.4	457.3	77%
Gross Profit	**327.7**	**91.3**	**236.4**	**259%**
Selling and administrative expenses	300.6	193.5	107.1	55%
Other Income	427.7	11.3	416.4	3692%
Share of profit of equity-accounted investees Associates	6.3	3.8	2.6	-69%
Profit (loss) before Depreciation and Amortization (EBITDA)	**691.6**	**123.2**	**544.0**	**442%**
Depreciation and Amortization	230.4	234.7	-4.3	-2%
Profit (loss) before finance costs and income tax (EBIT)	**461.2**	**-87.1**	**548.3**	**-629%**
Finance costs	69.5	83.3	-13.8	-17%
Profit (loss) before income tax (EBT)	**391.7**	**-170.4**	**562.1**	**330%**
Income tax benefit (expense)	-32.9	27.8	-60.7	-218%
Profit (loss) for the period	**358.8**	**-142.6**	**501.5**	**-352%**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**358.8**	**-142.6**	**501.5**	**-352%**
Total comprehensive income attributable to:				
Owners of the Company	166.2	-98.6	264.9	-269%
Non-controlling interests	192.6	-44.0	236.6	-538%

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 Q2/2014 were Baht 1,381.4 million, increased by Baht 693.7 million or 101% from Q2/2013, 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 Q2/2014 was 56% of total revenue, increasing from the same period of previous year, which was 22%. Revenue from rental and rendering of services in Q2/2014 was 22% of total revenue, decreasing from the same period of previous year, which was 41%. The revenue from sale of goods and rendering of services in Q2/2014 was 22% of total revenue, decreasing from the same period of previous year, which was 36%.

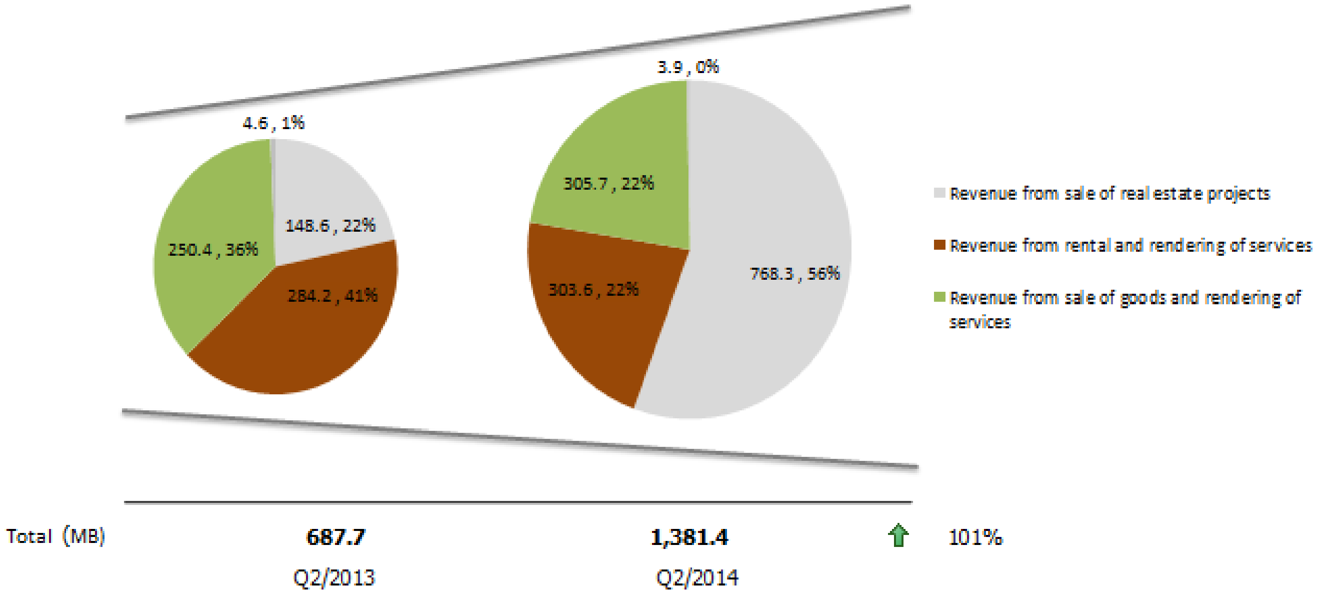


Figure 1- Proportion of Revenue from sale of goods, rendering of services and rental

