

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 30 June 2014, the related consolidated and company statements of income, of comprehensive income for the three-month and six-month periods then ended, of changes in shareholders' equity and cash flows for the six-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
7 August 2014

SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

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

30 JUNE 2014

Siam Future Development Public Company Limited
Statement of Financial Position
As at 30 June 2014

	Notes	Consolidated		Company	
		(Unaudited) 30 June 2014 Baht'000	(Audited) 31 December 2013 Baht'000	(Unaudited) 30 June 2014 Baht'000	(Audited) 31 December 2013 Baht'000
Assets					
Current assets					
Cash and cash equivalents		35,670	23,366	12,795	5,941
Short-term investments	4	60,028	49,066	60,028	49,066
Trade accounts receivable	5, 16	76,748	73,133	39,910	34,389
Finance lease receivables due within one year	6	22,069	22,314	15,462	15,747
Amounts due from related parties	16	128,134	127,859	381,590	359,203
Short-term loans to related parties	16	25,000	25,000	307,146	352,896
Other current assets		74,640	68,879	44,190	37,151
Total current assets		422,289	389,617	861,121	854,393
Non-current assets					
Restricted cash		580	580	-	-
Finance lease receivables	6	657,702	667,884	434,922	442,677
Investments in subsidiaries	7	-	-	257,925	257,925
Interest in joint venture	7	3,280,676	3,159,078	1,839,950	1,813,000
Prepaid rent, net		1,133	1,166	-	-
Investment property	8	7,599,042	7,610,586	3,999,903	4,036,128
Building and equipment, net	9	36,239	28,489	18,625	11,917
Intangible assets, net	9	20,934	22,371	16,497	17,934
Deposits for leasehold land		56,506	57,241	56,506	57,241
Other non-current assets		56,900	65,844	49,744	58,537
Total non-current assets		11,709,712	11,613,239	6,674,072	6,695,359
Total assets		12,132,001	12,002,856	7,535,193	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 30 June 2014

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Notes	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	12,274	9,838	7,672	5,284
Amounts due to related parties	16	39,236	22,075	28,166
Short-term loan from a subsidiary	16	-	120,300	93,700
Current portion of unearned rental and service income		53,091	29,136	30,916
Current portion of long-term borrowings	10	498,650	498,650	498,439
Finance lease liabilities on land leases				
current portion		62,302	61,974	80,100
Corporate income tax payable		7,873	-	-
Other current liabilities		286,449	175,014	162,476
Total current liabilities		959,875	914,821	1,099,081
Non-current liabilities				
Unearned rental and service income		450,417	72,742	83,051
Long-term borrowings	10	1,448,330	1,448,330	1,447,676
Deposits received from customers		454,181	259,311	246,976
Deferred tax liabilities		652,038	358,700	343,533
Finance lease liabilities on land leases		1,380,919	843,767	850,136
Provision for employee benefit		30,698	30,698	28,332
Total non-current liabilities		4,416,583	3,013,548	2,999,704
Total liabilities		5,376,458	3,928,369	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 30 June 2014

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	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	12	1,480,523	1,316,105	1,480,523	1,316,105
Issued and paid-up share capital	12	1,480,515	1,316,020	1,480,515	1,316,020
Share premium	12	634,029	634,029	634,029	634,029
Retained earnings					
Appropriated - legal reserve		131,626	117,026	131,626	117,026
Unappropriated		4,107,363	3,977,868	1,360,654	1,383,892
Equity attributable to owners					
of the parent		6,353,533	6,044,943	3,606,824	3,450,967
Non-controlling interests		402,010	385,414	-	-
Total equity		6,755,543	6,430,357	3,606,824	3,450,967
Total liabilities and equity		12,132,001	12,002,856	7,535,193	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 30 June 2014

