

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the Shareholders of Siam Future Development Public Company Limited

I have reviewed the accompanying consolidated and company statements of financial position as at 31 March 2013, the related consolidated and company statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to interim financial information of Siam Future Development Public Company Limited and its subsidiaries, and of Siam Future Development Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Sakuna Yamsakul  
Certified Public Accountant (Thailand) No. 4906  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
9 May 2013

**SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL INFORMATION  
(UNAUDITED)**

**31 MARCH 2013**

**Siam Future Development Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2015**

	<b>Notes</b>	<b>Consolidated</b>		<b>Company</b>	
		<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		28,797	27,584	12,677	5,422
Short-term investments	3, 4	369,094	237,295	369,094	237,295
Trade and other receivables	5, 16	263,290	126,343	201,781	74,625
Finance lease receivables due					
within one year	6	24,844	24,396	18,164	17,804
Amounts due from related parties	16	128,825	128,709	463,651	433,886
Short-term loans to related parties	16	25,000	25,000	196,421	248,646
Other current assets		13,597	13,644	11,727	11,698
<b>Total current assets</b>		<b>853,447</b>	<b>582,971</b>	<b>1,273,515</b>	<b>1,029,376</b>
<b>Non-current assets</b>					
Restricted cash		591	591	-	-
Finance lease receivables	6	656,880	667,080	439,677	448,419
Investments in subsidiaries	7	-	-	257,925	257,925
Interest in joint venture	7	3,523,685	3,507,719	1,847,300	1,847,300
Prepaid rent, net		1,083	1,100	-	-
Investment property	3, 8	7,506,506	7,518,365	3,871,770	3,882,494
Building and equipment, net	9	46,088	50,451	22,885	26,553
Intangible assets, net	9	19,357	20,177	14,920	15,740
Deposits for leasehold land		47,086	52,086	47,086	52,086
Other non-current assets		54,767	59,609	48,112	52,527
<b>Total non-current assets</b>		<b>11,856,043</b>	<b>11,877,178</b>	<b>6,549,675</b>	<b>6,583,044</b>
<b>Total assets</b>		<b>12,709,490</b>	<b>12,460,149</b>	<b>7,823,190</b>	<b>7,612,420</b>

Director ..... Director .....

The notes to the consolidated and company financial information are an integral part of these interim financial information.

**Siam Future Development Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 March 2015**

	<b>Notes</b>	<b>Consolidated</b>		<b>Company</b>	
		<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions		-	498,817	-	498,817
Trade and other payables		163,182	148,007	103,487	93,242
Amounts due to related parties	16	37,554	37,982	21,181	19,296
Short-term loan from a subsidiary	16	-	-	207,700	172,200
Current portion of unearned rental					
and service income		51,741	52,692	27,476	28,049
Current portion of long-term borrowings	10	748,297	-	748,297	-
Finance lease liabilities on land leases					
current portion		53,765	48,177	51,359	47,280
Corporate income tax payable		16,243	9,941	399	-
Other current liabilities		187,280	163,184	109,888	98,736
<b>Total current liabilities</b>		<b>1,258,062</b>	<b>958,800</b>	<b>1,269,787</b>	<b>957,620</b>
<b>Non-current liabilities</b>					
Unearned rental and service income		421,895	430,773	59,282	63,330
Long-term borrowings	10	1,198,292	1,447,670	1,198,292	1,447,670
Deposits received from customers		480,621	472,424	279,993	273,933
Deferred tax liabilities		669,388	666,047	371,257	368,084
Finance lease liabilities on land leases		1,290,056	1,307,585	759,166	774,747
Employee benefit obligations		31,704	30,463	31,704	30,463
<b>Total non-current liabilities</b>		<b>4,091,956</b>	<b>4,354,962</b>	<b>2,699,694</b>	<b>2,958,227</b>
<b>Total liabilities</b>		<b>5,350,018</b>	<b>5,313,762</b>	<b>3,969,481</b>	<b>3,915,847</b>

The notes to the consolidated and company financial information are an integral part of these interim financial information.