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

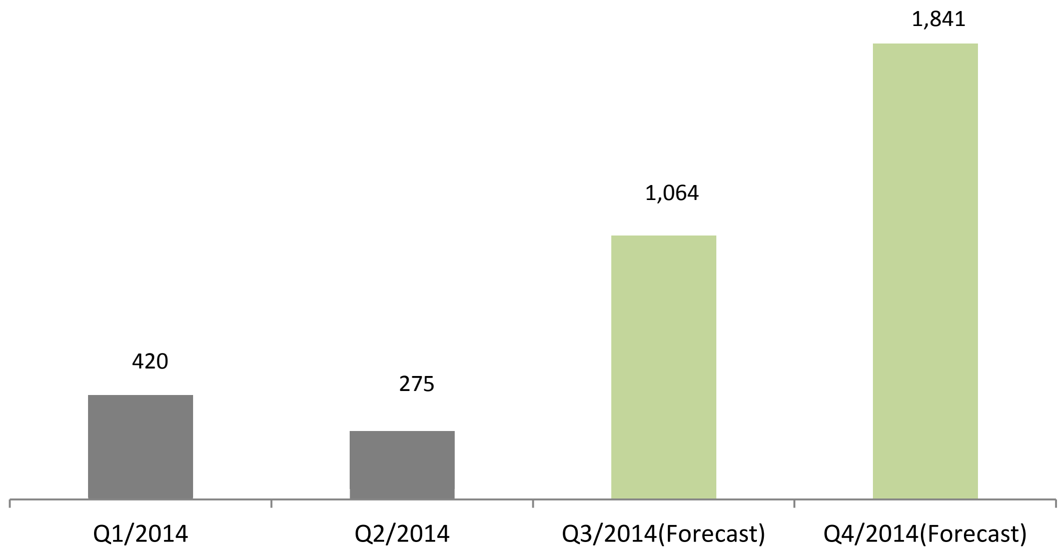
The revenue from sale of real estate projects in Q2/2014 was Baht 768.3 million, increasing from the same period of previous year by Baht 619.7 million or 417%. The recognition of revenue derived from real estate projects per follows;

Revenue from sale of real estate projects	Q2/2014	Q2/2013	Increased (Decreased)	%
High-rise	274.5	0.1	274.4	193233%
Low-rise	493.7	148.4	345.3	233%
Total	**768.3**	**148.6**	**619.7**	**417%**

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

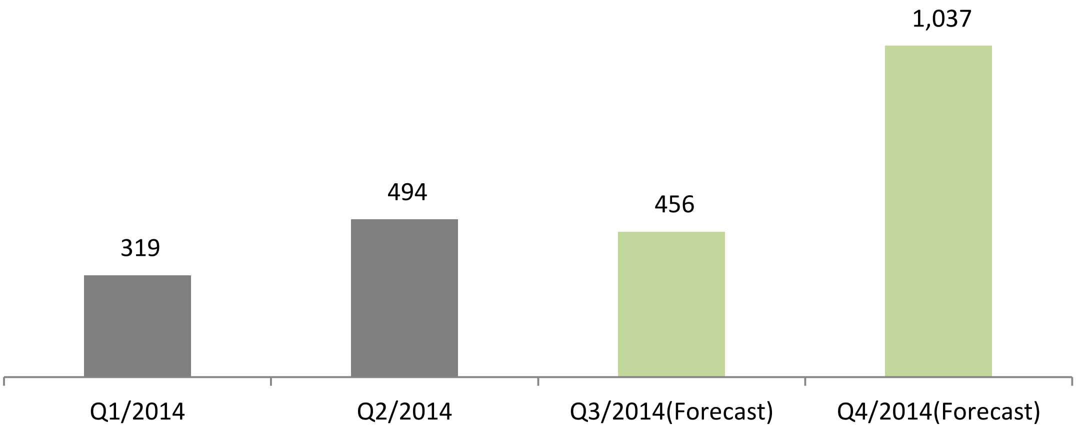
For 2014, revenue target from existing high-rise projects was Baht 3,600 million. Recognized revenue in Q1/2014 was Baht 420.5 million and recognized revenue in Q2/2014 was Baht 274.5 million. Total revenue recognized was Baht 695 million or 20% of target revenue, which derived from 3 existing projects - U Delight 3 Prachachuen-BangSue (UD3PB), U Delight Residence Patanakarn-Thonglor (UDRPK) and Condo U @ Huamak Station (CUHM).