	Consolidated		Company	
	2014	2013	2014	2013
Note	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Rental and service income	345,302	331,224	208,001	194,916
Finance and interest income	6,648	6,537	9,553	10,600
Dividend income	-	-	-	44,100
Other income	5,460	6,616	26,611	29,521
Share profit from joint venture	118,383	72,785	-	-
Total revenues	475,793	417,162	244,165	279,137
Expenses				
Cost of rental and service	148,518	144,479	88,893	85,776
Fair value adjustment on investment property, net	28,544	27,225	31,128	21,906
Selling expenses	10,826	5,114	9,730	4,602
Administrative expenses	43,876	41,519	37,031	35,613
Management's remuneration	5,686	4,339	5,686	4,339
Total expenses	237,450	222,676	172,468	152,236
Profit before financial costs and tax	238,343	194,486	71,697	126,901
Financial costs	(23,921)	(23,597)	(24,661)	(23,909)
Profit before tax	214,422	170,889	47,036	102,992
Income tax expenses	(27,299)	(21,107)	(16,389)	(12,943)
Profit for the period	187,123	149,782	30,647	90,049
Profit Attributable to:				
Owners of the parent	179,284	142,925	30,647	90,049
Non-controlling interests	7,839	6,857	-	-
	187,123	149,782	30,647	90,049
Earnings per share				
	14			
Basic earnings per share (Baht)	0.12	0.10	0.02	0.06
Diluted earnings per share (Baht)	0.12	0.10	0.02	0.06

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 30 June 2014

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Profit for the period	187,123	149,782	30,647	90,049
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive income for the period	<u>187,123</u>	<u>149,782</u>	<u>30,647</u>	<u>90,049</u>
Total comprehensive income attributable to:				
Owners of the parent	179,284	142,925	30,647	90,049
Non-controlling interests	<u>7,839</u>	<u>6,857</u>	-	-
	<u>187,123</u>	<u>149,782</u>	<u>30,647</u>	<u>90,049</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 Income (Unaudited)
For the six-month period ended 30 June 2014

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Revenues					
Rental and service income		655,721	654,713	391,719	385,871
Revenue from finance lease contracts		-	7,414	-	7,414
Finance and interest income		13,158	12,811	19,417	18,738
Dividend income	7	-	-	111,720	44,100
Other income		13,157	14,180	56,092	60,393
Share profit from joint venture	7	206,368	135,765	-	-
Total revenues		888,404	824,883	578,948	516,516
Expenses					
Cost of rental and service		272,414	280,889	160,340	169,237
Cost of finance lease contracts		-	4,543	-	4,543
Fair value adjustment on investment property, net	8	61,590	48,885	67,281	49,881
Selling expenses		15,901	10,333	13,789	9,381
Administrative expenses		87,146	85,288	74,527	73,348
Management's remuneration		10,277	8,678	10,277	8,678
Total expenses		447,328	438,616	326,214	315,068
Profit before financial costs and tax		441,076	386,267	252,734	201,448
Financial costs		(49,220)	(50,146)	(50,568)	(48,210)
Profit before tax		391,856	336,121	202,166	153,238
Income tax expenses		(48,389)	(44,483)	(28,028)	(25,681)
Profit for the period		343,467	291,638	174,138	127,557
Profit Attributable to:					
Owners of the parent		326,871	273,324	174,138	127,557
Non-controlling interests		16,596	18,314	-	-
		343,467	291,638	174,138	127,557
Earnings per share					
	14				
Basic earnings per share (Baht)		0.22	0.18	0.12	0.09
Diluted earnings per share (Baht)		0.22	0.18	0.12	0.09

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 six-month period ended 30 June 2014

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Profit for the period	343,467	291,638	174,138	127,557
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive income for the period	<u>343,467</u>	<u>291,638</u>	<u>174,138</u>	<u>127,557</u>
Total comprehensive income attributable to:				
Owners of the parent	326,871	273,324	174,138	127,557
Non-controlling interests	<u>16,596</u>	<u>18,314</u>	-	-
	<u>343,467</u>	<u>291,638</u>	<u>174,138</u>	<u>127,557</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 six-month period ended 30 June 2014

