

evolutioncapital

Annual Report

Evolution Capital Public Company Limited

2009

CONTENTS

General Information.....	iii
Executive Summary.....	v
Message From The Chairman.....	vii
Message From The President	viii
Report Of The Audit Committee	ix
Company Background And Business Overview	xi
Business Overview.....	1
Nature Of Business	2
Revenue Structure.....	3
Capital Structure.....	4
Shareholders	6
The Management Structure.....	7
Good Corporate Governance	17
Risk Factors.....	25
Connected Transactions.....	29
Financial Highlights	30
Management Discussion And Analysis.....	32
Appendix	

GENERAL INFORMATION

Company Name:

Evolution Capital Public Company Limited

Description of Business:

The Company was founded in 1999 to provide, develop, aggregate, and distribute wireless VAS (Wireless Value Added Services), provide web design and consultancy services (Interactive Solutions), provide digital advertising and campaigns. The Company then diversified its product offering to include property advisory and development in an effort to capitalize on real estate opportunities in the Asian region. The Company now provides Development and Asset Management services to international clients with investments in Thailand.

Registered Address:

Unit 1912, The Offices at Centralworld, 999/9 Rama I Road, Pathumwan District, Bangkok 10330

Registered ID:	0107546000415
Telephone:	0-2207-2900
Facsimile:	0-2207-2929
Homepage:	http://www.evolution.co.th
Registered Capital:	THB 694.00 million
Paid up Capital:	THB 521.36 million

Company name	Address	Type of Business	Registered capital	Paid up capital	Investment
1 Evolution Capital Public Company Limited	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Property advisory and development Development and Asset Management services	694,000,000	521,366,118	-
Subsidiaries					
1 Addax Development Co., Ltd.	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Property Development	80,000,000	80,000,000	99.99%
2 Evolution Land Co., Ltd.	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Property Development/ Investment holdings company	225,000,000	225,000,000	99.99%
3 Monster Media Co., Ltd.	Unit 1902, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Media services	10,000,000	10,000,000	99.99%
4 Evolution Advisors Limited	89 Nexus Way Camana Bay Grand Cayman KY1-9007 Cayman Islands	Real Estate Investment Advisory and Management business	US\$ 50,000	US\$ 100,000	100.00%
5 Evolution Holdings Limited	9 th Floor, Medine Mews, La Chaussee Street, Port Louise, Mauritius	Investment Holding Company	US\$ 125,000	US\$ 125,000	100.00%
6 Spire Real Estate Co., Ltd.	Unit 1901, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Marketing and Sales Services to real estate projects	10,000,000	10,000,000	99.99%
Joint Venture					
1 Red Planet Hotels Co., Ltd.	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Management services to hotels in Asia	1,000,000	1,000,000	51.00%
2 EKT Advisors Limited	89 Nexus Way Camana Bay Grand Cayman KY1-9007 Cayman Islands	Real Estate Investment Advisory and Management Business with a focus on the hospitality industry	US \$ 50,000	US \$ 50,000	50.00%
Associates					
1 Casa Fico Co., Ltd.	10 th Floor, Fico Place Building, 18/8 Sukhumvit 21 (Asoke), Klongtoey-Nua Sub-District, Wattana District, Bangkok 10110	Property Development	285,000,000	285,000,000	42.50%
2 Fena Park Co., Ltd.	10 th Floor, Fico Place Building, 18/8 Sukhumvit 21 (Asoke), Klongtoey-Nua Sub-District, Wattana District, Bangkok 10110	Property Development	100,000,000	100,000,000	42.50%
3 Andaman Beach Residences Co., Ltd.	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Property Development	10,000,000	10,000,000	46.00%
4 Phang Nga Hotels Co., Ltd.	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Property Development	10,000,000	10,000,000	46.00%
5 Yamu (Thailand) Co., Ltd.	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Property Development	10,000,000	10,000,000	47.50%
6 Yamu Villas Co., Ltd.	Unit 1912, 19 th Flr,999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Property Development	10,000,000	10,000,000	47.50%

EXECUTIVE SUMMARY

Evolution Capital Public Company Limited was founded in July 21, 1999 as Siam2you Public Company Limited with the objective of offering information and services to mobile phone and PC users through its multi-access portal. Siam2you was registered as a public company limited on December 22, 2003. The SET granted the Company's listing of its ordinary shares on May 4, 2005 under the Market for Alternative Investment with a fully paid up registered capital of THB 40,931,510, with a par value of THB 1.00 per share. In April 2007, the Company's major shareholders, consisting of Mr. Suparat Sribhadung, Miss Mai Thi Quynh Hoa, and Mr. Niklas Johan Assar Stalberg, sold their combined stakes to Nezu Capital Limited and Kudu Company Limited, and these new shareholders appointed new Management representatives. The Board of Directors also changed to reflect the departure of the previous major shareholders. In July 2007, the Company's shareholders approved the issuance of 368.38 million new ordinary shares with a par value of THB 1.00 each to existing shareholders at a ratio of nine new shares with an offering price of THB 1.00 each for every existing share. In August 2007, the Company's paid-up capital was raised to THB 391,366,118. By the third quarter of 2007, the Company has expanded into property-related businesses such as the development of resorts as well as property advisory services. It also began exploiting synergies between the existing digital media platform and the Company's new business areas. In January 2008, the Company's shareholders approved a private placement of 130 million new shares to MGP Hazel (Mauritius) No. 1 Limited at THB 2.10 each. The subscription was completed in May 2008. To better reflect the Company's expanded business plans, the 2008 AGM approved the Company's name change from Siam2you Public Company Limited to Evolution Capital Public Company Limited. In October 2009 the Company's shareholders approved the issuance of 172.64 million new ordinary shares with a par value of THB 1.00 to raise additional operating capital to finance the Company's continued expansion into the property services sector. As at the end of 2009, the Company had 2 major businesses:

PROPERTY SERVICES

- 1.1. Property advisory services - provides advisory services in relation to real estate development, especially in the hospitality and residential property sectors. These services include, but are not limited to, project identification, carrying out due diligence, market studies, feasibility studies, financial analysis, capital structuring, project management, master planning, conceptual design, sales and marketing, development and project management, and advising on operational strategies.
- 1.2. Property development/investment – selectively making direct and/or indirect investments in real estate projects where such investments present unique opportunities for the Company. These would include penetration of certain niche markets, leading to other favorable businesses or business expansion opportunities.

MEDIA SERVICES

Wireless Value Added Services - provides, aggregates, and develops two types of wireless VAS for mobile phones: Premium Content and Basic Content which are delivered by mobile phone operators in addition to their regular services. These value-added services allow mobile phone users to move beyond just interpersonal communication when using their phones. Through wireless VAS, mobile phone users can receive information, news, and entertainment. In 2009, the Company has expanded its media product line to include interactive media services. The Company has obtained exclusive rights to this new technology platform which is steadily being introduced and rolled-out into the direct marketing industry.

2009 was a year of growing the Company's advisory and development platform. The background to these activities nevertheless remained challenging in the light of the global financial crisis and lingering political dysfunction on the local front.

In 2009, the Company recorded total revenue of THB157,805,228.

Nevertheless, as the global financial stresses continued through most of 2009, the Company was compelled to reassess its business plan. Although the market challenges would also bring about opportunities for the Company especially for its property advisory services capabilities, in the short term Management pursued a more cautious business approach, taking the opportunity to further reduce costs and to adjust the business for prevailing market circumstances. Client mandates were also delayed, especially in the second half of 2009, which led to revenue targets being missed, or delayed to the following year. Consequently, at end of 2009, the Company recorded a net income of THB 3,274,184.

The property advisory services business plan in 2009 started strongly, and this momentum slowed in the second half, leading to a quarterly revenue breakdown as follows.

	Thousands of THB				
Consolidated	Q1	Q2	Q3	Q4	FY2008
Revenues	67,403	44,746	22,143	23,513	157,805

In preparation for an equally challenging 2010, the Company has rationalised costs, is preparing to upgrade human resources, and shall continue to pursue new opportunities as well as following through on deferred advisory mandates from late 2009.

MESSAGE FROM THE CHAIRMAN

Despite Thailand's political circumstances again being complicated, I am nevertheless optimistic that the background of a global economic recovery provides a positive environment for Thai companies to prosper in the year ahead.

Evolution Capital PCL has been able to weather a difficult economic climate in 2009, a situation made worse by adverse local political factors – the Company returned to profitability in 2009, and has adapted its business plan to make the most of opportunities as they present themselves.

In the year ahead the Company shall be spreading its exposure to the rest of Asia, and I was pleased to preside over a landmark signing ceremony on the 17th of December 2009 between the Company and Tune Hotels.com, the leading South East Asian budget hotel chain. Evolution Capital PCL shall be managing the roll-out of budget hotels across Asia over the next few years, which is an exciting entry into a defendable and fast-growing business segment.

For the hard work ahead, I wish to thank the Directors, management, and hard-working staff of Evolution Capital PCL, and of course I would like to extend my grateful appreciation to our shareholders for their commitment in 2009 and continued support in the year ahead.



M.R. Chatu Mongol Sonakul

Chairman of the Board of Directors

MESSAGE FROM THE PRESIDENT

Without doubt, 2009 has been one of the most challenging years for Thailand in recent memory – not only did the year commence with the after-effects of the most significant global economic melt-down in decades but, even more significantly for us here in Thailand, the ramifications of local political upheaval threatened to complicate the outlook for Thailand.

It is, however, Thailand's resilient character which created the circumstances for Evolution Capital PCL to move beyond the reorganisation of 2007 and 2008 to record a net profit for the full year 2009. As such, I would like to thank our shareholders for their ongoing support of both the management team and the business platform.

Evolution Capital PCL in 2009 continued to grow its revenue as well as grow its business ambitions to a pan-Asian basis. The Company has a motivated and highly skilled international team capable of managing regional expansion, and this became a key focus point for the Company throughout 2009.

Towards the end of 2009 the Company's shareholders approved a capital increase by way of Private Placement so as to grow the Company's working capital, as well as to invest into regional expansion opportunities. In December 2009 the Company entered into an exciting business relationship with Tune Hotels.com to manage the build out of at least 44 budget hotels across Asia – this shall be the cornerstone of the Company's revenue-generating investment advisory business, as well as create immediate tangible value for the Company through a uniquely structured interest alignment programme.

As a result, I firmly believe that Evolution Capital PCL will, over the course of the next 12 months, be associated with the fastest-growing, and the most exciting, segment of the Asian travel industry – that is, the budget end, encompassing first-time travelers, students, small scale businessmen, and overall value seekers. Overall, we remain positive on not just Thailand's leisure traveler volumes, but we feel that the Asian travel market shall register many years of superlative growth.

With the positive year which the Company reported in 2009, I am confident that 2010 shall be an even better year – and that the Company's various business segments will all thrive, having been right-sized and streamlined in 2009.

It remains for me to thank our loyal clients, our supportive shareholders, and our industrious staff for realizing the Company's goals both over the past year as well as for the coming year.



Simon Gerovich

President

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Evolution Capital Public Company Limited consists entirely of three independent non-executive directors and currently comprises Mr. Witit Sujjapong, the Chairman, Ms. Chanyaphat Chanprasit and Mr. Krish Detter, the Committee members. The Audit Committee members are independent pursuant to the standards adopted and appointed by the Board of Directors, the Stock Exchange of Thailand (“the SET”) and the Securities and Exchange Commission (“the SEC”).

The Audit Committee Chairman, Mr. Witit Sujjapong is knowledgeable and experienced in reviewing accounting and financial matters and possesses a comprehensive knowledge of the preparation of financial reports.

The Audit Committee represents and assists the Board of Directors in maintaining the integrity of financial statements and the financial reporting, the effectiveness of the operational and internal control system, the performance, qualifications and independence of the internal audit function and the independent auditors. It also ensures compliance with relevant laws and regulations to prevent conflict of interest and makes recommendations to the Board of Directors concerning the selection and remuneration of an external auditor, thereby performing assignments as agreed amongst the Audit Committee, and in keeping with the requirements of the SEC and the SET.

In 2009, six Audit Committee meetings were conducted to perform its tasks under the scope of works and responsibilities delegated by the Board of Directors. The tasks included:

- A review of the quarterly and year-end financial statements of the Company. The Audit Committee held meetings with an external auditor to discuss the Auditor’s reports, financial statements and recommendations on the relevant accounting standards. During the meeting the Audit Committee received explanation, notes and commentaries; provided comments; and exchanged views with the attendees.

The Audit Committee ascertained that the Company’s financial statements provide sufficient and truthful disclosures and conform to generally accepted accounting principles.

- The Audit Committee considered the annual internal audit plan, reviewed internal audit results and internal audit comments related to internal controls, recommended improvements and corrective measures to the Company’s management, while it continuously monitored the progress of such recommendations.

In 2009, the Internal Audit Department performed internal audit reports and following-up reports of each Company’s department and associated Companies, audited the operations, reviewed the conflict of interest transactions, and assessed the Company’s compliance with regulations and laws relating to the Company’s businesses imposed by the SET and SEC regulations. The results of the audit and the recommendations were discussed with the relevant staffs and key managements and were reported to the Audit Committee.

The Audit Committee is of the opinion that the Company has an adequate internal control system and that continued improvements are being implemented.

- During the year 2009, 6 audit committee meetings were held. Issues discussed with internal and external auditors at the meetings are reported to the Board of Directors for comment and acknowledgement.
- Audit Committee meeting No.2/2009 submitted its recommendation to appoint PricewaterhouseCoopers ABAS Limited as the company's external auditor to the Company's Board of Directors for consideration. The recommendation was subsequently approved at the Annual General Meeting of Shareholders and it was resolved that PricewaterhouseCoopers ABAS Limited, represented by Mrs. Anothai Leekitwattana, Certified Public Account (Thailand) No. 3442, be appointed as the Company's auditor for 2009.

Individual auditors from PricewaterhouseCoopers ABAS Limited qualified to conduct the audit and express an opinion on the financial statements of the Company are assigned as appropriate. In the event that the assigned auditors are unable to perform their duties, PricewaterhouseCoopers ABAS Limited is authorized to nominate another qualified and competent auditor from PricewaterhouseCoopers ABAS Limited to conduct the audit.

The meeting also approved audit fees of an amount not exceeding Baht 3.98 million plus out-of-pocket expenses for the year 2009 which was subsequently approved by the Annual General Meeting of Shareholders on 2 April, 2009.

For and on behalf of the Audit Committee of Evolution Capital Public Company Limited



Witit Sujjapong

Chairman of Audit Committee
22 February 2010

COMPANY BACKGROUND AND BUSINESS OVERVIEW

COMPANY BACKGROUND

Evolution Capital Public Company Limited was founded in 1999 as a digital communications business for internet and mobile phone users. The Company set up www.siam2you.com to deliver information to internet users and to capitalise on the number of visitors by selling space on the site to advertisers. The Company also set up wap.siam2you.com, a WAP (Wireless Application Protocol) site designed to deliver information to mobile phone handsets.

In 2001, the Company foresaw the opportunity that arose from the growth of mobile phone utilisation in Thailand and expanded its business to include wireless Value Added Services (VAS), namely the selling of various types of multimedia content (images, audio clips/ring tones, video clips, etc.) to mobile phone users. Additionally, the Company provided consultancy and development services (termed Interactive Solutions) to both governmental and private organisations in order to create additional channels through which each client can communicate to their respective customer bases using a combination of internet and wireless technologies and well thought out marketing campaigns.

In 2007, the Company changed its shareholding structure, its organisational structure, and its financial structure and began its expansion into property-related businesses such as development and advisory services. It also began capitalising on synergies between the existing digital media platform and the Company's new business areas.

HISTORY AND COMPANY HIGHLIGHTS

July 1999	The Company was founded as Siam2you Company Limited with THB 2 million registered capital, fully paid-up with a par value of THB 10 each.
October 1999	The digital media business began with the launch of the www.siam2you.com website, which offered news and information aggregation services to internet users. Once the company had built up its user base, it started generating revenue by selling advertising space on its website to organisations that sought internet users.
September 2000	The mobile wap.siam2you.com site was launched in order to create a communication channel that reaches mobile phone users.
October 2001	The Company coordinated with Advance Info Service Public Company Limited (AIS) to launch wireless Value Added Services to AIS users. A revenue sharing agreement for wireless Value Added Services for users of AIS was signed on October 16, 2001. Launched consultancy services and the development of integrated internet/wireless communications (Interactive Solutions) to both governmental and private organisations.

May 2002	The Company coordinated with Total Access Communication Public Company Limited (DTAC) to launch wireless Value Added Services to TAC users. A revenue sharing agreement for wireless Value Added Services for users of TAC was signed on May 31, 2002.
September 2002	Out of 482 websites nominated nationwide, Siam2you's website won the Community Web Award for Best Portal Website from the Nation Multimedia Group Public Company Limited.
January 2003	The Company coordinated with TA Orange Company Limited (now TrueMove) to launch wireless Value Added Services to Orange users. The Company signed another revenue sharing agreement with Orange on January 15, 2003.
December 2003	Siam2you registered to become a Public Company Limited on December 22, 2003.
April 2005	The Company offered 10,232,800 new ordinary shares at a par value of THB 1 each with an offering price of THB 7 each to the public. Following the sales of shares, the total registered and paid-up capital became THB 40,931,510.
May 2005	The SET granted a listing of ordinary shares of the Company on May 4, 2005 on the Market for Alternative Investment.
April 2007	The Company's major shareholders, consisting of Mr. Suparat Sribhadung, Miss Mai Thi Quynh Hoa, and Mr. Niklas Johan Assar Stalberg, sold their stake to Nezu Capital Limited and Kudu Company Limited, resulting in new appointments to the Board of Directors and at the management level.
July 2007	The Extraordinary General Meeting of Shareholders No. 1/2007 was held on July 23, 2007 and it was resolved that the Company issue and offer 368,383,590 new ordinary shares at a par value of THB 1 each to existing shareholders at a ratio of 9 new shares with an offering price of THB 1 each for every old share held.
August 2007	The existing shareholders of the Company purchased 350,434,608 newly issued shares from the total offering of 368,383,590 ordinary shares at a par value of THB 1, resulting in an increase in the Company's paid-up capital to THB 391,366,118. Monster Media Company Limited was incorporated with a registered capital of THB 30 million, with 299,993 shares held by the Company accounting for 99.99 percent of the paid-up capital - an investment of THB 30 million. Ordinary shares of Fena Park Company Limited were purchased from former shareholders amounting to 1,950,000 shares or accounting for 22.94 percent of the total paid-up capital - an investment of THB 19.50 million. Ordinary shares of Casa Fico Company Limited were purchased from former shareholders amounting to 4,550,000 shares or accounting for 31.38 percent of the total paid-up capital - an investment of THB 45.50 million.

September 2007	Purchased 350,000 newly issued ordinary shares of Fena Park at par value - an investment of THB 3.50 million. Thus the proportion of shares held increased to 25.00 percent of the total paid-up capital of THB 92 million. Purchased 2,000,000 newly issued ordinary shares of Casa Fico at par value, an investment of THB 20.00 million. Thus, the proportion of shares held increased to 35.41 percent of the total paid-up capital of THB 185 million. Sold all Plus Four Six Company Limited's ordinary shares held by the Company for THB 10 million.
October 2007	Evolution Advisors Company Limited was incorporated with a registered capital of THB 1 million, with 9,993 shares held by the Company accounting for 99.93 percent of the total paid-up capital, an investment of THB 1 million.
December 2007	The Board of Directors Meeting of the Company No. 14/2007 held on December 14, 2007 approved the reduction of the Company's registered capital from THB 409,315,100 to THB 391,366,118, divided into 391,366,118 ordinary shares with a par value of THB 1 by cancelling 17,948,982 shares with a par value of THB 1 per share (these cancelled shares had remained unissued from the previous rights issue approved by the Extraordinary General Meeting of Shareholders No. 1/2007) and the increase of the registered capital by THB 130,000,000 from the existing registered capital of THB 391,366,118 to THB 521,366,118 divided into 521,366,118 ordinary shares with a par value of THB 1 each. The Extraordinary General Meeting of Shareholders No. 1/2008 was set for January 26, 2008 to consider and approve these transactions. In addition, the Board of Directors Meeting also approved the establishment of a new subsidiary company, Titan Project Management Company Limited, tentatively for the first week of January 2008, with an initial registered capital of THB 1 million, whereby the Company is to hold 9,993 shares with a par value of THB 100 each, accounting for 99.93 percent of the total registered capital - an investment of THB 1 million.

January 2008	The Board of Directors Meeting of the Company No. 1/2008 held on January 17, 2008, approved the further investment of THB 50,000,000 by way of capital increase in Casa Fico Company Limited and the incorporation of a subsidiary company, Tierra POD Company Limited. Tierra POD is a joint venture company between the Company and Tierra Design Pte. and has a registered capital of THB 4 million, with 51 percent of the share capital held by the Company. The Extraordinary General Meeting of Shareholders No. 1/2008 held on 26 January 2008 approved the reduction of the Company's registered capital from THB 409,315,100 to THB 391,366,118 and the increase of the registered capital by THB 130,000,000 from the existing registered capital of THB 391,366,118 to be THB 521,366,118 by issuing 130,000,000 new ordinary shares at a par value of THB 1 per share. In addition, the shareholders authorised the Board of Directors to allot new shares and determine the offering period, conditions, and other terms and details related to the allotment of such new ordinary shares to specified investors and/or institutional investors in one or more tranches from time to time by way of private placement in accordance with the SEC's notification, at the offering price of THB 2.10 per share.
February 2008	The Board of Directors held on 28 February 2008 approved the amendment of Evolution Advisors Company Limited, a subsidiary of the Company, to Evolution Land Company Limited and a further investment of THB 144,000,000 by way of capital increase, whereby Evolution Land took on the transfer of all shares owned by the Company in Casa Fico Company Limited and Fena Park Company Limited. On 29 February 2008, the Board of Directors meeting approved the establishment of a new subsidiary company, THP Advisors Limited with a registered capital of US\$ 50,000. The initial paid-up capital is US\$ 100,000. The Company subscribed 1,000 shares at US\$ 100 per share. The remaining 49,000 shares remain unissued.
March 2008	The Board of Directors meeting no. 4/2008 held on 21 March 2008 resolved the allotment of 130,000,000 new ordinary shares to MGP Hazel No. 1 (Mauritius) Limited, an Investment Holdings Company registered in Mauritius, which is an entity advised by MGPA on behalf of one of its Asian funds. The Company also invested an additional THB 80,000,000 in Evolution Land Company Limited. The registered capital of Evolution Land increased to THB 225,000,000. The acquisition of 99.99 percent of Addax Development Co., Ltd. was also approved at a total price of THB 10,000,000. Addax Development is the owner of 14 Rai 2 Ngan 47 Square Wah, freehold land in Chonburi Province, on which the condominium project "The Lakes at Phoenix" comprising of 118 units is being developed.

April 2008	The 2008 Annual General Meeting of Shareholders passed the resolutions to change the Company's name to "Evolution Capital Public Company Limited", with "E" as the symbol of its securities. Titan Project Management increased its registered capital further to THB 10,000,000 and the Company fully subscribed to the newly paid-up shares. The Company opened a new branch office on Koh Samui, Surathani Province.
June 2008	Spire Properties Company Limited, an associate company, was established with a registered capital of THB 10,000,000; the Company became a 46 per cent shareholder. Evolution Holdings Limited was incorporated in Mauritius as a subsidiary company with a registered capital of US\$ 125,000 and 100 percent of the shares are held by the Company. For purposes of the Company's restructuring, the transfer of 100 percent of the Company's shares in THP Advisors Limited to Evolution Holdings Limited was approved.
September 2008	On 11 September 2008, the Board of Directors approved the establishment of a new subsidiary company, Kor Asia Company Limited. The Company will hold 51 percent of the registered capital of THB 10,000,000. Two associate companies, Andaman Beach Residences Company Limited and Phang Nga Hotel Company Limited, were incorporated to support the Company's property development plan. The Company holds 46 percent of the THB 10,000,000 registered capital of each associate company.
November 2008	The Company made a further investment of THB 1,000,000 in Titan Project Management Company Limited, thereby increasing Titan Project Management's capital to THB 11,000,000.
December 2008	On 12 December 2008, a subsidiary company, Evolution Land Co., Ltd., acquired 562,500 ordinary shares of Casa Fico Co., Ltd. totaling Baht 5.62 million. This resulted in an increase in the subsidiary's shareholding stake in this associate from 40.53% to 42.50%. Evolution Land Co. Ltd. also acquired 1,550,000 ordinary shares of Fena Park Co., Ltd. totaling Baht 15.50 million. This resulted in an increase in the subsidiary's shareholding stake in this associate from 27% to 42.50%.
February 2009	The Board of Directors meeting held on 25 February 2009 approved the dissolution of Titan Project Management Co., Ltd., a Company subsidiary and Spire Properties Co., Ltd., an associated company. Monster Media Co., Ltd. decreased its registered capital from THB 30,000,000 to THB 10,000,000 for the purpose of corporate restructuring.
May 2009	The Board of Directors meeting held on 14 May 2009 approved the dissolution of Tierra POD Co., Ltd., a Company subsidiary.