For the second half year 2014, forecast revenue derived from Condo U Ratchayothin (CURT), Condo U Vibha – Lat Phrao (CUVL) and Condo U D-light Rattanathibet (UDRB). Estimated revenue in Q3/2014 and Q4/2014 were Baht 1,064 million and Baht 1,841 million respectively. At end of Q2/2014, the company has backlog in amount of Baht 2,592 million or 72% of target revenue of Baht 3,600 million.



Low-rise projects under Golden land property development plc.

For 2014, revenue target recognized from low-rise projects was Baht 2,305.2 million derived from 4 gradually closing projects and 9 new projects. Recognized revenue in Q1/2014 and Q2/2014 were Baht 318.5 million and Baht 493.7 million respectively. Total revenue recognized from low-rise projects was Baht 812.2 million mainly from 3 new projects- Golden Village Bangna-Kingkaew , Golden Avenue Changwattana-Tiwanon, and Golden Town Pinklao-Jaransanitwong. Consequently, the remaining revenue to be recognized in 2014 was Baht 1,493 million. For the second half year 2014, estimated revenue in Q3/2014 and Q4/2014 were Baht 455.6 million and Baht 1,037.4 million respectively.



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

For Q2/2014, revenue from rental and rendering of services was Baht 303.6 million, increasing from the same period of previous year by Baht 19.4 million or 7%. 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 79.5 million, increasing from the same period of previous year by Baht 11.6 million or 16% . Customers who have signed contract with deposit paid contributed 100% of total leasable area with average rental rent at Baht 839 per sqm.

- Office buildings from Golden Land group in Q2/2014, provided rental revenue of Baht 224.2 million, increasing from the same period of previous year by Baht 7.5 million or 3% mainly due to higher occupancy rate and higher rental rate of Sathorn square building. In Q2/2014, Sathorn square has signed contract with deposit paid 78% of total leasable ara with average rental rate at Baht 676 per sqm., increasing from the same period of previous year, which was 63% and with average rental rate at Baht 657 per sqm.

Revenue from rental and rendering of services	Q2/2014	Q2/2013	Increased (Decreased)	%
Park Ventures Ecoplex	79.4	67.5	11.9	18%
Golden Land Offices	224.2	216.7	7.5	3%
Total	**303.6**	**284.2**	19.4	7%

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

For Q2/2014, revenue from sale of goods and rendering of services was Baht 303.6 million, increasing from the same period of previous year by Baht 284.1 million or 259%. The increase revenue from sale of goods and rendering of services was mainly due to increased zinc sale volume. For Q2/2014, Zinc sale volume was 4,219 ton, or 306 ton increasing from the same period of previous year, or 8%. Consequently, the revenue generated from zinc oxide was Baht 294 million, increasing from the same period of previous year by

Baht 51.2 million, or 21% in line with the average price increase of zinc ingot in LME market in Q2/2014, which was USD 2,170 per ton, compared to the same period of previous year by USD 1,840 per ton.