**Siam Future Development Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 March 2015**

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2015	2014	2015	2014
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Liabilities and shareholders' equity (Cont'd)</b>					
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital	12	1,480,523	1,480,523	1,480,523	1,480,523
Issued and paid-up share capital	12	1,480,515	1,480,515	1,480,515	1,480,515
Share premium	12	634,029	634,029	634,029	634,029
Retained earnings					
Appropriated - legal reserve		131,626	131,626	131,626	131,626
Unappropriated		4,690,047	4,483,285	1,608,051	1,450,915
Other components of equity		(512)	(512)	(512)	(512)
<b>Equity attributable to owners of the parent</b>					
		6,935,705	6,728,943	3,853,709	3,696,573
Non-controlling interests		423,767	417,444	-	-
<b>Total shareholders' equity</b>		<b>7,359,472</b>	<b>7,146,387</b>	<b>3,853,709</b>	<b>3,696,573</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,709,490</b>	<b>12,460,149</b>	<b>7,823,190</b>	<b>7,612,420</b>

The notes to the consolidated and company financial information are an integral part of these interim financial information.

**Siam Future Development Public Company Limited**  
**Income Statement (Unaudited)**  
**For the three-month period ended 31 March 2015**

	Notes	Consolidated		Company	
		2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Revenues</b>					
Rental and service income		329,557	310,419	186,121	183,718
Finance and interest income		6,791	6,510	8,189	9,864
Dividend income	5, 7	-	-	112,700	111,720
Other income		7,834	7,697	32,230	29,481
Share profit from joint venture	7	128,666	87,985	-	-
<b>Total revenues</b>		<b>472,848</b>	<b>412,611</b>	<b>339,240</b>	<b>334,783</b>
<b>Expenses</b>					
Cost of rental and service		123,076	123,896	70,243	71,447
Fair value adjustment on investment property, net	3, 8	39,594	33,046	28,284	36,153
Selling expenses		7,900	5,075	7,053	4,059
Administrative expenses		41,676	43,270	37,454	37,496
Managements' remuneration	16	5,405	4,591	5,405	4,591
<b>Total expenses</b>		<b>217,651</b>	<b>209,878</b>	<b>148,439</b>	<b>153,746</b>
<b>Profit before financial costs and tax</b>		<b>255,197</b>	<b>202,733</b>	<b>190,801</b>	<b>181,037</b>
Finance costs		(23,261)	(25,299)	(24,378)	(25,907)
<b>Profit before tax</b>		<b>231,936</b>	<b>177,434</b>	<b>166,423</b>	<b>155,130</b>
Income tax expenses		(18,851)	(21,090)	(9,287)	(11,639)
<b>Profit for the period</b>		<b>213,085</b>	<b>156,344</b>	<b>157,136</b>	<b>143,491</b>
<b>Profit Attributable to:</b>					
Owners of the parent		206,762	147,587	157,136	143,491
Non-controlling interests		6,323	8,757	-	-
		<b>213,085</b>	<b>156,344</b>	<b>157,136</b>	<b>143,491</b>
<b>Earnings per share</b>					
	14				
Basic earnings per share		0.12	0.08	0.09	0.08
Diluted earnings per share		0.12	0.08	0.09	0.08

The notes to the consolidated and company financial information are an integral part of these interim financial information.

**Siam Future Development Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 31 March 2015**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Profit for the period</b>	213,085	156,344	157,136	143,491
Other comprehensive income for the period, net of income tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>213,085</b>	<b>156,344</b>	<b>157,136</b>	<b>143,491</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	206,762	147,587	157,136	143,491
Non-controlling interests	6,323	8,757	-	-
	<b>213,085</b>	<b>156,344</b>	<b>157,136</b>	<b>143,491</b>

The notes to the consolidated and company financial information are an integral part of these interim financial information.

