

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 2014, the related consolidated and company statements of income, of comprehensive income, of 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
8 May 2014

SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

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

31 MARCH 2014

Siam Future Development Public Company Limited
Statement of Financial Position
As at 31 March 2014

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		33,466	23,366	12,744	5,941
Short-term investments	5	30,898	49,066	30,898	49,066
Trade accounts receivable	6, 17	75,772	73,133	40,389	34,389
Finance lease receivables due					
within one year	7	22,228	22,314	15,642	15,747
Amounts due from related parties	17	128,050	127,859	371,661	359,203
Short-term loans to related parties	17	25,000	25,000	315,146	352,896
Other current assets		101,421	68,879	58,440	37,151
Total current assets		416,835	389,617	844,920	854,393
Non-current assets					
Restricted cash		580	580	-	-
Finance lease receivables	7	662,769	667,884	438,777	442,677
Investments in subsidiaries	8	-	-	257,925	257,925
Interest in joint venture	8	3,135,343	3,159,078	1,813,000	1,813,000
Prepaid rent, net		1,149	1,166	-	-
Investment property	9	7,600,298	7,610,586	4,013,042	4,036,128
Building and equipment, net	10	29,272	28,489	11,315	11,917
Intangible assets, net	10	21,698	22,371	17,261	17,934
Deposits for leasehold land		56,761	57,241	56,761	57,241
Other non-current assets		64,852	65,844	57,620	58,537
Total non-current assets		11,572,722	11,613,239	6,665,701	6,695,359
Total assets		11,989,557	12,002,856	7,510,621	7,549,752

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 2014

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from banks		-	200,000	-	200,000
Trade accounts payable		10,310	9,838	5,892	5,284
Amounts due to related parties	17	39,876	41,505	21,346	28,166
Short-term loan from a subsidiary	17	-	-	110,300	93,700
Current portion of unearned rental and service income		54,462	52,101	31,250	30,916
Current portion of long-term borrowings	11	498,547	498,439	498,547	498,439
Finance lease liabilities on land leases current portion		69,664	88,180	68,569	80,100
Corporate income tax payable		17,241	13,146	-	-
Other current liabilities		316,526	266,091	196,120	162,476
Total current liabilities		1,006,626	1,169,300	932,024	1,099,081
Non-current liabilities					
Unearned rental and service income		461,542	469,447	78,130	83,051
Long-term borrowings	11	1,448,000	1,447,676	1,448,000	1,447,676
Deposits received from customers		447,630	444,389	248,420	246,976
Deferred tax liabilities		640,880	631,495	350,214	343,533
Finance lease liabilities on land leases		1,386,944	1,381,860	848,141	850,136
Provision for employee benefit		29,515	28,332	29,515	28,332
Total non-current liabilities		4,414,511	4,403,199	3,002,420	2,999,704
Total liabilities		5,421,137	5,572,499	3,934,444	4,098,785

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 2014

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital	13	1,316,105	1,316,105	1,316,105	1,316,105
Issued and paid-up share capital	13	1,316,020	1,316,020	1,316,020	1,316,020
Share premium	13	634,029	634,029	634,029	634,029
Dividends Payable	14	164,495	-	164,495	-
Retained earnings					
Appropriated - legal reserve		131,626	117,026	131,626	117,026
Unappropriated		3,928,079	3,977,868	1,330,007	1,383,892
Equity attributable to owners of the parent					
		6,174,249	6,044,943	3,576,177	3,450,967
Non-controlling interests		394,171	385,414	-	-
Total equity		6,568,420	6,430,357	3,576,177	3,450,967
Total liabilities and equity		11,989,557	12,002,856	7,510,621	7,549,752

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 Income (Unaudited)
For the three-month period ended 31 March 2014