	Consolidated (Baht'000)						
	Attributable to owners of the parent					Non-controlling interests	Total equity
	Notes	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings		
Opening balance 1 January 2014		1,316,020	634,029	117,026	3,977,868	385,414	6,430,357
Issuance of ordinary shares	12	164,495	-	-	-	-	164,495
Legal reserve appropriation		-	-	14,600	(14,600)	-	-
Dividends	13	-	-	-	(182,776)	-	(182,776)
Total comprehensive income for the period		-	-	-	326,871	16,596	343,467
Closing balance 30 June 2014		<u>1,480,515</u>	<u>634,029</u>	<u>131,626</u>	<u>4,107,363</u>	<u>402,010</u>	<u>6,755,543</u>
Opening balance 1 January 2013		1,169,863	634,029	104,926	3,640,505	353,908	5,903,231
Issuance of ordinary shares	12	146,157	-	-	-	-	146,157
Legal reserve appropriation		-	-	12,100	(12,100)	-	-
Dividends	13	-	-	-	(162,399)	-	(162,399)
Total comprehensive income for the period		-	-	-	273,324	18,314	291,638
Closing balance 30 June 2013		<u>1,316,020</u>	<u>634,029</u>	<u>117,026</u>	<u>3,739,330</u>	<u>372,222</u>	<u>6,178,627</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 six-month period ended 30 June 2014

Company (Baht'000)					
Notes	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings	Total equity
Opening balance 1 January 2014	1,316,020	634,029	117,026	1,383,892	3,450,967
Issuance of ordinary shares	12 164,495	-	-	-	164,495
Legal reserve appropriation	-	-	14,600	(14,600)	-
Dividends	13 -	-	-	(182,776)	(182,776)
Total comprehensive income for the period	-	-	-	174,138	174,138
Closing balance 30 June 2014	<u>1,480,515</u>	<u>634,029</u>	<u>131,626</u>	<u>1,360,654</u>	<u>3,606,824</u>
Opening balance 1 January 2013	1,169,863	634,029	104,926	1,381,255	3,290,073
Issuance of ordinary shares	12 146,157	-	-	-	146,157
Legal reserve appropriation	-	-	12,100	(12,100)	-
Dividends	13 -	-	-	(162,399)	(162,399)
Total comprehensive income for the period	-	-	-	127,557	127,557
Closing balance 30 June 2013	<u>1,316,020</u>	<u>634,029</u>	<u>117,026</u>	<u>1,334,313</u>	<u>3,401,388</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 six-month period ended 30 June 2014

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Cash flows from operating activities					
Cash generated from operating activities	15	247,579	48,799	138,345	(7,499)
Interest paid		(49,474)	(54,066)	(49,993)	(51,892)
Income tax paid		(37,748)	(33,721)	(16,622)	(14,275)
Income tax received		5,316	36,294	1,510	-
Net cash generated from (used in) operating activities		<u>165,673</u>	<u>(2,694)</u>	<u>73,240</u>	<u>(73,666)</u>
Cash flows from investing activities					
Purchases of intangible assets	9	(156)	(470)	(156)	(470)
Purchases of building, equipment and investment property		(20,350)	(25,854)	(15,465)	(12,801)
Short-term loans made to related parties	16	-	(25,000)	(500)	(150,250)
Short-term loans repayments received from subsidiaries	16	-	-	46,250	19,000
Investment in joint venture	7	(26,950)	-	(26,950)	-
Dividend received	7	111,720	44,100	111,720	44,100
Interest received		648	691	10,396	11,285
Net cash generated from (used in) investing activities		<u>64,912</u>	<u>(6,533)</u>	<u>125,295</u>	<u>(89,136)</u>
Cash flows from financing activities					
Proceeds from short-term loans from subsidiaries	16	-	-	36,600	55,000
Proceeds from long-term borrowings	10	-	747,762	-	747,762
Repayments of short-term loans from bank		(200,000)	(90,855)	(200,000)	(90,855)
Repayments of short-term loans from a subsidiaries	16	-	-	(10,000)	(6,200)
Repayments of long-term borrowings	10	-	(656,250)	-	(515,000)
Dividends paid	13	(18,281)	(16,242)	(18,281)	(16,242)
Net cash (used in) received from financing activities		<u>(218,281)</u>	<u>(15,585)</u>	<u>(191,681)</u>	<u>174,465</u>
Net increase (decrease) in cash and cash equivalents		12,304	(24,812)	6,854	11,663
Cash and cash equivalents, beginning balance		<u>23,366</u>	<u>60,567</u>	<u>5,941</u>	<u>10,095</u>
Cash and cash equivalents, ending balance		<u>35,670</u>	<u>35,755</u>	<u>12,795</u>	<u>21,758</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 six-month period ended 30 June 2014