August 2009

The Board of Directors meeting held on 7 August 2009 approved the establishment of two new joint venture companies, Red Planet Hotels Co., Ltd and EKT Advisors Limited. The Company holds 51 percent of the registered capital of THB 1 million of Red Planet Hotels Co., Ltd. Evolution Advisors Limited, a subsidiary of the Company, holds 50 percent of the share capital of EKT Advisors Limited, incorporated in the Cayman Islands.

Two new associate companies, Yamu Villas Co., Ltd. and Yamu (Thailand) Co., Ltd. were incorporated to support the Company's property development plan. Evolution Land Co., Ltd., the Company's subsidiary, holds 47.5 percent of the THB 10 million registered capital of each associate company.

On 7 August 2009, Andaman Beach Residences Co., Ltd. and Phang Nga Hotel Co., Ltd., associate companies, signed the Management Agreement with Ritz-Carlton for the Hotel and Residential Project in Phang Nga Province.

Casa Fico Co., Ltd. and Fena Park Co., Ltd, the Company's associates, signed a Management Agreement with the Marriott Group for its Hotel and Residential Project in Koh Samui.

October 2009

The Extraordinary General Meeting of Shareholders No. 1/2009 held on 16 October 2009 approved the increase of registered capital by THB 172,633,882 from the existing registered capital of THB 521,366,118 to be THB 694,000,000 by issuing 172,633,882 new ordinary shares at a par value of THB 1.00 per share.

The Company's shareholders authorised the Board of Directors to allot new shares and determine the Offering period, conditions, and other terms and details related to the allotment of such new ordinary shares to specified investors and/or institutional investors in one or more tranches from time to time by way of private placement in accordance with the SEC's notifications.

December 2009

EKT Advisors Limited, a joint venture company, signed the Franchise Agreement with Tune Hotels.com to roll-out 44 Tune Hotels.com hotels across Thailand, China, Bangladesh, the Philippines, and Indonesia.

A subsidiary company, Titan Project Management Co., Ltd., completed the liquidation process.

BUSINESS OVERVIEW

Prior to May 2007, the Company's business focused solely on telecommunications and related services. These comprised of three main areas namely (i) wireless value added services, (ii) interactive solutions and (iii) audiotex services. Through wireless value added services (wireless VAS) the company provided, aggregated, and developed content and applications (Premium and Basic) which were delivered to end-users via the mobile phone network operated by AIS, DTAC and TrueMove in addition to their regular services. Revenue from this service came from revenue shared with mobile phone network operators as specified in agreements between the Company and mobile phone network operators. The interactive solutions business involved consultations and recommendations for web design, online brand building, and corporate image enhancement provided to the Company's clients. Revenue from this business came from fees which were based on the clients' entire project expenses. In the audiotex business, the Company provided and developed content and applications for voice services which were delivered through both fixed lines and mobile phones. These services allowed the users to have alternative simple ways to access content that was customised to their lifestyle. These services were categorised as information downloads, chatting, voting, and content downloads. Audiotex revenue came directly from service charges collected from end-users on either a per time or on a subscription basis.

After the sale of the major shareholders' stake to a group of new investors in May 2007, the new management team created an integrated property platform unique to Thailand. The Company was positioned to provide advisory services and invest directly in real estate projects with an emphasis on, but not limited to, the hospitality and residential sectors. With new businesses, the Company's revenue structure would be enhanced and diversified. The existing resources would be fully utilised. The new management team and executive Directors brought in by the new shareholders possessed a broad range of experience in the real estate and hospitality sectors and an optimal combination of disciplines.

NATURE OF BUSINESS

PROPERTY SERVICES

PROPERTY DEVELOPMENT ADVISORY SERVICES

The Company provides advisory services in relation to real estate development, especially in the hospitality and residential property sectors. These services include, but are not limited to, project identification, carrying out due diligence, market studies, feasibility studies, financial analysis, capital structuring, project management, master planning, conceptual design, sales and marketing, development and project management, and advising on operational strategies.

The core target group for this service is foreign investors seeking to invest in Thailand with capable local partners. This group of investors demands high quality services at international standards to ensure that their investments will be successful. In addition, local investors and developers are constantly looking for co-investors or capital providers. The company can also assist them in the process of identifying, evaluating and selecting such partners.

The revenue from this service depends on the scope of services and the complexity of assignments. However, it is normally charged as percentage of the project value over the period of service.

PROPERTY DEVELOPMENT/INVESTMENT

The Company does not plan to drive property development/investment to be its main business and major source of income as it does not want to become a conventional property developer. However, the company is willing to make direct investments in real estate projects where such investments present unique opportunities for the company. These would include additional gains with reasonable returns from penetration of certain markets, leading to other favorable businesses or business expansion opportunities.

In the early stage, the company intends to focus on hospitality and high-end residential sectors as they provide a mix of short and medium-term investments that give relatively high returns. The company is very selective and diligent when it comes to making proprietary investments in order to maximise the returns on capital to be spent. The revenue from this branch of business will come in the form of annual operational income as well as sales of units and investments at the end of the investment period.

MEDIA SERVICES

WIRELESS VALUE ADDED SERVICES

The Company provides, aggregates, and develops two types of wireless VAS for mobile phones: Premium Content and Basic Content which are delivered by mobile phone operators in addition to their regular services. These value-added services allow mobile phone users to move beyond just interpersonal communication when using their phones. Through wireless VAS, mobile phone users can receive information, news, and entertainment. Revenue from this service comes from revenue shared with mobile phone network operators as specified in agreements between the Company and mobile phone network operators.

REVENUE STRUCTURE

The Company's 2009 income from services was generated from three sources:

1. Property advisory services
2. Digital media and creative media services
3. Financing activities and interest incomes

Details regarding income from services classified by segment, from 2007 to 2009, are as follows.

Type of Service	(Unit: '000 THB)					
	2007		2008		2009	
	Income	%	Income	%	Income	%
Property advisory services	9,053	19.3	34,371	68.7	119,327	88.0
Digital media and creative media services	20,988	44.7	11,515	23.0	15,224	11.2
Financing activities and interest incomes	3,326	7.1	4,165	8.3	1,069	0.8
Interactive solutions services	13,536	28.9	0	0	0	0
Total income from services	46,903	100.0	50,051	100.0	135,620	100.0

CAPITAL STRUCTURE

At the Extraordinary General Meeting of Shareholders No. 4/2004, 26th August 2004, shareholders of the Company authorised the issue of common shares, thereby increasing the share capital allotted to the public, supporters, and Company employees. Consequently, the Company's registered capital was THB 40,931,510 divided into 40,931,510 ordinary shares with a par value of THB 1 each.

On 23rd July 2007, the Extraordinary General Meeting of Shareholders No. 1/2007 passed resolutions to increase the Company's registered capital of THB 368,383,500 divided into 368,383,500 ordinary shares at a par value of THB 1 each, therefore increasing the existing registered capital of THB 40,931,510 to THB 409,315,100, divided into 409,315,100 ordinary shares at par value of THB 1 each. On 6th August 2007, the Company reported the results of the sale of shares to the existing shareholders whereby 350,434,608 ordinary shares were subscribed while 17,948,982 shares remain unsubscribed.

Following the call made by the Board of Directors on the 14th of December 2007 for an EGM in January, the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2008 on 29th January 2008 approved the reduction of the Company's registered capital from THB 409,315,100 to THB 391,366,118, divided into 391,366,118 ordinary shares at the par value of THB 1 by cancelling 17,948,982 shares at the par value of THB 1 per share. These cancelled shares had remained unissued from the previous rights issue approved by the Extraordinary General Meeting of Shareholders No. 1/2008, and increased the registered capital by THB 130,000,000 from the existing registered capital of THB 391,366,118 to be THB 521,366,118 divided into 521,366,118 ordinary shares at the par value of THB 1 each.

On 21st March 2008, the Board of Directors' Meeting No. 4/2008 approved the allotment of 130,000,000 new ordinary shares with a par value of THB 1 per share at an offering price of THB 2.10 per shares to MGP Hazel (Mauritius) No. 1 Limited.

As of 9th April 2008, the Company's authorised share capital was THB 521,366,118 divided into 521,366,118 ordinary shares at a par value of THB 1 each.

The Extraordinary General Meeting of Shareholders No. 1/2009 on the 16th October 2009 approved the increase of registered capital by THB 172,633,882 from the existing registered capital of THB 521,366,118 to THB 694,000,000 divided into 694,000,000 ordinary shares at a par value of THB 1 each.

The current registered capital is THB 694,000,000 and the paid-up share capital is THB 521,366,118.

The Company's capital increase from the date the Company was listed on the Market for Alternative Investment is as follows:

No	Registration date	Registered share capital before capital change (THB)	Increase / (Decrease) (THB)	Registered share capital after increase / reduction (THB)	Paid – up share capital (THB)	Remarks
1.	27/04/2005	40,931,510	-	-	40,931,510	-
2.	8/08/2007	40,931,510	368,383,500	409,315,100	391,366,118	<u>Allocated</u> to existing shareholders <u>Objectives</u> 1) Support and expand the Company's existing business. 2) Business expansion into a well - defined media placement and advisory services, sales and marketing and investment into a branded hotel project in Samui, Surathani Province 3) For use as the Company's working capital
3.	11/02/2008	409,315,100	(17,948,982)	391,366,118	391,366,118	Reduction of 17,948,982 unissued shares.
4.	12/02/2008	391,366,118	130,000,000	521,366,118	391,366,118	<u>Allocation</u> Offered to private placement investors and/or institutional investors <u>Objectives</u> For use as the Company's working capital and future investments
5.	09/04/2008	521,366,118	130,000,000	521,366,118	521,366,118	The Board of Directors' Meeting No. 4/2008 on 21 st March 2008 approved the allotment of 130,000,000 new ordinary shares with a par value of THB 1 per share at an offering price of THB 2.10 per shares to MGP Hazel (Mauritius) No. 1 Limited.
6.	28/10/2009	521,366,118	172,633,882	694,000,000	521,366,118	<u>Allocation</u> Offered to private placement investors and/or institutional investors <u>Objectives</u> For use as the Company's additional working capital and future investments.

SHAREHOLDERS

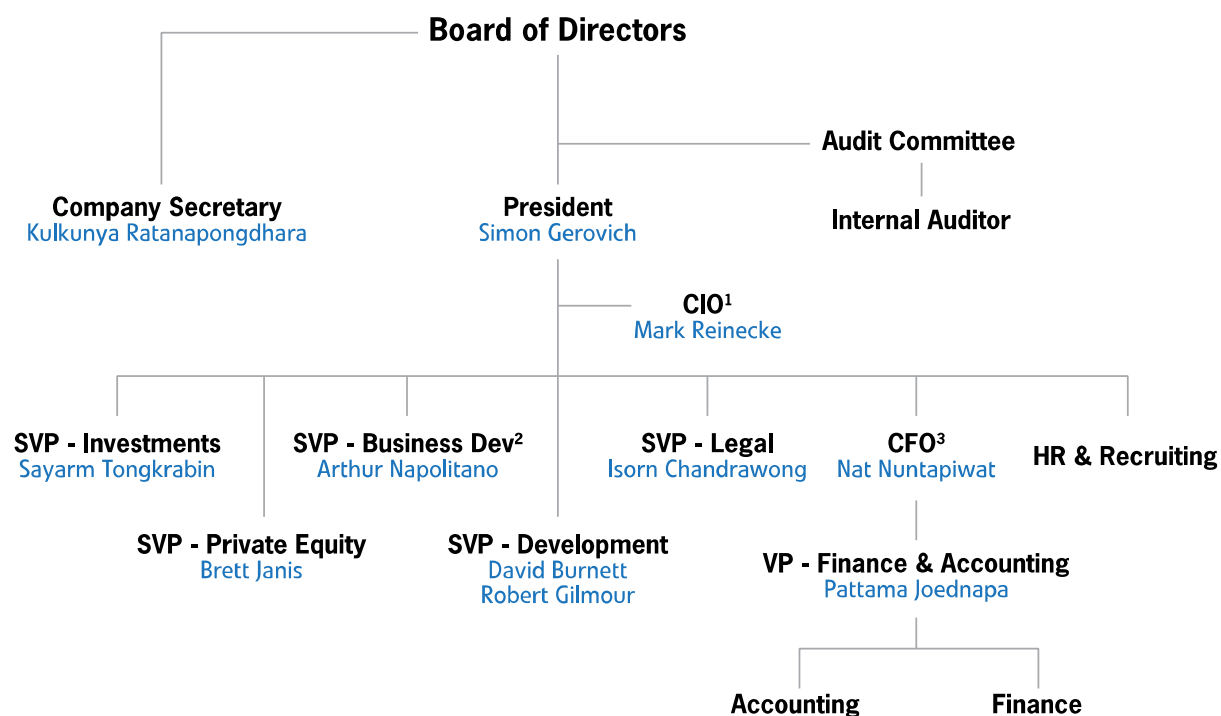
Major Shareholders (Top 10 Shareholders as of 17 November 2009)

RANK	NAME	SHARES	% HOLDING
1.	Thai NVDR Co., Ltd.	146,942,232	28.2%
2.	MGP Hazel (Mauritius) No. 1 Limited	106,708,400	20.5%
3.	Goldman Sachs International	66,490,800	12.8%
4.	Mr. Simon Gerovich	54,772,100	10.5%
5.	Citibank Nominees Singapore Pte. Ltd.-UBS AG Zurich	17,500,000	3.4%
6.	M.R. Chatu Mongol Sonakul	12,000,000	2.3%
7.	Thailand Securities Depository Co., Ltd.	7,489,303	1.4%
8.	Mr. Mark Reinecke	7,288,297	1.4%
9.	Mr. Jit Sriwannawit	6,328,900	1.2%
10.	Mrs. Sompis Awakul	5,750,000	1.1%

DIVIDEND PAYMENT POLICY

Pursuant to the Company's Articles of Association, the Company's dividend payment policy is to pay out no less than 50% of the net profit after tax and statutory reserves required by Thai Law and Regulations, with the condition that the Company would still have adequate cash for ongoing operation and working capital purposes. The Company's dividend policy is subject to change from time to time as approved by Shareholders in the General Shareholders Meeting.

THE MANAGEMENT STRUCTURE



¹ Chief Investment Officer ² Business Development ³ Chief Financial Officer

THE BOARD OF DIRECTORS

As of 15th February 2010, the Board of Directors consists of nine Directors.

NO.	NAME	POSITION
1.	M.R. Chatu Mongol Sonakul	Chairman of the Board of Directors
2.	Mr. Simon Morris Gerovich	President / Managing Director
3.	Mr. Mark Michael Reinecke	Executive Director / Chief Investment Officer
4.	Mr. Arthur Hugh Napolitano	Executive Director
5.	Mr. Witit Sujjapong	Independent Director / Chairman of Audit Committee
6.	Ms. Chanyaphat Chanprasit *	Independent Director / Audit Committee member
7.	Mr. Krish Detter	Independent Director / Audit Committee member
8.	Mr. Christiaan Brett Straatemeier	Director
9.	Mr. Philip Andrew White	Director

*Ms. Chanyaphat Chanprasit changed her name to Ms. Chanyaphat Chanprasit on 2nd December 2009.

The authorised Directors are Mr. Simon Morris Gerovich, Mr. Mark Michael Reinecke, and Mr. Arthur Hugh Napolitano. The authorised signatory of the Directors on behalf of the Company is Mr. Simon Morris Gerovich to sign jointly with Mr. Mark Michael Reinecke or Mr. Arthur Hugh Napolitano and affix the company's seal.

Miss Kulkunya Ratanapongdhara is the Company Secretary and Secretary to the Board of Directors.

SCOPE OF POWER AND DUTIES OF BOARD OF DIRECTORS

The Scope of Powers and Duties of the Board of Directors are defined as follows:

1. The Board of Directors shall be fully authorised by the shareholders to manage and operate the Company's business in accordance with the law, the Company's objectives, vision, mission, and strategy as well as the Articles of Association and resolutions of the Shareholders' Meeting;
2. The Board of Directors shall be responsible for approving, monitoring and providing guidance on the Company's strategic planning process and business plan. The Chief Executive Officer and the senior management team will have direct responsibility for the ongoing strategic planning process, implementation of the business plan, and the establishment of long term goals for the Company, which are to be reviewed and approved at least annually by the Board of Directors. The Board will establish annual performance objectives against which to measure corporate and executive performance. Based on the reports from the Chief Executive Officer, the Board will monitor the Management's success in implementing the approved strategies and goals;
3. The Board of Directors shall be responsible for identifying the principal risks of the Company's business and use reasonable steps to ensure the implementation of appropriate systems to manage these risks, and attempt to achieve a proper balance between the risks incurred and the potential returns to shareholders.

4. The Board of Directors shall be responsible for control and policy related issues, including approving, reviewing, and controlling policies, implementing policies, and setting requirements for new policies, reviewing and controlling the financial and operational management, managing risk, being responsible to the shareholders, preserving shareholders' interests, and disclosing information accurately and completely with the highest standards and transparency;
5. The Board of Directors will ensure that executive compensation is linked appropriately to corporate performance. This responsibility is carried out primarily through the appointment of the Chief Executive Officer as the Company's business leader. The Board will assess, on an ongoing basis, the Chief Executive Officer's performance against criteria and objectives established by the Board from time to time. The Board will also use reasonable steps to ensure that the Chief Executive Officer has in place adequate programs to recruit, retain, develop and assess the performance of senior management;
6. The Board of Directors shall be responsible for keeping in place adequate and effective succession plans for the Chief Executive Officer and senior management and review these plans on an annual basis;
7. The Board of Directors shall be responsible for the performance of the Board on an annual basis;
8. The Board of Directors shall be authorised to approve the annual budget, the operational plans, budget revisions, mergers and acquisitions, investment plans, the establishment of subsidiaries or joint ventures, interim dividends, the appointment of Directors and establishment of Sub-Committees and/ or Executives to act under the scope of authority and duties of the Board of Directors, provided that:
 - (a) Any such matters that require the approval of shareholders according to the law must be proposed by the Board to a Shareholders' Meeting for final approval;
 - (b) Any transaction in which Directors have an interest, and for which there is a law or provision of the Stock Exchange of Thailand, must secure the approval of a Shareholders' Meeting. In this connection, a Director who has an interest, or conflict of interest, in any matter, is not entitled to cast a vote on such a matter.
9. The Board of Directors shall be responsible for ensuring adequate resources, determining and monitoring the Company's programs and services, enhancing the Company's public image, exercising approval of outside counsel, and overseeing new Board member orientation.

ELECTION OF DIRECTORS AND EXECUTIVES

The Directors must be appointed at a General Meeting of Shareholders, with the exception of a vacancy for any Director. The Board of Directors will consider and elect a person who is qualified and does not possess any characteristics prohibited by law, to be a Director and retain office only during the remaining term of the vacant Director.

According to article three of the Company's Articles of Association, the Board of Directors shall comprise of at least five Directors. No less than half of the Directors must be domiciled in Thailand.

Currently, the Company does not have a nomination committee to select candidates for directorship. A Director shall be elected at the shareholders' meeting in accordance with the following requirements and procedures:

1. Each shareholder shall have votes equal to the number of shares held by him.

2. Each shareholder may exercise all the votes he has to elect one or several persons as Directors.
3. The person who receives the highest number of votes in their respective order of the votes shall be elected as Director. In the event of an equal number of votes being cast for candidates up for election, the chairman of the meeting shall exercise a casting vote.

In addition, the candidate for the Directors' position shall be a person with qualifications under the Public Company Act and notifications of the Securities and Exchange Commission.

In 2009, the Board held 6 meetings. The attendance information for each Director is as follows:

NO.	NAME	No. of meetings attended / total no. of meetings
1.	M.R. Chatu Mongol Sonakul	6/6
2.	Mr. Simon Morris Gerovich	5/6
3.	Mr. Mark Michael Reinecke	6/6
4.	Mr. Arthur Hugh Napolitano	6/6
5.	Mr. Witit Sujjapong	6/6
6.	Ms. Chanyaphat Chanprasit	5/6
7.	Mr. Krish Detter	6/6
8.	Mr. Christiaan Brett Straatemeier	2/6
9.	Mr. Philip Andrew White	0/6

AUDIT COMMITTEE

The Company has three independent Audit Committee members who are responsible for monitoring its operations. As of 15th February 2009, the Audit Committee consists of Mr. Witit Sujjapong, Ms. Chanyaphat Chanprasit, and Mr. Krish Detter.

NO.	NAME	POSITION
1.	Mr. Witit Sujjapong	Independent Director & Chairman of Audit Committee
2.	Ms. Chanyaphat Chanprasit	Independent Director & Audit Committee member
3.	Mr. Krish Detter	Independent Director & Audit Committee member

The Audit Committee Chairman, Mr. Witit Sujjapong is knowledgeable and experienced in reviewing accounting and finance matters and possesses a comprehensive knowledge of the preparation of financial reports.

SCOPE OF POWER AND DUTIES OF THE AUDIT COMMITTEE

1. The Audit Committee shall ensure that the Company has accurate and sufficiently transparent financial reports by working with the Company's external auditor and responsible executives to prepare both quarterly and annual financial reports. In addition, during the Company's audit process, the Audit Committee may recommend that the auditor audit or check any transaction deemed necessary and important.
2. The Audit Committee shall increase diligence in the performance of duties by the Board of Directors. Responsibilities include:

- reporting of financial information
- selection of proper accounting policies
- financial management
- internal control system and internal audit
- compliance with applicable regulations and laws
- management and control of business risk

Other significant or unusual accounting matters include:

- the Company's revenue recognition and compliance with relevant accounting standards
- restructuring changes
- the use of reserves and accruals

3. The Audit Committee shall review the adequacy of internal controls and monitor the Internal Audit department. This includes:
 - monitoring and discussing (with management, the internal audit department and the external auditor) the Company's internal control structure to determine whether its policies are working and responsive to the current environment
 - evaluate weaknesses in the Company's internal control system
 - evaluate whether internal controls are enforced consistently
 - evaluate the quality of personnel in key internal audit positions
 - review on an annual basis and participate in the budget and staffing for the internal audit department
 - reinforce the independence of the internal auditor and internal audit department to enable them to present opinions that will give rise to more efficient operations
 - review the assignments and priorities for the internal auditor
 - meet with the internal auditor at least quarterly to discuss the preparation of Company's financial statements, the adequacy of the Company's financial reporting processes and internal control structure, the internal auditor's methods of risk assessments, and the results of those assessments.
 - reinforce improvement in the quality of the internal audit reports
 - consider the independence of the internal auditor

- endorse the appointment, removal or discharge of the internal auditor
4. The Audit Committee shall make recommendations to the Board of Directors on matters concerning the nomination of the Company's external auditor and propose its remuneration by considering the credibility, availability of resources and workload of the audit firm, inclusive of the independence and experience of the personnel assigned to audit the Company's accounts and meet with the auditor without the management team at least once a year.
 5. The Audit Committee shall ensure that the Company has complied with SET/SEC regulations.
 6. The Audit Committee shall review any related transaction or conflict with management as it arises to ensure compliance with the relevant rules.
 7. The Audit Committee shall ensure the accuracy and completeness of the Company's information as disclosed, where there are connected transactions or transactions that may involve a conflict of interest.
 8. The Audit Committee shall act upon other matters as assigned by the Board of Directors and approved by the Audit Committee; for instance, the review of the Company's financial and risk management policies, the review of the executives' compliance with business ethics, the joint review with the Company's executives of important reports to be disclosed to the public as required by law, the executives' report and analysis, etc.
 9. The Audit Committee shall prepare the activities of the Audit Committee by publishing them in the Company's annual report, where such reports must be signed by the Chairman of the Audit Committee. The following information should be included in the report:
 - opinions in connection with the preparation process and disclosure of information from the Company's financial reports, with respect to the accuracy, completeness and credibility of the report
 - opinions in connection with the adequacy of the Company's internal control system
 - reasons for the appointment of the Company's external auditor
 - opinions in a conflict of interest transaction of the Company's business
 - reports on the audit committee meetings and the member's attendance
 - reports on the opinion or observation given by the Company's external auditor on the Company's business
 - opinions in connection with compliance according to the laws on the Securities and Stock Exchange of Thailand, rules and regulations of Stock Exchange of Thailand or any laws relating to the Company's business
 - any other reports under the Audit Committee's scope of duties and responsibilities as assigned by the Board of Directors which should be known to the shareholders and investors

ELECTION OF AUDIT COMMITTEE/INDEPENDENT DIRECTORS

The Audit Committee/Independent Directors are elected at a Shareholders' Meeting, whereby the selection procedure is similar to that employed in the election of the Board of Directors. Thus, the Audit Committee/Independent Directors are elected in accordance with the following rules:

1. The candidate for the position of Independent Director/Audit Committee member must not hold shares in excess of 1% of the registered capital, fully paid, including those shares held by related persons.
2. The candidate for the position of Independent Director/Audit Committee member must not play any role in the management of the Company and any related companies. They must not be a director, hired staff, a Company employee, a consultant/advisor receiving a salary from the Company, nor possess influence over the direction of the Company, and must not have had any special interest in the Company within at least two years in advance of the appointment.
3. The candidate for the position of Independent Director/Audit Committee member must have no business relationship with the Company's auditor and business connections or relationships, no special interests, whether direct or indirect, both in terms of the finances and management of the Company, nor be a person who has a conflict of interest, which would jeopardise his independence in the Company within at least two years in advance of the appointment.
4. The candidate for the position of Independent Director/Audit Committee member must not be a close relative of the Directors or executives, a major shareholder of the Company, nor a person who may have a conflict of interest. Further, the members of the Audit Committee must comprise at least one person who is knowledgeable and experienced in accounting or finance matters and possesses a comprehensive knowledge of the preparation of financial reports.

