

Notification of the Allocation and Subscription Document for New Ordinary Shares

Section 1 Information of the New Ordinary Shares Allocation

1. Date and No. of the shareholders' meeting at which a resolution was passed for the allocation of newly issued ordinary shares

The rights offering of new ordinary shares to the existing shareholders was approved by the Annual General Shareholders' Meeting for the year 2011 held on April 21, 2011.

2. Details of new ordinary shares allocation

According to the Annual General Shareholders' Meeting for the year 2011 of Grande Asset Hotels and Property Public Company Limited, held on April 21, 2011, resolved for the Company to increase 1,750,266,667 new ordinary shares. Whereby the Company has authorized to allot 500,266,667 new ordinary shares for right offering to the Company's existing shareholders at a ratio of 9 existing shares to 2 new shares (Any fraction of shares shall be discarded) at an offering price of Baht 1.00 per share. And the Executive Committee No.39/2011, held of 26 September, 2011 fixed the record date for the names of shareholders entitled to subscribe for new ordinary shares on October 11, 2011 and the names of entitled shareholders will be gathered pursuant to Section 225 of Securities and Exchange Act B.E. 2535 by means of closing the share register on October 12, 2011. The share subscription period is scheduled to be during on October 25-28, 2011 and October 31, 2011 (total 5 business days) during 9.00 AM- 4.00 PM.

Type of the new shares	:	Newly issued ordinary shares
Registered Capital (as of April 28, 2011)	:	Baht 3,001,466,667 with a par value of Baht 1.00 per share, divided into - Ordinary shares 3,001,466,667 shares - Preferred shared - Shares
Paid-up capital	:	Baht 2,251,200,000 with a par value of Baht 1.00 per share, divide into - Ordinary shares 2,251,200,000 shares - Preferred shared - Shares
Paid-up capital after capital increase (in case the new Shares are fully subscribed)	:	Baht 2,751,466,667 with a par value of Baht 1.00 per share, divide into - Ordinary shares 2,751,466,667 shares - Preferred shared - Shares
Allocation method	:	The shares shall be allocated on a pro rata basis at a ratio of 9 existing shares to 2 new shares (Any fraction of shares will be discarded) to existing shareholders whose names appeared in the shareholder register as of the book closing date on October 12, 2011 The shareholders may subscribe for the shares in excess of their rights and pay for the ordinary shares for the amount in excess of their entitlements, together with the subscription and payment of the ordinary shares.
Number of shares allocated	:	500,266,667 shares
Subscription ratio	:	9 existing shares to 2 new shares

(In the calculation of subscription rights for each shareholder, the fractions of shares from such calculation (if any) shall be discarded.)

Offering price per share : Baht 1.00

In case whereby the existing Shareholders have not subscribed all of the said allotted ordinary shares or there are remaining unsubscribed shares in any case whatsoever, the said remaining shares shall be allotted and offered to the existing Shareholders, who have subscribed and made payment for the ordinary shares for the amount in excess of their entitlements, together with the subscription and payment of the ordinary shares, at the price of 1 Baht per share which is the same offering price, whereby the Executive Committee and/or the authorized directors of the Company are authorized to consider the allotment and offer of the said remaining shares to the existing Shareholder, who have subscribed and made payment for the ordinary shares for the amount in excess of their entitlements, under the following criteria and conditions:

(a) In case the number of the ordinary shares as subscribed by the existing Shareholders for the amount in excess of their entitlements aforesaid is more than the number of the remaining shares, the allotment of the said remaining shares shall be made to the existing Shareholders who have subscribed the shares for the amount in excess of their entitlements in proportion to the number of shares subscribed by each Shareholders who subscribed for the amount in excess of his/her entitlements. If there is any fraction of ordinary shares as computed from the said allotment, it will be disregarded.

Provided that the Company shall return the subscription money without interest for the amount covering the unallocated additional number of the ordinary shares of the relevant existing Shareholders within 14 days from the closing date for the subscription.

(b) In case the number of the ordinary shares as subscribed by the existing Shareholders for the amount in excess of their entitlements is less than the number of the remaining ordinary shares, such remaining ordinary shares shall be allotted to all those existing Shareholders who have subscribed the shares in excess of their entitlements and paid for the subscription price in proportion until no existing Shareholders wish to subscribe the said shares anymore.

(c) In case there are still unsubscribed shares remaining after the allotment mentioned in (a) and (b) above, the above remaining shares shall be allotted and offered to investors in private placement and/or institutional investors categorized under the Notification of the Capital Market Supervisory Board No. Tor. Jor. 28/2551 re: the Application and Permission for Offering Newly Issued Shares, whereby such persons are not connected persons of the Company. The Executive Committee and/or the authorized director(s) shall have the authority to consider the allotment and offer in entirety or in portion for offering in lots from time to time as deemed appropriate, at the price not less than that as offered to the existing Shareholders above.

3. Record Date for the names of shareholders entitled to subscribe for new ordinary shares

The Record Date for the names of shareholders entitled to subscribe for new ordinary shares is set to be on October 11, 2011 and the names of entitled shareholders will be gathered pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 by means of closing of the share register on October 12, 2011.