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the six-month periods ended 30 June 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 property, equipment and investment property	32,372	282	14,492	-
Accounts payable arisen as a result of purchases of intangible assets	1,699	-	1,699	-
Investment property decreased due to recognition as cost of finance lease contracts	-	4,543	-	4,543
Stock dividends	164,495	146,157	164,495	146,157

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 7 August 2014.

2 Accounting policies

2.1 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.

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.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

The following amendments and related interpretations 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 21 (revised 2012)	The effects of charges in foreign exchange rates
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
TSIC 32	Intangible assets - Web site costs

Management of the Company and the Group has determined that the revised accounting standards, revised financial reporting standards, and related interpretations will not significantly impact the interim financial statements being presented.

3 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.

Siam Future Development Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2014

4 Short-term investments

As of 30 June 2014 and 31 December 2013, information relating to Short-term investments are as follows:

	Consolidated			
	30 June 2014		31 December 2013	
	Cost Thousand Baht	Fair Value Thousand Baht	Cost Thousand Baht	Fair Value Thousand Baht
Short-term investments				
Trading securities	60,000	60,028	49,000	49,066

	Company			
	30 June 2014		31 December 2013	
	Cost Thousand Baht	Fair Value Thousand Baht	Cost Thousand Baht	Fair Value Thousand Baht
Short-term investments				
Trading securities	60,000	60,028	49,000	49,066

5 Trade accounts receivable

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated		Company	
	30 June 2014 Baht'000	31 December 2013 Baht'000	30 June 2014 Baht'000	31 December 2013 Baht'000
	Current	68,568	64,250	39,910
Overdue 1 to 6 months	6,849	8,422	-	3,126
Overdue 7 to 12 months	435	461	-	-
Overdue 12 months	896	-	-	-
	76,748	73,133	39,910	34,389
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	76,748	73,133	39,910	34,389

Siam Future Development Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2014

6 Finance lease receivables

	Consolidated		Company	
	30 June 2014 Baht'000	31 December 2013 Baht'000	30 June 2014 Baht'000	31 December 2013 Baht'000
The gross receivable in the lease contracts				
Due within 1 year	47,552	47,058	34,277	34,199
Due within 2 to 5 years	202,326	201,669	147,132	147,533
Due later than 5 years	755,713	779,802	484,934	501,671
	<u>1,005,591</u>	<u>1,028,529</u>	<u>666,343</u>	<u>683,403</u>
The present value of minimum lease payments receivable				
Due within 1 year	22,069	22,314	15,462	15,747
Due within 2 to 5 years	104,262	102,611	76,772	75,958
Due later than 5 years	553,440	565,273	358,150	366,719
	<u>657,702</u>	<u>667,884</u>	<u>434,922</u>	<u>442,677</u>
	679,771	690,198	450,384	458,424
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>679,771</u>	<u>690,198</u>	<u>450,384</u>	<u>458,424</u>
The unearned finance income	<u>325,820</u>	<u>338,331</u>	<u>215,959</u>	<u>224,979</u>

7 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 six-month period ended 30 June 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 six-month period ended 30 June 2014		
Opening book value	3,159,078	1,813,000
Additions	26,950	26,950
Dividend income	(111,720)	-
Share profit from joint venture	206,368	-
Closing book value	<u>3,280,676</u>	<u>1,839,950</u>

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

The details of investments in subsidiaries and interest in joint venture as at 30 June 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
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
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.