THE MANAGEMENT

As of 15th February 2010, the Company's Management consisted of the following persons:

NO.	NAME	POSITION
1.	Mr. Simon Morris Gerovich	Director/ President
2.	Mr. Mark Michael Reinecke	Director/ Chief Investment Officer
3.	Mr. Arthur Hugh Napolitano	Director/ Senior Vice President - Business Development
4.	Mr. Isorn Chandrawong	Senior Vice President - Legal
5.	Mr. Sayarm Tongkrabin	Senior Vice President - Investments
6.	Mr. Robert Gilmour	Senior Vice President - Development
7.	Mr. David Burnett	Senior Vice President - Development
8.	Mr. Brett Andrew Janis	Senior Vice President - Private Equity
9.	Mr. Nat Nunthapiwat	Chief Financial Officer/Vice President - Finance & Accounting
10.	Ms. Pattama Joednapa	Vice President - Finance & Accounting

SCOPE OF POWER AND DUTIES OF PRESIDENT/MANAGING DIRECTOR

1. The Managing Director shall manage, control, and be responsible for the common day-to-day operations of the Company in accordance with the approved budget and continuously be responsible for monitoring, supervising and improving overall operations.
2. The Managing Director shall manage the Company in accordance with the resolutions of the Board of Directors.
3. The Managing Director shall develop and propose corporate and business unit strategies to be endorsed and approved by the Board of Directors, and be responsible for the implementation of such approved and endorsed strategies.
4. The Managing Director shall develop and propose the corporate policies of the Company, to be endorsed and approved by the Board of Directors, and be responsible for the implementation of such policies.
5. The Managing Director shall be responsible for the budget process and the operational plans of the Company and conduct quarterly budget reviews and propose revisions of the budget, to be approved by the Board.
6. The Managing Director shall report to the Board of Directors on a monthly basis.
7. The Managing Director shall develop and maintain all the Company's third party relationships in the direction of the corporate strategy, business unit strategies and corporate policy.
8. The Managing Director shall approve the Company's financial transactions within the budget, and also approve expenses, costs and investments not included in the approved budget of unlimited amount without prior approval by the Board.
9. The Managing Director shall be responsible for the Company's cash management including investments in fixed assets, interest-bearing financial instruments, funds, and other financial investment opportunities, and be authorised to delegate these powers.
10. The Managing Director shall be responsible for the Company's credit facilities, loan applications, loan extensions, overdraft facilities, credit line extension of credit lines, debenture issuance, collateral, money deposits, and be authorised to delegate these powers.
11. The Managing Director shall employ, hire, remove and terminate employees and approve their compensation and incentives programs in accordance with the approved budget. For key management positions such as the CIO and CFO, the Chief Executive Officer shall request opinions from the Board before taking the final hiring or firing decision.

The above mentioned powers and duties granted to the Managing Director or authorised representatives shall not include the approval of transactions conducted with the Company or subsidiaries by themselves or any other parties which have or may have stakes or conflicts of interest. However, the prohibition does not extend to common transactions within the specific scope of authorisation, such as transactions relating to the sale or purchase of products or services to or from conflicting parties, under a specific amount, expressly pre-defined. The Managing director shall be responsible to the Board of Directors.

REMUNERATION OF DIRECTORS AND MANAGEMENT

REMUNERATION IN CASH

Directors

Remuneration Type	(Unit: THB m)	
	2009	
	Persons	Amount
Meeting and Retainer Fee	9	2.01
Directors and Officers Liability and Corporate Reimbursement Insurance *	9	0.73

Details of remuneration of Company Directors in 2009 are as follows:

(Unit: THB m)		
NO.	NAME	Meeting and Retainer Fee
1.	M.R. Chatu Mongol Sonakul	675,000
2.	Mr. Simon Morris Gerovich	-
3.	Mr. Mark Michael Reinecke	-
4.	Mr. Arthur Hugh Napolitano	-
5.	Mr. Witit Sujjapong	450,000
6.	Ms. Chanyaphat Chanprasit	437,500
7.	Mr. Krish Detter	450,000
8.	Mr. Christiaan Brett Straatemeier	-
9.	Mr. Philip Andrew White	-
Total		2,012,500

MANAGEMENT

Remuneration Type	(Unit: THB m)	
	2009	
	Persons	Amount
Salary	8	28.55
Other welfare, such as social security fund, provident fund	8	2.03
Health insurance, rental allowances, traveling allowances	8	3.24
Total	8	33.82

EMPLOYEES

As of 31 December 2009, the Company (not including subsidiaries and associates) has 32 employees excluding Management which are divided into 2 major departments as below detail;

Department	No. of Employees
Investments and Development	11
Corporate	21
Total	32

REMUNERATION OF EMPLOYEES

Remuneration Type	(Unit: THB m)	
	2009	
	Persons	Amount
Salary	32*	26.53
Other welfare, such as social security fund, provident fund	32*	1.54
Health insurance, rental allowances, traveling allowances	32*	0.37
Total	32*	28.44

*as of 31 December 2009

GOOD CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

In recognition of the importance of good corporate governance, the Board of Directors agree to establish standards of business administration in order to achieve efficient and transparent operations, increase competitiveness, and provide fair treatment and confidentiality to all stakeholders. In 2004, the Company appointed an Audit Committee to provide advice and scrutinise the Company's good governance policy. The policy should establish the rights and equality of shareholders and stakeholders, the definition of the structure, responsibilities, duties, accountability and independence of the committee, accurate and regular disclosure of information to the public, risk control and management, and ethical business administration.

The Company has complied with the principles of good corporate governance for listed companies, which have been laid down by the Stock Exchange of Thailand and presented into 5 categories as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

1. RIGHTS OF SHAREHOLDERS

The Company recognises the rights of all shareholders and demonstrates its respect for shareholders' rights by encouraging them to exercise their basic rights after stock trading and the right to receive dividends. These rights include:

- Secure method of ownership registration
- Convey and transfer shares
- Obtain relevant and material information on timely and regular basis
- Participate and vote in general shareholder meetings
- Assign a proxy to vote on their behalf in meetings
- Be informed of the rules that govern shareholder meetings
- Give opinions and ask questions in shareholder meetings
- Vote to elect or remove Directors
- Vote to appoint independent auditors and set annual audit fees
- Share the profits of the company
- Participate in and be informed regarding major decisions concerning fundamental corporate changes

In disclosing information, the Company will report the Company's current situation and future trends to shareholders equally, regularly, and accurately. In organising an annual ordinary shareholders meeting, the Company will send an invitation attached with information relevant to the meeting seven working days before the meeting and the Company shall serve a notice, once completely prepared, or posted visibly on the Company's website at www.evolution.co.th, so that the shareholders shall have access to information and in order that the shareholders have sufficient time to study the information and documents relevant to the meeting.

So far, the Shareholders' Meeting has been organised once a year. However, in the case of an urgent agenda, an extraordinary meeting may be requested. Every shareholder is able to vote and voice his opinion or make inquiries before decisions are made on each matter.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

- The Board of Directors values the importance of shareholders' meetings and shall facilitate all shareholders to attend the meetings, gain access to information, and exercise voting rights at these meetings in an equitable manner.
- The Board of Directors shall present important matters to shareholders so that they can participate in the decision-making while ensuring that shareholders receive full, adequate and timely information for decision-making purposes. In addition, it shall support and facilitate appropriate voting procedures including voting by proxy.

The Company has adopted measures to prevent the Board and Executives to use inside information or abusive self-dealing so as to take advantage for their own or others such as insider trading or disclosure of inside information to those related to the Board and management which might cause damage for shareholders as a whole. In addition, the Board of Directors and management shall file, on a quarterly basis, a report of their securities compared with preceding quarter so that the Board of Directors can be aware of any change thereof. In 2009, the Board of Directors and management have duly adhered to this requirement and there appears to be no violation in such prohibitive periods.

3. ROLE OF STAKEHOLDERS

The Company recognises the importance of the rights of all stakeholders, including shareholders, management, employees, customers, suppliers, the community, society, and relevant government and private agencies. Recognising the need for stakeholders' support, which strengthens competitiveness and business operations in the long term, the Company operates in accordance with relevant rules and regulations, to ensure that the rights of all stakeholders are upheld.

- **Shareholders.** The Company aims to represent the best interests of its shareholders in all its business operations included in information and accurate disclosure of information.
- **Management and Employees.** The Company shall treat all managers and employees equally and fairly. The management and employees have the right to receive remuneration and benefits in accordance with their position and duties, without discrimination.
- **Customers.** The Company shall devote itself to its customers, be responsible to them, offer them quality service, respect their confidentiality, and assign personnel to deal with their complaints and inquiries as effectively as possible.

- **Suppliers and Creditors.** The Company shall buy products and services from suppliers in accordance with trade regulations, including agreeing to act in accordance with supply contracts. With respect to the borrowing of money, the Company will act in accordance with the terms of the contract or agreement.
- **Competitors.** The Company will act in accordance with a good regulatory framework, avoiding unethical or underhanded means to eliminate competition.
- **Community and Society.** The Company shall act responsibly with respect to the community and society, in that the Company's products shall not have negative effects on society, and shall create a good image for the Company.

4. DISCLOSURE AND TRANSPARENCY

The Company gives a high priority to the disclosure of the Company's financial reports, and operational information, and is committed to their accuracy, completeness, transparency, quality, and the timely release to investors and the public through the Stock Exchange of Thailand and the Company's website www.evolution.co.th. In addition, the Compliance Department is responsible for information disclosure to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to ensure the Company's compliance with the laws and regulations.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Leadership and Vision

Based on the values of integrity, morality, and business ethics; the Board of Directors shall determine the Company's vision, policy and business direction, annually review and approve strategies, policies, financial and operating objectives, follow up on the management's implementation of the operating plan, provide appropriate internal control, internal audit, and risk management. They shall also ensure that the management team performs its duties according to the objectives and guidelines, thereby delivering maximum benefits to the shareholders.

The Board of Director's Responsibilities

- To perform its duties in compliance with the law, the Company's objectives and Articles of Association, including resolutions of the shareholders' meetings, with honesty, integrity and prudence while protecting the Company's interest.
- To set up vision, policies and the direction of the Company's business operations and monitor the implementation of the Company policy by management to ensure efficiency, effectiveness and maximum value to the Company and its shareholders.
- To evaluate performance and determine remuneration for the Company's management.
- To consider and approve material issues as stipulated by law.
- To establish reliable systems of accounting, financial reporting and auditing. This includes evaluating procedures in internal control assessment and follow-up processes, and ensuring the efficiency and effectiveness of internal audits, risk management and financial reports.
- To ensure that no conflicts of interest occur amongst stakeholders.
- To monitor business operations with the aim of ensuring ethical work standards.

In 2009, the Company held two meetings – an annual general meeting and one extraordinary meeting. The meetings were prepared for and carried out as follows:

Shareholders' Meeting

- **Distribution of meeting notices.** In advance of each Shareholder Meeting, the Company sends out invitation letters which state the agenda of the meeting and information relating to each agenda item, both in Thai and English. The letter reaches shareholders seven working days prior to the meeting. The Company advertises the date of the meeting in the press for at least three consecutive days, at least three days prior to the meeting.
- **Assigning a proxy to vote on their behalf in the meeting.** Shareholders can exercise their rights to vote either in person or in absentia with equal rights. By completing a proxy form and including the notice of the meeting, independent Directors grant permission to a shareholder to use him as their proxy.
- **Meeting attendance and registration.** To attend the shareholders' meeting, shareholders must present documents to verify their identity such as an identification card or passport. A proxy must provide evidence such as the completed proxy form along with a copy of an identification card or the passport of the shareholder. Where a proxy is assigned by a juridical person, he/she must bring proxy evidence such as the proxy form along with a certified copy of business registration certificate. Shareholders presenting an identification card can pre-register two hours prior to the AGM. The Company organises a systematic and effective registration process to facilitate the shareholders attending the meeting.
- **Board of Directors attendance at shareholder meetings.** The Company recognises the importance of shareholders' meetings. Therefore the meeting is attended by the Board of Directors and chaired by the Chairman of the Board. Moreover, the Managing Director/Chief Executive Officer, Chairman of each Board Committee and the external auditor or a representative also attends the meetings to listen to opinions and answer the questions raised by shareholders.
- **Shareholders' opportunities to ask questions and give opinion, resolution and records of meetings.** The Company facilitates equitable rights among shareholders at meetings by declaring clear voting procedures and counting methods to all shareholders present before the meeting begins. During the meeting, shareholders have equal opportunities and are allowed sufficient time to address issues relevant to every agenda with the Board. The Chairman of the meeting gives shareholders the opportunity to fully examine the operations of the business, ask questions and make inquiries, express their views, and make various recommendations. The Company has a policy to encourage all committee members to attend the shareholders meeting, particularly the Chairman of the Board and the Chairman of the Audit Committee, so that they may respond to inquiries and express their own views at the Shareholders' Meeting, with respect to important questions and opinions. These are recorded as a part of a report of the meeting, which is then made available for the scrutiny of shareholders unable to attend the meeting. The Company will facilitate voting by proxy. The voting and counting of votes will be carried out in an efficient and transparent manner. One vote is counted per share and a resolution is carried by the majority vote. If the votes are equal, the Chairman of the meeting shall cast the deciding vote. Voting tickets will be used where shareholders wish to make objection votes or abstention votes and will be kept for later inspection. The company will record the resolutions of the meeting by classifying votes into approval votes, objection votes, and abstention votes for each agenda in writing and will also record in detail the questions, answers, and opinions made during the meeting. Resolution with voting results will be recorded in the minutes of shareholders' meeting.

- **After the meeting.** The results of the meeting are released by the Stock Exchange of Thailand the following working day. Within 14 days, the Company then sends to each shareholder the complete minutes of the meeting containing names of Board Members/Executives in attendance, numbers/proportions of shareholders who attended, resolutions, important issues, and questions and answers.

Conflict of Interest

To prevent issues regarding the conflict of interest, the Company appoints an Audit Committee to participate in reviewing the disclosure of connected transactions. In any Board of Directors' meeting or Board of Executive Directors' meeting, if there is any connected transaction in which conflict of interest is concerned, individual Directors who may be involved in such conflict should refrain from voting. Only non-involved Directors and Audit Committee members are eligible to carefully review such connected transactions in the best interests of the Company. However, in the case that such connected transactions need to be handled in compliance with regulations, announcements, or any rules of the Stock Exchange of Thailand, such enforcement shall be strictly applied.

Business Ethics

The Board of Directors of the Company acknowledge their roles, duties, and accountability, to ensure efficient, clear, transparent operations, in accordance with relevant laws and the regulations of the Company, as well as resolutions of any Shareholders' Meeting. The principles, policies, morals and ethics of good corporate governance are issued to the Board of Directors as guidelines in carrying out their duties with honesty, morality, accountability, loyalty, and integrity, for the best interests of the Company and shareholders.

The Company establishes sets of principles regarding business ethics for the Board of Directors and the Audit Committee.

Balance of Power for Non-Executive Directors

The Board of Directors of the Company currently comprises nine Directors; three Executive Directors and six Non-Executive Directors. The Audit Committee comprises three independent Directors who account for one third of the entire Board. The balance between Executive and Non-Executive Directors is appropriate and ensures that the Directors represent the best interests of shareholders, as Non-Executive Directors make up two thirds of the entire Board. The Audit Committee shall be considered as representatives of minority shareholders who have the duty of ensuring the accuracy and transparency of the Company's operations.

Aggregation or Segregation of Positions

The Chairman of the Board of Directors shall not be the same person as the President/Managing Director. The authority of the Chairman of the Board of Directors shall be separated from that of the President/Managing Director to ensure a clear distinction between supervisory, policy-making duties, and day-to-day business administration. The Company clearly defines the responsibility and authorisation of the Board of Directors and the Audit Committee (see details in section Management Structure) to ensure transparent operations, a balance of power, and appropriate performance reviews. However, significant agenda items must be approved by the Board of Directors' meeting or Shareholders' Meeting. Authorisation granted to the Board of Directors, the Audit Committee, and the President/Managing Director, does not give power to any of them to approve any connected transaction involving themselves or their representatives, which may cause a conflict of interest with the Company.

In addition, during Board meetings, each member is free to express his views. Members' views are documented in detail in meeting reports.

Remuneration of the Board of Directors and Management

The Company clearly and transparently specifies the remuneration of Directors to be comparable to the rest of the industry, and appropriate to their duties. Remuneration is approved at the Shareholders' Meeting and is in compliance with pre-defined policies and principles set by the Directors, and therefore ties the Company's operating results to the Directors' performance.

The Company specifies the remuneration of Directors and management in accordance with regulations set by the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

Meetings of the Board of Directors

Board of Directors' meetings for the Company are held no fewer than once every quarter. Additional meetings may be called to discuss special agenda items. Directors must attend, except in case of an emergency. An invitation, along with the meeting agenda and relevant documents, are sent out to each Director at least seven days before the meeting to allow adequate time to study the information. In every meeting, each Director can openly and freely express his opinion. The minutes of each meeting are properly documented and, after approval from the Board, filed for auditing purposes.

Sub-committees

The Audit Committee comprising three members was appointed to supervise the Company's business for a term of two years, including its composition, scope of authority and the responsibilities of each committee member, and management structure. The Committee is required to call meetings no fewer than once every quarter. A special meeting may be requested to discuss urgent agenda items.

The Audit Committee has duties to independently review the Company's financial reports, internal control and audit, operations, selection and appointment of the Company's external auditor, disclosure of connected transactions or items concerning conflict of interest. Such an auditing process is aimed at strengthening the efficiency of control and supervision, in compliance with the policy of MAI.

Assessment of the Board of Directors' Performance

It is the Company's policy that the Board of Directors shall meet and conduct an annual self-assessment to evaluate its performance with the aim of improving its efficiency. This evaluation covers a broad spectrum of the Board's duties, including strategic direction, supervision and monitoring of operations, members' responsibilities, teamwork, structure, policy, meetings, training and development.

Internal Control and Audit System

The Company recognises the importance of internal control at managerial and operational levels, and clearly defines the scope of the responsibilities and authorisation of the management and employees in written documents. In addition, policies to optimise the use of the Company's assets, segregate responsibilities among operating staff, control staff, and appraise performance, are also implemented to ensure a proper balance of power.

- **Internal control.** It is the responsibility of the Board and the Audit Committee to ensure an internal control system that is effective and facilitates the management of risk at acceptable levels. Furthermore, the Board and the Audit Committee shall regularly monitor and evaluate the system for efficiency. The Audit Committee shall examine effective compliance of the Company in the following areas: the control environment, risk assessment,

control activities, information and communication systems, and monitoring and evaluation processes. The internal control system is an important mechanism that assists management in the reduction of business risks, the efficiency of business operations through proper procurement of resources and attainment of goals, the protection of Company assets from losses and corruption, the accountability of financial reporting, the compliance of all personnel with laws and regulations, and the protection of shareholders' capital.

- **Internal audit.** The Company has established an independent Internal Audit Department, which reports directly to the Audit Committee and administratively to the Chief Finance Officer. An Internal Audit Charter has been established to define the mission, scope, objectives, and reporting structure including Internal Auditor authority and workflow processes for reference. The Internal Audit Office Charter is updated regularly to be consistent with current operations. For the fiscal year, the internal audit plan will be initiated and developed as guidance for audit activities.

The duty of the Internal Audit Department relates to the auditing of Internal Control, Risk Management and Corporate Governance, and follows the action plan approved by the Audit Committee using a risk-based approach and includes consultation to ensure that the Company's objectives are achieved as targeted. Internal Audit also regularly monitors and adjusts these implemented systems to be in line with changes in the environment, and to ensure that errors can be corrected on time. In assessing the effectiveness of Risk Management, the Internal Audit Department reviews event identification and risk factors that affect the Company's objectives, and then reviews the Risk Management approach. This ensures the accuracy of both event identification and risk factors, and ensures that a systematic Risk Management approach exists. It also ensures that risk is managed at the appropriate level, reported in a timely manner to all relevant personnel and reviewed continuously. In assessing the effectiveness of Internal Control, the Internal Audit Department has developed a questionnaire for each process, and reviews the outcome of each operation to ensure that the Company's objectives are achieved effectively and efficiently, that rules and regulations are strictly followed, and that the financial report is reliable. In assessing the effectiveness of corporate governance, the Internal Audit Department performs audits following the good corporate governance criteria of the Securities Exchange Commission (SEC). This ensures that the Company has the necessary infrastructure and supporting processes to approach good corporate governance and achieve fairness for all stakeholders.

The Internal Auditor acts as a secretary to the Audit Committee to enhance the effectiveness of its responsibility and accountability for all functions of the Audit Committee assigned by the Board of Directors, and arranges Audit Committee meetings regularly. The Internal Auditor has the additional role of advising management in the area of information security, and supporting employees to realise the importance of information security.

The Internal Audit Department adheres to the Standards for the Professional Practice of Internal Auditing and the Company continuously encourages its Internal Audit staff to work independently and objectively, comply with relevant standards, and emphasise quality and continuous development through training programs.

- **Risk management.** The Company has established a risk management system, whereby the Company has specified that managers at all levels must assess various risks that may arise in the business operations of the Company, and include them in a regular report to the Chief Executive Officer, in order that he/she may analyse, summarise and report the monthly operating results to the Board.

Reports of the Audit Committee

The Audit Committee supervises significant business transactions, good governance, financial statements, and financial information contained in the annual report. Such financial statements and reports must be prepared in

accordance with generally acceptable accounting policies and standards. In addition, proper discretion, optimum evaluation, and sufficient disclosure of important information must also be incorporated in the financial notes.

The Audit Committee establishes efficient and effective internal control to ensure financial information is recorded accurately, completely, sufficiently and in a timely manner, while it facilitates fault finding and prevents corruption. The Company also appoints an Audit Committee, comprising independent non-executive Directors, to monitor and review accounting policies, the quality of financial reports and internal control.

Investor Relations

The Company recognises the importance of accurate, complete, transparent and thorough disclosure of information. Operating results and organisational information must be regularly released to investors, shareholders, and stakeholders to ensure they can make accurate decisions. Financial reports, operational guidelines and other information are released to investors and the public through the Stock Exchange of Thailand. The company appointed Mr. Simon Gerovich as Managing Director and President and Miss Kulkunya Ratanapongdhara, the Company Secretary, to act as the information disclosure unit responsible for information disclosure to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) and to ensure that the Company complies with the applicable laws and regulations.

Inside Information Handling

The Company enforces strict policies regarding the use of inside information as follows:

- Inside information shall be disclosed only to relevant persons, who shall handle it properly. Disclosure of such information shall be done by authorised persons only.
- Directors and management must be aware of the scope of responsibility and accountability in handling inside information, without revealing such information for personal benefit or share trading.
- The Company's Directors and management must prepare a report on the securities holdings of the Directors and/or management, spouses and minor children, and persons related to the Directors and/or management, in accordance with Article 258 of the 1992 Securities and Exchange Act, within three official days from the day of changes in securities holdings, in accordance with Article 59 of the 1992 Securities and Exchange Act.
- Directors, management, and employees in divisions involved with inside information, should refrain from securities trading for a period of one month before the Company's financial statements are revealed to the public
- The Company establishes degrees of punishment for different levels and intention concerning information mishandling, ranging from written warnings, salary deductions, unpaid employment, suspension, to termination of employment.

Human Resources Development Policy

The Company's human resource development policy emphasises the enhancement of staff quality through continual in-house training in a number of areas, as appropriate to the work functions of the staff from each division. This is to ensure that the Company's staff continually enhances their knowledge and understanding of techniques, technology and work-related skills. In addition, the Company sends personnel with suitable potential to attend external training seminars run by field experts, in order to enhance and deepen their knowledge in various specialist areas, such as changes in mobile phone and internet technology, thus helping them to work more effectively.

