

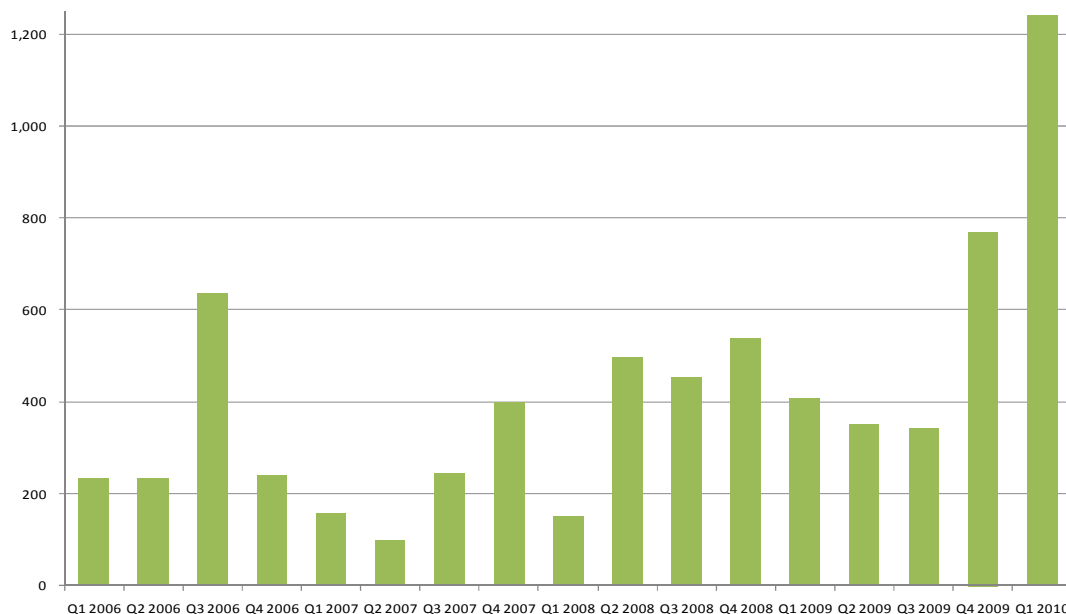


Management Discussion and Analysis Q1 2010

Asian Property Development Public Company Limited (AP.BK / AP TB) announced record high revenue and net profit of 6.09 billion Baht (up 123.8% YoY) and 1.24 billion Baht (up 204.3% YoY), respectively, in Q1 2010 (see Figure 1 and 2). This net profit suggested EPS of 0.53 Baht/share. The solid performance was driven mainly by the following factors.

- 1) High transfer volumes on 7 condominium projects, representing 74% of Q1 2010 property development revenues and also boosted by the expiration of tax incentives in March 2010
- 2) Strong margin from a large portion of condominium revenue contribution
- 3) Extra gain of 104 million Baht from selling our equity investment in Q-Con shares

Figure 1 Quarterly Net Profit (million Baht)