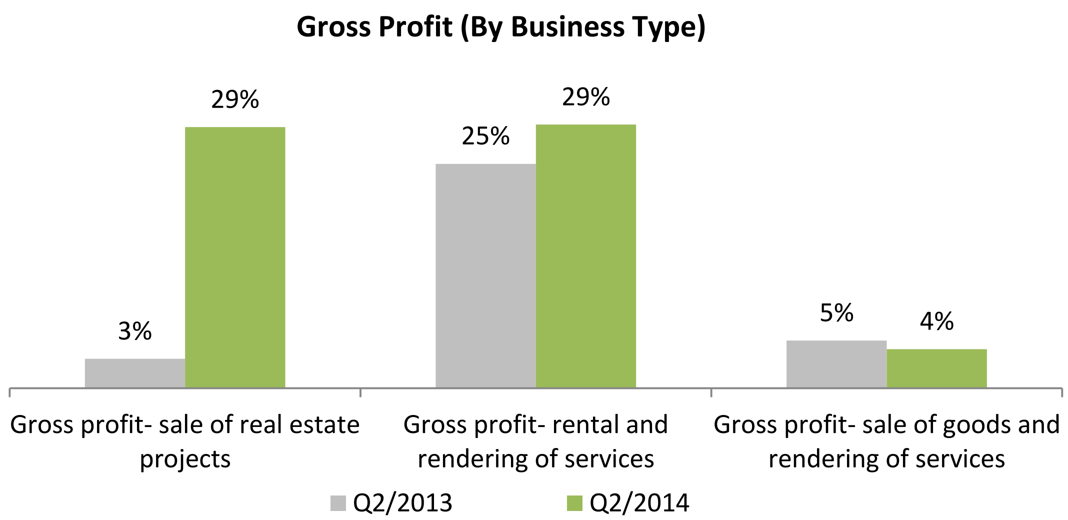
Revenue from sale of goods and rendering of services	Q2/2014	Q2/2013	Increased (Decreased)	%
Zinc Oxide Sale Volume (Ton)	4,219	3,913	306.0	8%
Production (Ton)	4,500	4,177	323.0	8%
Zinc Oxide Revenue (MB)	294	243	51.2	21%
Average LME Price (USD/Ton)	2,170	1,840	330.0	17.9%

1.2 Gross profit

For Q2/2014, the company generated gross profit Baht 328.2 million, increasing from the same period of previous year by Baht 236.9 million or 259%.

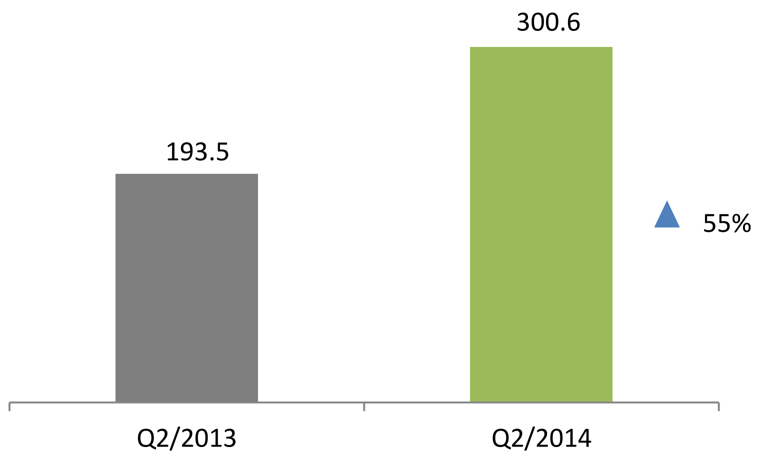
Gross Profit	Q2/2014	Q2/2013	Increased (Decreased)	%
Gross profit- sale of real estate projects	224	5	219.3	4477%
Gross profit- rental and rendering of services	89	71	18.1	25%
Gross profit- sale of goods and rendering of services	13	13	0.0	0%
Total	**327.7**	**91.3**	**236.4**	**259%**

In addition, gross profit margin (gross profit/revenue) calculated from each business segments showed that both real estate for sale and real estate for rent generated higher gross profit in Q2/2014, compared to the same period of previous year while sale of goods and rendering of services generated lower gross profit. Total gross profit in Q2/2014 was 23.8%, up from the same period of previous year which was at 13.3%.