RISK FACTORS

Evolution Capital Public Company Limited places importance on the management of both internal and external risks that may affect its operations. Therefore, the Company has established the following effective measures to mitigate such risks:

PROPERTY SERVICES

RISK FROM ECONOMIC AND POLITICAL FACTORS

Property developments/investments are affected by economic and political conditions and sentiment. The business plans of both domestic and foreign developers/investors are driven and shaped by global and domestic economic and political situations. These risks are outside the Company's control. However, most of the time, property developers/investors will adjust their business strategies according to changing economic and political conditions. When economic and political conditions are not favorable, property businesses (both advisory and proprietary investment) may slow down in line with prevailing circumstances. However, the Company believes that there are always unique opportunities in unfavorable conditions which are in line with the Company's strategies. The global financial turmoil which accelerated during the second half of 2008 also created opportunities for the Company in 2009. However, in the short term, revenue growth may be slower than foreseen and it is important to manage both costs and risk.

RISK FROM PROPERTY MARKET FACTORS

Property market conditions also directly affect property development/investment activities. However, property market factors are generally specific to varying types of projects and segments within the entire market. The Company believes that Thailand's property market is diversified in terms of geographical areas and types/classes of projects. The Company has also not tied its business to one type or segment of the property market. Within the hospitality and residential sectors, it can operate under different sub-segments for different types of clients. In terms of its own development/investment, a careful study is always performed before entering into specific types of developments/investments or segments.

COMPETITION AND CLIENT SOURCES

The services the Company offers to its clients are unique and specific to their needs. Most real estate consulting firms offer services that are in the pre-development and/or post-development period, such as market studies and brokerage. Although the Company can take on such assignments, it chooses to focus on services required during the development period. Such services can be as comprehensive as a client wants, ranging from conducting due diligence to project management. In terms of client sources, the Company places an emphasis on foreign investors whom the company believes have unique and specific needs.

HUMAN RESOURCES

One of the critical factors in the Company's operation is human resources since the services the company provides to its clients require specialised skills across various disciplines. The Company has successfully attracted a pool of talented personnel – a mix of Thais and expatriates who possess extensive experience and have held key positions in their field. The Company believes that in the near future, after its new businesses have grown, it will be able to attract more talented personnel, both Thais and expatriates, to help execute its business plans. In terms of human resources management, the Company plans to become one of the preferred employers in Thailand and has been working to set up a programme for compensation and incentives to create long-term loyalty between the Company and its employees. The Company is also

designing an internship programme for undergraduate students to work for the Company during their last semester. This will create opportunities for students to gain real life experience before graduation. The main benefit for the Company is the chance to identify talented personnel to join the Company in the near future.

MEDIA SERVICES

RISK FROM SPECIFIC CHARACTERISTICS OF THE INDUSTRY

In engaging in the provision of wireless Value Added Services (VAS) to mobile phone users, the Company faces a highly competitive situation. New entrants to the industry face relatively low barriers to entry, resulting in a constant change in the number of competitors. The industry is also related to the mobile phone industry, which experiences constant changes in technology. The demand for wireless VAS from mobile phone users itself also varies with changes in technology and tastes. Players in the industry must therefore continuously study these changes in order to respond effectively to the needs of service users. This means that they must rely heavily upon technology and product development personnel. However, where such personnel change or leave, and where the Company is unable to find a replacement in the short term, the Company's operations may suffer. Furthermore, this type of business does not require a very high level of investment in fixed assets, meaning that the Company has relatively few total assets.

The Company has established effective measures to mitigate risks arising from the nature of the business. It has tried to enhance its competitiveness by building its reputation and raising awareness of its brand name amongst mobile phone users. It has also closely followed changes in technology and trends in the use of wireless VAS by mobile phone users, enabling it to design and develop new, modern products and services, in line with changes in technology. This has allowed it to respond effectively to the needs of mobile phone users. The result has been that the customers are impressed with the services, and the trend is that they will continue to use them on a regular basis.

The Company has also produced work instructions detailing the duties and responsibilities of personnel holding important positions. The work instructions contain details concerning work principles and procedures and allow the Company to pass on knowledge and expertise to all members of staff. The Company also places importance on remunerating its personnel fairly, in line with the experience and ability of the individual, in order to encourage them to continue to work for the Company. Moreover, the Company stresses the fostering of good relations between the Company and internal staff at each and every level.

RISK FROM CHANGES IN TECHNOLOGY

The Company is engaged in a business that is mainly related to information technology and communications. It is therefore vulnerable to risk from rapid and constant changes in technology. These changes in technology encourage mobile phone manufacturers to continually expand the capabilities of their mobile phones, to enable them to receive richer, detailed, and complex information. As such, some of the services currently provided by the Company may potentially experience a decline in popularity, or even become obsolete. For example, should it become easier for mobile phones to receive graphics and music directly from computers, computer-savvy mobile phone users may begin to create their own graphics or music, and send these to their mobile phones by themselves. Thus, there is the possibility that the use of certain services under wireless VAS may decline in the future. Moreover, rapid changes in technology will render it necessary for the Company to continuously invest in new computer software, and arrange training sessions for relevant personnel, so as to ensure that products and modes of delivery are developed in line with the latest changes in technology.

RISK FROM CHANGES IN CONSUMER BEHAVIOR

The Company's wireless VAS enables users to receive information, news and entertainment in various forms, directly into their handsets. However, despite its popularity, wireless VAS is not essential to communication with others; therefore the demand for it is constantly open to change, subject to tastes and fashion. Thus, the Company faces risk from changes in the consumer behaviour of mobile phone users. This risk includes both that from the decline in the popularity of wireless VAS in general, as well as from demand for wireless VAS that the Company does not yet provide. It is therefore crucial that the Company continuously monitors changes in consumer behaviour, and develops new content aligned with these changes so as to maintain its customer base and continues to generate revenue from wireless VAS.

RISK FROM DEPENDENCY ON MOBILE OPERATORS

The Company faces risk from its dependency on AIS, in that the majority of the Company's customers are users of GSM 900 provided by AIS. In order that the Company's wireless VAS successfully reaches mobile phone users, and the Company is able to collect its service fees through AIS, as specified in agreements between the Company and AIS, the Company must share its revenue with AIS. Revenue is shared with AIS in return for its assistance in the collection of service fees from end-users, and to cover the transport charge for using the AIS network. Thus far, there have been few problems concerning the collection of service fees from end-users. This is because the pre-paid system allows AIS to verify the balances of end-users before providing the wireless VAS. Therefore, AIS is able to directly debit service fees from mobile phone users at the point of transaction. In the post-paid system, however, the Company provides wireless VAS to mobile phone users first, while AIS collects the service fees later, along with their own monthly service fees. The Company thus faces risk from AIS being unable able to collect service fees from end-users using the post-paid system.

As specified in agreements, the contract between the Company and AIS will be automatically renewed each year, as long as neither party terminates the contract in writing. The Company thus faces a potential risk from AIS terminating the contract to provide wireless VAS to mobile phone users in the AIS network.

The Company has attempted to mitigate its risk from its dependency on AIS by expanding its customer base to encompass mobile phone users in other networks, including the GSM 1800 networks of Total Access Communication Public Company Limited (DTAC) and TrueMove. At the same time, the Company places importance on the development of modes of wireless VAS delivery. In particular, it has employed the use of information from its Internal Information System, which details each instance of provision of wireless VAS, in its analysis of consumer behaviour. The Company has used this information to develop wireless VAS content in line with the needs of mobile phone users. As a result, the Company's wireless VAS has experienced a dramatic increase in popularity amongst mobile phone users. Mobile phone operators have also benefited from providing wireless VAS together with the Company, through revenue sharing and transport charges, and being able to provide a diverse range of services to mobile phone users in their respective systems.

RISK FROM HIGHER LICENSING COSTS

The Company does not possess its own wireless VAS content, and must therefore pay license fees to licensors. As a result, the Company faces risk from an increase in content costs, due to licensors charging higher license fees. This would result in higher service costs which would, in turn, erode the Company's competitiveness. The Company must devote a share of its revenue from its provision of wireless VAS to mobile phone users to licensors in order to pay for content license fees so that it may use and develop this content and provide it as wireless VAS to mobile phone users. As such, the Company's profits from wireless VAS provision are lower than those of wireless VAS providers that develop their own content. The Company shares its revenue from each download with the licensor of content downloaded only.

RISK FROM COMPETITION

The information technology industry has relatively low barriers to entry, leading many businesses to enter the industry. Presently, many businesses, whether those related to IT, mobile phone operators, various content licensors, including recording and movie production companies, or others, have begun not only to develop wireless VAS content but also provide the services themselves. This has led to a considerable increase in the number of wireless VAS providers. Competition has intensified accordingly, especially in the development and marketing of new products and services. Those wireless VAS providers who either possess their own content, or are mobile phone operators themselves, enjoy a competitive advantage in that they have lower service costs. Wireless VAS providers with their own content do not have to pay license fees, whilst those who are themselves mobile phone operators do not have to use their revenue from wireless VAS provision to pay for transport costs. Moreover, the fact that each wireless VAS provider uses a variety of media to market their products and services makes it difficult for mobile phone users to distinguish between products and services until they have actually downloaded them (i.e. there is low product differentiation). This may affect the Company's competitiveness.

Moreover, the Company has continuously tried to improve its delivery of wireless VAS, thereby encouraging customer loyalty, by making it possible for mobile phone users to subscribe to the Company's wireless VAS on a regular basis as specified by the Company. The Company also commands highly effective distribution channels for its wireless VAS. This enables it to select advertising media appropriate to its wireless VAS and target customer groups. In particular, the Company emphasises using advertising media that is, where employed at suitable intervals, likely to generate revenues for the Company.

Due to the fact that both content licensors and mobile phone operators have now begun to develop their own content and provide wireless VAS services themselves, the wireless VAS industry has seen an increase in the number of companies implementing pricing policies. In most cases, wireless VAS fees are around THB 20-40 per download. The service fees vary according to the popularity of the services and the development of new wireless VAS that are compatible with the technology of the latest mobile phone handsets. The providers of these services charge higher fees than others. However, even though some providers may maintain a pricing policy, there is no price-cutting among them. This is because consumer decisions are not based on price alone. Rather, services are chosen based on whether the provider has the pictures or melodies that mobile phone users require. Even if a mobile phone user chooses wireless VAS from a provider that charges a lower service fee, it is not necessarily the case that he or she will be able to find the picture or melody they wish to have.

CONNECTED TRANSACTIONS

In accordance with the resolution of the meeting of the Board 9/2003, on 31 August 2003, which was attended by all three Audit Committee members, a policy regarding possible future connected transactions was specified as follow:

1. In the case where the company has connected transactions, the company policy is to proceed in the same manner as all businesses that refer to market prices and conditions, in that the Company shall allow the Audit Committee to consider or give their opinion on the necessity and suitability of engaging in the connected transaction. This includes those cases where it is necessary for the Company to have independent values, experts or financial advisers, express their views on aforementioned connected transactions, in order to be able to use this as information on which to base the decisions of the Board or Shareholders, depending on the case. This is to ensure that the connected transactions are aligned with market prices, are suitable and are compatible with normal business activity. Thus, the Company shall disclose information pertaining to connected transactions in the budget report, as compiled by the Company's auditor, and the annual report.
2. In the case where the Company has connected transactions, the Board shall act in accordance with the law related to securities and the Stock Exchange, including decrees, announcements, orders and the regulations of the Stock Exchange of Thailand, i.e. act in accordance with regulations regarding the transparency of information concerning connected transactions, and the valuation of assets, where they have been received or sold, where they are assets crucial to the Company and its subsidiaries.

During 2009 the Company had connected party transactions with parties related through common shareholding and/or directorship.

The audited financial statements of the Company reflect a summary of connected transactions.

FINANCIAL HIGHLIGHTS

FINANCIAL STATEMENT

Summary of Financial Position and Operation Results

Tables showing the balance sheet and profit-loss statement on 31st December 2009, and for the previous two years are shown below:

Balance Sheet	31-Dec-2007		31-Dec-2008		31-Dec-2009	
	Baht	%	Baht	%	Baht	%
Assets						
Current Assets						
Cash and cash equivalents	224,970,407	61.98%	91,755,767	16.96%	54,055,711	10.45%
Trade receivables	2,247,720	0.62%	9,139,955	1.69%	6,548,954	1.27%
Project development cost in progress	-	0.00%	83,060,491	15.35%	-	0.00%
Short-term loans to related companies	-	0.00%	-	0.00%	12,313,267	2.38%
Other current assets	3,979,786	1.10%	12,900,653	2.38%	14,914,512	2.88%
Total current assets	231,197,913	63.70%	196,856,866	36.39%	87,832,444	16.98%
Non-Current Assets						
Deposits with financial institutions	3,000,000	0.83%	1,000,000	0.18%	-	0.00%
Investments in associated companies	90,278,334	24.87%	168,097,356	31.08%	165,842,106	32.06%
Interests in joint ventures	-	0.00%	-	0.00%	499,569	0.10%
Project development cost in progress	-	0.00%	-	0.00%	87,252,550	16.87%
Land awaiting for development	24,813,023	6.84%	54,699,268	10.11%	59,376,868	11.48%
Equipment, net	6,148,387	1.69%	26,732,436	4.94%	23,827,653	4.61%
Intangible assets, net	5,144,762	1.42%	7,817,952	1.45%	5,999,323	1.16%
Leasehold right of land, net	-	0.00%	80,691,018	14.92%	77,942,715	15.07%
Withholding tax deducted at source	1,190,649	0.33%	1,736,292	0.32%	5,229,357	1.01%
Other non-current assets	1,199,068	0.33%	3,305,865	0.61%	3,508,292	0.68%
Total non-current assets	131,774,223	36.30%	344,080,187	63.61%	429,478,433	83.02%
Total Assets	362,972,136	100.00%	540,937,053	100.00%	517,310,877	100.00%
Liabilities and Shareholders' Equity						
Current Liabilities						
Trade accounts payable	3,670,294	1.01%	7,557,980	1.40%	2,698,455	0.52%
Construction payable	-	0.00%	1,598,539	0.30%	895,301	0.17%
Current portion of lease payable due within 1 year	88,143	0.02%	111,123	0.02%	87,361	0.02%
Advance receipt from customers	-	0.00%	30,293,725	5.60%	2,694,056	0.52%
Loan from non-related parties	-	0.00%	-	0.00%	12,500,000	2.42%
Other current liabilities	5,881,548	1.62%	10,029,082	1.85%	5,375,606	1.04%
Total current liabilities	9,639,985	2.66%	49,590,449	9.17%	24,250,779	4.69%
Non-Current Liabilities						
Long-term lease payable, net	14,690	0.00%	123,761	0.02%	36,400	0.01%
Provision	-	0.00%	2,500,000	0.46%	2,500,000	0.48%
Total non-current liabilities	14,690	0.00%	2,623,761	0.49%	2,536,400	0.49%
Total Liabilities	9,654,675	2.66%	52,214,210	9.65%	26,787,179	5.18%
Shareholders' Equity						
Common share of Baht 1 each	391,366,118	107.82%	521,366,118	96.38%	521,366,118	100.78%
Premium on share capital	69,778,719	19.22%	212,778,719	39.34%	212,778,719	41.13%
Currency translation differences	-	0.00%	(17,424)	0.00%	142,841	0.03%
Legal reserve	2,661,312	0.73%	2,661,312	0.49%	2,661,312	0.51%
Unappropriated	(110,488,688)	-30.44%	(252,389,110)	-46.66%	(249,114,926)	-48.16%
Minority interest	-	0.00%	4,323,228	0.80%	2,689,634	0.52%
Total Shareholders' Equity	353,317,461	97.34%	488,722,843	90.35%	490,523,698	94.82%
Total Liabilities and Shareholders' Equity	362,972,136	100.00%	540,937,053	100.00%	517,310,877	100.00%

Profit-Loss Statement	31-Dec-2007		31-Dec-2008		31-Dec-2009	
	000 Baht	%	000 Baht	%	000 Baht	%
Revenues						
Services income	34,524,440	66.32%	11,515,299	22.73%	15,224,408	9.65%
Advisory income	9,052,930	17.39%	34,370,969	67.85%	119,327,317	75.62%
Other income	5,005,010	9.61%	4,772,207	9.42%	23,253,503	14.74%
Share profit from investment by using equity method	3,472,231	6.67%	-	0.00%	-	0.00%
Total Revenues	52,054,611	100.00%	50,658,475	100.00%	157,805,228	100.00%
Expenses						
Cost of services	35,754,097	24.98%	15,159,608	7.77%	12,806,219	8.20%
Cost of advisory	11,257,255	7.87%	34,399,619	17.64%	40,574,778	25.98%
Selling and administrative expenses	62,014,096	43.33%	135,116,042	69.29%	74,463,405	47.69%
Directors and managements' remuneration	-	0.00%	-	0.00%	20,235,456	12.96%
Withholding tax deducted at source written off	13,233,030	9.25%	-	0.00%	-	0.00%
Share of loss from investment by using equity method	-	0.00%	10,311,878	5.29%	8,072,219	5.17%
Loss from investment written off	1,043,079	0.73%	-	0.00%	-	0.00%
Loss from disposal of investment	19,809,218	13.84%	-	0.00%	-	0.00%
Total Expenses	143,110,775	100.00%	194,987,147	100.00%	156,152,077	100.00%
Loss before interest expense and corporate income taxes	(91,056,164)	-174.92%	(144,328,672)	-284.91%	1,653,151	1.05%
Interest expense	(37,266)		(108,522)		(2,643)	
Corporate income tax	(13,811)					
Net loss for the year	(91,107,241)	-175.02%	(144,437,194)	-285.12%	1,650,508	1.05%
Attributable to:						
Shareholders of the parent	(91,107,241)	-175.02%	(141,900,422)	-280.11%	3,274,184	2.07%
Minority interest	-		(2,536,772)		(1,623,676)	
Net loss for the year	(91,107,241)	-175.02%	(144,437,194)	-285.12%	1,650,508	1.05%
Weighted average number of ordinary shares	183,025,543		487,072,402		521,366,118	

Financial Ratios	2007	2008	2009
Liquidity ratios			
Liquidity ratio	23.98	3.97	3.62
Quick ratio	23.57	2.03	2.50
Initial profit rate (%)	9.69	2.17	66.17
Profit rate from operation (%)	(174.92)	(279.90)	2.08
Net profit rate (%)	(175.02)	(280.11)	2.07
Net profit (loss) per share (Baht)	(0.50)	(0.29)	0.01

Note:

1. In accordance with the resolutions of the Shareholders' Meeting 4/2004, on 26 August 2004, the Company changed its shares' par value from THB 10.00 per share to THB 1.00 per share.
2. As of 31 December 2006, the Company had 40.93 million common shares, par value THB 1.00 fully paid.
3. As of 31 December 2007, the Company had 409.32 million common shares registered, par value THB 1.00, issued and paid up 391.37 million common shares.
4. As of 31 December 2008, the Company had 521.37 million common shares registered, par value THB 1.00, issued and paid up 521.37 million common shares.
5. As of 31 December 2009, the Company had 694 million common shares registered (increase of registered capital by 172.63 million common shares), par value THB 1.00 per share, with issued and paid-up of 521.37 million common shares.

MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION AND ANALYSIS OF FINANCIAL POSITION AND OPERATING RESULTS

OPERATING PERFORMANCE OVERVIEW

2009 was a year where the Company completed its restructuring and started to focus on building the Company's advisory and development platform. The background to these activities was challenging in the light of a slowly recovering global economic environment and lingering political dysfunction on the local front.

The recorded net income of THB 3.3 million for 2009 increased by THB 145.2 million from 2008. This was due to a redeployment of resources and shift in focus towards advisory and consultancy in the property sector. The Company successfully redeployed its operational platform resulting in operational efficiencies and cost reductions.

In line with the intention to position itself for a sustainable growth phase, the Company continues to recruit the best human resources available in order to continue building a competitive and professional organisation capable of successfully executing Evolution Capital's business plan.

OPERATING RESULTS ANALYSIS

Revenues

Revenue for 2007 was THB 52.1 million, slightly declining to THB 50.7 million in 2008, a decrease of THB 1.4 million, or 2.7% of revenue as a result of the Company's media business continued rationalization off-set by the successful launch of property advisory services. Revenue dramatically increased to THB 157.8 million in 2009, an increase of THB 107.1 million, or 211.2% representing a growing property advisory services product line. Revenue on a quarterly basis in 2009 is represented below:

(Unit: '000 THB)					
Consolidated	Q1	Q2	Q3	Q4	FY2009
Revenues	67,403	44,746	22,143	23,513	157,805

Income from Services

Service income is generated from three major sources: Wireless Value Added and Audiotex Services, Interactive Solutions Services, and Property Services. Total revenues from these three services totaled THB 43.6 million in 2007, THB 45.9 million in 2008, and THB 134.6 million in 2009.

Details regarding income from services classified by segment, from 2007 to 2009, are as follows.

Type of Service	2007		2008		2009	
	Income	%	Income	%	Income	%
Wireless Value Added and Audiotex Services	20,988	48.2	11,515	25.1	15,225	11.3
Interactive Solutions Services	13,536	31.0	-	-	-	-
Property Advisory Services	9,053	20.8	34,371	74.9	119,327	88.7
Total income from services	43,577	100.0	45,886	100.0	134,552	100.0

(Unit: '000 THB)

1) Revenues from Wireless Value Added and Audiotex Services

When the Company began providing wireless VAS, revenues from wireless VAS amounted to only THB 0.3 million, or 4.0% of total revenues from services in 2001. However, as a result of the Company's awareness of the continued increase in the popularity of wireless VAS, such as ring tones, text and graphics, and mobile phone games, the Company began to put greater emphasis on wireless VAS, to the extent that they became the main business of the Company from 2002 onwards. Details regarding income from wireless VAS from 2004 to 2009 are as follows:-

Year	Wireless Value Added and Audiotex Services (Million THB)	Proportion of total revenue (%)
2004	104.1	87.8
2005	126.8	86.8
2006	69.9	86.8
2007	21.0	48.2
2008	11.5	25.1
2009	15.2	11.3

It can be seen that revenues from wireless VAS decreased over the five year period by 85.4% due to high competition, a change in the revenue sharing model between the Company and mobile operators, and a continued reduction of marketing activities.

2) Revenues from Interactive Solutions Services

Revenues from Interactive Solutions Services amounted to THB 19.3 million or 13.2% of total revenues from services in 2005, THB 10.6 million or 13.2% of total revenues from services in 2006, and THB 13.5 million or 31.0% of total revenues from services in 2007. This business line has been discontinued after the change in Management occurred in 2007.

3) Revenues from Property Advisory Services

The Company began providing Property Advisory Services at the end of 2007 and managed to post revenues of THB 9.1 million, or 20.8% of total revenues from services in 2007. Revenues in 2008 improved to THB 34.4 million, or 74.9% of total revenues and increased to THB 119.3 million, or 88.7% of total revenues in 2009. It can be seen that revenues from property advisory services increased over the three year period becoming the primary source of revenue for the Company.

Cost of Service, Sales, and Administrative Expenses

Type of Service	(Unit: '000 THB)					
	2007		2008		2009	
	Income	%	Income	%	Income	%
Cost of service	35,754	32.8	15,160	8.2	12,806	8.6
Cost of property advisory services	11,257	10.3	34,399	18.6	40,575	27.4
Selling and administrative expenses	62,014	56.9	135,116	73.2	94,699	64.0
Total cost of service, sales, and administrative expenses	109,025	100.0	184,675	100.0	148,080	100.0

Cost of service, sales, and administrative expenses during the period 2007 to 2009, divided into fixed/variable cost of service provision, and fixed/variable sales and administrative expenses, are summarised as follows:

Cost of service amounted to THB 35.8 million or 68.7% of total revenues in 2007, THB 15.2 million or 30.0% of total revenues in 2008 and THB 12.8 million or 8.1% of total revenues in 2009.

Cost of property advisory services amounted to THB 11.3 million or 21.7% of total revenues in 2007, THB 34.4 million or 67.9% of total revenues in 2008 and THB 27.4 million or 17.4% of total revenues in 2009.

Selling and administrative expenses amounted to THB 62.0 million or 119.1% of total revenues in 2007, THB 135.1 million or 266.7% of total revenues in 2008 and THB 94.7 million or 60.0% of total revenue in 2009. The decreased cost based was due primarily to reductions in professional fees, advertising expenditures, and travel expenses

Interest expenses

The Company has not borrowed money from any financial institution to finance its business operations. It therefore was not required to pay any interest on loans. Interest payments arising from the hire purchase of vehicles for Company executives made it necessary for the Company to have interest payments of THB 0.04 million in 2007, 0.10 million in 2008, and THB 0.01 million in 2009.

Net Profits/Losses

In 2007, the Company posted a net loss of THB 91.1 million mainly due to a continued reduction of marketing activities, increased competition in the existing digital media business, write-offs and losses on disposals of non-core and underperforming businesses, and restructuring costs.