**Siam Future Development Public Company Limited**  
**Statement of Changes in Shareholders' Equity (Unaudited)**  
**For the three-month period ended 31 March 2015**

<b>Consolidated (Baht'000)</b>								
<b>Attributable to owners of the parent</b>								
<b>Note</b>	<b>Issued and paid-up share capital</b>	<b>Share premium</b>	<b>Dividend payable</b>	<b>Legal reserve</b>	<b>Unappropriated retained earnings</b>	<b>Other component of equity</b>	<b>Non-controlling interests</b>	<b>Total Shareholders' equity</b>
<b>Opening balance 1 January 2015</b>	1,480,515	634,029	-	131,626	4,483,285	(512)	417,444	7,146,387
Total comprehensive income for the period	-	-	-	-	206,762	-	6,323	213,085
<b>Closing balance 31 March 2015</b>	<u>1,480,515</u>	<u>634,029</u>	<u>-</u>	<u>131,626</u>	<u>4,690,047</u>	<u>(512)</u>	<u>423,767</u>	<u>7,359,472</u>
<b>Opening balance 1 January 2014</b>	1,316,020	634,029	-	117,026	3,977,868	-	385,414	6,430,357
Legal reserve appropriation	-	-	-	14,600	(14,600)	-	-	-
Dividends	-	-	164,495	-	(182,776)	-	-	(18,281)
Total comprehensive income for the period	-	-	-	-	147,587	-	8,757	156,344
<b>Closing balance 31 March 2014</b>	<u>1,316,020</u>	<u>634,029</u>	<u>164,495</u>	<u>131,626</u>	<u>3,928,079</u>	<u>-</u>	<u>394,171</u>	<u>6,568,420</u>

The notes to the consolidated and company financial information are an integral part of these interim financial information.



**Siam Future Development Public Company Limited**  
**Statement of Changes in Shareholders' Equity (Unaudited) (Cont'd)**  
**For the three-month period ended 31 March 2015**

		<b>Company (Baht'000)</b>						
	<b>Note</b>	<b>Issued and paid-up share capital</b>	<b>Share premium</b>	<b>Dividend payable</b>	<b>Legal reserve</b>	<b>Unappropriated retained earnings</b>	<b>Other component of equity</b>	<b>Total Shareholders' equity</b>
<b>Opening balance 1 January 2015</b>		1,480,515	634,029	-	131,626	1,450,915	(512)	3,696,573
Total comprehensive income for the period		-	-	-	-	157,136	-	157,136
<b>Closing balance 31 March 2015</b>		<u>1,480,515</u>	<u>634,029</u>	<u>-</u>	<u>131,626</u>	<u>1,608,051</u>	<u>(512)</u>	<u>3,853,709</u>
<b>Opening balance 1 January 2014</b>		1,316,020	634,029	-	117,026	1,383,892	-	3,450,967
Legal reserve appropriation		-	-	-	14,600	(14,600)	-	-
Dividends	13	-	-	164,495	-	(182,776)	-	(18,281)
Total comprehensive income for the period		-	-	-	-	143,491	-	143,491
<b>Closing balance 31 March 2014</b>		<u>1,316,020</u>	<u>634,029</u>	<u>164,495</u>	<u>131,626</u>	<u>1,330,007</u>	<u>-</u>	<u>3,576,177</u>

The notes to the consolidated and company financial information are an integral part of these interim financial information.

**Siam Future Development Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the three-month period ended 31 March 2015**