Source: Asian Property Development

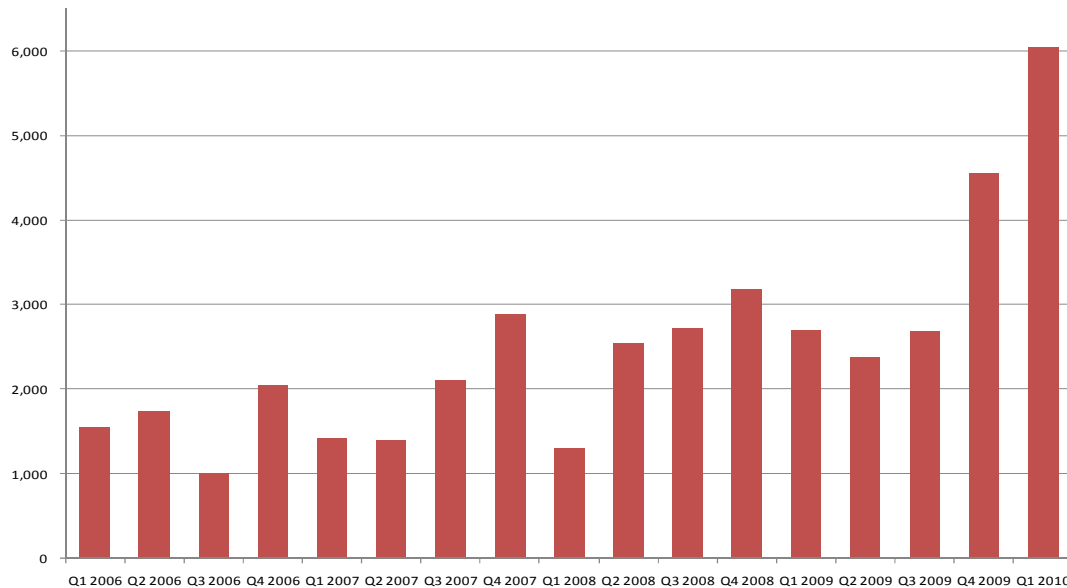
Seven condominium buildings were completed in late Q4 2009 and continued to be well delivered in Q1 2010. On the unit volumes, Life @ Sukhumvit 65 (20% of Q1 revenue) was already cumulatively transferred at 94%, as well as The Address Chidlom (17% of Q1 revenue) at 92% cumulative transfer, Life @ HuayKwang (13% of Q1 revenue) at 87% cumulative transfer, and Life @ Suttisarn (9% of Q1 revenue) at 88% cumulative transfer (see Figure 3). Furthermore, the reduction of property tax incentives (Specific Business Tax (SBT) from 3.3% to 0.1%, Transfer Fee from 2.0% to 0.01%, and Mortgage Fee from 1.0% to 0.01%) which was supposed to be expired in March 2010 also helped transfer faster. In the last minute, the government announced to extend for two more months to May 2010 only on Transfer Fee (normally 50-50 between buyer and seller) and Mortgage Fee (absorbed by buyer). However, the

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expiration of 3.3% SBT reduction will be our burden starting Q2 2010 onwards. Based on the strong top line, total SG&A of 460 million Baht as a percentage of revenue was low at 7.6% in Q1 2010 compared to 10.0% in Q1 2009 and 9.0% in Q4 2009.

Figure 2 Quarterly Revenues from property development (million Baht)



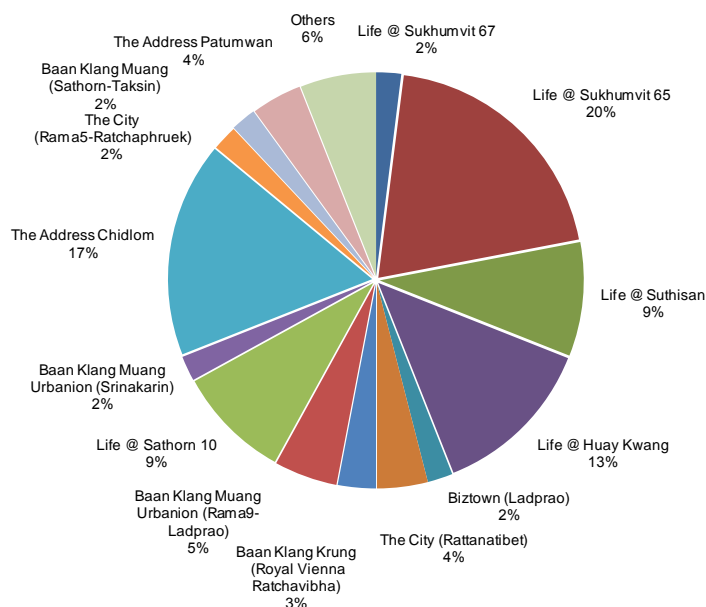
A large mix of revenues from high-margin condominium products strengthened overall gross margin to 34.4% in Q1 2010, led by approximately 36% gross margin of condominiums and 30% gross margin of SDH (Single Detached Houses) & TH (Townhouses). The average gross margin in Q1 2010 improved from 33.1% in Q1 2009 and 32.5% in Q4 2009. Net profit margin was high at 20.3% in Q1 2010.