In 2008, the Company posted a net loss of THB 144.4 million mainly due to continuing efforts to develop internal infrastructure to support the new property advisory business, as well as expenses related to rationalisation of non-core resources.

In 2009, the Company posted a net income of THB 3.3 million, mainly due to a revenue increase from property advisory services, other income from withholding tax refunds, and a decrease of selling and administrative expenses in particular, professional fees, advertising, and travel expenses.

Year	Losses from operations eligible for tax benefits (THB m)	Year of expiration
2006	(19.7)	2011
2007	(56.0)	2012
2008	(88.5)	2013
2009	-	-
Total	(164.2)	

The Company is permitted to use its tax benefit privileges arising from losses from past business operations, a total of THB 164.4 million, until 2013. The period during which tax benefit privileges may be utilised will diminish each year until they expire, as per the table above. Should the tax benefit privileges arising from past losses expire, the Company is then obliged to pay corporate income taxes, calculated as a percentage of profits before tax.

ANALYSIS OF FINANCIAL STATUS

ASSETS

As of 31 December 2009, the Company had total assets of THB 517.3 million, a decrease of THB 23.6 million from the end of 2008, due mainly to a decrease of cash to return advance receipts to customers, increasing loans to associated companies, investments and project development costs.

LIABILITIES AND SHAREHOLDERS' EQUITY

As of 31 December 2009, the Company had total liabilities and total shareholders' equity of THB 26.8 million and THB 490.5 million, respectively. The un-appropriated retained earnings are negative THB 249.1 million, a decrease of THB 3.3 million in 2009.

REMUNERATION OF AUDITORS

Section 120 of the Public Companies Act requires that, every year, the Annual General Meeting of Shareholders appoints the Company's auditors and determines their remuneration. The existing auditors may be reappointed.

In addition, the notification of the Securities and Exchange Commission no. Kor Jor. 39/2548 regarding rules, criteria and procedures for disclosure of financial status and operating results of securities issuing companies (item no. 20) requires that such companies ensure the rotation of their auditors if such auditors have performed their duties for 5 consecutive accounting years. However the Company is not required to engage a new audit firm, which means the Company may appoint any other auditor in the existing audit firm to replace the existing auditors.

The 2009 Annual General Meeting of Shareholders approved the appointment of Mrs. Anothai Leekitwattana, Certified Public Accountant (Thailand) No. 3442, and/or Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257, and/or Mr. Boonlert Kamolchanokkul, Certified Public Accountant (Thailand) No. 5339, and/or Mr. Sudwin Panyawongkhanti Certified Public Accountant (Thailand) No. 3534 of PricewaterhouseCoopers ABAS Limited as the auditors of the Company. Any one of them is authorised to conduct the audit and render an opinion on the financial statements of the Company

No relationships or interests exist between the nominated auditors and the Company and its subsidiaries or any of its executives, major shareholders, or their affiliates.

Table showing the auditor remuneration for the year ended 31st December 2009 is shown below:

Company	Audit Fee	Additional Review Fee	Out of Pocket	Total
Evolution Capital Public Company Limited	1,840,000	50,000	46,427	1,936,427
Subsidiaries	1,324,937	-	42,768	1,367,705
Total	3,164,937	50,000	89,195	3,304,132

APPENDIX 1

President, Directors and Executive Management Background as of 31st December 2009

No	Name / Surname	Age (Year)	Education	% of Shareholding	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
1	M.R. Chatu Mongol Sonakul	66	<u>Master Degree</u> Master of Public Administration, Harvard University, USA	2.3%	-	2009 – Present	Chairman of the Bank of Thailand Board	Bank of Thailand
			<u>Bachelor Degree</u> B.A. Hons in Mechanical Sciences Tripos and Economic Tripos Cambridge University, UK			2007 – Present	Chairman of the Board of Directors	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2002 – Present	Director	M.T.R. Asset Managers Co., Ltd. - Asset Management
						2002 – Present	Director	C.M. Solutions Company Limited - Business and Management Consultant
						2003 – Present	Director	Krunthep Rimnam Co., Ltd. - Hotel
						2004 – Present	Director	Sutthawongwijitr Co., Ltd. - Office rental
						2006 – Present	Director	C.I.T. Property Consultants Co., Ltd. - Business and Management Consultant

No	Name / Surname	Age (Year)	Education	% of Shareholding	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
2	Mr. Simon Morris Gerovich	32	<u>Bachelor Degree</u> B.A., <i>cum laude</i> , Applied Mathematics Harvard University, USA DAP	10.5%	-	2007 - Present	President & Managing Director	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2005-2007	Managing Director	Sphinx Partners Co., Ltd. - Real Estate Consultancy
3	Mr. Mark Michael Reinecke	41	<u>Bachelor Degree</u> LL. B. Common & Islamic Law, London School of Economics, UK Georgetown University, School of Foreign Service, USA DAP	1.5%	-	2007 -Present	Director	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2002 - Present	Director	Kudu Co., Ltd. - Holding Company
4	Mr. Arthur Hugh Napolitano	54	Bachelor Degree Royal Military Academy Sandhurst, UK DAP	-	-	2007 - Present	Director	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2002 - Present	Director	Kudu Co., Ltd. - Holding Company
5	Mr. Witit Sujjapong	55	<u>Master Degree</u> M.S. in Economics, Hitotsubashi University, Tokyo <u>Bachelor Degree</u> B.S. in Economics, Hitotsubashi University, Tokyo DCP 57	-	-	2006 - Present	Chairman of Audit Committee & Director	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2005 - Present	Audit Committee	Easy Buy Plc. - Consumer Finance
						2008 - Present	Director	Vice Comnet Co., Ltd. - Import and sell the electronic software
6	Ms. Chanyaphat Chanprasit (Ms. Soontaree changed her name to Ms. Chanyaphat on 2 December	48	<u>Master Degree</u> Master of Science in Management Boston University, London, England	-	-	2007 - Present	Independent Director & Audit Committee	Evolution Capital Plc. - Digital Communication /Real Estate Advisory

No	Name / Surname	Age (Year)	Education	% of Shareholding	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
	2009)		<u>Bachelor Degree</u> Institution of Commercial Management Bournemouth, England <u>DAP</u>			2007 - Present	Independent Director & Audit Committee	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2003 - Present	Director	TSA Management Ltd. -Business Consulting Company
7	Mr. Krish Detter	40	<u>Bachelor</u> University of Southern California, Los Angeles, U.S.A. <u>DAP</u>	0.1%	-	2007 - Present	Audit Committee & Director	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2002-2006	Vice President, Head of Capital Markets Department	SCB Securities Co., Ltd. - Investment Banking
8	Mr. Christiaan Brett Straatemeier	45	<u>Bachelor Degree</u> Bachelor of Administration Griffith University	-	-	2008-Present	Director	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2004 – Present	Principal/ Managing Director	MGPA – Hong Kong - Asset Management
9	Mr. Philip Andrew White	50	<u>Master Degree</u> Master of Arts (Econ.) University of Victoria <u>Bachelor Degree</u> Bachelor of Arts (Econ.) University of Victoria	-	-	2008-Present	Director	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2008 – Present	Head of Asset management – Asia	MGPA - Asset Management
						2004-2007	Portfolio Manager – International Real Estate	British Columbia Investment Management Corporation - Private equity real estate funds

No	Name / Surname	Age (Year)	Education	% of Shareholding	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
10	Mr. Isorn Chandrawong	47	<u>Master Degree</u> LL.M. in International Business Legal Studies Exeter, UK	(58,100 shares)	-	2007 – Present	SVP –Legal	Evolution Capital Plc. - Digital Communication /Real Estate Advisory Sphinx Partners Co., Ltd.
			<u>Bachelor Degree</u> LL.B. Chulalongkorn University			2007-2005	Head Legal Counsel	- Real Estate Consultancy
11	Mr. Sayarm Tongkrabin	38	<u>Master Degree</u> Real Estate & Construction Management University of Denver, USA	0.07%	-	2009 -Present	SVP – Development	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
			<u>Bachelor Degree</u> Business Administration (Property Insurance) Assumption University Thailand			2006-2007	VP –Business Development	Golden Land Property Development Plc. - Property Development
						2002-2006	Development & Acquisition Manager	Gannon Realty (Thailand) Co., Ltd. - Property Development
12	Mr. Robert Edward Gilmour	59	Project Management Queensland University of Technology	(Spouse - 100,000 shares)	-	2009 -Present	SVP – Project Management	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2003-2007	Director	Gilmour Project Management Co., Ltd. - Project and construction management company
13	Mr. David Burnett	43	<u>Master Degree</u> MSc. Real Estate Reading University	-	-	2009-Present	SVP Development	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
			MBA Glasgow University, UK			2006-2008	Head of Development and Property Management / VP of Asset Management	Pacific Star International (Thailand) Co., Ltd. - Real Estate Development and Property Management

No	Name / Surname	Age (Year)	Education	% of Shareholding	Relationship between Director/ Management	Past 5 Years Experiences		
						Period	Position	Company/Business
			M.A. (Hons) Architecture Edinburgh University, UK			2005-2006	Senior Development Manager	Goldenland Property Development Plc. - Real Estate Company
			Post-graduate Diploma Architect, Edinburgh University, UK					
14	Mr. Brett Andrew Janis	39	<u>Master Degree</u> MBA, Columbia Business School	-	-	2009 – Present	SVP Private Equity	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
			<u>Bachelor Degree</u> M.A. Cum Laude in International Relations Georgetown University			2006 – 2007	Senior Investment Manager	Genworth Finance, Inc. New York, USA - Financial service firm
			A.B. Cum Laude, General Studies Harvard University			2000 – 2006	Principle and Director	The Meridian Advisory Group, LLC - Financial advisory services firm
15	Mr. Nat Nunthapiwat	39	<u>Bachelor Degree</u> DePaul University (Chicago, Illinois)	(30,000 shares)	-	2008 – Present	VP Finance and Accounting	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
						2005 – 2008	Finance Leader	GE Money Thailand - Financial Services
16	Ms. Pattama Joednapa	30	<u>Master Degree</u> Master of Science in Finance Chulalongkorn University	(75,100 shares)	-	2007 – Present	VP Finance and Accounting	Evolution Capital Plc. - Digital Communication /Real Estate Advisory
			<u>Bachelor Degree</u> Bachelor of Business Administration (Accounting) Srinakharinwirot University			2005 – 2007	Senior Accountant	Sphinx Partners Co., Ltd. - Real Estate Consultancy

List of Directors and Managements in Subsidiary, Joint Venture and Associates

Companies		Directors	M.R. Chatu Mongol Sonakul	Mr. Simon Morris Gerovich	Mr. Mark Michael Reinecke	Mr. Arthur Hugh Napolitano	Mr. Christiaan Brett Straatemeier	Mr. Philip Andrew White	Mr. Wittit Sujjapong	Mr. Krish Deter	Ms. Chanyaphat Chanprasit	Mr. Isorn Chandrawong	Mr. Sayarm Tongkrabin	Mr. Robert Edward Gilmour	Mr. David Burnett	Mr. Brett Andrew Janis	Mr. Nat Nunthapiwat	Ms. Pattama Joednapa
Evolution Capital PCL.			X	*/	/	/	/	/	/	/	/	//	//	//	//	//	//	//
Subsidiaries	1. Addax Development Co., Ltd.			/	/													
	2. Evolution Land Co., Ltd.			/	/	/						/						
	3. Monster Media Co., Ltd.			/	/													
	4. Evolution Advisors Limited			/	/		/	/										
	5. Evolution Holdings Limited			/	/													
	6. Spire Real Estate Co., Ltd. (formerly named Kor Asia Co., Ltd.)			/	/													
	7. Tierra Pod Co., Ltd.**			/	/													
	8. Titan Project Management Co., Ltd.**			/	/									/				
JV	1. Red Planet Hotels Co., Ltd.			/	/													
	2. EKT Advisors Limited			/	/													
Associates	1. Casa Fico Co., Ltd.			/	/													
	2. Fena Park Co., Ltd.			/	/													
	3. Spire Properties Co., Ltd.**			/	/													
	4. Andaman Beach Residences Co., Ltd.			/	/													
	5. Phang Nga Hotel Co., Ltd.			/	/													
	6. Yamu Villas Co., Ltd.			/	/													
	7. Yamu (Thailand) Co., Ltd.			/	/													

X = Chairman of Board of Directors

* = Managing Director/ = Director

// = Management

JV = Joint Venture

** Closed down in 2009

**EVOLUTION CAPITAL PUBLIC COMPANY LIMITED
(FORMERLY “SIAM 2 YOU PUBLIC COMPANY LIMITED”)**

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2009

PricewaterhouseCoopers ABAS Ltd.
15th Floor Bangkok City Tower
179/74-80 South Sathorn Road
Bangkok 10120
Telephone 66 (0) 2344 1000
66 (0) 2286 9999
Facsimile 66 (0) 2286 5050
P.O. Box 800 Bangkok 10500
www.pwc.com/thailand

AUDITOR'S REPORT

To the Shareholders of Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")

I have audited the accompanying consolidated and company balance sheets as of 31 December 2009, and the related consolidated and company statements of income, changes in shareholders' equity, and cash flows for the year then ended of Evolution Capital Public Company Limited and its subsidiaries and of Evolution Capital Public Company Limited. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and company financial statements of Evolution Capital Public Company Limited and its subsidiaries and of Evolution Capital Public Company Limited for the year ended 31 December 2008 presented herewith for comparative purposes, were audited by another auditor whose report dated 25 February 2009, expressed an unqualified opinion on those financial statements

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial positions as at 31 December 2009, and the consolidated and company results of operations and cash flows for the year then ended of Evolution Capital Public Company Limited and its subsidiaries and of Evolution Capital Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Limited

Bangkok
24 February 2010

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")

Balance Sheets

As at 31 December 2009 and 2008

		Consolidated		The Company only	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	6	54,055,711	91,755,767	38,437,113	26,559,828
Trade accounts receivable	7, 28	6,548,954	9,139,955	14,926,500	17,512,707
Accrued income	8, 28	10,939,804	7,397,310	1,343,237	950,368
Inventory		37,519	-	-	-
Amounts due from related companies, net	28	177,620	110,145	5,364,306	8,763,017
Advance to related companies	28	286,666	-	2,074,752	-
Short-term loans to related companies and interest receivable	28	12,313,267	-	3,028,664	38,821,772
Other current assets		3,472,903	5,393,198	1,885,716	4,522,994
Total current assets		87,832,444	113,796,375	67,060,288	97,130,686
Non-current assets					
Deposits with financial institutions used as collateral	32	-	1,000,000	-	-
Long-term loans to related company and interest receivable	28	-	-	63,423,390	-
Investments in subsidiaries, net	9	-	-	244,368,750	264,368,750
Investments in associates, net	10	165,842,106	168,097,356	-	-
Interests in joint ventures	11	499,569	-	510,000	-
Project development cost in progress	12	87,252,550	83,060,491	-	-
Land awaiting development	13	59,376,868	54,699,268	59,376,868	54,699,268
Equipment, net	14, 28	23,827,653	26,732,436	17,932,438	21,536,840
Intangible assets, net	15, 28	5,999,323	7,817,952	4,392,230	7,452,978
Leasehold right of land, net	16	77,942,715	80,691,018	77,942,715	80,691,018
Withholding tax deducted at source		5,229,357	1,736,292	4,552,692	1,590,984
Other non-current assets		3,508,292	3,305,865	1,983,376	1,791,902
Total non-current assets		429,478,433	427,140,678	474,482,459	432,131,740
Total assets		517,310,877	540,937,053	541,542,747	529,262,426

The notes to the consolidated and company financial statements on pages 9 to 50 form an integral part of the financial statements.

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")

Balance Sheets

As at 31 December 2009 and 2008

		Consolidated		The Company only	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable	28	2,698,455	4,460,671	461,573	764,814
Construction payable		895,301	1,598,539	-	-
Current portion of lease contracts payable		87,361	111,123	87,361	111,123
Amounts due to related company	28	-	672,705	-	-
Advance receipts from customers	17	2,694,056	30,293,725	-	-
Loans from non-related parties	19	12,500,000	-	-	-
Other current liabilities	18, 28	5,375,606	12,453,686	2,698,290	8,220,593
Total current liabilities		24,250,779	49,590,449	3,247,224	9,096,530
Non-current liabilities					
Lease contracts payable, net		36,400	123,761	36,400	123,761
Other non-current liabilities	20	2,500,000	2,500,000	-	-
Total non-current liabilities		2,536,400	2,623,761	36,400	123,761
Total liabilities		26,787,179	52,214,210	3,283,624	9,220,291
Shareholders' equity					
Share capital	21				
Authorised share capital					
694,000,000 ordinary shares of Baht 1 each					
(2008: 521,366,118 ordinary shares of Baht 1 each)		694,000,000	521,366,118	694,000,000	521,366,118
Issued and paid-up share capital					
521,366,118 ordinary shares of Baht 1 each		521,366,118	521,366,118	521,366,118	521,366,118
Premium on share capital	21	212,778,719	212,778,719	212,778,719	212,778,719
Currency translation differences		142,841	(17,424)	-	-
Retained earnings (deficits)					
Appropriated to legal reserve	22	2,661,312	2,661,312	2,661,312	2,661,312
Unappropriated		(249,114,926)	(252,389,110)	(198,547,026)	(216,764,014)
Total parent's shareholders' equity		487,834,064	484,399,615	538,259,123	520,042,135
Minority interest	23	2,689,634	4,323,228	-	-
Total shareholders' equity		490,523,698	488,722,843	538,259,123	520,042,135
Total liabilities and shareholders' equity		517,310,877	540,937,053	541,542,747	529,262,426

The notes to the consolidated and company financial statements on pages 9 to 50 form an integral part of the financial statements.

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Statements of Income
For the years ended 31 December 2009 and 2008

		Consolidated		The Company only	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Revenues					
Service income		15,224,408	11,515,299	3,338,117	11,125,299
Advisory income	28	119,327,317	34,370,969	99,334,110	28,386,520
Management income	28	-	-	1,798,065	11,208,819
Interest income	28	1,069,182	4,164,620	6,141,341	3,460,800
Other income	28	22,184,321	607,587	18,156,628	1,334,540
Total revenues		157,805,228	50,658,475	128,768,261	55,515,978
Expenses					
Cost of services		12,806,219	15,159,608	4,024,820	14,836,372
Cost of advisory	24, 28	40,574,778	34,399,619	29,008,476	25,089,128
Selling expenses		1,582,359	7,787,366	-	-
Administrative expenses	28	72,881,046	89,754,106	57,460,628	88,949,673
Directors and managements' remuneration	28	20,235,456	37,574,570	20,054,706	33,893,320
Total expenses	25	148,079,858	184,675,269	110,548,630	162,768,493
Operating profit (loss)		9,725,370	(134,016,794)	18,219,631	(107,252,515)
Share of loss from investments in associates and joint ventures	10, 11	(8,072,219)	(10,311,878)	-	-
Profit (loss) before financial costs and income tax		1,653,151	(144,328,672)	18,219,631	(107,252,515)
Financial costs		(2,643)	(108,522)	(2,643)	(91,309)
Profit (loss) before income tax		1,650,508	(144,437,194)	18,216,988	(107,343,824)
Income tax		-	-	-	-
Net profit (loss) for the year	26	1,650,508	(144,437,194)	18,216,988	(107,343,824)
Attributable to:					
Equity holders of the parent		3,274,184	(141,900,422)	18,216,988	(107,343,824)
Minority interest		(1,623,676)	(2,536,772)	-	-
Net profit (loss) for the year		1,650,508	(144,437,194)	18,216,988	(107,343,824)
Earnings per share for profit (loss) attributable to equity holders of the parent					
Basic earnings (loss) per share	27	0.01	(0.29)	0.03	(0.22)
Weighted average number of ordinary shares (shares)		521,366,118	487,072,402	521,366,118	487,072,402

The notes to the consolidated and company financial statements on pages 9 to 50 form an integral part of the financial statements.

Evolution Capital Public Company Limited
(Formerly “Siam 2 You Public Company Limited”)
Statements of Changes in Shareholders’ Equity
For the years ended 31 December 2009 and 2008

		Consolidated							
		Equity holders of the parent							
Notes		Issued and fully paid-up share capital	Premium on share capital	Currency translation differences	Retained earnings (deficits)		Unappropriated	Minority interest	Total
					Appropriated to legal reserve	Baht			
		Baht	Baht	Baht		Baht	Baht	Baht	Baht
Opening balance as at 1 January 2009									
23	Return interest to minority	521,366,118	212,778,719	(17,424)	2,661,312	(252,389,110)	484,399,615	4,323,228	488,722,843
	Currency translation differences	-	-	-	-	-	-	(9,918)	(9,918)
	Net profit (loss) for the year	-	-	160,265	-	-	160,265	-	160,265
		-	-	-	-	3,274,184	3,274,184	(1,623,676)	1,650,508
Closing balance as at 31 December 2009									
		521,366,118	212,778,719	142,841	2,661,312	(249,114,926)	487,834,064	2,689,634	490,523,698
Opening balance as at 1 January 2008									
21	Issuance ordinary shares during the year	391,366,118	69,778,719	-	2,661,312	(110,488,688)	353,317,461	-	353,317,461
	Minority interest's investments in subsidiaries	130,000,000	143,000,000	-	-	-	273,000,000	-	273,000,000
	Currency translation differences	-	-	-	-	-	-	6,860,000	6,860,000
	Net loss for the year	-	-	(17,424)	-	-	(17,424)	-	(17,424)
		-	-	-	-	(141,900,422)	(141,900,422)	(2,536,772)	(144,437,194)
Closing balance as at 31 December 2008									
		521,366,118	212,778,719	(17,424)	2,661,312	(252,389,110)	484,399,615	4,323,228	488,722,843

The notes to the consolidated and company financial statements on pages 9 to 50 form an integral part of the financial statements.

Evolution Capital Public Company Limited
(Formerly “Siam 2 You Public Company Limited”)
Statements of Changes in Shareholders’ Equity
For the years ended 31 December 2009 and 2008

	The Company only					
	Note	Issued and fully paid-up share capital	Premium on share capital	Retained earnings (deficits)		Total Baht
		Baht	Baht	Appropriated to legal reserve	Unappropriated Baht	
Opening balance as at 1 January 2009						
Net profit for the year		521,366,118	212,778,719	2,661,312	(216,764,014)	520,042,135
		-	-	-	18,216,988	18,216,988
Closing balance as at 31 December 2009						
		521,366,118	212,778,719	2,661,312	(198,547,026)	538,259,123
Opening balance as at 1 January 2008						
Issuance ordinary shares during the year	21	391,366,118	69,778,719	2,661,312	(109,420,190)	354,385,959
Net loss for the year		130,000,000	143,000,000	-	-	273,000,000
		-	-	-	(107,343,824)	(107,343,824)
Closing balance as at 31 December 2008						
		521,366,118	212,778,719	2,661,312	(216,764,014)	520,042,135

The notes to the consolidated and company financial statements on pages 9 to 50 form an integral part of the financial statements.

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Statements of Cash Flows
For the years ended 31 December 2009 and 2008

	Notes	Consolidated		The Company only	
		2009 Baht	2008 Baht	2009 Baht	2008 Baht
Cash flows from operating activities					
Profit (loss) before income tax		1,650,508	(144,437,194)	18,216,988	(107,343,824)
Adjustments for :					
Depreciation	14	7,157,678	4,760,314	6,209,716	4,291,264
Amortisation	15, 16	4,674,830	3,426,234	4,630,543	3,375,348
Bad debt and forgive debt	28	-	-	2,109,829	3,529,439
Loss from write off intangible assets	15	488,586	824,788	488,586	824,788
Loss from disposals of equipment		175,505	20,737	29,021	4,301
Impairment loss on investment (Reversal)		-	-	(83,252)	13,040,000
Share of loss from investments in associates and joint ventures	10, 11	8,072,219	10,311,878	-	-
Unrealised gain from associates not yet recognise	10	-	794,100	-	-
Interest income		(1,069,182)	(4,164,620)	(6,141,341)	(3,460,800)
Interest expense		2,643	108,522	2,643	91,309
Profit (loss) from operating activities before changes in working capital		21,152,787	(128,355,241)	25,462,733	(85,648,175)
Changes in working capital:					
Trade accounts receivable		2,591,001	(6,892,235)	2,586,207	1,218,337
Accrued income		(3,542,494)	(6,187,195)	(392,869)	259,747
Inventory		(37,519)	-	-	-
Amounts due from related companies		(67,475)	(110,145)	3,900,415	(28,775,780)
Advance to related companies		(286,666)	-	(2,074,752)	-
Other current assets		1,920,295	(2,541,232)	2,637,278	(1,766,226)
Deposits with financial institutions used as collateral		1,000,000	2,000,000	-	3,000,000
Project development cost in progress		(4,192,059)	(8,989,732)	-	-
Other non-current assets		(202,427)	(906,797)	(191,474)	(592,834)
Trade accounts payable		(1,762,216)	49,939	(303,241)	191,829
Construction payable		(703,238)	1,598,539	-	-
Amounts due to related company		(672,705)	672,705	-	-
Advance receipts from customers		(27,599,669)	1,303,350	-	-
Other current liabilities		(7,078,080)	3,036,966	(5,522,303)	(663,713)
Cash provided by (used in) operating activities		(19,480,465)	(145,321,078)	26,101,994	(112,776,815)
Interest received		220,915	4,164,620	233,559	2,941,528
Interest paid		(2,643)	(108,522)	(2,643)	(91,309)
Income tax paid		(3,493,065)	(567,432)	(2,961,708)	(400,335)
Net cash provided by (used in) operating activities		(22,755,258)	(141,832,412)	23,371,202	(110,326,931)

The notes to the consolidated and company financial statements on pages 9 to 50 form an integral part of the financial statements.