8 Investment property

	<u>Consolidated Baht'000</u>	<u>Company Baht'000</u>
For the six-month period ended 30 June 2014		
Investment property at 1 January 2014	7,610,586	4,036,128
Additions of investment property during the period	9,050	6,197
Decrease in fair value adjustment	(20,594)	(42,422)
Investment property at 30 June 2014	<u>7,599,042</u>	<u>3,999,903</u>
Income statement for the six-month period ended 30 June 2014		
Decrease in fair value adjustment	(20,594)	(42,422)
Financial cost from recording investment property	(40,996)	(24,859)
Fair value adjustment on investment property, net	<u>(61,590)</u>	<u>(67,281)</u>

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9 Building and equipment and intangible assets, net

	Consolidated		Company	
	Building and equipment Baht'000	Intangible assets Baht'000	Building and equipment Baht'000	Intangible assets Baht'000
For the six-month period ended 30 June 2014				
Opening net book amount	28,489	22,371	11,917	17,934
Additions	12,266	156	9,636	156
Write-off	(220)	-	(220)	-
Depreciation and amortisation	(4,296)	(1,593)	(2,708)	(1,593)
Closing net book amount	36,239	20,934	18,625	16,497

10 Borrowings

	Consolidated		Company	
	30 June 2014 Baht'000	31 December 2013 Baht'000	30 June 2014 Baht'000	31 December 2013 Baht'000
Current portion of long-term borrowings				
Debentures	498,650	498,439	498,650	498,439
	498,650	498,439	498,650	498,439
Long-term borrowings				
Debentures	1,448,330	1,447,676	1,448,330	1,447,676
	1,448,330	1,447,676	1,448,330	1,447,676
Total borrowings	1,946,980	1,946,115	1,946,980	1,946,115

The movements in the borrowings can be analysed as follows:

For the six-month periods ended 30 June	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	-	(656,250)	-	(515,000)
Amortisation of debenture issuance cost	865	858	865	858
Closing amount	1,946,980	1,954,974	1,946,980	1,954,974

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.

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11 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.

12 Share capital

	Consolidated and Company			
	Number of share Share'000	Ordinary share Baht'000	Share premium Baht'000	Total Baht'000
At 1 January 2014	1,316,020	1,316,020	634,029	1,950,049
Issue of shares	164,495	164,495	-	164,495
At 30 June 2014	<u>1,480,515</u>	<u>1,480,515</u>	<u>634,029</u>	<u>2,114,544</u>

	Consolidated and Company			
	Number of share Share'000	Ordinary share Baht'000	Share premium Baht'000	Total Baht'000
At 1 January 2013	1,169,863	1,169,863	634,029	1,803,892
Issue of shares	146,157	146,157	-	146,157
At 30 June 2013	<u>1,316,020</u>	<u>1,316,020</u>	<u>634,029</u>	<u>1,950,049</u>

As at 30 June 2014, total authorised number of the ordinary shares is 1,480,522,641 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 1,480,515,030 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).

As at 30 June 2013, total authorised number of the ordinary shares is 1,316,105,475 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 1,316,020,126 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).

13 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.

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15 Cash flows from operating activities

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

	Notes	Consolidated		Company	
		30 June 2014 Baht'000	30 June 2013 Baht'000	30 June 2014 Baht'000	30 June 2013 Baht'000
Profit before income tax		391,856	336,121	202,166	153,238
Adjustments for:					
Depreciation and amortisation	9	5,889	5,927	4,301	4,238
Loss on write-off of building and equipment	9	220	-	220	-
Amortisation of prepaid rent		33	33	-	-
Interest income		(13,158)	(12,811)	(19,417)	(18,738)
Interest expense		49,220	50,146	50,568	48,210
Dividend income	7	-	-	(111,720)	(44,100)
Amortisation of debenture issuance cost	10	865	858	865	858
Realised unearned rental and service income		(24,065)	(23,614)	(13,463)	(13,768)
Investment property recognised as cost of finance lease		-	4,543	-	4,543
Provision for employee benefit		2,366	2,224	2,366	2,224
Fair value adjustment on investment property	8	61,590	48,885	67,281	49,881
Share profit from joint venture	7	(206,368)	(135,765)	-	-
Changes in operating assets and liabilities:					
- short-term investment		(10,962)	(127,157)	(10,962)	(127,157)
- trade accounts receivable		(3,615)	2,982	(5,521)	3,050
- finance lease receivable		22,938	20,934	17,060	15,151
- amounts due from related parties		(275)	(16,282)	(22,387)	(33,195)
- other current assets		(6,449)	(3,064)	(4,788)	(2,159)
- deposits for leasehold land		735	112	735	112
- other non-current assets		8,944	(1,840)	8,793	4,137
- trade accounts payable		2,436	1,220	2,388	1,578
- amounts due to related parties		(2,269)	678	(6,091)	3,013
- other current liabilities		19,646	(17,637)	11,596	3,576
- unearned rental and service income		6,025	(6,528)	1,374	(6,355)
- deposit received from customers		9,792	(17,371)	12,335	(9,850)
- finance lease liabilities on land leases		(67,815)	(63,795)	(49,354)	(45,986)
Cash flows received from (used in) operating activities		247,579	48,799	138,345	(7,499)