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Revenues					
Rental and service income		310,419	323,489	183,718	190,955
Revenue from finance lease contracts		-	7,414	-	7,414
Finance and interest income		6,510	6,274	9,864	8,138
Dividend income	8	-	-	111,720	-
Other income		7,697	7,564	29,481	30,872
Share of profit of joint venture		87,985	62,980	-	-
Total revenues		412,611	407,721	334,783	237,379
Expenses					
Cost of rental and service		123,896	136,410	71,447	83,461
Cost of finance lease contracts		-	4,543	-	4,543
Fair value adjustment on investment property, net		33,046	21,660	36,153	27,975
Selling expenses		5,075	5,219	4,059	4,779
Administrative expenses		43,270	43,769	37,496	37,735
Management's remuneration		4,591	4,339	4,591	4,339
Total expenses		209,878	215,940	153,746	162,832
Profit before financial costs and tax		202,733	191,781	181,037	74,547
Financial costs		(25,299)	(26,549)	(25,907)	(24,301)
Profit before tax		177,434	165,232	155,130	50,246
Income tax expenses		(21,090)	(23,376)	(11,639)	(12,738)
Profit for the period		156,344	141,856	143,491	37,508
Profit attributable to:					
Owners of the parent		147,587	130,399	143,191	37,508
Non-controlling interests		8,757	11,457	-	-
		156,344	141,856	143,191	37,508
Earnings per share					
	15				
Basic earnings per share		0.10	0.09	0.10	0.03
Diluted earnings per share		0.10	0.09	0.10	0.03

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 2014

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Profit for the period	156,344	141,856	143,491	37,508
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive income for the period	<u>156,344</u>	<u>141,856</u>	<u>143,491</u>	<u>37,508</u>
Total comprehensive income attributable to:				
Owners of the parent	147,587	130,399	143,491	37,508
Non-controlling interests	<u>8,757</u>	<u>11,457</u>	-	-
	<u>156,344</u>	<u>141,856</u>	<u>143,491</u>	<u>37,508</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)
For the three-month period ended 31 March 2014

Consolidated (Baht'000)							
Attributable to owners of the parent							
Note	Issued and paid-up share capital	Share premium	Dividend payable	Legal reserve	Unappropriated retained earnings	Non- controlling interests	Total equity
Opening balance 1 January 2013	1,169,863	634,029	-	104,926	3,640,505	353,908	5,903,231
Legal reserve appropriation	-	-	-	12,100	(12,100)	-	-
Dividends	-	-	-	-	(16,242)	-	(16,242)
Total comprehensive income for the period	-	-	-	-	130,399	11,457	141,856
Closing balance 31 March 2013	1,169,863	634,029	-	117,026	3,742,562	365,365	6,028,845
Opening balance 1 January 2014	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
Closing balance 31 March 2014	1,316,020	634,029	164,495	131,626	3,928,079	394,171	6,568,420

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 2014

Company (Baht'000)						
Note	Issued and paid-up share capital	Share premium	Dividend payable	Legal reserve	Unappropriated retained earnings	Total equity
Opening balance 1 January 2013	1,169,863	634,029	-	104,926	1,381,255	3,290,073
Legal reserve appropriation	-	-	-	12,100	(12,100)	-
Dividends	-	-	-	-	(16,242)	(16,242)
Total comprehensive income for the period	-	-	-	-	37,508	37,508
Closing balance 31 March 2013	1,169,863	634,029	-	117,026	1,390,421	3,311,339
Opening balance 1 January 2014	1,316,020	634,029	-	117,026	1,383,892	3,450,967
Legal reserve appropriation	-	-	-	14,600	(14,600)	-
Dividends	-	-	164,495	-	(182,776)	(18,281)
Total comprehensive income for the period	-	-	-	-	143,491	143,491
Closing balance 31 March 2014	1,316,020	634,029	164,495	131,626	1,330,007	3,576,177