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Statements of Cash Flows (Cont'd)
For the years ended 31 December 2009 and 2008

		Consolidated		The Company only	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Acquisition of investments in subsidiaries	9	-	(7,817,048)	-	(249,731,750)
Acquisition of investments in associates	10	(9,500,000)	(88,925,000)	-	(50,000,000)
Acquisition of interests in joint ventures	11	(1,340,518)	-	(510,000)	-
Disposal of investments in subsidiaries	9	-	-	-	3,323,000
Cash received from dissolution of subsidiaries	9	-	-	83,252	-
Cash received from capital reduction of subsidiary	9	-	-	20,000,000	-
Cash received from dissolution of associate	10	4,523,980	-	-	-
Disposal of investments in associates		-	-	-	141,216,200
Purchase of equipment	14	(4,455,125)	(24,747,465)	(2,661,060)	(19,699,408)
Disposal of equipment		26,725	65,390	26,725	15,390
Purchase of intangible assets	15	(596,484)	(5,166,137)	(181,495)	(4,750,277)
Purchase of land awaiting development	13	(4,677,600)	(29,886,245)	(4,677,600)	(29,886,245)
Acquisition of leasehold right of land		-	(82,449,093)	-	(82,449,093)
Addition in loans to related companies	28	(11,465,000)	-	(23,800,000)	(38,302,500)
Repayments on loans from related companies	28	-	-	337,384	-
Net cash used in investing activities		(27,484,022)	(238,925,598)	(11,382,794)	(330,264,683)
Cash flows from financing activities					
Increase (decrease) in lease payable		(111,123)	132,051	(111,123)	132,051
Cash received from issuance ordinary shares	21	-	273,000,000	-	273,000,000
Cash received from loans from non-related parties	19	12,500,000	-	-	-
Repayment other short-term loans		-	(32,431,257)	-	-
Minority interest's investments in subsidiaries	23	-	6,860,000	-	-
Return interest to minority interest	23	(9,918)	-	-	-
Net cash provided by (used in) financing activities		12,378,959	247,560,794	(111,123)	273,132,051
Net increase (decrease) in cash and cash equivalents		(37,860,321)	(133,197,216)	11,877,285	(167,459,563)
Currency translation differences		160,265	(17,424)	-	-
Cash and cash equivalents - beginning of the year		91,755,767	224,970,407	26,559,828	194,019,391
Cash and cash equivalents at end of the year		54,055,711	91,755,767	38,437,113	26,559,828

The notes to the consolidated and company financial statements on pages 9 to 50 form an integral part of the financial statements.

1 General information

Evolution Capital Public Company Limited ("the Company") was incorporated as a public company and domiciled in Thailand. The address of its registered office is as follows:

The Offices at Centralworld, 19th floor, Unit 1912, 999/9, Rama I Road, Pathumwan, Bangkok 10330.

The Company registered the change of the Company's name from "Siam 2 You Public Company Limited" to "Evolution Capital Public Company Limited" with the Ministry of Commerce on 2 May 2008.

The Company is registered as a listed company in the Market for Alternative Investment (MAI) in Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The Company is an affiliated company of MGP Hazel (Mauritius) No. 1 Limited with a 24.9% stake which 4.9% is held through Thai NVDR Co., Ltd. as at 31 December 2009 (2008: MGP Hazel (Mauritius) No. 1 Limited with a 24.9% stake).

The principal business of the Group is to provide digital and creative media services in 2008. However, the Group started real estate development, and investment advisory and consultancy service in the fourth quarter of 2008. Therefore, the principal business of the Group in 2009 is to provide digital and creative media services, real estate development, and investment advisory and consultancy services.

These group consolidated financial statements were authorised for issue by the Board of Directors on 24 February 2010.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Comparative figures have been adjusted to conform with the minimum requirements announced by the Department of Business Development Regulation dated 30 January 2009 in relation to the format of Financial Statements B.E. 2552 which it effects from 1 January 2009 and to conform with the revised accounting standards. Those figures are mainly items in statements of cash flows and items in the statements of income. The Group also discloses the directors and managements' remuneration in the statements of income. In addition, the Group reclassified project development cost in progress from current assets to non-current assets as a result of management's decision to temporarily halt the construction.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards and amendments to accounting standards

Thai Accounting Standards were renumbered with an effect on 26 June 2009 following an announcement by the Federation of Accounting Professions in order to conform with the number used in the International Financial Reporting Standards.

Revised standards, financial reporting standard and accounting framework that are effective for the period beginning on or after 1 January 2009 are as follows:

TAS 36 (revised 2007) Impairment of Assets
TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)

Those two standards and accounting framework do not have a material impact on the financial statements being presented.

The revised accounting standard and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which were not early adopted by the Company are as follows:

Effective for the period beginning on or after 1 January 2011
TAS 24 (revised 2007) Related Party Disclosure (formerly TAS 47)
TAS 40 Investment Property

Effective for the period beginning on or after 1 January 2012
TAS 20 Accounting for Government Grants and Disclosure for Government Assistance

The Group's management has determined that the revised standard and the new standard will not significantly impact the financial statements being presented except TAS 40 Investment Property in which might have an impact on the financial statement classifications and disclosures. The standard will provide the Group an alternative in recording investment property either cost or fair value method. However, management has not yet determined which accounting method the Group will implement.

2.3 Group Accounting - Investments in subsidiaries, associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(1) Subsidiaries (Cont'd)

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements investments in subsidiaries are reported by using the cost method.

A list of the Group's subsidiaries, the effects acquisitions and disposals of subsidiaries are shown in Note 9.

(2) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Group's associates, the effects acquisitions and disposals of associates are shown in Note 10.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(3) Joint Ventures

The Group's interest in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its joint ventures' post-acquisition profits or losses are recognised in the income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in joint ventures equal or exceed its interest in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's separate financial statements, interests in joint ventures are accounted for using the cost method.

A list of the Group's joint ventures, the effects acquisitions of joint ventures are shown in Note 11.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statements of income.

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statements of income as part of the gain or loss on sale.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but not include deposit with bank which held to maturities, other short-term highly liquid investments with original maturities of three months, and bank overdrafts. Bank overdrafts are included in current liabilities on the balance sheet.

2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequent measure at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within selling and administration costs. The allowance is based on collection experience and current status of receivables outstanding at the balance sheet date.

2 Accounting policies (Cont'd)

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the specific cost method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

2.8 Project development cost in progress

Project development cost in progress is stated at cost less allowance for impairment loss in value of projects. Project development cost consists of land and construction in progress.

Construction in progress consists of the cost of design, cost of advisor, cost of construction and public utility costs. The Group records cost of design, advisor, construction and public utilities based on the actual cost incurred

2.9 Land awaiting development

Land awaiting development are stated at cost less allowance for impairment (if any).

2.10 Equipment

Equipment comprise mainly leasehold improvement, office equipment, furniture and fixture and vehicles. Equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

Leasehold improvement	5 years
Office equipment	3 and 5 years
Furniture and fixture	5 years
Vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2 Accounting policies (Cont'd)

2.11 Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Computer software with finite useful lives are stated at cost less accumulated amortisation. The amortisation is calculated on the straight line basis over their estimated useful lives of 3 - 5 years. Computer software with infinite useful lives are stated at cost less allowance for impairment (if any).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs are recognised as assets are amortised using the straight line basis over their useful lives, not exceeding a period of 5 years.

2.12 Leasehold right of land

Leasehold right of land are amortised using the straight-line method over the land lease period of 30 years.

2.13 Impairment of assets

Equipment and other assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Leases - where a Group is the lessee

Equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statements of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2 Accounting policies (Cont'd)

2.15 Provisions

Provisions (excluding the provisions for employee benefits) are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.16 Employee Benefits

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the relevant companies within the Group. Contributions to the provident fund are charged to the statements of income in the year to which they relate.

2.17 Share Capital

Ordinary shares and non-redeemable preferred shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.18 Revenue recognition

Revenue comprise the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from rendering services, advisory and management are recognised as revenues in the period in which they are rendered based on contractual amount and on an accrual basis.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

2.19 Dividends

Dividends are recorded in the consolidated and Company's financial statements in the period in which they are approved by the shareholders.

2.20 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment informations are both presented by business segments and geographical areas of the Group's operations.

2 Accounting policies (Cont'd)

2.21 Financial instruments

Significant financial assets carried on balance sheet include cash and cash equivalents, trade accounts receivable, accrued income, amounts due from related companies, advance to related companies and loans to related companies and interest receivable. Significant financial liabilities carried on balance sheet included trade accounts payable, construction payable, lease payable, advance receipts from customers and loans from non-related parties. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Revenue recognition

The Group recognises major advisory income according to contractual term of payments for its fixed-price contracts to deliver consulting services. Use of this method requires the Group to determine the duration of services performed to completion date. The Group estimates that the duration of services performed are the same or related in line with the duration of contractual payments. The customer had rights to revise payment schedule to appropriately allocate consulting fee throughout the total project periods when the project was delayed in according to services which have been carried out.

(b) Allowance for doubtful accounts

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

(c) Impairment of investments

The Group regularly evaluated the impairment of investment in subsidiaries, associates and joint ventures when there has been a significant or prolonged decline in the fair value below their cost. The evaluation is based on results of operation and future plan of its subsidiaries, associates and joint ventures. Such consideration requires the use of estimate and judgement by the management.

(d) Equipment and intangible assets

Management determines the estimated useful lives for the Group's equipment and intangible assets. Management will revise the depreciation charge where useful lives are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

(e) Provision for other non-current liabilities

Management estimated the provision base of the proportion of actual appearance of the endorser in connection with the advertisement, promotion and sales of the Group's project.

4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5 Segment information

The Group operates in 3 core business segments comprising wireless value added and interactive solution, property development consulting services, and property development. The Group is mainly carrying out the business in the geographic area of Thailand. In addition, the Group also has subsidiaries and a joint venture that conduct business in other countries.

The financial information by geographical segment as at 31 December 2009 and 2008 and for the years ended 31 December 2009 and 2008 were as follows:

	Consolidated			
	For the year ended 31 December 2009			
	Thailand Thousand Baht	Other countries Thousand Baht	Elimination Thousand Baht	Consolidated Thousand Baht
Revenues	122,018	22,434	(9,900)	134,552
Cost of services and advisory	(47,727)	(15,554)	9,900	(53,381)
Gross profit	74,291	6,880	-	81,171
Other income	20,195	3,059	-	23,254
Selling and administrative expenses	(88,790)	(5,909)	-	(94,699)
Share of loss from investments in associates and joint ventures	(7,241)	(831)	-	(8,072)
Profit (loss) before financial costs and income tax	(1,545)	3,199	-	1,654
Financial costs	(3)	-	-	(3)
Net profit (loss) for the year	(1,548)	3,199	-	1,651

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

5 Segment information (Cont'd)

	Consolidated			
	For the year ended 31 December 2008			
	Thailand Thousand Baht	Other countries Thousand Baht	Elimination Thousand Baht	Consolidated Thousand Baht
Revenues	47,268	26,864	(28,246)	45,886
Cost of services and advisory	(46,794)	(31,011)	28,246	(49,559)
Gross profit (loss)	474	(4,147)	-	(3,673)
Other income	4,584	189	-	4,773
Selling and administrative expenses	(134,195)	(921)	-	(135,116)
Share of loss from investments in associates	(10,312)	-	-	(10,312)
Loss before financial costs and income tax	(139,449)	(4,879)	-	(144,328)
Financial costs	(109)	-	-	(109)
Net loss for the year	(139,558)	(4,879)	-	(144,437)

	Consolidated		
	As at 31 December 2009		
	Thailand Thousand Baht	Other countries Thousand Baht	Total Thousand Baht
Total assets	500,851	16,460	517,311
Total liabilities	26,312	475	26,787

	Consolidated		
	As at 31 December 2008		
	Thailand Thousand Baht	Other countries Thousand Baht	Total Thousand Baht
Total assets	526,998	13,939	540,937
Total liabilities	51,803	411	52,214

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

5 Segment information (Cont'd)

The financial information by business segment as at 31 December 2009 and 2008 and for the years ended 31 December 2009 and 2008 were as follows:

	Consolidated			
	For the year ended 31 December 2009			
	Wireless value added service and interactive solution Thousand Baht	Property development consulting services Thousand Baht	Property development Thousand Baht	Total Thousand Baht
Revenues	15,225	119,327	-	134,552
Cost of services and advisory	(12,806)	(40,575)	-	(53,381)
Gross profit	2,419	78,752	-	81,171
Other income				23,254
Selling and administrative expenses				(94,699)
Share of loss from investments in associates and joint ventures				(8,072)
Profit before financial costs and income tax				1,654
Financial costs				(3)
Net profit for the year				1,651

	Consolidated			
	For the year ended 31 December 2008			
	Wireless value added service and interactive solution Thousand Baht	Property development consulting services Thousand Baht	Property development Thousand Baht	Total Thousand Baht
Revenues	11,515	34,371	-	45,886
Cost of services and advisory	(15,159)	(34,400)	-	(49,559)
Gross loss	(3,644)	(29)	-	(3,673)
Other income				4,773
Selling and administrative expenses				(135,116)
Share of loss from investments in associates				(10,312)
Loss before financial costs and income tax				(144,328)
Financial costs				(109)
Net loss for the year				(144,437)

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

5 Segment information (Cont'd)

	Consolidated			
	As at 31 December 2009			
	Wireless value added service and interactive solution Thousand Baht	Property development consulting services Thousand Baht	Property development Thousand Baht	Total Thousand Baht
Segmental assets	3,207	12,939	224,572	240,718
Non-segmental assets				276,593
Total assets				517,311
Segmental liabilities	3,396	473	18,592	22,461
Non-segmental liabilities				4,326
Total liabilities				26,787

	Consolidated			
	As at 31 December 2008			
	Wireless value added service and interactive solution Thousand Baht	Property development consulting services Thousand Baht	Property development Thousand Baht	Total Thousand Baht
Segmental assets	2,155	14,382	218,451	234,988
Non-segmental assets				305,949
Total assets				540,937
Segmental liabilities	3,862	4,369	31,892	40,123
Non-segmental liabilities				12,091
Total liabilities				52,214

6 Cash and cash equivalents

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Cash on hand	80,259	146,419	58,407	68,763
Current and saving deposits	53,973,389	57,636,213	38,377,671	26,490,045
Fixed deposits with remaining maturity less than 3 months	2,063	1,020	1,035	1,020
Government bond with remaining maturity less than 3 months	-	33,972,115	-	-
Total	54,055,711	91,755,767	38,437,113	26,559,828

The effective interest rate on short term bank deposits was 0.25% - 0.50% per annum (2008: 0.50% per annum).

As at 31 December 2008, the Group had investments in government bonds due within 14 days which bear interest at the rate of 2.14% per annum.

7 Trade accounts receivable

As at 31 December 2009 and 2008, the Group has outstanding trade accounts receivable as follows:

	Consolidated		The Company only	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Trade accounts receivable				
- third party	4,943,954	2,046,502	2,728,500	1,029,383
Trade accounts receivable				
- related companies	1,605,000	7,093,453	12,198,000	16,483,324
Total	6,548,954	9,139,955	14,926,500	17,512,707

As at 31 December 2009 and 2008, the balances of accounts receivable, as classified by aging, were as follows:

	Consolidated		The Company only	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Not overdue	4,250,781	9,120,098	2,996,000	5,093,430
Overdue:				
Less than and up to 3 months	2,298,173	19,857	1,337,500	12,419,277
More than 3 months up to 6 months	-	-	-	-
More than 6 months up to 12 months	-	-	10,593,000	-
Total	6,548,954	9,139,955	14,926,500	17,512,707

The accounts receivable overdue more than 6 months up to 12 months represents receivables from Evolution Advisor Limited, a subsidiary (Note 28). The management assesses that the amounts will be fully recovered and therefore, allowance for doubtful accounts are not required.

8 Accrued income

As at 31 December 2009 and 2008, the Group has outstanding accrued revenue as below.

	Consolidated		The Company only	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Accrued revenue - third party	7,575,094	6,330,315	1,037,237	950,368
Accrued revenue - related party	3,364,710	1,066,995	306,000	-
Total	10,939,804	7,397,310	1,343,237	950,368

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

9 Investments in subsidiaries, net

	The Company only	
	For the year ended 31 December 2009 Baht	For the year ended 31 December 2008 Baht
Beginning balance	264,368,750	31,000,000
Acquisition of subsidiaries	-	249,731,750
Disposal of subsidiaries	-	(3,323,000)
Capital reduction during the year	(20,000,000)	-
Dissolution of subsidiaries	(13,040,000)	-
(Allowance for impairment) Reversal	13,040,000	(13,040,000)
Ending balance	244,368,750	264,368,750

The Company has investments in subsidiaries in both Thailand and other countries as at 31 December 2009 as follows:

Subsidiaries	Type of business	Registered country	The Company only As at 31 December 2009		
			Registered capital Baht	Percentage of holding %	Investment Baht
Monster Media Co., Ltd.	Multimedia provider	Thailand	10,000,000	100	10,000,000
Evolution Land Co., Ltd. (Formerly known as "Evolution Advisors Co., Ltd.")	Investment in real estate	Thailand	225,000,000	100	225,000,000
- Subsidiary under the company Addax Development Co., Ltd.	Property development	Thailand	80,000,000	100	-
Titan Project Management Co., Ltd.	Project management advisory	Thailand	11,000,000	-	-
Tierra POD Co., Ltd.	Architectural advisory	Thailand	4,000,000	-	-
Evolution Holdings Limited	Investment in securities	Mauritius	USD 125,000	100	4,268,750
- Subsidiary under the company Evolution Advisors Limited	Investment advisory	Cayman Islands	USD 1,000	100	-
Kor Asia Co., Ltd.	Marketing advisory	Thailand	10,000,000	51	5,100,000
Investment in subsidiaries, net					244,368,750

There have been changes in the composition of the subsidiaries for the year ended 31 December 2009 as follows:

(a) Investment in subsidiary - Monster Media Co., Ltd.

Monster Media Co., Ltd. has decreased its share capital from Baht 30 million to Baht 10 million. The subsidiary registered for capital reduction with Ministry of Commerce on 20 May 2009 and has already returned share capital to the Company.

(b) Investment in subsidiary - Titan Project Management Co., Ltd.

Titan Project Management Co., Ltd. registered for dissolution and liquidation with the Ministry of Commerce on 25 June 2009 and 16 December 2009, respectively.

(c) Investment in subsidiary - Tierra POD Co., Ltd.

Tierra POD Co., Ltd. registered for dissolution and liquidation with the Ministry of Commerce on 18 June 2009 and 14 September 2009, respectively.

9 Investment in subsidiaries, net (Cont'd)

The Company has investments in subsidiaries in both Thailand and other countries as at 31 December 2008 as follows:

Subsidiaries	Type of business	Registered country	The Company only As at 31 December 2008		
			Registered capital Baht	Percentage of holding %	Investment Baht
Monster Media Co., Ltd.	Multimedia provider	Thailand	30,000,000	100	30,000,000
Evolution Land Co., Ltd. (Formerly known as "Evolution Advisors Co., Ltd.")	Investment in real estate	Thailand	225,000,000	100	225,000,000
- Subsidiary under the company Addax Development Co., Ltd.	Property development	Thailand	80,000,000	100	-
Titan Project Management Co., Ltd.	Project management advisory	Thailand	11,000,000	100	11,000,000
Tierra POD Co., Ltd.	Architectural advisory	Thailand	4,000,000	51	2,040,000
Evolution Holdings Limited	Investment in securities	Mauritius	USD 125,000	100	4,268,750
- Subsidiary under the company Evolution Advisors Limited	Investment advisory	Cayman Islands	USD 1,000	100	-
Kor Asia Co., Ltd.	Marketing advisory	Thailand	10,000,000	51	5,100,000
Total					277,408,750
Less Allowance for impairment					(13,040,000)
Investment in subsidiaries, net					264,368,750

There have been changes in the composition of the subsidiaries for the year ended 31 December 2008 as follows:

(a) Investment in subsidiary - Evolution Land Co., Ltd. (Formerly "Evolution Advisors Co., Ltd.")

On 26 March 2008, the Company acquired additional 1,440,000 newly issued ordinary shares of Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd."), at par value of Baht 100 per share at the price of Baht 144 million to maintain the shareholding stake at 100%. The subsidiary had registered its increased share capital with Ministry of Commerce on 26 March 2008.

On 18 April 2008, the Company acquired additional 800,000 newly issued ordinary shares of Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd."), at par value of Baht 100 per share at the price of Baht 80 million to maintain the shareholding stake at 100%. The subsidiary had registered its increased share capital with Ministry of Commerce on 18 April 2008.

(b) Investment in subsidiary - Titan Project Management Co., Ltd.

On 2 January 2008, the Company acquired 10,000 ordinary shares at par value of Baht 100 per share totalling of Baht 1 million of "Titan Project Management Co., Ltd." representing 100% of the paid-up share capital on the incorporation date of Titan Project Management Co., Ltd.

On 24 March 2008, the Company acquired additional 40,000 newly issued ordinary shares at par value of Baht 100 per share totalling of Baht 4 million to maintain the shareholding stakes at 100%.

On 20 May 2008, the Company acquired additional 50,000 newly issued ordinary shares at par value of Baht 100 per share totalling of Baht 5 million to maintain the shareholding stake at 100%.

On 11 December 2008, the Company acquired additional 10,000 newly issued ordinary shares at par value of Baht 100 per share totalling of Baht 1 million to maintain the shareholding stake at 100%.

9 Investment in subsidiaries, net (Cont'd)

(c) Investment in subsidiary - Tierra POD Co., Ltd.

On 4 February 2008, the Company acquired 20,399 ordinary shares at par value of Baht 100 per share totaling of Baht 2.04 million of "Tierra POD Co., Ltd." representing 51% of the paid-up share capital on the incorporation date of Tierra POD Co., Ltd.

(d) Investment in subsidiary - Evolution Holdings Limited

On 21 August 2008, the Company acquired 125,000 ordinary shares of Evolution Holdings Limited, a company incorporated in the Mauritius, at par value of USD 1 per share representing 100% of the paid-up share capital on the incorporation date of Evolution Holdings Limited.

(e) Investment in subsidiary - Kor Asia Co., Ltd.

On 22 December 2008, the Company acquired 50,997 ordinary shares at par value of Baht 100 per share totaling of Baht 5.1 million of "Kor Asia Co., Ltd." representing 51% of the paid-up share capital on the incorporation date of Kor Asia Co., Ltd.

(f) Investment in subsidiary under Evolution Land Co., Ltd. - Addax Development Company Limited

On 18 April 2008, Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd."), a subsidiary, acquired 999,994 ordinary shares of Addax Development Company Limited which managed the condominium project name "The Lakes at Phoenix" at Baht 10 per share totalling of Baht 10 million representing 100% of the paid-up share capital. The net fair values of the identifiable assets and liabilities transferred on the acquisition date were as follows:

	Baht
Cash and cash equivalents	2,182,952
Project development cost in progress	74,070,759
Other current assets	60,506
Equipment, net	683,025
Other non-current assets	1,200,000
Trade accounts payable	(3,837,747)
Short-term loans from related parties	(32,431,257)
Advance receipts from customers	(28,990,375)
Other current liabilities	(2,937,863)
Net fair values of net assets transferred	10,000,000
Purchase price	10,000,000
Goodwill from investment	-
Cash flows on acquisition of the subsidiary	10,000,000
Less Cash and cash equivalents of the subsidiary	(2,182,952)
Net cash flow on acquisition of the subsidiary	7,817,048

Subsequently, on 6 May 2008, Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd."), acquired additional 7,000,000 newly issued ordinary shares at par value of Baht 10 per share totalling of Baht 70 million to maintain the shareholding stakes at 100%.