AP has changed its accounting policy from previously the percentage of completion method to transfer method starting in Q1 2010. The change increased revenue by 318 million Baht and net profit by 128 million Baht in Q1 2010.

In Q1 2010, AP sold 59,877,700 shares (14.97% holding) of Q-CON to SCG Building Material at the selling price of 4.0 Baht/share. It made an extra gain from selling of investment (before tax) of 104 million Baht in Q1 2010. Stripping out the extra profit, net profit from normal operation was 1.16 billion Baht with net profit margin from operation of 19.3%.



Figure 3 Breakdown of Property Development Revenues by Projects in Q1 2010



Source: Asian Property Development

On AP's Q1 2010 balance sheet, strong operating cashflow in the quarter significantly reduced net debt from 6.2 billion Baht at the end of 2009 to only 4.6 billion Baht. As a result, the net debt to equity ratio continued to come down to only 0.49x in Q1 2010 versus 0.78x in the previous quarter. 85% of outstanding debts of 9.4 billion Baht as of March 2010 were secured by fixed-rate debentures with an average funding cost at 5.0%. In Feb 2010, we issued two tranches of unsubordinated and unsecured debentures (3 years 7 months and 3 years 6 months) valued at 1.5 billion Baht in total with only 3.8% fixed interest rate. On the other hand, the repayment of 1.5 billion Baht bond will be due in July 2010. In addition, the increasing equity value to 9.2 billion Baht brought up the book value of AP to 4.0 Baht/share as of March 2010.

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Outlook

Sales backlog (already sold but not yet recognized income) as of Q1 2010 was 13.6 billion Baht (12.6 billion Baht came from condominium and 1.0 billion Baht from low rise projects (SDH&TH)). Because of faster-than-expected sales and transfer previously, we closed 11 projects within 2009 (3 condominium projects and 8 SDH&TH projects) and are closing 14 projects within 2010 (7 condominium and 7 SDH&TH). It means only few units and projects available for sale, especially SDH&TH. In the meantime, we are planning to develop and launch at least 17 new projects (4 condo and 13 SDH&TH) within this year which the majority will be come in the second half.

Sales Booking starting from 1 Jan to 9 May 2010 was 3.57 billion Baht, broken down into of 1.32 billion Baht from SDH&TH and 2.25 billion Baht from condominium (see Figure 4). This was factored in a low level of ready-built units and political turmoil. In Q1 2010, AP launched a TH project, Baan Klang Muang Urbanion (Kaset-Navamin) II and one condominium project, Rhythm Ratchada - Huay Kwang, which were already sold 25% and 73%, respectively (see Figure 6). In Q2 2010, we are launching two SDH projects and one TH project, totally valued at 4.25 billion Baht (see Figure 7). In fact, there will be at least one project launched every month from now on until the year end.

Although we already spent 2.3 billion Baht for the land acquisition in Q1 2010, our net gearing continued to decrease to 0.49x. It means that our 4.0 billion Baht land acquisition budget for the full year in 2010 remains conservative. Additionally, we have also set aside an amount of dividend payment of 750 million Baht (0.32 Baht/share).