	Notes	Consolidated		Company	
		2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Cash flows from operating activities</b>					
Cash generated from (used in) operation	15	40,446	137,191	(51,868)	69,257
Interest paid		(19,322)	(25,905)	(19,321)	(26,424)
Income tax paid		(9,775)	(9,234)	(5,715)	(5,469)
Net cash generated from (used in) operating activities		11,349	102,052	(76,904)	37,364
<b>Cash flows from investing activities</b>					
Purchases of intangible assets	9	-	(122)	-	(122)
Purchases of property, equipment and investment property		(12,264)	(3,832)	(5,658)	(1,888)
Short-term loans made to subsidiary and related parties	16	-	-	(9,000)	-
Short-term loans repayments received from subsidiaries and related party	16	-	-	61,225	37,750
Proceeds from disposals of equipment		2,336	-	2,336	-
Dividend received		-	111,720	-	111,720
Interest received		72	282	36	5,379
Net (used in) cash from investing activities		(9,856)	108,048	48,939	152,839
<b>Cash flows from financing activities</b>					
Proceeds from loans from subsidiaries	16	-	-	41,500	26,600
Proceeds from long-term borrowings	10	498,537	-	498,537	-
Repayments of short-term loans from financial institutions		(498,817)	(200,000)	(498,817)	(200,000)
Repayments of short-term loans from subsidiary and related party	16	-	-	(6,000)	(10,000)
Net (used in) cash from financing activities		(280)	(200,000)	35,220	(183,400)
<b>Net increase in cash and cash equivalents</b>		1,213	10,100	7,255	6,803
Cash and cash equivalents, beginning balance		27,584	23,366	5,422	5,941
<b>Cash and cash equivalents, ending balance</b>		28,797	33,466	12,677	12,744

The notes to the consolidated and company financial information are an integral part of these interim financial information.

**Siam Future Development Public Company Limited**  
**Statement of Cash Flows (Unaudited) (Cont'd)**  
**For the three-month period ended 31 March 2015**

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**Supplementary information for cash flows:**

**Non-cash transactions**

Significant non-cash transactions for the three-month period ended 31 March 2015 and 2014 are as follows:

	Note	Consolidated		Company	
		2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Accounts payable arisen as a result of purchases of property, equipment and investment property		42,418	33,334	21,452	14,124
Accounts payable arisen as a result of purchases of intangible assets		1,699	1,699	1,699	1,699
Investment property increased due to reversal of finance lease contracts		3,493	-	3,493	-
Dividend payable		-	182,776	-	182,776
Dividend receivable	5	112,700	-	112,700	-

The notes to the consolidated and company financial information are an integral part of these interim financial information.

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## **1 General information**

Siam Future Development Public Company Limited (“the Company”) is a public limited company, which is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

99 Ratchdapisek Road, Khwaeng Din Daeng, Khet Din Daeng, Bangkok 10400.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

These interim consolidated and company financial information have been reviewed, not audited.

These interim consolidated and company financial information have been approved for issue by the Board of Directors on 9 May 2013.

## **2 Basis of preparation**

These interim consolidated and company financial information are 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. The primary financial information (i.e. statement of financial position, statement of income, statement of comprehensive income, statement of changes in shareholders’ equity and statement of cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

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

## **3 Accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2012.

New/revised accounting standards and related interpretations which are effective on 1 January 2013 are:

TAS 12	Income taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

### **3 Accounting policies (Cont'd)**

There are no material impacts to the Group as a result of initial adoption except TAS 12 Income taxes which the Group already adopted since 2006.

New interpretations which are effective on 1 January 2014 are:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

New accounting standard which is effective on 1 January 2016 is:

TFRS 4	Insurance Contracts
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The Group's management has determined that the new interpretations to financial reporting standards and accounting standard, and the new accounting standard will not significantly impact the interim financial information being presented.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

### **4 Segment information**

The Group operates in only one business segment which is the development of the shopping centers and lease out space in the centers. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, has been identified as executive committee.

### **5 Short-term investments**

As at 31 March 2013, short-term investments represent investment in unit trusts of open fund amounting to Baht 41.2 million (31 December 2012: 24.5 million).

**Siam Future Development Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2013**

**6 Trade accounts receivable**

Outstanding trade accounts receivable can be analysed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>
Current	50,126	53,202	26,110	27,478
Overdue 1 to 6 months	6,535	8,931	1,921	5,387
Overdue 7 to 12 months	127	185	-	-
Overdue over 12 months	1,135	3,905	-	2,892
	57,923	66,223	28,031	35,757
<u>Less</u> provision for impairment of trade receivables	-	-	-	-
	<u>57,923</u>	<u>66,223</u>	<u>28,031</u>	<u>35,757</u>