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 2014

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Cash flows from operating activities					
Cash generated from operations	16	137,191	52,365	69,257	33,175
Interest paid		(25,905)	(30,740)	(26,424)	(28,566)
Income tax paid		(9,234)	(11,814)	(5,469)	(8,143)
Income tax received		-	36,294	-	-
Net cash generated from (used in) operating activities		<u>102,052</u>	<u>46,105</u>	<u>37,364</u>	<u>(3,534)</u>
Cash flows from investing activities					
Purchases of intangible assets	10	(122)	(361)	(122)	(361)
Purchases of building, equipment and investment property		(3,832)	(15,915)	(1,888)	(9,395)
Short-term loans made to subsidiary	17	-	-	-	(150,250)
Short-term loans repayments received from subsidiaries	17	-	-	37,750	13,500
Dividend received	8	111,720	-	111,720	-
Interest received		282	152	5,379	3,642
Net cash from (used in) investing activities		<u>108,048</u>	<u>(16,124)</u>	<u>152,839</u>	<u>(142,864)</u>
Cash flows from financing activities					
Proceeds from loans from subsidiaries	17	-	-	26,600	-
Proceeds from long-term borrowings	11	-	747,762	-	747,762
Repayments of short-term loans from bank		(200,000)	(66,693)	(200,000)	(66,693)
Repayments of short-term loans from subsidiaries	17	-	-	(10,000)	(6,200)
Repayments of long-term borrowings	11	-	(648,750)	-	(507,500)
Net cash (used in) from financing activities		<u>(200,000)</u>	<u>32,319</u>	<u>(183,400)</u>	<u>167,369</u>
Net increase in cash and cash equivalents		<u>10,100</u>	<u>62,300</u>	<u>6,803</u>	<u>20,971</u>
Cash and cash equivalents at the beginning of the period		<u>23,366</u>	<u>60,567</u>	<u>5,941</u>	<u>10,095</u>
Cash and cash equivalents at the end of the period		<u><u>33,466</u></u>	<u><u>122,867</u></u>	<u><u>12,744</u></u>	<u><u>31,066</u></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) (Cont'd)
For the three-month period ended 31 March 2014

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the three-month periods ended 31 March 2014 and 2013 are as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Accounts payable arisen as a result of purchases of building, equipment and investment property	33,334	162	14,124	-
Accounts payable arisen as a result of purchases of intangible assets	1,699*	260	1,699	260
Investment property decreased due to recognition as cost of finance lease contracts	-	4,543	-	4,543
Dividends payable	182,776	16,242	182,776	16,242

* Outstanding balance has amount same as balance as of 31 December 2013.

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

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 8 May 2014.

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 2013.

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 2013.

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.

3 Accounting policies (Cont'd)

The following amendments and related interpretations [tailor as appropriate] are effective for the periods beginning on or after 1 January 2014 and are relevant to the Group.

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee benefits
TAS 24 (revised 2012)	Related party disclosures
TAS 28 (revised 2012)	Investments in associates
TAS 31 (revised 2012)	Interest in joint ventures
TAS 34 (revised 2012)	Interim financial reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible assets
TFRS 8 (revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 10	Interim financial reporting and impairment
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group due to the Group has already adopted.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

3 Accounting policies (Cont'd)

The following amendments and related interpretations [tailor as appropriate] are effective for the periods beginning on or after 1 January 2014 and are relevant to the Group. (Cont'd)

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2014. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2014. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies about intangible assets acquired in a business combination that is separable. Intangible asset should be recognised separately from goodwill. Complementary assets may only be recognised as a single asset if they have similar useful lives. This standard has no impact to the Group.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation has no impact to the Group.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 "Leases". This guidance explains examples that individually demonstrate that an arrangement may not, in substance, involve a lease under TAS 17. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

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 2014, short-term investments represent investment in unit trusts of open fund amounting to Baht 30.9 million (31 December 2013: Baht 49.1 million).