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16 Related party transactions

Siam Future Development Public Company Limited is an associate of Major Cineplex Group Public Company Limited which owns 23.50% 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 six-month periods ended 30 June 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 six-month period ended 30 June				
Rental and services income				
Group of Major Cineplex Group				
Public Company Limited	30,443	35,279	11,621	15,539
Related parties	14,729	14,847	10,555	10,622
	<u>45,172</u>	<u>50,126</u>	<u>22,176</u>	<u>26,161</u>
Management fee income				
Subsidiaries	-	-	26,001	27,953
Joint venture	-	-	3,852	1,649
	<u>-</u>	<u>-</u>	<u>29,853</u>	<u>29,602</u>
Interest income				
Subsidiaries	-	-	10,273	9,908
Major Cineplex Group				
Public Company Limited	384	87	-	-
	<u>384</u>	<u>87</u>	<u>10,273</u>	<u>9,908</u>
Management fee expense				
Major Cineplex Group				
Public Company Limited	6,525	6,764	6,364	6,629
Interest expenses				
Subsidiaries	-	-	1,348	354

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16 Related party transactions (Cont'd)

a) Revenues and expenses (Cont'd)

	Consolidated		Company	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
For the three-month period ended 30 June				
Rental and services income				
Group of Major Cineplex Group				
Public Company Limited	17,444	20,029	6,235	9,090
Related parties	7,507	7,439	5,368	5,327
	<u>24,951</u>	<u>27,468</u>	<u>11,603</u>	<u>14,417</u>
Management fee income				
Subsidiaries	-	-	12,845	14,027
Joint venture	-	-	1,926	997
	<u>-</u>	<u>-</u>	<u>14,771</u>	<u>15,024</u>
Interest income				
Subsidiaries	-	-	4,938	6,143
Major Cineplex Group				
Public Company Limited	193	87	-	-
	<u>193</u>	<u>87</u>	<u>4,938</u>	<u>6,143</u>
Management fee expense				
Major Cineplex Group				
Public Company Limited	5,689	1,509	5,608	1,442
Interest expenses				
Subsidiaries	-	-	740	312

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).

b) Trade accounts receivable

	Consolidated		Company	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Group of Major Cineplex Group Public Company Limited	6,560	5,854	1,845	5
Related parties	9	16	-	-
	<u>6,569</u>	<u>5,870</u>	<u>1,845</u>	<u>5</u>

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16 Related party transactions (Cont'd)

c) Amounts due from related parties

	Consolidated		Company	
	30 June 2014 Baht'000	31 December 2013 Baht'000	30 June 2014 Baht'000	31 December 2013 Baht'000
Major Cineplex Group Public Company Limited	1,753	1,478	-	-
Subsidiaries	-	-	255,209	232,822
Joint venture	126,381	126,381	126,381	126,381
	<u>128,134</u>	<u>127,859</u>	<u>381,590</u>	<u>359,203</u>

d) Short-term loans to related parties

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2014		
Beginning balance	25,000	352,896
Loans advanced during the period	-	500
Loans repayments during the period	-	(46,250)
Ending balance	<u>25,000</u>	<u>307,146</u>

As at 30 June 2014, short-term loans to related parties represented loans repayable upon demand. The loans bear interest at the rates between 3.10% to 6.75% per annum.