**7 Finance lease receivables**

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>
The gross receivable in the lease contracts				
Due within 1 year	45,290	44,412	32,898	32,088
Due within 2 to 5 years	196,984	194,974	144,423	143,068
Due later than 5 years	819,415	832,596	530,489	540,076
	<u>1,061,689</u>	<u>1,071,982</u>	<u>707,810</u>	<u>715,232</u>
The present value of minimum lease payments receivable				
Due within 1 year	21,597	20,898	15,110	14,470
Due within 2 to 5 years	97,212	95,163	71,662	69,976
Due later than 5 years	586,052	592,818	382,770	387,965
	<u>683,264</u>	<u>687,981</u>	<u>454,432</u>	<u>457,941</u>
	704,861	708,879	469,542	472,411
<u>Less</u> provision for impairment of Finance lease receivables	-	-	-	-
	<u>704,861</u>	<u>708,879</u>	<u>469,542</u>	<u>472,411</u>
The unearned finance income	<u>356,828</u>	<u>363,103</u>	<u>238,268</u>	<u>242,821</u>

**Siam Future Development Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2013**

**8 Investment in subsidiaries and interest in joint venture**

Movements in investments in subsidiaries and interest in joint venture are as follows:

	<b>Company Baht'000</b>
<b>Investment in subsidiaries</b>	
<b>For the three-month period ended 31 March 2013</b>	
Opening book value	257,925
Additional (disposal)	-
Closing book value	<u>257,925</u>
	<b>Consolidated Baht'000</b>
<b>Interest in joint venture</b>	<b>Company Baht'000</b>
<b>For the three-month period ended 31 March 2013</b>	
Opening book value	2,568,604
Share profit from joint venture	62,980
Closing book value	<u>2,631,584</u>

The details of investments in subsidiaries and interest in joint venture as at 31 March 2013 and 31 December 2012 are as follow:

	<b>Nature of relationship</b>	<b>% Ownership interest</b>
<b>Subsidiaries</b>		
Petchkasem Power Center Company Limited	Shareholder	74
Ekkamai Lifestyle Center Company Limited	Shareholder	51
Siam Future Property Company Limited	Shareholder	100
Ratchayothin Avenue Company Limited	Shareholder	50
Ratchayothin Avenue Management Company Limited	Subsidiary of Ratchayothin Avenue Company Limited	50
Siam Future Management Company Limited	Shareholder	100
<b>Joint venture</b>		
SF Development Company Limited	Shareholder	49

All subsidiaries and joint venture are incorporated in Thailand and engage in the business of building rental and providing utilities services.

**Siam Future Development Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2013**

**9 Investment property**

	<b>Consolidated Baht'000</b>	<b>Company Baht'000</b>
<b>For the three-month period ended 31 March 2013</b>		
Investment property at 1 January 2013	7,607,225	4,089,150
Additions of investment property during the period	13,375	8,793
Disposal investment property according to finance lease agreement	(4,543)	(4,543)
Loss from fair value adjustment	(1,146)	(15,388)
Investment property at 31 March 2013	<u>7,614,911</u>	<u>4,078,012</u>
	<b>Consolidated Baht'000</b>	<b>Company Baht'000</b>
<b>Income statement for the three-month period ended 31 March 2013</b>		
Loss from fair value adjustment	(1,146)	(15,388)
Financial cost from recording investment property	(20,514)	(12,587)
Loss from fair value adjustment on investment property, net	<u>(21,660)</u>	<u>(27,975)</u>

**10 Building and equipment and intangible assets, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>Building and equipment Baht'000</b>	<b>Intangible assets Baht'000</b>	<b>Building and equipment Baht'000</b>	<b>Intangible assets Baht'000</b>
<b>For the three-month period ended 31 March 2013</b>				
Opening net book amount	30,390	23,128	13,212	18,691
Additions	1,001	361	602	361
Depreciation and amortisation	(2,269)	(742)	(1,407)	(742)
Closing net book amount	<u>29,122</u>	<u>22,747</u>	<u>12,407</u>	<u>18,310</u>

