Ref. UV No. 043/2555
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9 Aug 2012

Subject: Explanation on Financial Statements of the 2nd quarter of the year 2012

Dear: Mr. President
The Stock Exchange of Thailand

We, Univentures Public Company Limited ("the Company") refer to our reviewed financial statements of the 2nd quarter of the year 2012 and the financial statements of the same period of last year. Profit attributable to the owners of the Company for the three -month period ended 30 June 2012 shown in our consolidated financial statements of the 2nd quarter of the year 2012 being Baht 167.9 million was increased by Baht 144.1 million, or 605% as compared with that of the same period of previous year.

The Company would like to explain the consolidated operating result and financial position as of 30 June 2012 as follows:

1. Consolidated statements of comprehensive income

The consolidated statements of comprehensive income for the three-month period ended 30 June 2012 (Q2/2012) as compared with that of the same period of previous year ended 30 June 2011 (Q2/2011).

Unit : Million Baht	Q2/2012	Q2/2011	Increased (Decreased)	%
Revenue from sale of goods, rendering of services and rental	1,092.0	637.8	454.2	71%
Cost of sales of goods, rendering of services and rental	867.4	504.0	363.4	72%
Gross profit	224.6	133.8	90.8	68%
Gain on rental under finance lease contract	146.5	-	146.5	100%
Selling and administrative expenses	121.4	83.1	38.3	46%
Operating profit	249.7	50.7	199.0	393%
Other income	19.1	4.9	14.2	290%
Earning before financial costs and income tax expense	268.8	55.6	213.2	383%
Finance costs	32.4	3.1	29.3	945%
Income tax expense	11.3	9.4	1.9	20%
Profit for the period	225.1	43.1	182.0	422%
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive income for the period	225.1	43.1	182.0	422%
Profit attributable to:				
Owners of the Company	167.9	23.8	144.1	605%
Non-controlling interests	57.2	19.3	37.9	196%

1.1 Revenue from sale of goods, rendering of services and rental in Q2/2012 were Baht 1,092.0 million, increasing by Baht 454.2 million or 71% from Q2/2011 because

<u>Real estate business</u>

- Condominium

  The revenue in Q2/2012 was Baht 867.2 million which increased by Baht 519.1 million from the same period of last year. The increase of the revenue came from the recognition income of 440 units, from U Delight @ Onnut station in the total of 434 units, U Delight @ Huakwang station and U Delight @ Jatuchak station in the total of 4 and 2 units, respectively, as compared with total 170 units in the same period of last year.

- Office rental

  The Company has rental income from Park Ventures Ecoplex, the office grade "A" building and 5 stars hotel totalling 34 floors which completed in September 2011. The Company recognized the income from renting its office building of Baht 27.0 million resulted from average occupancy rate of 43%. As at 30 June 2012, there were new customers who already signed rental contracts with deposits paid but have not moved in of 28% occupancy rate; therefore, total office occupancy rate as at 30 June 2012 was 71%.

Zinc Oxide business

The sale from Zinc Oxide operational business of Baht 186.5 million, a decreased by Baht 88.7 million or 32% from Q2/2011 because of the decrease in Zinc Oxide price in the world market. It was the same direction as zinc ingot price in the world market also decreasing around USD 326 per metric ton.

1.2 The gross profit was Baht 224.6 million, increasing from Q2/2011 by Baht 90.8 million or 68% due mainly to the increase of gross profit from condominium business by Baht 130.5 million.

1.3 Gain on rental under finance lease contract, during the Q2/2012, the Company has transferred the lease space for the operation of a hotel business for a period of 30 years to TCC Luxury Hotels and Resort Co., Ltd. (lessee) and the Company already received remuneration of Baht 1,476 million. According to Thai Accounting Standard No. 17 (revised 2009) : Lease, this rental agreement is classified as financial lease because it transfers substantially all the risks and rewards of the asset incidental to ownership to lessee and the title may or may not eventually be transferred. Thus, the Company recognized revenue from rental under financial lease contract of Baht 1,001.8 million with relevant cost of rental under finance lease contract of Baht 855.3 million at transfer date resulting in having gain on rental under finance lease contract of Baht 146.5 million which is one time off. For the remaining rental received in advance of Baht 474.5 million, the Company will amortize it as income throughout 30-year period.

1.4 Selling and administrative expenses were Baht 121.4 million, increasing by Baht 38.3 million or 46% from Q2/2011 due to an increase of transfer fee and special business tax expenses from condominium business by Baht 21.8 million resulted from the increase of revenue recognition of the condominium business. In addition, an increase of administrative expenses for the rental office building, Park Venture Ecoplex of Baht 11.0 million caused by its completion at the end of Q3/2011.

1.5 Other income was Baht 19.1 million, increasing by Baht 14.2 million from Q2/2011 mainly because of net insurance claim from flooding, amounting to Baht 6.8 million.

1.6 Financial costs were Baht 32.4 million, increasing by Baht 29.3 million or 945% from Q2/2011 mainly from additional loan for Park Venture Ecoplex Project.

1.7 Income tax expense was Baht 11.3 million, increasing by Baht 1.9 million or 20% mainly caused by the increase of earnings before tax, comparing to earnings of the same period of last year.

1.8 Profit for the period was Baht 225.1 million, increasing by Baht 182.0 million or 422% from Q2/2011 mainly due to the increase in profit from sale of units in condominium business and revenue recognition from rental under financial lease contract.