Figure 4 Summary of Projects (million Baht) (as of 9 May 2010)

	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009	Q1 2010	1 Apr-9 May 2010
Gross sales booking	18,454	2,943	2,495	3,942	1,349	10,729	2,268	4,806	9,028	3,972	20,074	3,621	926
Beginning Backlog	6,781	14,669	15,765	15,257	15,583	14,669	12,411	11,193	12,476	17,879	12,411	16,747	13,560
Total sold value	25,235	17,612	18,260	19,200	16,932	25,398	14,679	15,999	21,504	21,850	32,485	20,369	14,486
Cancellation	(2,780)	(549)	(455)	(907)	(1,346)	(3,257)	(691)	(1,140)	(940)	(649)	(3,421)	(774)	(201)
Net sold value	22,455	17,063	17,804	18,292	15,587	22,141	13,988	14,859	20,564	21,201	29,064	19,595	14,285
Revenue Recognition	(7,786)	(1,298)	(2,547)	(2,709)	(3,176)	(9,730)	(2,795)	(2,383)	(2,685)	(4,453)	(12,316)	(6,035)	-
Ending Backlog	14,669	15,765	15,257	15,583	12,411	12,411	11,193	12,476	17,879	16,747	16,747	13,560	14,285
- from TH&SDH	1,684	2,564	2,957	3,273	1,618	1,618	1,547	1,930	1,990	1,536	1,536	982	1,307
- from Condo	12,985	13,201	12,300	12,310	10,792	10,792	9,646	10,546	15,889	15,211	15,211	12,578	12,978
Net Sales Booking	15,674	2,394	2,039	3,035	3	7,472	1,577	3,666	8,087	3,322	16,653	2,848	726
- from TH&SDH	5,345	1,632	1,601	1,678	274	5,185	1,284	1,822	1,562	1,066	5,735	998	325
- from Condo	10,329	762	438	1,357	(270)	2,286	293	1,844	6,525	2,256	10,918	1,849	400

Source: Asian Property Development

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Figure 5 Financial Summary

	Q1 2010	Q1 2009	2009	2008	2007	2006
Revenues from Property Development (Btm)	6,035	2,702	12,317	9,730	7,785	6,344
YoY Chg (%)	123.3%	108.1%	26.6%	25.0%	22.7%	41.3%
Consolidated Revenues (Btm)	6,093	2,722	12,424	9,832	7,825	6,344
YoY Chg (%)	123.8%	107.0%	26.4%	25.6%	23.3%	20.7%
Gross profit from Property Development (Btm)	2,076	894	4,058	3,381	2,537	1,996
Gross margin from Property (%)	34.4%	33.1%	33.0%	34.8%	32.6%	31.5%
Overall Gross profit (Btm)	2,134	914	4,166	3,484	2,577	1,996
Gross margin (%)	35.0%	33.6%	33.5%	35.4%	32.9%	31.5%
Operating profit (Btm)	1,673	641	2,850	2,467	1,389	1,043
Operating margin (%)	27.5%	23.6%	22.9%	25.1%	17.8%	16.4%
Net profit from normal operations (Btm)	1,166	407	1,869	1,638	899	794
YoY Chg (%)	186.4%	168.7%	14.1%	82.3%	13.2%	23.2%
Net profit (Btm)	1,239	407	1,869	1,638	899	1,344
YoY Chg (%)	204.3%	168.7%	14.1%	82.3%	-33.1%	75.7%
EPS (Bt)	0.53	0.17	0.80	0.70	0.39	0.59
Total assets (Btm)	22,177	16,579	19,159	17,378	13,145	10,418
Equity (Btm)	9,234	7,263	8,030	6,787	5,513	5,048
Outstanding debt (Btm)	9,427	6,739	7,942	7,986	5,509	4,031
Net debt (Btm)	4,561	5,243	6,234	6,227	4,787	3,124
Net debt to equity (x)	0.49	0.72	0.78	0.92	0.87	0.62
ROE (%) (average equity)	N/A	N/A	25.2%	26.6%	17.0%	29.8%

Note: Q1 2009 figures in financial statement were restated to comply with new accounting policy.