**11 Borrowings**

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>
<b>Current portion of long-term borrowings</b>				
Bank borrowings	15,000	91,250	15,000	22,500
Debentures	700,000	1,198,854	700,000	1,198,854
	<u>715,000</u>	<u>1,290,104</u>	<u>715,000</u>	<u>1,221,354</u>
<b>Long-term borrowings</b>				
Bank borrowings	-	72,500	-	-
Debentures	1,247,026	500,000	1,247,026	500,000
	<u>1,247,026</u>	<u>572,500</u>	<u>1,247,026</u>	<u>500,000</u>
<b>Total borrowings</b>	<u>1,962,026</u>	<u>1,862,604</u>	<u>1,962,026</u>	<u>1,721,354</u>



**Siam Future Development Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2013**

**11 Borrowings (Cont'd)**

The movements in the borrowings can be analysed as follows:

For the three-month periods ended 31 March	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Opening amount	1,862,604	1,953,571	1,721,354	1,749,821
Additional - Debenture	750,000	-	750,000	-
Debenture issuance cost	(2,238)	-	(2,238)	-
Repayment of borrowings	(648,750)	(21,250)	(507,500)	(7,500)
Amortisation of debenture issuance cost	410	380	410	380
Closing amount	<u>1,962,026</u>	<u>1,932,701</u>	<u>1,962,026</u>	<u>1,742,701</u>

During the period 2013, the Company issued debentures 750,000 units of Baht 1,000 per unit, unsubordinated and unsecured, totaling Baht 750 million. The debentures bear interest of 4.70% per annum and will be mature on 22 February 2016. The Company has to maintain financial ratios and other criteria as stipulated in the offering documents.

**12 Income taxes**

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings of the year 2013. The estimated average annual tax rate used are 15% to 20% for the Group and 20% for the Company.

**13 Share capital**

	Consolidated and Company			
	Number of share Share'000	Ordinary share Baht'000	Share premium Baht'000	Total Baht'000
At 31 December 2012	1,169,863	1,169,863	634,029	1,803,892
Issue of shares	-	-	-	-
At 31 March 2013	<u>1,169,863</u>	<u>1,169,863</u>	<u>634,029</u>	<u>1,803,892</u>

As at 31 March 2013, total authorised number of the ordinary shares is 1,169,875,095 shares with a par value of Baht 1 per share (31 December 2012: 1,169,875,095 shares with a par value of Baht 1 per share). Total issued and paid-up share capital is 1,169,862,645 shares with the paid-up of Baht 1 per share (31 December 2012: 1,169,862,645 shares with a paid-up of Baht 1 per share).

#### 14 Warrants

The shareholders approved the issuance of warrants to employees and directors of the Group on 17 January 2007 and 13 June 2007, totalling 15,000,000 units with the exercise period of 5 years. The conversion right is 1 warrant unit per 1 ordinary share at the exercise price of Baht 6.94.

At the Board of Directors meeting held on 7 May 2009, the Board of Directors approved to change the conversion right from 1 warrant unit per 1 ordinary share to 1 warrant unit per 1.48344 ordinary shares and adjust the exercise price from Baht 6.94 to Baht 4.678.

During the three-month period ended 31 March 2012, the warrants of 2,113,941 units were exercised. As at 31 March 2012, the expired warrants and unexercised warrants are 1,635,960 units and 253 units respectively.

#### 15 Dividends

At the Annual General Shareholders Meeting held on 27 March 2013, the shareholders approved a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share and cash dividend payment amounting to Baht 0.01389 per share in respect of 2012 operating results totalling 146,242,830 shares and Baht 16.24 million, respectively. The dividends were paid to the shareholders on 23 April 2013.

At the Annual General Shareholders Meeting held on 22 March 2012, the shareholders approved a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share and cash dividend payment amounting to Baht 0.01389 per share in respect of 2011 operating results totalling 129,982,560 shares and Baht 14.44 million, respectively. The dividends were paid to the shareholders on 20 April 2012.