4. Share subscription and payment schedule

October 25-28, 2011 and October 31, 2011 (total 5 business days) during 9.00 AM. – 4 PM. at the head office of the Company, as detailed below:

Grande Asset Hotels and Property Public Company Limited
Accounting and Financial Department

Unit 3203-4, 32nd Floor, Exchange Tower
388 Sukhumvit Road., Klongtoey, Klongtoey, Bangkok 10110
Tel. 0 2204 9900
Fax. 0 2204 9996

5. Objectives of capital increase and plans for utilizing proceeds received from the capital increase.

- 5.1 For use as the investment in the projects of the Company and subsidiaries.
- 5.2 For use as the working capital of the Company and subsidiaries.
- 5.3 To be in accordance with the terms and condition of the lenders.

6. Benefits received by the Company from capital increase/allotment of capital increase shares.

For expansion of capital base of the Company to enhance the strength of the financial status of the Company, which will result in a lower financing cost of the Company in the future, as well as complying with the terms of loans extended to the Company by the lending banks.

7. Benefits received by the Shareholders from capital increase/allotment of capital increase shares.

7.1 Dividend policy

The Company has the policy to pay dividends at not lower than 50% of the net profits after deduction of the annual income tax, provided that the payment of dividends shall also take into consideration of the following factors; such as the financial position, liquidity, expansion of businesses and other related factors in the administration of the Company. The payment of dividend is regicide the approval from the shareholders Meeting and the Board of Directors (in case payment of interview dividends) In addition, payment of dividend as mentioned will be within the framework of the law as set forth for the Company to be able to pay dividend only when there is no deficit balance.

7.2 Subscribers of the newly issued ordinary shares shall be entitled to receive dividends from the Company's business operations when such subscribers are registered as the shareholders of the Company.

7.3 Others: -none-

8. Other details necessary for the shareholders in support of their decision in approval of capital increase/allotment of capital increase shares.

The Company hereby advised the shareholders to additionally study the information memorandum of the Company as attached. And the shareholders are advised to consult their financial advisor (if any) before making any decision in subscription of the capital increase shares in this occasion.

Section 2 Preliminary Information of the Company

1. Name and address of the Company

Name	Grande Asset Hotels and Property Public Company Limited
Address	Unit 3203-4, 32 nd Floor, Exchange Tower 388 Sukhumvit Road., Klongtoey, Klongtoey, Bangkok 10110
TEL.	0 2204 9900
FAX.	0 2204 9996

2. Type of business and nature of operation of the core business of the Company and its subsidiaries

Grande Asset Hotels & Property Public Company Limited (“GRAND”) was established on 21 April 1988. Its current registered capital is Baht 3,001,466,667 and paid-up capital is Baht 2,251,200,000 divided into 3,001,466,667 common shares at par value of Baht 1 per share. The Company engages in two main businesses which are Hotel Business and Property Development Business.

2.1 Hotel Business

The Company’s policy is to select prime locations in tourism area which are convenient for traveling. Moreover, the Company has been choosing world famous hotel management chains that have experiences managing 4-5 star hotels in many countries, such as Starwood and InterContinental, etc. to manage the Company’s hotels. Such hotel management chains will support in seeking customers, suggesting internal management, and internal refurbishing hotel. Details are as follows;

2.1.1 The Westin Grande Sukhumvit Hotel

The hotel is 5-star, located on Soi Sukhumvit 19 closed to Asoke BTS station. The Westin Grande Sukhumvit Hotel is managed under “Westin®” brand by Starwood Hotels & Resorts Worldwide, Inc. who experiences in managing 5-star hotel and owns hotel in Starwood Hotels & Resorts chain.

2.1.2 Sheraton Hua Hin Resort and Spa

The hotel is 5-star located along Hua-Hin beach in Prachuab Khiri Khan province. Sheraton Hua Hin Resort and Spa is under brand “Sheraton Hotels & Resorts” of Starwood chain

2.1.3 Crowne Plaza Sukhumvit Hotel

The hotel is located on Soi Sukhumvit 27 between Asoke and Promphong BTS stations, The Hotel is under construction. InterContinental, 4-5 star hotel chain experiencing in managing hotels and owning more than 3,800 hotels in 100 countries across the world is contracted to manage Crowne Plaza Sukhumvit Hotel under brand “Crowne Plaza”.

2.1.4 Luxury Hotel on Sukhumvit soi 13

The hotel is located on Sukhumvit 13, 100 meters away from Nana BTS station. The Hotel is under construction.

2.1.5 Luxury beachfront hotel in Pattaya

The hotel is located on Jomthien beach in Pattaya, Chonburi province. The construction of the Project is currently suspended.

2.2 Property Development Business

The Company has a policy to develop only projects in community center or Central Business District (CBD) where they are convenient for traveling. Its 4 projects are as follows;

2.2.1 Hua Hin Blue Lagoon Resort

The resort, located in Prachuab Khiri Khan province, is divided into 2 parts which are Blue Lagoon Condominium Project and Island Villas Project, next to Sheraton Hua Hin Resort and Spa. Such project provides Swimming Lagoon ambient where swimming pool is imitated large lake surrounded every single condominium and villa. The property has a few remaining housing and condominium units available for sales with immediate transfer of ownerships.

2.2.2 The Trendy Condominium

The project, located in Soi Sukhumvit 13, 70 meters away from Sukhumvit Road, consists of 3 parts which are condominium, office, and shopping plaza. The project has already been completed and most of the units have been transferred to buyers.

2.2.3 Luxury Condominium on Sukhumvit Road

The project, located at the corner of Sukhumvit Road and Soi Sukhumvit 13, nearby the Company's luxury Hotel. The Project is under construction. Total project selling value is approximately Baht 4,000 millions.