1.9 Total comprehensive income attributable to owners of the Company was Baht 167.9 million (or Baht 0.22 per share), increased by Baht 144.1 million or 605% from Baht 23.8 million (or Baht 0.031 per share) in Q2/2011.

2. Consolidated statements of financial position

The comparative of consolidated statements of financial position as of 30 June 2012 and 31 December 2011.

(Presented only significant items)

Unit : Million Baht	**30 June 2012**	**31 December 2011**	**Increased (decreased)**	**%**
Assets				
Properties under development	2,593.4	2,714.4	(121.0)	(4%)
Total current assets	3,969.3	3,891.4	77.9	2%
Investment properties	2,114.9	2,078.5	36.4	2%
Property, plant and equipment – net	571.1	545.0	26.1	5%
Total assets	7,013.1	6,872.0	141.1	2%
Liabilities				
Short-term loan from financial institution	975.3	357.0	618.3	173%
Current portion of long-term loans from financial institutions	508.4	721.6	(213.2)	(30%)
Current portion of rental received in advance from related party	16.0	886.7	(870.7)	(98%)
Total current liabilities	2,258.5	2,609.9	(351.4)	(13%)
Long-term loans from financial institutions	1,671.1	1,429.5	241.6	17%
Rental received in advance from related party	455.4	453.3	2.1	0.5%
Total non-current liabilities	2,297.9	2,029.4	268.5	13%
Total liabilities	4,556.4	4,639.3	(82.9)	(2%)
Equity attributable to owners of the Company	1,966.6	1,812.1	154.5	9%
Non-controlling interests	490.1	420.6	69.5	17%
Total equity	2,456.7	2,232.7	224.0	10%
Total liabilities and equity	7,013.1	6,872.0	141.1	2%

2.1 Assets

As of 30 June 2012, the assets of the Company amounted to the total of Baht 7,013.1 million, an increase of Baht 141.1 million from that of the end of 2011, or 2 %. Main reasons are:

- Current assets increased by Baht 77.9 million, or 2%, mostly came from an increase of cash and cash equivalents by Baht 35.0 million and an increase of other receivables, amounting to Baht 60.0 million from insurance reimbursement.
- An increase of investment properties, amounting to Baht 36.4 million or 2%, was mainly for additional work required for the office building, Park Ventures Ecoplex during the period.

2.2 Liabilities

As at 30 June 2012, the Company had the total liabilities of Baht 4,556.4 million, a decrease of Baht 82.9 million, or 2%, from that of the end of 2011, being of current liabilities of Baht 351.4 million, or 13%, mostly from a decrease of current portion of rental received in advance from a related party of Baht 870.7 million resulted from the transfer of lease space for the operation of a hotel business to TCC Luxury Hotels and Resort Co., Ltd. Besides, non-current liabilities increased by Baht 268.5 million because of loan withdrawal during the period, amounting to Baht 242.0 million.

2.3 Equity attributable to owners of the Company

As at 30 June 2012, the equity attributable to owners of the Company amounted to Baht 1,966.6 million, an increase of Baht 154.5 million, or 9% from that of the end of the 2011, net from the operation result attributable to owners of the Company of 200.4 million and dividend payment of Baht 45.9 million.

Non-controlling interests increased by Baht 69.5 million, or 17% from that of the end of the 2011, net from the operation result attributable to non-controlling interests and dividend payment of Grand Unity Development Co., Ltd., a subsidiary.

3. Consolidated statements of cash flows

The consolidated statement of cash flows of the Company for the six-month period ended 30 June 2012 showed an increase of net cash of Baht 35.0 million, whereby the Company had net cash at beginning of the period brought forward from 2011 of Baht 237.7 million, resulting in the net cash at end of the period amounting to Baht 272.7 million. Details of cash flows of each activity are as follows;

	Million Baht
Cash flows from operating activities- before changes in operating assets and liabilities	496.0
Net cash used in operating activities	(294.8)
Net cash used in investing activities	(171.2)
Net cash provided by financing activities	501.0
Net increase in cash and cash equivalents - net	**35.0**
Cash and cash equivalents at beginning of period - net	237.7
Cash and cash equivalents at end of period - net	**272.7**

Cash flows came from operating activities before changes in operation assets and liabilities amounted to Baht 496.0 million, being actual cash flow derived from entire operations of the six-month period ended 30 June 2012, which came from net profit for the period, and non-cash item adjustments from depreciation and deferred items.

Net cash used in operating activities amounted to Baht 294.8 million, which came from cash flow derived from operations and adjusted by changes in operating assets and liabilities, whereby important items came from spending in real estate project under development of Baht 734.6 million, which was regarded as operation assets and shown as part of current assets.

Net cash used in investing activities amounted to Baht 171.2 million, mostly being investments in investment properties of Baht 107.1 million. In addition, the Company invested in its fixed assets of Baht 77.0 million.

Net cash provided by financing activities amounted to Baht 501.0 million, mostly being loans from banks for investments in real estate development projects of community mall and condominium.

In summary, the Company has strong financial position, whether it is in term of liquidity, ratio of debts to shareholders' equity, and rate of returns to shareholders.

Please be informed accordingly,

Yours sincerely,

(Mrs. Ornruedi Na-Ranong)
President