#### 16 Earnings per share

Earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent by the weighted average number of ordinary shares in issue during the period. The weighted average number of ordinary shares in issue during the three-month period ended 31 March 2013 are 1,315,713,960 shares (2012: 1,314,530,809 shares).

During the three-month period ended 31 March 2012, the calculation of the diluted earnings per share based on the weighted average number of shares, assuming conversion of all dilutive potential ordinary shares, of 1,314,530,945 shares.

During the three-month period ended 31 March 2013, the Company issued a stock dividend totalling 146,242,830 shares. The Company adjusted the number of ordinary shares outstanding before the event for the proportionate change in the number of ordinary shares outstanding as if the event had accrued at the beginning of the earliest period presented. The weighted average number of ordinary shares used in computing earnings per share for fiscal year 2012 has been changed as follows:

	<b>2012</b>	<b>2012</b>
	<b>Number of share</b>	<b>Number of share</b>
	<b>As restated</b>	<b>As previously reported</b>
<b>Basic earnings per share</b>		
Weighted average number of ordinary shares		
- for the three-month period ended 31 March	1,314,530,809	1,168,287,979
<b>Diluted earnings per share</b>		
Weighted average number of ordinary shares		
- for the three-month period ended 31 March	1,314,530,945	1,168,288,115

**Siam Future Development Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2013**

**17 Cash flows from operating activities**

Reconciliation of profit before income tax to cash flows from operating activities:

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2013 Baht'000</b>	<b>31 March 2012 Baht'000</b>	<b>31 March 2013 Baht'000</b>	<b>31 March 2012 Baht'000</b>
Profit before income tax	165,232	1,131,415	50,246	77,415
Adjustments for:				
Depreciation and amortisation (Note 10)	3,011	4,075	2,149	2,915
Amortisation of prepaid rent	16	16	-	-
Interest income	(6,274)	(12,806)	(8,138)	(7,936)
Interest expense	26,549	26,807	24,301	23,388
Amortisation of debenture issuance cost (Note 11)	410	380	410	380
Realised unearned rental and service income	(11,817)	(14,246)	(6,894)	(9,323)
Investment property recognised as cost of finance lease (Note 9)	4,543	-	4,543	-
Provision for employee benefit	1,112	473	1,112	473
Loss from fair value adjustment on investment property (Note 9)	21,660	9,435	27,975	16,224
Share profit from joint venture (Note 8)	(62,980)	(991,525)	-	-
Changes in operating assets and liabilities:				
- short-term investment	(16,722)	7,561	(16,722)	7,561
- trade accounts receivable	8,300	3,525	7,726	323
- finance lease receivable	10,126	43,831	7,207	36,661
- amounts due from related parties	(16,187)	(283)	(25,970)	6,974
- other current assets	(16,373)	(37,277)	(10,549)	(26,608)
- deposits for leasehold land	(46)	(265)	(46)	(265)
- other non-current assets	3,478	(3,466)	3,479	(3,466)
- trade accounts payable	(2,490)	630	(104)	1,057
- amounts due to related parties	(130)	262	418	3,433
- other current liabilities	6,162	11,559	20,071	15,813
- unearned rental and service income	(5,150)	1,273	(5,733)	749
- deposit received from customers	(28,713)	25,924	(18,726)	10,122
- finance lease liabilities on land leases	(31,352)	(33,286)	(23,580)	(24,964)
Cash generated from operating	<u>52,365</u>	<u>174,012</u>	<u>33,175</u>	<u>130,926</u>

**Siam Future Development Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2013**

**18 Related party transactions**

Siam Future Development Public Company Limited is an associate of Major Cineplex Group Public Company Limited which owns 20.16% of the Company's shares (31 December 2012: 20.49%). Therefore, all subsidiaries and associates of Major Cineplex Group Public Company Limited are related parties.