2.2.4 The Sails Condominium

The project is located on Sukhumvit Road on Jomtien Beach, Pattaya, Chonburi province. Total project selling value is approximately Baht 1,500 millions. The construction work was completed only 8% and it is under suspension now.

Two subsidiaries of the Company are as follows;

1) Honor Business Company Limited

Honor Business Company Limited, wholly owned by the Company, owns and operates the Sheraton Hua Hin Resort and Spa Hotel Project. Its current registered and paid-up capital is Baht 500 millions.

2) Grande Equity Development Company Limited

Grande Equity Development Company Limited, wholly owned by the Company, develops Hotel and Condominium Projects in Pattaya. Its current registered and paid-up capital is Baht 250 million.

2.3 Asset of the Company and its Subsidiaries

The assets of the Company and its subsidiaries can be divided into two parts:

2.3.1 Cost of Real Estate Development

Book values of the cost of real estate development as of June 30, 2011 are follows:

Cost of Real Estate Development	Book Value (Million Baht)	
	Consolidated	The Company only
Land	1,252.86	1,165.24
Building	550.50	550.50
Construction and development cost	2,946.14	2,790.53
Capitalised interest	669.03	669.03
Less : Accumulated amount which are transferred to cost of sales	(3,765.51)	(3,765.51)
Less : Allowance for impairment of assets	(14.90)	-
Cost of real estate development - net	1,638.12	1,409.79

2.3.2 Property, Plant and Equipment

Book value of the property, plant and equipment as of June 30, 2011 are as follows:

Unit: Million Baht

Property, Plant and Equipment	Consolidated	The Company only	Subsidiary
Land	1,334.66	963.29	371.37
Hotel	1,393.76	502.68	891.08
Building improvements	3.39	-	3.39
Construction in progress	1,715.89	1,657.43	58.46
Equipment and furniture	78.41	15.15	63.26
Operating equipment	73.79	32.83	40.96
Office equipment	12.33	9.06	3.27
Vehicles	9.31	7.94	1.37
Mockup room	0.15	0.15	-
Total	4,621.69	3,188.53	1,433.16

3. Industrial Outlook and Competitive Environment

3.1 Hotel Business

The tourism industry in Thailand had been negatively impacted from the financial crisis in USA, the world economic slowdown and the prolonged political instability in Thailand, resulting in the decreasing number of tourists visiting in Thailand during the past year 2008 – 2009. Although the government has implemented the Stimulus Packages to assist Thai economy by having the tourism campaigns, the political turmoil, had resulted in lack of confidence and safety of the tourists visiting to Thailand. During the first 6-month period of 2010, tourism industry had improved, which resulted in the minor increase of occupancy rate from 2009 (Source: Hotelworks, Asset Management and Hospitality Consulting) as a result of the world economic recovery, However, the tourism industry in Thailand, has improved in the last 6 months of 2010 due to the normal domestic situation. This can be seen from the year 2010. Foreign tourists, increased by 1,691,842 in 2009, representing 11.96 per cent on average with 9.22 days of stay in average. And the average spending was 3,992.60 Baht/ day, which resulted in revenues from tourism at Baht 585,961,800,000. The amount of foreign tourist arrivals in 2011 is expected to continue growing at the rate of 4.4 to 5.0 percent, or about 16.5 to 16.6 million tourists (information from the Department of Tourism Ministry of Tourism and Sports).

3.2 Real Property Business

The real property business has performed well since 2009 from the continued growing volume of condominium unit sales, following a launch of plenty new projects. The Housing Business Association expects the sales growth of real property business in 2011 will be the same as 2010 due to the negative impact from the world economic slowdown and the negative political climate will probably deteriorate the investment atmosphere and lessen the confidence of condominium unit buyers. However, from the survey of the Housing Business Association, it is shown that the demand for Bangkok condominium unit has increased from previously 10% in 2010 to 40%. In addition, the positive impact from signing AFTA, which benefited from the migrated middle-income foreigners in 2011, will cause a higher demand of house, condo, and apartment in the next 4-5 years. On the other hand, the possible trend of rising interest rate will be another key factor of which buyer should carefully consider before making a decision to buy a property. Consequently, from all aforementioned factors, the Company is growing more confident regarding the positive trend of real property business which is expect to continue growing not less than 2-3 years.

4. Information Regarding the Board of Directors, the Management and 10 Largest Major Shareholders

4.1 List of the Board of Directors

As of September 30, 2011, the Board of Directors comprises of 11 members as listed below:

1. Mr. Watcharakiti Watcharothai	Chairman
2. Mr. Wichai Thongtang	Director
3. Mr. Suradej Narula	Director
4. Mr. Amarin Narula	Director
5. Mr. Vitavas Vibhagool	Director
6. Mr. Asawin Rakmanusa	Director
7. Mr. Praveen Benjasmithyodhin	Director
8. Ms. Phornsiri Manoharn	Independent Director
9. Mr. Banlue Chantadisai	Chairman of the Audit Committee/ Independent Director

- | | |
|-------------------------|--|
| 10. Dr Kanit Sangsubhan | Audit Committee / Independent Director |
| 11. Mr. Amarit Pansiri | Audit Committee / Independent Director |

Authorized Directors

Mr. Watcharakiti Watcharothai or Mr. Asawin Rakmanusa can sign jointly with Mr. Vitavas Vibhagool, totaling two directors and affixing the Company seal; or Mr. Watcharakiti Watcharothai or Mr. Vitavas Vibhagool can sign jointly with Mr. Suradej Narula or Mr. Amarin Narula, totaling two directors and affixing the Company seal.