6 Trade accounts receivable

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated		Company	
	31 March 2014 Baht'000	31 December 2013 Baht'000	31 March 2014 Baht'000	31 December 2013 Baht'000
Current	62,056	64,250	33,855	31,263
Overdue 1 to 6 months	12,871	8,422	6,534	3,126
Overdue 7 to 12 months	845	461	-	-
	75,772	73,133	40,389	34,389
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	75,772	73,133	40,389	34,389

Siam Future Development Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2014

7 Finance lease receivables

	Consolidated		Company	
	31 March 2014 Baht'000	31 December 2013 Baht'000	31 March 2014 Baht'000	31 December 2013 Baht'000
The gross receivable in the lease contracts				
Due within 1 year	47,345	47,058	34,278	34,199
Due within 2 to 5 years	202,368	201,669	147,676	147,533
Due later than 5 years	767,387	779,802	492,959	501,671
	<u>1,017,100</u>	<u>1,028,529</u>	<u>674,913</u>	<u>683,403</u>
The present value of minimum lease payments receivable				
Due within 1 year	22,228	22,314	15,642	15,747
Due within 2 to 5 years	103,684	102,611	76,589	75,958
Due later than 5 years	559,085	565,273	362,188	366,719
	<u>662,769</u>	<u>667,884</u>	<u>438,777</u>	<u>442,677</u>
	684,997	690,198	454,419	458,424
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>684,997</u>	<u>690,198</u>	<u>454,419</u>	<u>458,424</u>
The unearned finance income	<u>332,103</u>	<u>338,331</u>	<u>220,494</u>	<u>224,979</u>

8 Investments in subsidiaries and interest in joint venture

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

	Consolidated Baht'000	Company Baht'000
Investment in subsidiaries		
For the three-month period ended 31 March 2014		
Opening book value		257,925
Additional (disposal)		-
Closing book value		<u>257,925</u>
	Consolidated Baht'000	Company Baht'000
Interest in joint venture		
For the three-month period ended 31 March 2014		
Opening book value	3,159,078	1,813,000
Dividend income	(111,720)	-
Share profit from joint venture	87,985	-
Closing book value	<u>3,135,343</u>	<u>1,813,000</u>

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8 Investments in subsidiaries and interest in joint venture (Cont'd)

The details of investments in subsidiaries and interest in joint venture as at 31 March 2014 and 31 December 2013 are as follow:

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

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

9 Investment property

	<u>Consolidated Baht'000</u>	<u>Company Baht'000</u>
For the three-month period ended 31 March 2014		
Investment property at 1 January 2014	7,610,586	4,036,128
Additions of investment property during the period	2,698	975
Decrease in fair value adjustment	(12,986)	(24,061)
Investment property at 31 March 2014	<u>7,600,298</u>	<u>4,013,042</u>
	<u>Consolidated Baht'000</u>	<u>Company Baht'000</u>
Income statement for the three-month period ended 31 March 2014		
Decrease in fair value adjustment	(12,986)	(24,061)
Financial cost from recording investment property	(20,060)	(12,092)
Fair value adjustment on investment property, net	<u>(33,046)</u>	<u>(36,153)</u>

10 Building and equipment and intangible assets, net

	<u>Consolidated</u>		<u>Company</u>	
	<u>Building and equipment Baht'000</u>	<u>Intangible assets Baht'000</u>	<u>Building and equipment Baht'000</u>	<u>Intangible assets Baht'000</u>
For the three-month period ended 31 March 2014				
Opening net book amount	28,489	22,371	11,917	17,934
Additions	3,059	122	914	122
Write-off	(220)	-	(220)	-
Depreciation and amortisation	(2,056)	(795)	(1,296)	(795)
Closing net book amount	<u>29,272</u>	<u>21,698</u>	<u>11,315</u>	<u>17,261</u>

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11 Borrowings

	Consolidated		Company	
	31 March 2014 Baht'000	31 December 2013 Baht'000	31 March 2014 Baht'000	31 December 2013 Baht'000
Current portion of long-term borrowings				
Debentures	498,547	498,439	498,547	498,439
	<u>498,547</u>	<u>498,439</u>	<u>498,547</u>	<u>498,439</u>
Long-term borrowings				
Debentures	1,448,000	1,447,676	1,448,000	1,447,676
	<u>1,448,000</u>	<u>1,447,676</u>	<u>1,448,000</u>	<u>1,447,676</u>
Total borrowings	<u>1,946,547</u>	<u>1,946,115</u>	<u>1,946,547</u>	<u>1,946,115</u>