The Group enters into transactions with related parties in the normal course of business. Significant transactions for the three-month periods ended 31 March 2013 and 2012 are summarised as follows:

**a) Revenues and expenses**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the three-month period ended 31 March</b>				
<b>Rental and services income</b>				
Group of Major Cineplex Group Public Company Limited	15,250	15,598	6,449	7,018
Related parties	6,444	5,817	4,331	3,984
	<u>21,694</u>	<u>21,415</u>	<u>10,780</u>	<u>11,002</u>
<b>Management fee income</b>				
Subsidiaries	-	-	14,578	16,525
<b>Interest income</b>				
Subsidiaries	-	-	3,765	3,694
<b>Management fee expense</b>				
Major Cineplex Group Public Company Limited	68	68	-	-
<b>Other expenses</b>				
Major Cineplex Group Public Company Limited	4,521	-	4,521	-
<b>Interest expenses</b>				
Subsidiaries	-	-	42	112

Rental and service incomes were carried out on commercial terms and conditions and at market prices which are subject to location, lease space, lease terms, timing and type of lease. Management fee income and expense were charged at the rates specific on the agreements.

Interest income is charged at the rates of 6.00% and 7.00% per annum (2012: 6.00% per annum).

**b) Trade accounts receivable**

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Group Major Cineplex Group Public Company Limited	346	-	3	-
Related party	2	-	-	-
	<u>348</u>	<u>-</u>	<u>3</u>	<u>-</u>

**Siam Future Development Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2013**

**18 Related party transactions (Cont'd)**

**c) Amounts due from related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>
Major Cineplex Group Public Company Limited	1,000	1,000	-	-
Subsidiaries	-	-	208,250	198,467
Joint venture	114,572	98,385	114,572	98,385
	<u>115,572</u>	<u>99,385</u>	<u>322,822</u>	<u>296,852</u>

**d) Short-term loans to subsidiaries**

	<b>Company Baht'000</b>
<b>For the three-month period ended 31 March 2013</b>	
Beginning balance	249,145
Loans made during the period	150,250
Loans repayments during the period	<u>(13,500)</u>
Ending balance	<u>385,895</u>

As at 31 March 2013, short-term loans to subsidiaries represented loans repayable upon demand. The loans bear interest at the rates of 6.00% and 7.00% per annum.

**e) Amounts due to related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>	<b>31 March 2013 Baht'000</b>	<b>31 December 2012 Baht'000</b>
Major Cineplex Group Public Company Limited	9,108	9,040	-	-
Subsidiaries	-	-	6,620	161
Joint venture	32	230	27	6,068
	<u>9,140</u>	<u>9,270</u>	<u>6,647</u>	<u>6,229</u>

**f) Short-term loan from a subsidiary**

	<b>Company Baht'000</b>
<b>For the three-month period ended 31 March 2013</b>	
Beginning balance	6,200
Loan repayments during the period	<u>(6,200)</u>
Ending balance	<u>-</u>

As at 31 December 2012, short-term loans from subsidiary represent unsecured loans, denominated in Thai Baht, and are repayable on demand. The loans bear interest at the rates between 7.00% to 7.25% per annum.

**18 Related party transactions (Cont'd)**

**g) Unearned rental and service income**

As at 31 March 2013, the unearned rental and service income of a subsidiary includes unearned income received from Major Cineplex Group Public Company Limited amounting to Baht 110.45 million (31 December 2012: Baht 112 million).

**h) Directors and management remuneration**

Directors and management remuneration comprises of the total salaries and other benefits, including directors' fee paid to directors and management which included as an expense in the income statements.

**19 Commitments and contingencies**

**Bank guarantees**

As at 31 March 2013, the Group has outstanding letters of guarantee amounting to Baht 257 million (31 December 2012: Baht 268 million) issued by the Group's bankers in respect of normal business operations.

**20 Events occurring after the reporting date.**

At the Board of Director Meeting No. 2/2013 held on 9 May 2013, the Board of Director approved the increase of common share not over 130 million shares, at par value of Baht 1 each. All issued shares will be sold to private placement. The Board of Director approved the issuance of warrants to employees and directors of the Group totaling 35 million units with the exercise period of 5 years. The conversion right is 1 warrant unit per 1 ordinary share.