4.2 List of Executives Boards and Management team

As of September 30, 2011, the Management comprises of 10 members as listed below.

- | | |
|------------------------------------|---|
| 1. Mr. Wichai Thongtang | Chairman of Executive Director |
| 2. Mr. Vitavas Vibhagool | Executive Director |
| 3. Mr. Amarin Narula | Executive Director |
| 4. Mr. Suradej Narula | Executive Director |
| 5. Mr. Asawin Rakmanusa | Executive Director |
| 6. Dr. Noppadol Mingchinda | Chief Executive Officer |
| 7. Mr. Charnwit Trakarnvattanavong | Chief Financial Officer |
| 8. Mr. Serbsakul Prasert | Executive Vice President – Legal Affairs |
| 9. Mr. Pheeraphon Nonhasoot | Executive Vice President—Marketing&
Business Development |
| 10. Ms. Tipaporn Panitpong | Chief Operating Officer |

4.3 List of Major shareholders

As of September 30, 2011, the major shareholders of the Company are as follows:

<u>Rank</u>	<u>Major shareholders</u>	<u>No. of shares</u>	<u>%</u>
1.	Metro Premier Holding Co., Ltd	793,674,912	35.25
2.	Sino Cavalier Limited	400,000,000	17.77
3.	Citynet Asia Limited	300,000,000	13.33
4.	Triple Growth International Limited	300,000,000	13.33
5.	Miss. Saranya Chaichutaporn	99,289,334	4.41
6.	Mr. Suradej Narula	61,139,700	2.72
7.	CREDIT SUISSE SINGAPORE BRANCH	31,436,469	1.40
8.	HSBC PRIVATE BANK (SUISSE) SA, SINGAPORE BRANCH	28,911,394	1.29
9.	Mr. Luck Narula	24,000,000	1.07
10.	Mr. Surin Narula	24,000,000	1.07

5. History of Dividend Payment for the Past Three Years

The Company did not increase the capital and pay any dividend during the past three years due to the negative retained earnings, as legally prohibited.

Section 3

Financial Position and Results of Operation

1. Summary of Financial position

The Company's financial statements for year 2008-2010 as of December 31, 2008-2010 were audited by Ms. Siraporn Ouaanunkun who has Certified Public Accountant (Thailand) no. 3844 and works for Ernst & Young Office Limited, an independent auditor approved by the Securities and Exchange Commission, Thailand together with its' interim financial statements for 6 months period as of June 30, 2011 were reviewed by Mr. Supachai Phanyawattano who has Certified Public Accountant (Thailand) no. 3930 and works for Ernst & Young Office Limited, an independent auditor approved by the Securities and Exchange Commission, Thailand. The auditor express to the financial statements that present fairly, in all material respects and in accordance with generally accepted accounting principles except for the possible impact of the court case that the Company had breached the land agreement on which the Company's hotel is situated as mention below in paragraph a) that the auditor is unable to assess due to a limitation imposed by circumstance and draw attention without further qualified opinion in paragraph b) and c) as below;

- a) On 6 August 2010, the Phrakhanong Provincial Court announced its judgment on the lawsuit in which one of the landlords (the Plaintiff) brought a claim against the Company for a breach of the lease agreement for the land on which the Company's hotel is situated. The Court passed its judgment that the Company had breached the terms of the lease agreement, entitling the Plaintiff to legally terminate the agreement, with the hotel building to become the property of the Plaintiff pursuant to the term of the lease agreement. Furthermore, the Company was ordered to deregister the lease under the agreement and to release the hotel building from mortgage to a local bank. Subsequently, on 2 September 2010, the Company submitted to the Court of Appeal an appeal against the said judgment of the Court of First Instance and a petition for stay of execution requesting a stay of execution in accordance with the said judgment until a final judgment of the Court of Appeal or the Supreme Court shall have been reached. Subsequently, the Plaintiff filed an answer to the appeal on 26 October 2010. In addition, on 1 October 2010 the Plaintiff also filed an appeal against the judgment of the Court of First Instance in relation to damages by asking the Court of Appeal to award damages to the Plaintiff at the rate of Baht 500,000 per day commencing from the date following the date of judgment of the Court of First Instance until the date of the Company delivers the hotel building to the Plaintiff. Subsequently, the Company filed an answer to the appeal on 15 December 2010. The appeal is currently pending the consideration of the Court of Appeal. As for the petition for stay of execution, the Company's management believes that the Court of Appeal will consider and reach the decision within 2011. The net book values of the hotel building on leasehold land, equipment and furniture used in operation of the hotel, investment properties and the leasehold rights as at 30 June 2011 totals approximately Baht 650 million. I was unable to apply audit procedures to satisfy myself as to the impact of this matter since the appeal is currently pending the consideration of the Court of Appeal.
- b) A subsidiary temporarily suspended sales and construction activities of its project, of which construction had just started. The Company and its subsidiaries are currently seeking additional funding to complete the construction on this project. As at 30 June 2011, the costs of development of the project are Baht 228 million (31 December 2010: Baht 228 million). The recoverable value of the project and the value of the investment in the subsidiary depend on whether adequate funding can be obtained to complete the project construction.