Source: Asian Property Development

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Figure 6 Ongoing Projects

Ongoing Projects	Rai	No of units	Project value (Btm)	Launch year	Completion (last unit transferred)	% sold (in unit) (as of 31 Mar 10)	Available for sales (Btm)
Single Detached House							
Place & Park	91.6	275	800		N/A		
The City (Pinklao)	38.0	88	760	Q3 2004	Q2 2010	98%	17
The City (Pinklao) Phase II	115.7	283	2,130	Q2 2007	Q2 2010	100%	0
Baan Klang Krung (The Nice Ratchavibha)	18.2	50	670	Q2 2006	Q2 2010	80%	134
The Centro (Sukhumvit 113)	35.6	188	800	Q3 2008	Q4 2011	60%	323
The City (Rattana Thibet-Khaerai)	60.0	206	1,200	Q3 2008	Q4 2011	67%	402
The City (Rama 5 - Ratchaphruek)	27.1	106	850	Q1 2009	Q2 2011	74%	225
SDH - Available for Sales							1,101
Townhouse							
Baan Klang Krung (The Royal Vienna Ratchavibha)	35.6	330	1,850	Q4 2006	Q2 2010	93%	129
Baan Klang Muang Urbanion (Rama9-Wongwan)	10.9	124	430	Q4 2007	Q1 2010	99%	3
Baan Klang Muang Urbanion (Sathorn-Taksin)	22.6	208	1,100	Q2 2008	Q2 2010	100%	5
Baan Klang Muang Urbanion (Sukhumvit 113)	11.6	124	330	Q2 2008	Q4 2010	99%	3
Baan Klang Muang Urbanion (Ladprao 71(4))	7.1	75	430	Q3 2008	Q1 2010	100%	0
Biztown (Srinakarin)	6.0	54	300	Q3 2008	Q3 2010	91%	28
Baan Klang Muang Urbanion (Srinakarin)	44.0	413	1,650	Q3 2008	Q4 2011	29%	1,167
Biztown (Ladprao)	9.8	69	660	Q1 2009	Q3 2010	87%	86
Baan Klang Muang Urbanion (Rama9-Ladprao)	13.7	150	780	Q4 2009	Q2 2011	60%	312
Baan Klang Muang Urbanion (Kaset-Navamin) II	23.8	271	1,100	Q1 2010	Q2 2012	21%	873
TH-Available for Sales							2,606
Condominium							
The Address Chidlom	4.5	597	3,880	Q1 2007	Q2 2010	97%	104
Life @ Sathorn 10	1.4	286	1,050	Q2 2007	Q3 2010	99%	7
Life @ Ratchada-Suthisan	2.9	484	1,230	Q2 2007	Q3 2010	100%	3
Life @ Sukhumvit 65	2.7	540	1,570	Q3 2007	Q3 2010	99%	23
Life @ Ratchada-Huay Kwang	2.5	480	1,300	Q3 2007	Q3 2010	99%	8
Life @ Sukhumvit 67	1.0	78	400	Q1 2008	Q1 2010	88%	46
Rhythm Ratchada *	7.0	881	3,500	Q3 2008	Q4 2011	76%	846
The Address Pathumwan	2.3	156	1,000	Q2 2009	Q3 2010	94%	64
Life@Ladprao 18	3.0	457	1,500	Q2 2009	Q4 2012	67%	489
The Address Phayathai	1.4	152	1,000	Q3 2009	Q4 2012	84%	164
The Address Asoke	3.9	574	3,300	Q3 2009	Q4 2013	99%	40
The Address Sukhumvit 28	2.0	246	2,200	Q3 2009	Q4 2012	98%	54
The Address Sathorn 12	3.5	562	4,000	Q3 2009	Q4 2013	73%	1,082
Rhythm Ratchada-Huay Kwang	3.6	539	2,200	Q1 2010	Q4 2012	63%	824
Condo-Available for Sales							3,755
Total ongoing projects available for sales							7,462

Note: % sold as of 31 Mar 2010

Source: Asian Property Development

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Figure 7 Projects in the Pipeline (planned to be launched)