(g) Investment in subsidiary under Evolution Holdings Limited - Evolution Advisors Limited

On 12 June 2008, the Company acquired 1,000 ordinary shares of Evolution Advisors Limited, a company incorporated in the Cayman Island, at par value of USD 100 per share representing 100% of the paid-up share capital on the incorporation date of Evolution Advisors Limited.

Subsequently, on 27 August 2008, the Company sold investments in ordinary shares of Evolution Advisors Limited to the subsidiary - Evolution Holding Limited at cost for the purpose of change in the Group's structure.

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

10 Investment in associates, net

	Consolidated	
	For the year ended 31 December 2009 Baht	For the year ended 31 December 2008 Baht
Beginning balance	168,097,356	90,278,334
Add Investments in new associates	9,500,000	88,925,000
Less Unrealised gain from associates not yet recognise	-	(794,100)
Less Share of loss from investments in associates	(7,231,270)	(10,311,878)
Less Dissolution of an associate	(4,523,980)	-
Ending balance	165,842,106	168,097,356

All associates registered in Thailand are held by Evolution Land Co., Ltd. which is the Company's subsidiary. The investments in associates as at 31 December 2009 are as follows:

Associates	Type of Business	Registered country	Consolidated As at 31 December 2009				
			Registered share capital Baht	Paid-up Share capital Baht	Percentage of holding %	Cost method Baht	Equity method Baht
Casa Fico Co., Ltd.	Real estate development in residence project	Thailand	285,000,000	285,000,000	42.5	123,135,295	120,399,369
Fena Park Co., Ltd.	Real estate development for hotel project	Thailand	100,000,000	100,000,000	42.5	43,205,905	35,996,089
Spire Properties Co., Ltd.	Real estate development	Thailand	10,000,000	-	-	-	-
Andaman Beach Residences Co., Ltd.	Real estate development in residence project	Thailand	10,000,000	10,000,000	46	4,600,000	-
Phang-Nga Hotel Co., Ltd.	Real estate development for hotel project	Thailand	10,000,000	10,000,000	46	4,600,000	-
Yamu Villas Co., Ltd.	Real estate development in residence project	Thailand	10,000,000	10,000,000	47.5	4,750,000	4,723,339
Yamu (Thailand) Co., Ltd.	Real estate development for hotel project	Thailand	10,000,000	10,000,000	47.5	4,750,000	4,723,309
Total						185,041,200	165,842,106

The Group's associates are non-listed companies. Their assets, liabilities, revenues and loss as at 31 December 2009 are as follows:

	Assets Baht	Liabilities Baht	Revenues Baht	Loss Baht
Casa Fico Co., Ltd.	295,994,986	16,681,493	31,456	(2,174,438)
Fena Park Co., Ltd.	96,509,983	19,220,184	475,107	(2,469,162)
Andaman Beach Residences Co., Ltd.	768,797,548	790,346,357	7,369,254	(23,774,938)
Phang-Nga Hotel Co., Ltd.	430,805,310	435,107,177	27,549	(13,454,684)
Yamu Villas Co., Ltd.	10,035,667	91,795	14,967	(56,128)
Yamu (Thailand) Co., Ltd.	10,035,604	91,795	14,904	(56,191)
	1,612,179,098	1,261,538,801	7,933,237	(41,985,541)

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

10 Investment in associates, net (Cont'd)

There have been changes in the composition of the associates for the year ended 31 December 2009 as follows:

(a) Investment in associate under Evolution Land Co., Ltd. - Spire Properties Co., Ltd.

Spire Properties Co., Ltd. registered for dissolution and liquidation with the Ministry of Commerce on 20 April 2009 and 15 June 2009, respectively and returned its share capital to all shareholders.

(b) Investments in associates under Evolution Land Co., Ltd. - Yamu Villas Co., Ltd. and Yamu (Thailand) Co., Ltd.

On 3 September 2009, the subsidiary - Evolution Land Co., Ltd. established new associated companies namely "Yamu Villas Co., Ltd." and "Yamu (Thailand) Co., Ltd.", with the registered share capital of Baht 10 million divided into 49,000 ordinary shares at the par value of Baht 100 each and 51,000 preference shares at the par value of Baht 100 each. Evolution Land Co., Ltd. has invested in 47,500 cumulative dividend preference shares at par value of Baht 100 per share totalling Baht 4.75 million for each company.

All associates registered in Thailand are held by Evolution Land Co., Ltd. which is the Company's subsidiary. The investments in associates as at 31 December 2008 are as follows:

Associates	Type of Business	Registered country	Consolidated As at 31 December 2008				
			Registered share capital Baht	Paid-up Share capital Baht	Percentage of holding %	Cost method Baht	Equity method Baht
Casa Fico Co., Ltd.	Real estate development in residence project	Thailand	285,000,000	285,000,000	42.5	123,135,295	121,424,287
Fena Park Co., Ltd.	Real estate development for hotel project	Thailand	100,000,000	100,000,000	42.5	43,205,905	36,881,753
Spire Properties Co., Ltd.	Real estate development	Thailand	10,000,000	10,000,000	46	4,600,000	4,557,001
Andaman Beach Residences Co., Ltd.	Real estate development in residence project	Thailand	10,000,000	10,000,000	46	4,600,000	1,024,019
Phang-Nga Hotel Co., Ltd.	Real estate development for hotel project	Thailand	10,000,000	10,000,000	46	4,600,000	4,210,296
Total						180,141,200	168,097,356

The Group's associates are non-listed companies. Their assets, liabilities, revenues and loss as at 31 December 2008 are as follows:

	Assets Baht	Liabilities Baht	Revenues Baht	Loss Baht
Casa Fico Co., Ltd.	286,001,734	4,513,803	68,207	(2,449,338)
Fena Park Co., Ltd.	89,693,939	9,934,978	5,666,745	(15,164,225)
Spire Properties Co., Ltd.	10,000,168	93,645	768	(93,477)
Andaman Beach Residences Co., Ltd.	647,468,483	645,242,354	28,770	(7,773,871)
Phang-Nga Hotel Co., Ltd.	347,225,921	338,103,104	11,725	(847,183)
	1,380,390,245	997,887,884	5,776,215	(26,328,094)

10 Investment in associates, net (Cont'd)

There have been changes in the composition of the associates for the year ended 31 December 2008 as follows:

(a) Investment in associate under Evolution Land Co., Ltd. - Casa Fico Co., Ltd.

On 9 February 2008, the Company acquired newly issued ordinary shares of Casa Fico Co., Ltd. at 5 million shares at par value of Baht 10 per share totalling Baht 50 million. This resulted in the increase in shareholding stake from 35.41% to 40.53%.

On 24 March 2008, the Company sold investments in ordinary shares of 11,550,000 shares of Casa Fico Co., Ltd. to the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") at cost totalling of Baht 117.51 million which accounted for 40.53% for the purpose of change in the Group's structure.

On 12 December 2008, the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") acquired ordinary shares of Casa Fico Co., Ltd. at 562,500 shares at par value of Baht 10 per share totalling Baht 5.62 million. This resulted in the increase in shareholding stake from 40.53% to 42.50%.

(b) Investment in associate under Evolution Land Co., Ltd. - Fena Park Co., Ltd.

On 24 March 2008, the Company sold investments in ordinary shares of 2,300,000 shares of Fena Park Co., Ltd. to the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") at cost totalling of Baht 23.71 million which accounted for 25% for the purpose of change in the Group's structure.

On 21 November 2008, the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") acquired newly issued ordinary shares of Fena Park Co., Ltd. at 400,000 shares at par value of Baht 10 per share totalling Baht 4 million. This resulted in the increase in shareholding stake from 25% to 27%.

On 12 December 2008, the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") acquired ordinary shares of Fena Park Co., Ltd. at 1,550,000 shares at par value of Baht 10 per share totalling Baht 15.50 million. This resulted in the increase in shareholding stake from 27% to 42.5%.

(c) Investment in associate under Evolution Land Co., Ltd. - Spire Properties Co., Ltd.

On 24 June 2008, the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") established a new associate which engaged in real estate development, namely "Spire Properties Co., Ltd.", with the registered share capital of Baht 10 million divided into 49,000 ordinary shares at the par value of Baht 100 each and 51,000 preference shares at the par value of Baht 100 each. Evolution Land Co., Ltd. invested in cumulative dividend 46,000 preference shares at par value of Baht 100 per share totalling of Baht 4.6 million. The preference shares carry the right to the cumulative dividends when the associate has profit but not declared to shareholders at the rate of 15% on the paid-up preference share capital during the year in which a dividend is declared. The preference shares shall have the same voting rights as an ordinary share.

(d) Investment in associate under Evolution Land Co., Ltd. - Andaman Beach Residences Co., Ltd.

On 18 September 2008, the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") established a new associate which engaged in real estate development in resident project namely "Andaman Beach Residences Co., Ltd.", with the registered share capital of Baht 10 million divided into 49,000 ordinary shares at the par value of Baht 100 each and 51,000 preference shares at the par value of Baht 100 each. Evolution Land Co., Ltd. invested in cumulative dividend 46,000 preference shares at par value of Baht 100 per share totalling of Baht 4.6 million. The preference shares carry the right to the cumulative dividends when the associate has profit but not declared to shareholders at the rate of 15% on the paid-up preference share capital during the year in which a dividend is declared. The preference shares shall have the same voting rights as an ordinary share.

10 Investment in associates, net (Cont'd)

(e) Investment in associate under Evolution Land Co., Ltd. - Phang Nga Hotel Co., Ltd.

On 18 September 2008, the subsidiary - Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.") established a new associate which engaged in real estate development for hotel project, namely "Phang Nga Hotel Co., Ltd.", with the registered share capital of Baht 10 million divided into 49,000 ordinary shares at the par value of Baht 100 each and 51,000 preference shares at the par value of Baht 100 each. Evolution Land Co., Ltd. invested in cumulative dividend 46,000 preference shares at par value of Baht 100 per share totalling of Baht 4.6 million. The preference shares carry the right to the cumulative dividends when the associate has profit but not declared to shareholders at the rate of 15% on the paid-up preference share capital during the year in which a dividend is declared. The preference shares shall have the same voting rights as an ordinary share.

11 Interests in joint ventures

	<u>Consolidated</u>	<u>The Company only</u>
	<u>For the year ended</u>	<u>For the year ended</u>
	<u>31 December 2009</u>	<u>31 December 2009</u>
	<u>Baht</u>	<u>Baht</u>
Beginning balance	-	-
<u>Add</u> Investments in joint ventures	1,340,518	510,000
<u>Less</u> Share of loss from interests in joint ventures	(840,949)	-
Ending balance	<u>499,569</u>	<u>510,000</u>

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

11 Interests in joint ventures (Cont'd)

The Group has joint ventures in both Thailand and other countries as at 31 December 2009 as follows:

Joint ventures	Type of Business	Registered country	Consolidated As at 31 December 2009				
			Registered share capital Baht	Paid-up Share capital Baht	Percentage of holding %	Cost method Baht	Equity method Baht
Red Planet Hotels Co., Ltd.	Management service to hotel	Thailand	1,000,000	1,000,000	51	510,000	499,569
- Joint venture under Evolution Advisors Limited EKT Advisors Limited	Real estate investment advisory	Cayman Islands	USD 50,000	USD 50,000	50	830,518	-
Total						1,340,518	499,569

The Company has joint ventures in Thailand as at 31 December 2009 as follows:

Joint ventures	Type of Business	Registered country	The Company only As at 31 December 2009			
			Registered share capital Baht	Paid-up Share capital Baht	Percentage of holding %	Cost method Baht
Red Planet Hotels Co., Ltd.	Management service to hotel	Thailand	1,000,000	1,000,000	51	510,000
Total						510,000

There have been changes in the composition of interests in joint ventures for the year ended 31 December 2009 as follows:

(a) Interests in joint venture - Red Planet Hotels Co., Ltd.

Red Planet Hotels Co., Ltd. is a joint venture between the Company and KT Holdings Limited which was registered for incorporation with the Ministry of Commerce on 1 September 2009. On 4 September 2009, the Company acquired 5,100 ordinary shares at par value of Baht 100 per share totalling of Baht 510,000 representing 51% of the paid-up share capital on the incorporation date of Red Planet Hotels Co., Ltd.

(b) Interests in joint venture under Evolution Advisor Limited - EKT Advisors Limited

EKT Advisors Limited is a joint venture between Evolution Advisors Limited, a subsidiary and KT Holdings Limited which was registered for incorporation in the Cayman Islands on 7 August 2009. The registered share capital of EKT Advisors Limited is USD 50,000, consisting of 50,000 ordinary shares at par value of USD 1 per share. The paid-up share capital is USD 50,000 equally subscribed at 250 shares for each shareholder at USD 100 per share which equals USD 1 of par value, and USD 99 of share premium. The remaining 49,500 shares shall remain unissued as at 31 December 2009.

12 Project development cost in progress

This represents development cost in progress of the Lakes at Phoenix condominium in Pattaya which the project owned by an indirect subsidiary - Addax Development Company Limited, consisted of:

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Land	38,661,687	38,661,687	-	-
Land improvement	7,031,138	4,838,464	-	-
Construction in progress	41,559,725	39,560,340	-	-
Total	87,252,550	83,060,491	-	-

Management decided to temporarily halt the construction to improve strategy at the beginning of 2009. The construction suspension resulted in the delay in project.

13 Land awaiting development

Land awaiting development is at Samui Island which under consideration of management to formalise real estate projects in the future.

The management has appraised the fair value of land awaiting development based on the independent valuator's appraisal report under the market approach at the acquisition date.

As at 31 December 2009 and 2008, land awaiting development consisted of:

	Consolidated and The Company only	
	2009 Baht	2008 Baht
Land	54,699,268	54,699,268
Development costs	4,677,600	-
Total	59,376,868	54,699,268

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

14 Equipment, net

	Consolidated				
	Leasehold Improvement Baht	Office equipment Baht	Furniture and fixture Baht	Vehicles Baht	Assets under installment Baht
At 1 January 2008					
Cost	1,797,835	9,188,612	82,841	495,093	-
Less Accumulated depreciation	(12,806)	(5,046,649)	(71,148)	(285,391)	-
Net book amount	1,785,029	4,141,963	11,693	209,702	-
For the year ended 31 December 2008					
Opening net book amount	1,785,029	4,141,963	11,693	209,702	-
Additions	7,448,449	9,435,648	5,408,279	1,144,763	1,310,326
Acquisition of subsidiary	-	509,621	173,404	-	-
Disposals, net	-	(86,127)	-	-	-
Transfers in (out)	879,610	430,716	-	-	(1,310,326)
Depreciation	(1,603,633)	(2,403,290)	(519,427)	(233,964)	-
Closing net book amount	8,509,455	12,028,531	5,073,949	1,120,501	-
At 31 December 2008					
Cost	10,125,894	19,514,178	5,716,732	1,639,856	-
Less Accumulated depreciation	(1,616,439)	(7,485,647)	(642,783)	(519,355)	-
Net book amount	8,509,455	12,028,531	5,073,949	1,120,501	-
					26,732,436
					26,732,436

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

14 Equipment, net (Cont'd)

	Consolidated				
	Leasehold Improvement Baht	Office equipment Baht	Furniture and fixture Baht	Vehicles Baht	Asset under installment Baht
For the year ended 31 December 2009					
Opening net book amount	8,509,455	12,028,531	5,073,949	1,120,501	-
Additions	7,115	4,411,010	37,000	-	-
Disposals, net	-	(160,461)	(41,769)	-	-
Depreciation	(2,006,398)	(3,670,235)	(1,112,401)	(368,644)	-
Closing net book amount	6,510,172	12,608,845	3,956,779	751,857	23,827,653
At 31 December 2009					
Cost	9,985,289	23,728,522	5,567,390	1,639,856	-
Less Accumulated depreciation	(3,475,117)	(11,119,677)	(1,610,611)	(887,999)	-
Net book amount	6,510,172	12,608,845	3,956,779	751,857	23,827,653

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

14 Equipment, net (Cont'd)

	The Company only				
	Leasehold Improvement Baht	Office equipment Baht	Furniture and fixture Baht	Vehicles Baht	Asset under installment Baht
At 1 January 2008					
Cost	1,797,835	9,188,612	82,841	495,093	-
Less Accumulated depreciation	(12,806)	(5,046,649)	(71,148)	(285,391)	-
Net book amount	1,785,029	4,141,963	11,693	209,702	-
For the year ended 31 December 2008					
Opening net book amount	1,785,029	4,141,963	11,693	209,702	-
Additions	7,112,000	6,350,362	4,490,567	1,144,763	601,716
Disposals, net	-	(19,691)	-	-	-
Transfer in (out)	171,000	430,716	-	-	(601,716)
Depreciation	(1,474,237)	(2,207,250)	(375,813)	(233,964)	-
Closing net book amount	7,593,792	8,696,100	4,126,447	1,120,501	-
At 31 December 2008					
Cost	9,080,835	15,933,222	4,573,408	1,639,856	-
Less Accumulated depreciation	(1,487,043)	(7,237,122)	(446,961)	(519,355)	-
Net book amount	7,593,792	8,696,100	4,126,447	1,120,501	-
					21,536,840
					21,536,840

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

14 Equipment, net (Cont'd)

	The Company only				
	Leasehold Improvement Baht	Office equipment Baht	Furniture and fixture Baht	Vehicles Baht	Asset under installment Baht
For the year ended 31 December 2009					
Opening net book amount	7,593,792	8,696,100	4,126,447	1,120,501	-
Additions	905,026	932,177	823,857	-	-
Disposals, net	-	(13,977)	(41,769)	-	-
Depreciation	(1,988,074)	(2,803,731)	(1,049,268)	(368,643)	-
Closing net book amount	6,510,744	6,810,569	3,859,267	751,858	-
At 31 December 2009					
Cost	9,985,861	16,846,671	5,342,265	1,639,856	-
Less Accumulated depreciation	(3,475,117)	(10,036,102)	(1,482,998)	(887,998)	-
Net book amount	6,510,744	6,810,569	3,859,267	751,858	-

As at 31 December 2009, assets leased under finance lease arrangements and hire-purchase agreements by the Group and the Company are included above which is office equipment amounting to Baht 0.2 million (2008: vehicles and office equipment amounting to Baht 0.3 million).

As at 31 December 2009, the gross carrying amount of the fully depreciated equipment that is still in use by the Group and the Company is Baht 3.1 million (2008: Baht 2.4 million).

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

15 Intangible assets, net

	Consolidated			Total Baht
	Computer software Baht	Royalty Baht	Intangible assets under development Baht	
As at 1 January 2008				
Cost	8,622,385	1,000,000	488,586	10,110,971
<u>Less</u> Accumulated amortisation	(4,832,876)	(133,333)	-	(4,966,209)
Net book amount	3,789,509	866,667	488,586	5,144,762
For the year ended 31 December 2008				
Opening net book amount	3,789,509	866,667	488,586	5,144,762
Additions	3,681,713	-	1,484,424	5,166,137
Written-off, net	(8,121)	(816,667)	-	(824,788)
Amortisation	(1,618,159)	(50,000)	-	(1,668,159)
Closing net book amount	5,844,942	-	1,973,010	7,817,952
As at 31 December 2008				
Cost	10,913,289	-	1,973,010	12,886,299
<u>Less</u> Accumulated amortisation	(5,068,347)	-	-	(5,068,347)
Net book amount	5,844,942	-	1,973,010	7,817,952
For the year ended 31 December 2009				
Opening net book amount	5,844,942	-	1,973,010	7,817,952
Additions	-	-	596,484	596,484
Written-off, net	-	-	(488,586)	(488,586)
Transfer in (out)	1,964,908	-	(1,964,908)	-
Amortisation	(1,926,527)	-	-	(1,926,527)
Closing net book amount	5,883,323	-	116,000	5,999,323
As at 31 December 2009				
Cost	12,831,793	-	116,000	12,947,793
<u>Less</u> Accumulated amortisation	(6,948,470)	-	-	(6,948,470)
Net book amount	5,883,323	-	116,000	5,999,323

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

15 Intangible assets, net (Cont'd)

	The Company only			Total Baht
	Computer software Baht	Royalty Baht	Intangible assets under development Baht	
As at 1 January 2008				
Cost	8,622,385	1,000,000	488,586	10,110,971
<u>Less</u> Accumulated amortisation	(4,832,876)	(133,333)	-	(4,966,209)
Net book amount	3,789,509	866,667	488,586	5,144,762
For the year ended 31 December 2008				
Opening net book amount	3,789,509	866,667	488,586	5,144,762
Additions	3,265,853	-	1,484,424	4,750,277
Written-off, net	(8,121)	(816,667)	-	(824,788)
Amortisation	(1,567,273)	(50,000)	-	(1,617,273)
Closing net book amount	5,479,968	-	1,973,010	7,452,978
As at 31 December 2008				
Cost	10,497,429	-	1,973,010	12,470,439
<u>Less</u> Accumulated amortisation	(5,017,461)	-	-	(5,017,461)
Net book amount	5,479,968	-	1,973,010	7,452,978
For the year ended 31 December 2009				
Opening net book amount	5,479,968	-	1,973,010	7,452,978
Additions	181,495	-	-	181,495
Disposals, net	-	-	(871,417)	(871,417)
Written-off, net	-	-	(488,586)	(488,586)
Transfer in (out)	497,007	-	(497,007)	-
Amortisation	(1,882,240)	-	-	(1,882,240)
Closing net book amount	4,276,230	-	116,000	4,392,230
As at 31 December 2009				
Cost	11,175,931	-	116,000	11,291,931
<u>Less</u> Accumulated amortisation	(6,899,701)	-	-	(6,899,701)
Net book amount	4,276,230	-	116,000	4,392,230

As at 31 December 2009, the gross carrying amount of fully amortised intangible assets still in use in the Group and the Company was Baht 2.1 million (2008: Baht 1.8 million).

16 Leasehold right of land, net

	Consolidated and The Company only	
	2009 Baht	2008 Baht
Leasehold right of land	82,449,093	82,449,093
Less Accumulated amortisation	(4,506,378)	(1,758,075)
Leasehold right of land, net	77,942,715	80,691,018
Amortisation during the year	2,748,303	1,758,075

Leasehold right of land is land at Samui Island that is in the process of feasibility analysis for future real estate development projects or resale for profit. The Company has no definite plan at current.

Leasehold right of land is amortised by the straight-line method over the land lease period of 30 years. Under the lease agreement, buildings and building improvements constructed on the leasehold land will be transferred to the lessor at the end of the lease agreement.

17 Advance receipts from customers

	Consolidated	
	2009 Baht	2008 Baht
The Lakes at Phoenix project	2,679,525	30,293,725
Others	14,531	-
	2,694,056	30,293,725

Advance receipts from customers are down payment for the Lakes at Phoenix condominium which is now in the process of construction by Addax Development Company Limited, a subsidiary. The subsidiary's management decided to temporarily halt the construction to further improve strategy which will result in project delay. The subsidiary provides an option to customers either to refund or maintain the advance with the subsidiary.

18 Other current liabilities

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Accrued expenses	2,987,047	6,231,796	868,194	4,821,816
Withholding tax payable	610,236	3,726,965	489,002	3,369,752
Undue output VAT	1,484,771	1,412,501	1,341,094	-
Retention payable	279,816	789,134	-	-
Others	13,736	293,290	-	29,025
	5,375,606	12,453,686	2,698,290	8,220,593

19 Loans from non-related parties

Addax Development Company Limited, a subsidiary, received an unsecured facility from non-related parties in the principal amount up to Baht 15 million for the purpose of financing the project's working capital. The loans bear no interest upon special conditions. If during the period of the agreement, the Group is desirous of selling the project in development, the Group shall give the lenders a right to buy such assets at the selling price specified in the contract.

As at 31 December 2009, Addax Development Company Limited, a subsidiary, has loans from non-related parties in the amount of Baht 12.5 million. The loans are due for repayment in full on 31 December 2010.

20 Other non-current liabilities

The movement of other non-current liabilities for the years ended 31 December are as follows:

	Consolidated	
	2009 Baht	2008 Baht
Opening balance	2,500,000	-
Additional during the year	-	2,500,000
Closing balance	2,500,000	2,500,000

On 1 May 2007, Addax Development Company Limited, a subsidiary, had entered into the endorsement proposal to acquire the right to utilise the endorser's name and likeness in connection with the advertisement, promotion and sales of the Lakes at Phoenix condominium. The subsidiary shall pay compensation for the appearances during the three years in the form of a condominium unit at the price of Baht 11.25 million.

As at 31 December 2009 and 2008, the subsidiary recorded provision for such endorsement proposal based on the proportion of actual appearances of Baht 2.5 million as the management has intention to revise marketing plan for the project.