- c) In April 2011, a complaint was filed against the Company as joint defendants for damage allegedly caused by wrongful acts of the Company and joint defendants against the plaintiffs in relation to the sale of the Company's debentures. The plaintiffs have claimed for compensation and the plaintiffs have also asked the Court to revoke the sale of the debentures and order the release, transfer or disposal of the collateral for the debentures, as well as to revoke the entire debt restructuring agreement entered into by the Company and to revoke the credit facilities extended to the Company by the two local banks. The plaintiffs claim that the Company is jointly responsible for the said damages. Subsequently, on 1 July 2011, the plaintiff submitted a motion to withdraw the lawsuit against the Company and some other defendants, and on 19 July 2011, submitted a motion to withdraw the lawsuit against the remaining defendants. The plaintiff also stated to the Court that the plaintiff would not submit another lawsuit against the Company and the defendants. The Court granted the motion to withdraw the lawsuit against the Company and other defendants and disposed of the case from the Court file. The Court also ruled that the plaintiff not be permitted to resubmit a lawsuit against the Company and the other defendants.

2. Summary of Financial Status and Operating Performance of the Company and its subsidiaries during the past three years

Financial Summary Table

Unit : Million Baht	Consolidated				The Company only			
	1H 2011	2010	2009	2008	1H 2011	2010	2009	2008
Balance Sheet								
Total Assets	6,766	6,681	6,863	7,341	7,337	7,145	7,561	7,583
Current Assets	1,873	1,618	1,747	2,041	2,210	1,891	1,437	1,662
Non-Current Assets	4,894	5,063	5,116	5,299	5,126	5,254	6,124	5,921
Total Liabilities	6,117	5,791	6,706	6,639	5,992	5,642	6,545	6,248
Current Liabilities	3,520	3,203	1,183	1,106	3,399	3,055	1,022	716
Non-Current Liabilities	2,597	2,588	5,523	5,534	2,592	2,588	5,522	5,532
Shareholders' Equity	649	890	157	701	1,345	1,503	1,016	1,335
Issued and fully paid capital	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251
Premium on ordinary shares	718	718	718	718	718	718	718	718
Retained Earnings (Losses)	(1,319)	(1,079)	(1,812)	(1,268)	(624)	(466)	(953)	(634)
Profit and Loss Statement								
Total Revenue	423	726	633	1,869	328	554	486	1,693
Revenue from Hotel Operations	381	681	671	853	176	386	408	555
Revenue from sales of real estate	20	6	(80)	960	75	6	(80)	960
Rental income	10	18	17	17	8	17	16	17
Other income	12	21	24	39	69	146	142	160
Expenses	481	906	779	1,840	292	529	407	1,424
Cost of Hotel Operations	140	266	261	295	83	154	158	177
Cost of sales of real estate	12	(4)	(126)	741	12	(4)	(126)	741
Selling and Administrative Expenses	228	439	432	552	157	298	289	392
Other Expenses	101	205	213	252	40	81	87	113
Gross Profit	249	424	457	777	156	241	297	597
Gross Profit from Hotel Operation	241	415	411	559	93	232	250	378
Gross Profit from Real estate Operation	8	9	46	219	63	9	46	219
Net Profit (Losses)	(212)	733	(544)	(253)	(134)	487	(319)	(14)
Statement of Cash Flow								
Cash Flow from Operating Activities	17	(111)	(297)	1,106	23	(138)	(149)	1,258
Cash Flow from investment Activities	71	(160)	(35)	(315)	74	(35)	(180)	(375)
Cash Flow from Financing Activities	(116)	167	(3)	(756)	(116)	167	(3)	(864)
Net Cash Flow at end of period	45	73	178	512	29	49	141	473

Financial Ratios Table

Financial Ratios	Consolidated				The Company only			
	1H 2011	2010	2009	2008	1H 2011	2010	2009	2008
Liquidity Ratio (Times)	0.53	0.51	1.48	1.85	0.65	0.62	1.41	2.32
Debt to Equity Ratio (Times)	9.42	6.51	42.77	9.47	4.46	3.75	6.44	4.68
Gross Profit Margin (%)	62%	62%	77%	43%	62%	62%	90%	39%
Gross Profit Margin – Hotel (%)	63%	61%	61%	65%	53%	60%	61%	68%
Gross Profit Margin – Property (%)	40%	162%	-58%	23%	84%	162%	-58%	23%
Net Profit Margin (%)	-50%	101%	-86%	-14%	-41%	88%	-66%	-1%
Book Value per Share (Baht/Share)	0.52	0.71	0.13	0.56	1.07	1.20	0.81	1.07
Net Profit per Share (Baht/Share)	(0.17)	0.59	(0.43)	(0.20)	(0.11)	0.39	(0.25)	(0.01)

Analysis of the Company’s Operating Performance and Financial Status

Operating Performance

Revenues

For the first half of 2011, the Company had total revenues of Baht 423.02 million, increased of Baht 9.05 million or increased by 2% from the same period of 2010. Major revenues of the Company, accounting for 90% of total revenues were from the revenues from hotel operations which generated Baht 381.10 million, increased of Baht 59.20 million or increased by 18% from the same period of 2010, due to the rate of admission of foreign tourists in the Group’s hotel business increased. In addition, the revenues from sales of real estate of Baht 20.00 million decreased of Baht 54.94 million or decreased by 73% from the same period of 2010 due to the less of sales and ownership transfer to condo buyers as compared as the same period of 2010.