	Rai	No of units	Project value (Btm)	Land acquisition	Launch year	Completion (last unit transferred)
Single Detached House						
The Centro (Ram intra)	73.6	296	1,400	Q1 2008	Q2 2010	Q4 2013
The Centro (Rattanaibet)	121.0	454	2,200	Q1 2009	Q2 2010	Q4 2013
The City (On nuch-Airport Link)	57.1	216	1,400	Q1 2009	Q3 2010	Q4 2013
The City (Rama5-Ratchaphruek) II	50.6	200	1,200	Q2 2009	Q3 2010	Q4 2013
The City (Kanlaprapreuk)	44.0	90	1,150	Q1 2010	Q3 2010	Q4 2012
The City (Suksawat)	48.4	155	1,400	Q3 2009	Q1 2011	Q2 2013
The Centro (Watcharapon)	111.7	407	2,100	Q4 2009	Q1 2011	Q4 2013
SDH plan to be launched			10,850			
Townhouse						
Baan Klang Krung (Sathorn)	9.0	90	650	Q2 2009	Q2 2010	Q4 2011
Baan Klang Muang Urbanion (Rama 3-Suksawat)	8.4	92	380	Q3 2009	Q3 2010	Q4 2012
Biztown (Suksawat)	7.1	63	400	Q3 2009	Q3 2010	Q4 2012
Baan Klang Muang (Ladprao-Sena)	8.1	88	400	Q4 2009	Q3 2010	Q4 2011
Baan Klang Muang (On nuch-Airport Link) II	32.3	338	1,200	Q1 2010	Q3 2010	Q4 2013
Baan Klang Muang Urbanion (Sathorn-Taksin) II	52.8	475	2,600	Q1 2010	Q4 2010	Q4 2015
Baan Klang Muang Urbanion (Rama9-Ladprao) II	28.7	302	1,500	Q4 2009	Q4 2010	Q4 2013
TH plan to be launched			7,130			
Condominium						
Sukhumvit 50	3.9	589	2,400	Q4 2009	Q4 2010	Q4 2013
Aree 2	5.5	809	3,200	Q4 2009	Q4 2010	Q4 2013
Sathorn-Charoen Krung	4.8	910	4,000	Q3 2009	Q4 2010	Q4 2013
Condo plan to be launched			9,600			
Total plan to be launched projects			27,580			

*Note: 1 rai = 0.4 acres = 400 sq.w. = 1,600 sq.m. , * SDH = Single Detached Houses, TH = Townhouses
Source: Asian Property Development*

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Figure 8 Schedule of Condo Transfer

Existing Condo of AP	(million Baht)		% unit sold *	% Estimated transferred				Estimated last unit transferred
	Project value	Total units		2010F	2011F	2012F	2013F	
The Address Chidlom	3,880	597	97%	34%				Q3 2010
Life @ Sathorn Soi 10	1,050	286	99%	59%				Q3 2010
Life @ Suthisan	1,230	484	100%	54%				Q3 2010
Life @ Sukhumvit 65	1,570	540	99%	81%				Q3 2010
Life @ Ratchada - Huay Kwang	1,300	480	99%	74%				Q3 2010
Life @ Sukhumvit 67	400	78	88%	50%				Q1 2010
Rhythm Ratchada **	3,500	881	76%	30%	70%			Q4 2011
The Address Pathumwan	1,000	156	94%	32%				Q3 2010
Life @ Ladprao 18	1,500	457	67%		50%	50%		Q4 2012
The Address Phayathai	1,000	152	84%		60%	40%		Q4 2012
The Address Asoke	3,300	574	99%			50%	50%	Q4 2013
The Address Sukhumvit 28	2,200	246	98%			100%		Q4 2012
The Address Sathorn 12 **	4,000	562	73%			20%	80%	Q4 2013
Rhythm Ratchada - Huay Kwang	2,200	539	63%		60%	40%		Q4 2012
	28,130							

* % sold as of Mar 31, 2010

** Joint venture with Pacific Star

Source: Asian Property Development

Figure 9 Newly launched Projects

Baan Klang Muang (Kaset-Navamin) II



The Centro (Rattanaibet)



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