1.3 Selling and administrative expenses

For Q2/2014, the selling and administrative expenses (SG&A) were Baht 300.6 million increasing from the same period of previous year by Baht 107.6 million or 55 %, which is in line with improving sale rate from low-rise projects.



1.4 Finance costs

For Q2/2014, Finance costs were Baht 69.5 million, decreasing from the same period of previous year by Baht 13.8 million, or 17% due to cash flow received from sale of non- core assets and reduction of long-term liabilities.

1.5 Total comprehensive income for the period

For Q2/2014, total comprehensive income for the period was Baht 358.8 million, increasing from the same period of previous year by Baht 501.5 million or 352% mainly due to significantly improved performance of low-rise real estate projects which fasten revenue recognizing and profit from sale of non-core assets by Baht 419.4 million.

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

Unit: MB	30 June 2014	31 December 2013	Increased (Decreased)	%
Assets				
Cash and cash equivalents	453.3	537.1	-83.8	-16%
Real estate projects under development	7,941.1	5,400.5	2,540.7	47%
Non-current assets held for sale	68.6	62.7	5.9	9%
Total current assets	**9,603.4**	**7,141.7**	**2,461.7**	**34%**
Investment in associates	86.1	91.7	-5.7	-6%
Investment properties	8,149.7	8,727.4	-577.7	-7%
Property, plant and equipment	2,317.3	2,257.6	59.7	3%
Prepaid rental expense	1,827.4	2,092.1	-264.8	-13%
Total non-current assets	13,203.7	13,718.8	-515.1	-4%
Total assets	**22,807.1**	**20,860.6**	**1,946.6**	**9%**
Liabilities				
Bank overdrafts and short-term loans from financial institutions	2,018.0	2,157.6	-139.6	-6%
Advance received from customers	299.2	253.3	45.9	18%
Current portion of long-term loans from financial institutions	1,534.9	585.9	949.0	162%
Current portion of rental received in advance from related parties	52.6	52.6	0.0	0%
Total current liabilities	**4,964.4**	**3,794.2**	**1,170.23**	**31%**
Long-term loans from financial institutions	4,800.2	4,903.2	-103.1	-2%
Rental received in advance from related parties	1,342.8	1,369.2	-26.4	-2%
Long-term provisions	322.9	318.4	4.5	1%
Deferred tax liabilities	265.8	297.2	-31.4	-11%
Total non-current liabilities	**7,630.3**	**7,759.2**	**-128.9**	**-2%**
Total liabilities	**12,594.6**	**11,553.3**	**1,041.3**	**9%**
Equity attributable to owners of the Company	6,932.3	6,854.5	77.8	1%
Non-controlling interests	3,280.2	2,452.7	827.4	34%
Total equity	**10,212.5**	**9,307.3**	**905.2**	**10%**
Total liabilities and equity	**22,807.1**	**20,860.6**	**1,946.6**	**9%**

Assets

As of 30 June 2014, total assets of the Company were Baht 22,807.1 million, increasing from 31 December 2013 by Baht 1,946.6 million, or 9%. The major changes are from increasing of current assets by Baht 2,461.7 million and decreasing of non-current assets by Baht 515.1 million.

Increasing current assets mainly resulted from higher amount of real estate projects under development from both high-rise projects and low-rise projects totaling of Baht 2,540.7 million. In addition, divestment of Golden Land Group's non-core asset also reduced investment properties by Baht 577.7 million while incured an increase of non-current assets held for sale by Baht 5.9 million.

Liabilities

As of 30 June 2014, total liabilities were Baht 12,594.6 million, up from 31 December 2013 by Baht 1,041.3 million, or 9%. The major changes are from increase of current liabilities by Baht 1,170.2 million resulted from increasing of current portion of long-term liabilities by Baht 949.0 million. However, non-current liabilities decreased by baht 128.9 million.

Despite that current liability increased higher than current asset, the Company maintained a solid liquidity position. Refer to the company's current ratio at 1.93 times, up from the same period of previous year which was 1.31 times (Key Financial Ratios- Appendix 1). Moreover, the Company generated sufficient cash flow to cover interest proven by EBITDA Interest coverage ratio in Q2/2014 was 10.01 times, up from the same period of previous year which was 1.48 times.