In 2010, the Company had total revenues of Baht 725.97 million, increased of Baht 93.25 million or increased by 15% from 2009. Major revenues of the Company, accounting for 94% of total revenues were from the revenues from hotel operations which generated Baht 681.32 million, increased of Baht 10.04 million or increased by 1% from 2009, due to the recent social unrest and political uncertainty event in the country incurred during the past. This factor affects the rate of admission of foreign tourists in the Group’s hotel business to be non-achievable its’ target and also decrease as compared to the last year. . In addition, the revenues from sales of real estate of Baht 5.74 million, increased by 107% from 2009 due to decrease of termination on sales contracts that requested by customers.

In 2009, the Company had total revenues of Baht 632.72 million, decreased of Baht 1,236.30 million or decreased by 66% from 2008. This was mainly due to the revenues from hotel operations of Baht 671.33 million or 106% of total revenues, decreased of Baht 181.97 million or decreased by 21% from 2008. Such decrease was largely attributed to the domestic political instability as well as the global economic slowdown, resulting in lower occupancy rates of foreign tourists visiting Thailand. In addition, the revenues from sales of real estate of Baht (79.91) million, decreased of Baht 1,039.93 million or decreased by 108% from 2008 due to the Company’s suspension of several construction projects regarding the aforementioned reasons, resulting in a significant number of condominium buyers of projects have returned the units purchase and requested for their deposit refunds.

In 2008, the Company had total revenue of Baht 1,869.02 million, increased of Baht 1,009.02 million or increased by 117% from 2007, which had total revenues of Baht 860.00 million. This was mainly due to the revenues from hotel operations of Baht 853.30 million, increased of Baht 172.65 million or increased by

25% from 2007, which had total revenues from hotel operations of Baht 680.85 million. Such increase of total revenues from hotel operations was due to the opening of new hotel in the mid of August 2007 namely, "Sheraton Hua-hin Resort and Spa", which was a subsidiary of the Company. In addition, the revenues from sales of real estate of Baht 960.02 million, increased of Baht 839.41 million or dramatically increased by 696% from 2008, which had total revenues from sales of real estate of Baht 120.61 million, as a result of more revenue recognitions after the revision for budget reduction of construction costs, resulting in savings in 2 property projects namely, "The Trendy Condominium" and "Hua-hin Blue Lagoon", which had been completed in the second quarter of 2008.

Expenses and Costs of Hotel Operations and Costs of Sales of Real Estate

For the first half of 2011, the Company had total expenses of Baht 481.14 million, increased of Baht 25.75 million or increased by 5% from the same period of 2009. Total expenses were mainly comprised of costs of hotel operations of Baht 140.37 million, which increased of Baht 16.46 million or increased by 13% from the same period of 2009 due to the increased revenue. And cost of sales real estate of Baht 11.93 million, which decreased of Baht 49.66 million or decreased by 81% from the same period of prior year due to the decrease of revenues recognition.

In 2010, the Company had total expenses of Baht 906.24 million, increased of Baht 127.37 million or increased by 16% from 2009. Total expenses were mainly comprised of costs of hotel operations of Baht 266.46 million, which increased of Baht 5.94 million or increased by 1% from 2009, which had total costs of hotel operations of Baht 260.52 million as benefited from the recovery of Thai tourism industry and the global economy. In addition, total expenses were also comprised of costs of sales of real estate of Baht (3.56) million, increased of Baht 122.75 million or increased by 97% from 2009, which had total costs of sales of real estate of Baht (126.31) million. The negative figure was due to the reversal of cost of real estate from a significant number of condominium buyers of projects have returned the units purchase.

In 2009, the Company had total expenses of Baht 778.87 million, decreased of Baht 1,061.55 million baht or decreased by 58% from 2008. Total expenses were mainly comprised of costs of hotel operations of Baht 260.52 million, which decreased of Baht 34.02 million or decreased by 12% from 2008 in relation to the revenue decrease impacted by the domestic political instability and economic slowdown. In addition, total expenses were also comprised of costs of sales of real estate of Baht (126.31) million, which decreased of Baht 867.62 million or decreased by 117% from 2008 due to the reversal of cost of real estate from a significant number of condominium buyers of projects have returned the units purchase as a consequence of the Company's suspension of several construction projects.

In 2008, the Company had total expenses of Baht 1,840.42 million, increased of Baht 186.32 million or increased by 11% from 2007, which had total expenses of Baht 1,654.10 million. Total expenses were mainly comprised of costs of hotel operations of Baht 294.54 million, which increased of Baht 77.37 million or increased by 36% from 2007, which had total costs of hotel operations of Baht 217.17 million. The additional costs of hotel operations in 2008 were mainly driven by the opening of a new hotel of the company's subsidiary. In addition, the increase of total expenses were partly attributable to the costs of sales of real estate of Baht 741.31 million, which increased of Baht 44.32 million or increased by 6% from 2007, which had total costs of sales of real estate of Baht 696.99 million in relations to more revenues recognition as mentioned above.

Selling and Administrative expenses

For the first half of 2011, the Company had total selling and administrative expenses of Baht 213.40 million, increased of Baht 7.76 million or increased by 4% from the same period of 2010, mainly due to the increased of the expenses related to revenue recognition of the hotel business.

In 2010, the Company had total selling and administrative expenses of Baht 414.38 million, increased of Baht 5.66 million or increased by 1% from 2009, mainly due to the increased of the expenses related to revenue recognition of the hotel business, in the meantime, provision for compensation paid to the unit buyers who returned the units purchase decreased.