The movements in the borrowings can be analysed as follows:

For the three-month periods ended 31 March	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Opening amount	1,946,115	1,862,604	1,946,115	1,721,354
Additional - Debenture	-	750,000	-	750,000
Debenture issuance cost	-	(2,238)	-	(2,238)
Repayment of borrowings	-	(648,750)	-	(507,500)
Amortisation of debenture issuance cost	432	410	432	410
Closing amount	<u>1,946,547</u>	<u>1,962,026</u>	<u>1,946,547</u>	<u>1,962,026</u>

As at 22 February 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 2014. The estimated average annual tax rate used are 15% to 20% for the Group and 20% for the Company.

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13 Share capital

	Consolidated and Company			Total Baht'000
	Number of share Share'000	Ordinary share Baht'000	Share premium Baht'000	
At 31 December 2013	1,316,020	1,316,020	634,029	1,950,049
Issue of shares	-	-	-	-
At 31 March 2014	1,316,020	1,316,020	634,029	1,950,049

As at 31 March 2014, total authorised number of the ordinary shares is 1,316,105,475 shares with a par value of Baht 1 per share (31 December 2013: 1,316,105,475 shares with a par value of Baht 1 per share). Total issued and paid-up share capital is 1,316,020,126 shares with the paid-up of Baht 1 per share (31 December 2013: 1,316,020,126 shares with a paid-up of Baht 1 per share).

14 Dividends

At the Annual General Shareholders Meeting held on 25 March 2014, 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 2013 operating results totalling 164,494,904 shares and Baht 18.28 million, respectively. The dividends were paid to the shareholders on 21 April 2014.

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 146,157,481 shares and Baht 16.24 million, respectively. The dividends were paid to the shareholders on 23 April 2013.

15 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 and stock dividend declaration during the period. The weighted average number of ordinary shares in issue during the three-month period ended 31 March 2014 are 1,480,515,030 shares (2013: 1,480,515,030 shares).

During the three-month period ended 31 March 2014, the Company issued a stock dividend totalling 164,494,904 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 2013 has been changed as follows:

	2013 Number of share As restated	2013 Number of share As previously reported
Basic earnings per share		
Weighted average number of ordinary shares		
- for the three-month period ended 31 March	1,480,515,030	1,315,713,960
Diluted earnings per share		
Weighted average number of ordinary shares		
- for the three-month period ended 31 March	1,480,515,030	1,315,713,960

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16 Cash flows from operating activities

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

	Consolidated		Company	
	31 March 2014 Baht'000	31 March 2013 Baht'000	31 March 2014 Baht'000	31 March 2013 Baht'000
Profit before income tax	177,434	165,232	155,130	50,246
Adjustments for:				
Depreciation and amortisation (Note 10)	2,852	3,011	2,091	2,149
Loss on write-off of project under development (Note 10)	220	-	220	-
Amortisation of prepaid rent	16	16	-	-
Interest income	(6,510)	(6,274)	(9,864)	(8,138)
Interest expense	25,299	26,549	25,907	24,301
Dividend income	-	-	(111,720)	-
Amortisation of debenture issuance cost (Note 11)	432	410	432	410
Realised unearned rental and service income	(11,988)	(11,817)	(6,813)	(6,894)
Investment property recognised as cost of finance lease	-	4,543	-	4,543
Provision for employee benefit	1,183	1,112	1,183	1,112
Fair value adjustment on investment property (Note 9)	33,046	21,660	36,153	27,975
Share profit from joint venture (Note 8)	(87,985)	(62,980)	-	-
Changes in operating assets and liabilities:				
- short-term investment	18,168	(16,722)	18,168	(16,722)
- trade accounts receivable	(2,639)	8,300	(6,000)	7,726
- finance lease receivable	11,429	10,126	8,490	7,207
- amounts due from related parties	(191)	(16,187)	(12,458)	(25,970)
- other current assets	(30,917)	(16,373)	(20,779)	(10,549)
- deposits for leasehold land	480	(46)	480	(46)
- other non-current assets	992	3,478	917	3,479
- trade accounts payable	472	(2,490)	608	(104)
- amounts due to related parties	(1,629)	(130)	(6,820)	418
- other current liabilities	30,834	6,162	15,881	20,071
- unearned rental and service income	6,444	(5,150)	2,226	(5,733)
- deposit received from customers	3,241	(28,713)	1,444	(18,726)
- finance lease liabilities on land leases	(33,492)	(31,352)	(25,619)	(23,580)
Cash generated from operating	<u>137,191</u>	<u>52,365</u>	<u>69,257</u>	<u>33,175</u>