21 Share capital

	Consolidated and The Company only					
	Number of shares thousand share	Authorised ordinary shares thousand Baht	Number of shares thousand share	Issued and paid-up ordinary shares thousand Baht	Ordinary share premium thousand Baht	Total thousand Baht
For the year ended 31 December 2009						
Opening amount as at 1 January 2009	521,366	521,366	521,366	521,366	212,779	734,145
Add Increase in registered capital	172,634	172,634	-	-	-	-
Closing amount as at 31 December 2009	694,000	694,000	521,366	521,366	212,779	734,145
For the year ended 31 December 2008						
Opening amount as at 1 January 2008	409,315	409,315	391,366	391,366	69,779	461,145
Less Decrease in registered capital	(17,949)	(17,949)	-	-	-	-
Add Increase in registered capital	130,000	130,000	130,000	130,000	143,000	273,000
Closing amount as at 31 December 2008	521,366	521,366	521,366	521,366	212,779	734,145

As at 31 December 2009, the total authorised number of ordinary shares is 694,000 thousand shares (2008: 521,366 thousand shares) with a par value of Baht 1 per share (2008: Baht 1 per share). The total issued and paid-up ordinary shares are 521,366 thousand shares (2008: 521,366 thousand shares). The remaining 172,634 thousand shares remained unissued as at 31 December 2009.

21 Share capital (Cont'd)

On 16 October 2009, the extraordinary shareholders' meeting no. 1/2552 resolved to increase the Company's registered capital by Baht 172,634 thousand from the existing registered capital of Baht 521,366 thousand to a new registered capital of Baht 694,000 thousand, divided into 694,000 thousand ordinary shares with a par value of Baht 1 each, by issuing new 172,634 thousand ordinary shares with a par value of Baht 1 each for the purpose of business expansion and to augment its working capital for the future. The new issuance of ordinary shares will be allotted to specified investors and/or institutional investors in one or more tranches from time to time by the way of private placement. The Company registered the increase of share capital with the Ministry of Commerce on 28 October 2009.

On 29 January 2008, the extraordinary shareholders' meeting no. 1/2551 resolved to approve in decreasing the Company's registered capital from Baht 409,315 thousand to Baht 391,366 thousand representing 391,366 thousand ordinary shares at the par value of Baht 1 per share. This reduction of capital represented the outstanding non-subscribed ordinary shares issued to the existing shareholders. The Company has registered its reduction of the registered share capital with the Ministry of Commerce on 11 February 2008.

In addition, it was unanimously resolved to increase the Company's registered capital from Baht 391,366 thousand to Baht 521,366 thousand divided into 521,366 thousand shares at the par value of Baht 1 per share to the specified investor namely "MGP Hazel (Mauritius) No. 1 Limited" at Baht 2.10 per share. The Company received share subscription amount of Baht 273 million and registered with the Ministry of Commerce on 9 April 2008. The increased share capital will be utilised for working capital of real estate project developments of the Company and the subsidiaries as well as for expansion of business in the future.

22 Legal reserve

The legal reserve of the Company is established in accordance with the provisions of the Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year until the reserve reaches 10% of the authorised share capital. The reserve is not available for dividend declaration.

23 Minority interest

	Consolidated	
	2009	2008
	Baht	Baht
Opening balance	4,323,228	-
Minority's investments in subsidiaries	-	6,860,000
Return interest to minority from dissolution of subsidiary	(9,918)	-
Net loss attribute to minority interest	(1,623,676)	(2,536,772)
Ending balance	<u>2,689,634</u>	<u>4,323,228</u>

24 Cost of advisory

Cost of advisory includes directors and managements' remuneration as follows:

	Consolidated		The Company only	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Directors and managements' remuneration	22,711,431	2,565,495	16,831,778	1,965,495

25 Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Salary and other employee benefits	78,682,689	88,359,751	65,204,887	71,242,044
Depreciation expenses	7,157,678	4,760,314	6,209,716	4,291,264
Amortisation expenses	4,674,830	3,426,234	4,630,543	3,375,348
Professional fees	10,704,580	35,530,034	5,462,419	27,778,978
Advertising and promotional expenses	5,211,085	13,392,258	1,325,800	5,604,892
(Gain) loss on exchange rate	(99,044)	395,454	(66,464)	207,565
Office and furniture rental expenses	9,732,790	10,395,225	8,157,013	8,997,328
Travelling expenses	5,463,148	7,806,234	1,476,412	5,903,886
Computer maintenance expenses	2,952,706	2,664,377	2,929,640	2,644,377
Impairment loss on investment (Reversal)	-	-	(13,040,000)	13,040,000
Loss from dissolution of subsidiaries	-	-	12,956,748	-
Bad debt and doubtful accounts	-	-	2,109,829	3,529,439

26 Operation profit (loss)

The following items are unusual in nature and have been charged to the operating profit (loss) during the year.

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Revenue				
Other income from withholding taxes refund	10,375,224	-	10,375,224	-
Other income from non-claim cost of service	2,788,840	-	2,788,840	-

27 Earnings (loss) per share

Earnings (loss) per share attributable to equity holders of the parent is calculated by dividing the net profit (loss) attributable to equity holders of the parent by the weighted average number of common share in issue during the year 2009 521,366 thousand shares (2008: 487,072 thousand shares).

	Consolidated		The Company only	
	2009	2008	2009	2008
Net profit (loss) for the year attributable to the parent's shareholders (Baht)	3,274,184	(141,900,422)	18,216,988	(107,343,824)
Weighted average number of paid-up ordinary shares in issue during the year (Share)	521,366,118	487,072,402	521,366,118	487,072,402
Basic earnings (loss) per share (Baht)	0.01	(0.29)	0.03	(0.22)

There were no dilutive shares issued for the year ended 31 December 2009.

28 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form

Details of relationship between the Group and related parties are as follows:

Company's name	Country of incorporation	Relationship
Monster Media Co., Ltd.	Thailand	Subsidiary company
Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.")	Thailand	Subsidiary company
Titan Project Management Co., Ltd.	Thailand	Subsidiary company
Tierra POD Co., Ltd.	Thailand	Subsidiary company
Addax Development Co., Ltd.	Thailand	Subsidiary company
Evolution Advisors Limited	Cayman Islands	Subsidiary company
Evolution Holdings Limited	Mauritius	Subsidiary company
Kor Asia Co., Ltd.	Thailand	Subsidiary company
Casa Fico Co., Ltd.	Thailand	Associated company
Fena Park Co., Ltd.	Thailand	Associated company
Spire Properties Co., Ltd.	Thailand	Associated company
Andaman Beach Residences Co., Ltd.	Thailand	Associated company
Phang-Nga Hotel Co., Ltd.	Thailand	Associated company
Yamu Villas Co., Ltd.	Thailand	Associated company
Yamu (Thailand) Co., Ltd.	Thailand	Associated company
Red Planet Hotels Co., Ltd.	Thailand	Joint Venture
EKT Advisors Limited	Cayman Islands	Joint Venture
Sphinx Partners Co., Ltd.	Thailand	Common shareholder
Celadon Land Asia - Pacific Co., Ltd.	Thailand	Common shareholder
MGP Hazel (Mauritius) No. 1 Limited	Mauritius	The Company's shareholder
Tierra Design Pte.	Singapore	A subsidiary's shareholder
Kor Marketing, LLC	Canada	A subsidiary's shareholder

Pricing policies for related transactions are as follows:

Transactions	Pricing policy
Advisory income	Contract price
Management income	Contract price
Interest income from loans	At the rate of 11.25% to 12.5% per annum
Rental income	Contract price
Accounting service income	Contract price
Disposal of intangible asset under development	Cost amount
Disposal of investments	Cost amount
Purchase of equipment and intangible assets	Net book value
Cost of advisory	Contract price
Office and facility rental	Contract price
Service expenses	Contract price

28 Related party transactions (Cont'd)

Transactions with related parties for the years ended 31 December 2009 and 2008 were as follows:

i) Sales of goods and services

	Consolidated		The Company only	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Advisory income				
Evolution Advisors Limited	-	-	9,900,000	28,246,333
Andaman Beach Residences Co., Ltd.	48,217,870	5,093,453	41,158,747	-
Phang Nga Hotel Co., Ltd.	33,675,364	-	33,675,364	-
Tierra Design Pte.	-	1,066,995	-	-
Casa Fico Co., Ltd.	2,415,000	844,130	2,135,000	-
Fena Park Co., Ltd.	1,035,000	361,770	915,000	-
	<u>85,343,234</u>	<u>7,366,348</u>	<u>87,784,111</u>	<u>28,246,333</u>

The consulting services agreement between the Company and Evolution Advisors Limited which has monthly fee Baht 3.3 million was terminated on 31 March 2009.

Management income				
Titan Project Management Co., Ltd.	-	-	-	6,000,000
Addax Development Company Limited	-	-	-	3,420,000
Monster Media Co., Ltd.	-	-	720,000	720,000
Kor Asia Co., Ltd.	-	-	1,078,065	1,068,819
	<u>-</u>	<u>-</u>	<u>1,798,065</u>	<u>11,208,819</u>

Interest income				
Evolution Land Co., Ltd. (formerly "Evolution Advisors Co., Ltd.")	-	-	5,896,300	502,089
Titan Project Management Co., Ltd.	-	-	107,432	17,183
Monster Media Co., Ltd.	-	-	28,664	-
Casa Fico Co., Ltd.	563,926	-	-	-
Fena Park Co., Ltd.	284,341	-	-	-
	<u>848,267</u>	<u>-</u>	<u>6,032,396</u>	<u>519,272</u>

Other income				
Accounting services income				
Andaman Beach Residences Co., Ltd.	1,181,307	-	1,181,307	-
Phang Nga Hotel Co., Ltd.	1,181,307	-	1,181,307	-
	<u>2,362,614</u>	<u>-</u>	<u>2,362,614</u>	<u>-</u>

Office and facility rental income				
Tierra POD Co., Ltd.	-	-	-	971,634
Kor Asia Co., Ltd.	-	-	196,582	16,382
	<u>-</u>	<u>-</u>	<u>196,582</u>	<u>988,016</u>

Penalty on terminated of contract				
Andaman Beach Residences Co., Ltd.	560,000	-	-	-

28 Related party transactions (Cont'd)

i) Sales of goods and services (Cont'd)

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Disposal of intangible assets under development				
Monster Media Co., Ltd.	-	-	871,417	-
Disposal of investments				
Evolution Land Co., Ltd. (Formerly "Evolution Advisors Co., Ltd.")	-	-	-	141,216,200
Evolution Holdings Limited	-	-	-	3,323,000
	-	-	-	144,539,200

ii) Purchases of goods and services

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Purchase of equipment				
Celadon Land Asia - Pacific Co., Ltd.	-	7,261,000	-	7,261,000
Sphinx Partners Co., Ltd.	-	7,163,184	-	7,163,184
Titan Project Management Co., Ltd.	-	-	1,802,672	-
Tierra POD Co., Ltd.	-	-	24,052	-
	-	14,424,184	1,826,724	14,424,184
Purchase of intangible assets				
Celadon Land Asia - Pacific Co., Ltd.	-	2,074,000	-	2,074,000
Sphinx Partners Co., Ltd.	-	816,000	-	816,000
Titan Project Management Co., Ltd.	-	-	181,494	-
	-	2,890,000	181,494	2,890,000
Cost of advisory				
Marketing advisory expenses				
Kor Marketing, LLC	4,271,491	3,768,969	-	-

28 Related party transactions (Cont'd)

ii) Purchases of goods and services (Cont'd)

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Administrative expenses				
Directors' remuneration				
Directors and shareholders	2,012,500	2,077,500	2,012,500	2,077,500
Office and furniture rental expenses				
Sphinx Partners Co., Ltd.	-	1,090,000	-	1,090,000
Celadon Land Asia - Pacific Co., Ltd.	-	240,000	-	240,000
	-	1,330,000	-	1,330,000
Other service expenses				
Monster Media Co., Ltd.	-	-	320,000	480,000
Sphinx Partners Co., Ltd.	-	390,000	-	390,000
MGP Hazel (Mauritius) No. 1 Limited	102,221	198,915	102,221	198,915
Celadon Land Asia - Pacific Co., Ltd.	-	60,000	-	60,000
Tierra POD Co., Ltd.	-	-	-	30,000
	102,221	648,915	422,221	1,158,915
Bad debt expense and doubtful accounts				
Titan Project Management Co., Ltd.	-	-	-	3,529,439
Forgive debt to related parties				
Titan Project Management Co., Ltd.	-	-	1,740,116	-
Tierra POD Co., Ltd.	-	-	369,713	-
	-	-	2,109,829	-

The Company agreed to unconditionally and irrevocably forgive the subsidiaries any remaining loans for the purpose of the subsidiaries dissolution.

iii) Outstanding balances arising from sale-purchases of goods and services

The significant balances of assets and liabilities with its related companies were as follows:

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Trade accounts receivable - related companies				
Evolution Advisors Limited	-	-	10,593,000	16,483,324
Andaman Beach Residences Co., Ltd.	-	5,093,453	-	-
Casa Fico Co., Ltd.	1,123,500	1,600,000	1,123,500	-
Fena Park Co., Ltd.	481,500	400,000	481,500	-
	1,605,000	7,093,453	12,198,000	16,483,324

28 Related party transactions (Cont'd)

iii) Outstanding balances arising from sale-purchases of goods and services (Cont'd)

	Consolidated		The Company only	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Accrued income - related companies				
EKT Advisors Limited	3,058,710	-	-	-
Andaman Beach Residences Co., Ltd.	153,000	-	153,000	-
Phang Nga Hotel Co., Ltd.	153,000	-	153,000	-
Tierra Design Pte.	-	1,066,995	-	-
	<u>3,364,710</u>	<u>1,066,995</u>	<u>306,000</u>	<u>-</u>
Amounts due from related companies				
Titan Project Management Co., Ltd.	-	-	-	6,000,000
Addax Development Company Limited	-	-	3,659,400	3,420,000
Monster Media Co., Ltd.	-	-	1,510,216	-
Kor Asia Co., Ltd.	-	-	17,070	1,785,698
Tierra POD Co., Ltd.	-	-	-	991,634
Spire Properties Co., Ltd.	-	63,645	-	63,645
Andaman Beach Residences Co., Ltd.	88,810	46,400	88,810	31,379
Phang Nga Hotel Co., Ltd.	88,810	100	88,810	100
Total	177,620	110,145	5,364,306	12,292,456
Less Allowance for doubtful accounts	-	-	-	(3,529,439)
	<u>177,620</u>	<u>110,145</u>	<u>5,364,306</u>	<u>8,763,017</u>
Advance to related companies				
Evolution Advisors Limited	-	-	1,830,086	-
EKT Advisors Limited	119,679	-	119,679	-
Yamu Villas Co., Ltd.	79,795	-	58,795	-
Yamu (Thailand) Co., Ltd.	79,795	-	58,795	-
Fena Park Co., Ltd.	2,103	-	2,103	-
Andaman Beach Residences Co., Ltd.	3,415	-	3,415	-
Phang Nga Hotel Co., Ltd.	1,879	-	1,879	-
	<u>286,666</u>	<u>-</u>	<u>2,074,752</u>	<u>-</u>
Trade accounts payable - related company				
Kor Marketing, LLC	-	3,695,857	-	-
Amounts due to related company				
Tierra Design Pte	-	672,705	-	-
Other current liabilities				
Accrued expenses				
MGP Hazel (Mauritius)				
No. 1 Limited	-	198,915	-	198,915

28 Related party transactions (Cont'd)

iv) Loans to related companies and interest receivable

The movement of short-term and long-term loans to related companies for the years ended 31 December 2009 and 2008 are as follows:

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Opening balance	-	-	38,821,772	-
Additions	12,313,267	-	29,832,398	38,821,772
Repayments	-	-	(462,000)	-
Forgive loan and interest receivable	-	-	(1,740,116)	-
Closing balance	12,313,267	-	66,452,054	38,821,772
Consist of:				
Loans	11,465,000	-	60,025,000	38,302,500
Interest receivable	848,267	-	6,427,054	519,272
Total	12,313,267	-	66,452,054	38,821,772

Loans to related companies and interest receivable consisted of:

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Evolution Land Co., Ltd (formerly "Evolution Advisors Co., Ltd.")				
Loans	-	-	57,025,000	36,225,000
Interest receivable (interest rate 11.25% - 12.50% per annum)	-	-	6,398,390	502,089
Monster Media Co., Ltd				
Loans	-	-	3,000,000	-
Interest receivable (interest rate 11.25% per annum)	-	-	28,664	-
Titan Project Management Co., Ltd				
Loans	-	-	-	2,077,500
Interest receivable (interest rate 12.50% per annum)	-	-	-	17,183
Casa Fico Co., Ltd.				
Loans	4,025,000	-	-	-
Interest receivable (interest rate 12.50% per annum)	284,341	-	-	-
Fena Park Co., Ltd.				
Loans	7,440,000	-	-	-
Interest receivable (interest rate 12.50% per annum)	563,926	-	-	-
Total	12,313,267	-	66,452,054	38,821,772

28 Related party transactions (Cont'd)

iv) Loans to related companies and interest receivable, net (Cont'd)

The Company provides loan facilities for subsidiaries of Baht 69.4 million. The loans are unsecured loans and denominated in Thai Baht providing to Monster Media Co., Ltd. amounting to Baht 3 million and Evolution Land Co., Ltd. amounting to Baht 66.4 million. The loans bear interest at the rate 11.25% - 12.50% per annum. The loans to Monster Media Co., Ltd. is due within one year and the loans to Evolution Land Co., Ltd are due for repayment at call. The Company classified them as non-current assets due to the fact that the Company agreed not to recall the loans and the interest receivable in the forthcoming 12 months.

Evolution Land Co., Ltd., the subsidiary, provides loan facilities for associates of Baht 15 million. The loans are unsecured loans and denominated in Thai Baht providing to Casa Fico Co., Ltd. amounting to Baht 4 million and Fena Park Co., Ltd. amounting to Baht 7.4 million which bear interest at the rate of 12.50% per annum and due for repayment at call.

As at 31 December 2009 and 2008 the Company has no loan to directors.

29 Provident fund

The Company and their employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund Act (B.E. 2530). Contributions are made to the fund by the employees at the rate of 3% - 10% of salary and the Company at the rate of 3% - 10% of salary.

For the year ended 31 December 2009, the Company and its subsidiaries contributed Baht 3.5 million (2008: Baht 2.8 million) to the fund.

30 Financial instruments

Risk relating to significant financial instruments held by the Group are summarised as follows:

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in market foreign exchange rate.

The Group has no significant exposure to foreign exchange risk. As a result, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk since management believes that future movements in market foreign exchange will not materially affect the Group's operating results.

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

30 Financial instruments (Cont'd)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2009 and 2008 are summarised as follows:

	2009						
	Consolidated						
	Baht						
	Floating interest Rates	Fixed interest rates		Without interest	Total	Interest rate %	
		Fixed term	Due at call			Floating rate	Fixed rate
Financial assets							
Cash and cash equivalents	53,973,389	2,063	-	80,259	54,055,711	0.25-0.50	0.75
Trade accounts receivable	-	-	-	6,548,954	6,548,954	-	-
Accrued income	-	-	-	10,939,804	10,939,804	-	-
Amounts due from related companies	-	-	-	177,620	177,620	-	-
Advance to related companies	-	-	-	286,666	286,666	-	-
Short-term loans to related companies and interest receivable	-	-	12,313,267	-	12,313,267	-	12.50
Total financial assets	53,973,389	2,063	12,313,267	18,033,303	84,322,022		
Financial liabilities							
Trade accounts payable	-	-	-	2,698,455	2,698,455	-	-
Construction payable	-	-	-	895,301	895,301	-	-
Lease payable	-	-	-	123,761	123,761	-	-
Advance receipts from customers	-	-	-	2,694,056	2,694,056	-	-
Loans from non-related parties	-	-	-	12,500,000	12,500,000	-	-
Total financial liabilities	-	-	-	18,911,573	18,911,573		
2008							
Consolidated							
Baht							
	Floating interest Rates	Fixed interest rates		Without interest	Total	Interest rate %	
		Fixed term	Due at call			Floating rate	Fixed rate
Financial assets							
Cash and cash equivalents	57,636,213	33,973,135	-	146,419	91,755,767	0.50	2.14
Trade accounts receivable	-	-	-	9,139,955	9,139,955	-	-
Accrued income	-	-	-	7,397,310	7,397,310	-	-
Amounts due from related companies, net	-	-	-	110,145	110,145	-	-
Total financial assets	57,636,213	33,973,135	-	16,793,829	108,403,177		
Financial liabilities							
Trade accounts payable	-	-	-	4,460,571	4,460,571	-	-
Construction payable	-	-	-	1,598,539	1,598,539	-	-
Lease payable	-	-	-	234,884	234,884	-	-
Amounts due to related company	-	-	-	672,705	672,705	-	-
Advance receipts from customers	-	-	-	30,293,725	30,293,725	-	-
Total financial liabilities	-	-	-	37,260,424	37,260,424		

Evolution Capital Public Company Limited
(Formerly "Siam 2 You Public Company Limited")
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

30 Financial instruments (Cont'd)

Interest rate risk (Cont'd)

2009							
The Company only							
Baht							
Floating interest Rates	Fixed interest rates		Without interest	Total	Interest rate %		
	Fixed term	Due at call			Floating rate	Fixed rate	
Financial assets							
Cash and cash equivalents	38,377,671	1,035	-	58,407	38,437,113	0.25-0.50	0.75
Trade accounts receivable	-	-	-	14,926,500	14,926,500	-	-
Accrued income	-	-	-	1,343,237	1,343,237	-	-
Amounts due from related companies	-	-	-	5,364,306	5,364,306	-	-
Advance to related companies	-	-	-	2,074,752	2,074,752	-	-
Loans to related companies and interest receivable	-	3,028,664	63,423,390	-	66,452,054	-	11.25-12.50
Total financial assets	38,377,671	3,029,699	63,423,390	23,767,202	128,597,962		
Financial liabilities							
Trade accounts payable	-	-	-	461,573	461,573	-	-
Lease payable	-	-	-	123,761	123,761	-	-
Total financial liabilities	-	-	-	585,334	585,334		
2008							
The Company only							
Baht							
Floating interest Rates	Fixed interest rates		Without interest	Total	Interest rate %		
	Fixed term	Due at call			Floating rate	Fixed rate	
Financial assets							
Cash and cash equivalents	26,490,045	1,020	-	68,763	26,559,828	0.50	0.75
Trade accounts receivable	-	-	-	17,512,707	17,512,707	-	-
Accrued income	-	-	-	950,368	950,368	-	-
Amounts due from related companies	-	-	-	8,763,017	8,763,017	-	-
Short-term loans to related companies and interest receivable	-	-	38,821,772	-	38,821,772	-	12.50
Total financial assets	26,490,045	1,020	38,821,772	27,294,855	92,607,692		
Financial liabilities							
Trade accounts payable	-	-	-	764,814	764,814	-	-
Lease payable	-	-	-	234,884	234,884	-	-
Total financial liabilities	-	-	-	999,698	999,698		

Credit risk

The Company has significant concentrations of credit risks. The Company has trade accounts receivable from Evolution Advisor Limited which accounts for 71% of total receivables (2008: 94% of total receivables). The Group has trade accounts receivable from top third-party which accounts for 42% of total receivables (2008: 7% of total receivables). The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Liquidity risk

Liquidity risk, or funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell existing real estate development assets and other assets quickly at close to its fair value.

Fair values

The carrying amounts of financial assets and financial liabilities at the balance sheet date approximate to their fair values.

31 Commitments and contingent liabilities

31.1 As at 31 December 2009 and 2008, the Group has commitments in respect of lease and related service agreements with third parties payable as follows:

	Consolidated		The Company only	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Less than one year	8,490,122	8,241,908	7,234,946	6,352,523
More than one year and less than five years	5,501,476	10,143,245	4,716,991	10,143,245
	<u>13,991,598</u>	<u>18,385,153</u>	<u>11,951,937</u>	<u>16,495,768</u>

31.2 As at 31 December 2009, the Company has commitments in respect of land lease payable for the period from 18 January 2008 to 17 July 2031 with the lease fees of Baht 432,000 per annum.

31.3 As at 31 December 2009, a subsidiary - Addax Development Company Limited has commitment in respect of design and structural agreements in the amount of Baht 7.5 million (2008: Baht 9.6 million).

31.4 As at 31 December 2009, the Company confirmed to provide sufficient financial assistance to Addax Development Company Limited, the indirect subsidiary, as and when it is needed to enable it to continue its operations and fulfil all of its financial obligations in the forthcoming 12 months.

32 Bank guarantee

As at 31 December 2008, the subsidiary - Addax Development Company Limited had bank guarantee issued to the Provincial Electricity Authority of Baht 1 million. The subsidiary subsequently terminated the guarantee. Therefore, the subsidiary had no contingent liabilities from bank guarantee as at 31 December 2009.

33 Subsequent events

On 5 January 2010, EKT Advisors Limited, a joint venture between Evolution Advisors Limited, a subsidiary, and KT Holding Limited, had issued additional share capital of USD 520,000 equally subscribed at 2,600 shares for each shareholder at USD 100 per share which equals USD 1 of par value, and USD 99 of share premium.