In 2009, the Company had total selling and administrative expenses of Baht 408.72 million, decreased of Baht 372.14 million or decreased by 48% from 2008. This was mainly due to the decrease of expenses relating to the decreased revenue from sales of real estate, as impacted by a temporary suspension of constructions and sales i.e. the decrease of average central charge of the condominiums, the decrease of provision for compensation paid to the unit buyers who returned the units purchase, etc.

In 2008, the Company had total selling and administrative expenses of Baht 780.86 million, increased of Baht 40.93 million or increased by 6% from 2007, which had total selling and administrative expenses of Baht 793.93 million, mainly due to the opening of a new hotel by the company's subsidiary.

Net Profit

For the first half of 2011, the Company had total net loss of Baht 212.40 million, decrease of Baht 67.91 million or decrease by 24% from the same period of 2010 due to the rate of admission of foreign tourists in the Group's hotel business increased as compared to the same period of last year as well as decrease in financial cost as the resulting of the recent debt restructuring plan which can reduce Company loan of Baht 470 Million from debt waived and get lower interest rate.

In the year 2010, the Company had total net profit of Baht 733.36 million, an increase of Baht 1,277.61 Million or 235% from the net loss of Baht 544.25 million in the year 2009 due mainly to the fact that the company records a net profit amounting to Baht 1,291.67 Million from restructuring debt as above mentioned. However, excluding such profit from debt restructuring plans as mentioned above, the Company and its' subsidiaries report a consolidated net loss of Baht 558.31 Million in year 2010, an increase of Baht 14.06 Million from the net loss of Baht 544.2 Million in the year 2009.

In 2009, the Company had total net loss of Baht 544.25 million, increased of Baht 291.69 million or increased by 115% from 2008. This is mainly due to the global economic recession and political instability which had continued to have negative impact on Thailand's tourism industry along with the temporary suspension of construction projects from the event that its sole debenture purchaser was subject to bankruptcy administration in September 2008, resulting in the Company was unable to draw down the debenture of Baht 5 billion to finance the project and leading to the significant number of condominium buyers of projects have returned the units purchase and requested for their deposit refunds.

In 2008, the Company had total net loss of Baht 252.56 million, decreased of Baht 762.54 million or decreased by 75% from 2007, which had total net loss of Baht (1,015.11) million. This improved performance was benefited from the opening of a new hotel by the Company's subsidiary and the amendment of the Company's policy regarding the pricing and the target market in responsive to the economic recession and political instability. In addition, the Company also recognized more revenues after the revision for budget reduction of construction costs, resulting in saving 2 property projects that had been completed in the second quarter of 2008, as stated above.

Financial Status

Assets

As of 30 June 2011, the Company had total assets of Baht 6,610.29 million, decreased of Baht 252.93 million or decreased by 3% from at the end of 2010 due to the decrease of current assets of Baht 53.08 million or decreased by 3%. This was mainly due to the decrease of cash and cash equivalent of Baht 28.67 million or decreased by 39%, which was used to repay the deposits back to unit buyers who requested to return their units purchase as mentioned above. Total non-current assets decreased of Baht 169.47 million or decreased by 3% from at the end of 2010, mainly due to the decrease of the pledged and restricted withdrawal bank deposit of Baht 87.79 million and decrease of fixed assets of Baht 71.43 million as a result of the increased depreciation expense.

At the end of 2010, the Company had total assets of Baht 6,681.22 million, decreased of Baht 182.00 million or decreased by 3% from at the end of 2009 due to the decrease of current assets of Baht 129.02 million or decreased by 7%. This was mainly due to the decrease of cash and cash equivalent of Baht 104.21 million or decreased by 59%, which was used to repay the deposits back to unit buyers who requested to

return their units purchase as mentioned above. Total non-currents assets decreased of Baht 52.98 million or decreased by 1% from at the end of 2009, mainly due to the decrease of fixed assets of Baht 172.90 million or decreased by 4% as a result of the increased depreciation expense. In the meantime, the pledged and restricted withdrawal bank deposit increased of Baht 133.12 million or increased by 1,677%.

At the end of 2009, the Company had total assets of Baht 6,863.22 million, decreased of Baht 477.31 million or decreased by 7% from at the end of 2008 due to the decrease of current assets of Baht 293.84 million or decreased by 14%. This was mainly due to the decrease of cash and cash equivalent of Baht 334.58 million or decreased by 65%, which was used to repay the deposits back to unit buyers who requested to return their units purchase as mentioned above. Total non-current assets decreased of Baht 183.47 million or decreased by 3% from at the end of 2009, mainly due to the decrease of fixed assets as a result of the increased depreciation expense.

At the end of 2008, the Company had total assets of Baht 7,340.53 million, decreased of Baht 1,017.86 million or decreased by 12% from at the end of 2007, which had total assets of Baht 8,358.39 million due to the decrease of current assets of Baht 1,223.71 million. This was mainly due to the decrease of unbilled completed projects of Baht 809.18 million or decreased by 87% (in particular, "The Trendy", and "Hua-hin Blue lagoon" project) and the decrease of costs of sales of real estate of Baht 385.80 million as a result of the Company had transferred right of ownership to most of its condominium owners since the third quarter of 2008 as well as realization of the budget cost reduction for 2 projects that had been completed in the second quarter of 2008, as stated above. On the other hand, total non-current assets increased of Baht 205.85 million or increased by 4% from at the end of 2007. This was mainly due to an increase of fixed assets of Baht 219.42 million or increased by 4% as the Company was under the development process of "Crown Plaza Sukhumvit", "The Regent Bangkok" and "Le Meridien Pattaya Resort", including interest payables and related expenses, which were incurred from loans proceeds, were also part of costs of development.