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17 Related party transactions

Siam Future Development Public Company Limited is an associate of Major Cineplex Group Public Company Limited which owns 23.49% of the Company's shares (31 December 2013: 23.72%). 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 2014 and 2013 are summarised as follows:

a) Revenues and expenses

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
For the three-month period ended 31 March				
Rental and services income				
Group of Major Cineplex Group Public Company Limited	11,276	15,250	5,386	6,449
Related parties	8,944	6,444	5,187	4,331
	<u>20,220</u>	<u>21,694</u>	<u>10,573</u>	<u>10,780</u>
Management fee income				
Subsidiaries	-	-	13,156	13,926
Joint Venture	1,926	652	1,926	652
	<u>1,926</u>	<u>652</u>	<u>15,082</u>	<u>14,578</u>
Interest income				
Subsidiaries	-	-	5,335	3,765
Major Cineplex Group Public Company Limited	191	-	-	-
	<u>191</u>	<u>-</u>	<u>5,335</u>	<u>3,765</u>
Management fee expense				
Major Cineplex Group Public Company Limited	670	5,204	670	5,204
Interest expenses				
Subsidiaries	-	-	608	42

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 between 3.10% to 7.00% per annum (2013: 6.00% to 7.00% per annum).

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17 Related party transactions (Cont'd)

b) Trade accounts receivable

	Consolidated		Company	
	31 March 2014 Baht'000	31 December 2013 Baht'000	31 March 2014 Baht'000	31 December 2013 Baht'000
Group of Major Cineplex Group Public Company Limited	4,101	736	1,640	5
Related parties	1	5,134	-	-
	<u>4,102</u>	<u>5,870</u>	<u>1,640</u>	<u>5</u>

c) Amounts due from related parties

	Consolidated		Company	
	31 March 2014 Baht'000	31 December 2013 Baht'000	31 March 2014 Baht'000	31 December 2013 Baht'000
Major Cineplex Group Public Company Limited	1,669	1,478	-	-
Subsidiaries	-	-	245,280	232,822
Joint venture	126,381	126,381	126,381	126,381
	<u>128,050</u>	<u>127,859</u>	<u>371,661</u>	<u>359,203</u>

d) Short-term loans to related parties

	Consolidated Baht'000	Company Baht'000
For the three-month period ended 31 March 2014		
Beginning balance	25,000	352,896
Loans repayments during the period	-	(37,750)
Ending balance	<u>25,000</u>	<u>315,146</u>

As at 31 March 2014, short-term loans to related parties represented loans repayable upon demand. The loans bear interest at the rates between 3.10% to 7.00% per annum.

e) Amounts due to related parties

	Consolidated		Company	
	31 March 2014 Baht'000	31 December 2013 Baht'000	31 March 2014 Baht'000	31 December 2013 Baht'000
Major Cineplex Group Public Company Limited	39,876	40,005	14,731	14,131
Subsidiaries	-	-	6,615	12,535
Joint venture	-	1,500	-	1,500
	<u>39,876</u>	<u>41,505</u>	<u>21,346</u>	<u>28,166</u>