Equity

-Equity attributable to owners of the Company was Baht 6,932.3 million, increasing from 31 December 2013 by Baht 77.8 million mainly from comprehensive income incurred in the Q1/2014 and Q2/2014.Considering target continuous growth of real estate business while equity attributable to owners of the company increased relatively to company performance, the Company has set an internal financial policy to control and monitor leverage ratio. Total debt to equity ratio is targeted at below 1.75 times while interest-bearing debt to equity ratio is targeted at below 1.5 times. As of 30 June 2014, total debt to equity ratio was at 1.23 times while interest-bearing debt to equity ratio was at 0.84 times, complied with internal financial policy.

- Non-controlling interest was Baht 3,280.2 million, increasing from 31 December 2013 by Baht 827.4 million or 34%. 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 2014 operation performance in amount of Baht 212.1 million.

3. Consolidated statements of cash flows

	For the period of Six month	
Unit: Million Baht	**30 June 2014**	**30 June 2013**
Cash flows from operating activities-before changes in operating assets and liabilities	302.7	110.1
Net cash used in operating activities	(2,040.3)	(2,186.2)
Net cash provided by operating activities	940.2	(11.7)
Net cash provided by financing activities	1,015.8	1,648.3
Net increase in cash and cash equivalent-net	**(84.3)**	**(549.5)**
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	**413.3**	**552.1**

Cash flows from operating activities before changes in operating assets and liabilities were Baht 302.7 million, derived from cash flows from operations for the period ended 30 June 2014, which came from net profit for the period, and non-cash item adjustments from depreciation and deferred items.

Net cash used in operating activities after changes in operating assets and liabilities was Baht 2,040.3 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 2,506 million, which was regarded as operating assets. Another significant change in operating activity was the adjustment of gain on sale asset in amount of Baht 419.4 million.

Net cash provided by investing activities was Baht 940.2 million, mainly derived from divestment of investment properties and non-current assets held for sale amounting to Baht 1,083.8 million and dividend received Baht 12.24 million. While the company paid for new acquisition of property, plant and equipment investment properties and prepaid rental expenses amounting to Baht 119.8 million.

Net cash provided by financing activities was Baht 1,015.8 million, mainly derived from increase of borrowing from financial institutions amounting to Baht 1,518 million and losses of interest in subsidiary amounting to Baht 615.3 million offsetting with repayment long term loan , interest payment and dividend payment in amount of Baht 672.1 million, Baht 184.9 million and Baht 95.59 million respectively.

Net Cash and cash equivalent at end of the period was Baht 413.3 million, decreasing from the beginning of the period which was Baht 497.5 million.

In summary for Q2/2014, the Company has shown stronger operating results and solid financial position proven from higher profitability ratio, liquidity ratio and increase cash flows compare with the same period of previous year (Q2/2013) due to improved revenue recognition from low-rise real-estate projects and due to sale of non-core assets. Considering that political situation that will return to normal together with improving consumer confidence index, the company has prepared a marketing plan to capture and stimulate demand in high-rise projects in order to achieve revenue target.

Please be informed accordingly.

Yours sincerely,

(Mr. Worawat Srisa-an)
President

Appendix 1- Key Financial Ratios

Key Financial Ratios Summary	Unit	Q2/2014	Q2/2013
Liquidity Ratio			
Current Ratio	times	1.93	1.31
Quick Ratio	times	0.16	0.18
Profitability Ratio			
Gross Profit/Revenue	%	23.7%	13%
EBITDA/Revenue	%	50.4%	18%
EBIT/Revenue	%	33.4%	-16%
Net Profit/Revenue	%	26.0%	-24%
ROA *	%	2.9%	-1%
ROE *	%	6.7%	-3%
Debt Structure Ratio			
D/E ratio	times	1.23	1.34
IBD/E ratio	times	0.84	0.82
EBIT Interest Coverage (times)	times	6.64	-1.34
EBITDA Interest Coverage (times)	times	10.01	1.48

* Annualized