Liabilities

As of 30 June 2011, the Company had total liabilities of Baht 6,116.83 million, decreased of Baht 10.15 million or decreased by 0.2% from the end of 2010 due to the decrease of non-current liabilities of Baht 13.73 million. This was mainly due to the decrease of long term loan from bank of Baht 15.96 million from partial loan repayment. Total current liabilities increased of Baht 3.59 million or increase by 0.1% from the end of 2010.

At the end of 2010, the Company had total liabilities of Baht 915.36 million of equivalents to 14% decrease from the end of 2009 due mainly to decrease in non-current liabilities of Baht 2,935.17 million which represented by a decrease of Baht 2,923.22 million in long-term loan. In the meantime, current liabilities at the end of year 2010 increased by Baht 2,019.81 million with represented by an increase of Baht 2,461.11 million in short term loan from unrelated party and interest payable to related company decreased by Baht 588.9 Million. All of significant changes are mainly due to debt restructuring plans.

At the end of 2009, the Company had total liabilities of Baht 6,706.44 million, increased of Baht 66.94 million or increased by 1.01% from at the end of 2008 due to the increase of current liabilities of Baht 77.11 million. This was mainly due to the decrease of account payables – other of Baht 173.91 million, the decrease of deposits received – hotel of Baht 88.45 million, and the decrease of construction payable of Baht 71.79 million, respectively was largely offset by the increase of interest payable of debentures to the related company of Baht 396.91 million from additional loan drawdown. Total non-current liabilities decreased slightly of Baht 10.17 million or decreased by 0.2% from at the end of 2008.

At the end of 2008, the Company had total liabilities of Baht 6,639.49 million, decreased of Baht 765.31 million or decreased by 10% decrease from at the end of 2007 due to the decrease of current liabilities of Baht 1,365.89 million. This was mainly due to the decrease of long-term loans that was due in 1 year which had been repaid in full amount of Baht 837.90 million and the decrease of deposit received – real estate of Baht 462.46 million. Total non-current liabilities as of 31 December 2008, increased of Baht 600.6 million or increased by 12% from at the end of 2007 were resulted from additional loan drawdown of Baht 612.36 million by the Company's debenture purchaser. However, since the third quarter of 2008, the Company's

debenture purchaser, which is the overseas related company, has been facing business problem and is now under court protection of the overseas law. This causes the Company's loan drawdown to be temporarily suspended. As of 31 December 2008, the Company's outstanding debenture credit facility was Baht 4,997 million.

Shareholder's Equity

As of 30 June 2011, the Company had total shareholder's equity of Baht 649.34 million, decreased of Baht 212.40 million or decreased by 25% from at the end of 2010 as a result of the net loss of the first half of 2011, as stated above under the operating performance part.

At the end of 2010, the Company had total shareholder's equity of Baht 890.15 million, increased of Baht 733.36 million or increased by 468% from at the end of 2009 as a result of booking of a net profit amounting to Baht 1,291.7 Million from restructuring debt as mentioned in operating results topic

At the end of 2009, the Company had total shareholder's equity of Baht 156.79 million, decreased of Baht 544.25 million or decreased by 78% from at the end of 2008 as a result of the net loss for the year 2009, as stated above under the operating performance part. The dramatic decrease of the Company's total shareholders' equity in 2008 resulted in the significant increase in debt-to-equity ratio from 9.47 times at the end of 2008 to 42.77 times at the end of 2009.

At the end of 2008, the Company had total shareholder's equity of Baht 701.03 million, decreased of Baht 252.56 million or decreased by 26% from at the end of 2007 as a result of the net loss for the year 2008, as stated above under the operating performance part.

Liquidity

As of 30 June 2010, the Company had net decrease in cash and cash equivalents of Baht 28.67 million, of which representing net cash flows from operating activities of Baht 16.68 million (mainly from hotel business operations and ownership transfer to condo buyers that net from repayment of deposit refunds to unit buyers who requested to return their units purchase), net cash flows from investing activities of Baht 70.72 million, and net cash flows used in financing activities of Baht 116.07 million from loan interest payment of Baht 106.99 million.

At the end of 2010, the Company had net decrease in cash and cash equivalents of Baht 104.21 million, of which representing net cash flows used in operating activities of Baht 111.46 million (mainly used for hotel business operations and repayment of deposit refunds to unit buyers who requested to return their units purchase), net cash flows used in investing activities of Baht 160.25 million, and net cash flows from financing activities of Baht 167.50 million which received from short term loan to related party of Baht 170.00 million.

At the end of 2009, the Company had net decrease in cash and cash equivalents of Baht 334.58 million, of which representing net cash flows used in operating activities of Baht 297.09 million (mainly used for hotel business operations and repayment of deposit refunds to unit buyers who requested to return their units purchase), net cash flows used in investing activities of Baht 34.90 million, and net cash flows used in financing activities of Baht 2.60 million.

At the end of 2008, the Company had a net increase in cash and cash equivalents of Baht 34.60, of which representing net cash flows from operating activities of Baht 1,105.55 million from the newly open hotel, net cash flows used in investing activities of Baht 315.40 million, and net cash flows used in financing activities of Baht 755.55 million for loan repayment.