17 Related party transactions (Cont'd)

f) Short-term loans from subsidiaries

	Company Baht'000
For the three-month period ended 31 March 2014	
Beginning balance	93,700
Loans made during the period	26,600
Loan repayments during the period	<u>(10,000)</u>
Ending balance	<u>110,300</u>

As at 31 March 2014, short-term loans from subsidiaries represented unsecured loans, denominated in Thai Baht, and are repayable on demand. The loans bear interest at the rate of 2.44% to 3.10% per annum.

g) Unearned rental and service income

As at 31 March 2014, the unearned rental and service income of a subsidiary includes unearned income received from Major Cineplex Group Public Company Limited amounting to Baht 104 million (31 December 2013: Baht 106 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.

18 Commitments and contingencies

Bank guarantees

As at 31 March 2014, the Group has outstanding letters of guarantee amounting to Baht 53 million (31 December 2013: Baht 53 million) issued by the Group's bankers in respect of normal business operations.

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19 Segment information

The Group operates in only one business segment which is the development of shopping centers and lease out space in the centers. Currently, the business is only operated in Thailand. The internal reporting provided to the chief operating decision-maker presented investment property by using cost method whereas financial statements presented at fair value.

	Unit : Baht'000		
	Consolidated		
	Internal reporting	Investment properties adjustment to be fair value	Financial statement
For the three-month period ended 31 March 2014			
Revenues			
Rental and service income	310,419		
Finance and interest income	6,510		
Other income	7,697		
Share profit from joint venture	37,814		
Total revenues	362,440	50,171 ¹	412,611
Expenses			
Cost of rental and service	220,760		
Selling and administrative expenses	53,862		
Total expenses	274,622	(64,744) ²	209,878
Profit before finance costs	87,818	114,915	202,733
Finance costs	(25,299)	-	(25,299)
Profit before income taxes	62,519	114,915	177,434
Income taxes	(8,249)	(12,841) ³	(21,090)
Profit for the period	54,270	102,074	156,344
Profit attributable to			
Owners of the parent	49,454	98,133	147,587
Non-controlling interests	4,816	3,941	8,757
	54,270	102,074	156,344
Fair value adjustment on investment property, net	102,074	(102,074)	-
Profit for the period after fair value adjustment on investment property	156,344	-	156,344

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19 Segment information (Cont'd)

	Unit : Baht'000		
	Consolidated		
	Internal reporting	Investment properties adjustment to be fair value	Financial statement
For the three-month period ended 31 March 2013			
Revenues			
Rental and service income	323,489		
Revenue from finance lease contracts	7,414		
Finance and interest income	6,274		
Other income	7,564		
Share profit from joint venture	26,625		
Total revenues	371,366	36,355 ¹	407,721
Expenses			
Cost of rental and service	230,260		
Cost of finance lease contracts	3,534		
Selling and administrative expenses	54,214		
Total expenses	288,008	(72,068) ²	215,940
Profit before finance costs	83,358	108,423	191,781
Finance costs	(26,549)	-	(26,549)
Profit before income taxes	56,809	108,423	165,232
Income taxes	(8,761)	(14,615) ³	(23,376)
Profit for the period	48,048	93,808	141,856
Profit attributable to			
Owners of the parent	43,646	86,753	130,399
Non-controlling interests	4,402	7,055	11,457
	48,048	93,808	141,856
Fair value adjustment on investment property, net	93,808	(93,808)	-
Profit for the period after fair value adjustment on investment property	141,856	-	141,856

Additional explanation on adjustment

- 1 Adjustment relates to share of profit of joint venture due to the measurement of investment property from cost method to fair value method.
- 2 Adjustment relates to selling and administrative expenses which came from add back depreciation and adjustment of change in fair value of investment property.
- 3 Adjustment relates to income tax expense which came from deferred income tax expense of investment property at fair value.