e) Amounts due to related parties

	Consolidated		Company	
	30 June 2014 Baht'000	31 December 2013 Baht'000	30 June 2014 Baht'000	31 December 2013 Baht'000
Major Cineplex Group Public Company Limited	39,236	40,005	14,281	14,131
Subsidiaries	-	-	7,794	12,535
Joint venture	-	1,500	-	1,500
	<u>39,236</u>	<u>41,505</u>	<u>22,075</u>	<u>28,166</u>

16 Related party transactions (Cont'd)

f) Short-term loans from subsidiaries

	Company Baht'000
For the six-month period ended 30 June 2014	
Beginning balance	93,700
Loans made during the period	36,600
Loan repayments during the period	(10,000)
Ending balance	<u>120,300</u>

As at 30 June 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 30 June 2014, the unearned rental and service income of a subsidiary includes unearned income received from Major Cineplex Group Public Company Limited amounting to Baht 102 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.

17 Commitments and contingencies

Bank guarantees

As at 30 June 2014, the Group has outstanding letters of guarantee amounting to Baht 53 million (2013: Baht 53 million) issued by the Group's bankers in respect of normal business operations.

Rental commitment

Rental contracted for at the statement of financial position date but not recognized in the financial statements are as follows:

	Consolidated		Company	
	30 June 2014 Baht'000	31 December 2013 Baht'000	30 June 2014 Baht'000	31 December 2013 Baht'000
Less than 1 year	6,074	4,632	5,929	4,052
Over than 1 year but not later than 5 years	836	1,362	836	1,362
	<u>6,910</u>	<u>5,994</u>	<u>6,765</u>	<u>5,414</u>

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18 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 30 June 2014			
Revenues			
Rental and service income	345,302		
Finance and interest income	6,648		
Other income	5,459		
Share profit from joint venture	46,341		
Total revenues	403,750	72,043 ¹	475,793
Expenses			
Cost of rental and service	247,467		
Selling and administrative expenses	61,104		
Total expenses	308,571	(71,121) ²	237,450
Profit before finance costs	95,179	143,164	238,343
Finance costs	(23,921)	-	(23,921)
Profit before income taxes	71,258	143,164	214,422
Income taxes	(10,813)	(16,486) ³	(27,299)
Profit for the period	60,445	126,678	187,123
Profit attributable to			
Owners of the parent	55,975	123,309	179,284
Non-controlling interests	4,470	3,369	7,839
	60,445	126,678	187,123
Fair value adjustment on investment property, net	126,678	(126,678)	-
Profit for the period after fair value adjustment on investment property	187,123	-	187,123

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18 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 30 June 2013			
Revenues			
Rental and service income	331,224		
Revenue from finance lease contracts	-		
Finance and interest income	6,537		
Other income	6,616		
Share profit from joint venture	37,153		
Total revenues	381,530	35,632 ¹	417,162
Expenses			
Cost of rental and service	239,753		
Cost of finance lease contracts	-		
Selling and administrative expenses	51,860		
Total expenses	291,613	(68,937) ²	222,676
Profit before finance costs	89,917	104,569	194,486
Finance costs	(23,597)	-	(23,597)
Profit before income taxes	66,320	104,569	170,889
Income taxes	(7,521)	(13,586) ³	(21,107)
Profit for the period	58,799	90,983	149,782
Profit attributable to			
Owners of the parent	56,510	86,415	142,925
Non-controlling interests	2,289	4,568	6,857
	58,799	90,983	149,782
Fair value adjustment on investment property, net	90,983	(90,983)	-
Profit for the period after fair value adjustment on investment property	149,782	-	149,782

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18 Segment information (Cont'd)

	Unit : Baht'000		
	Consolidated		
	Internal reporting	Investment properties adjustment to be fair value	Financial statement
For the six-month period ended 30 June 2014			
Revenues			
Rental and service income	655,721		
Finance and interest income	13,158		
Other income	13,156		
Share profit from joint venture	84,155		
Total revenues	766,190	122,214 ¹	888,404
Expenses			
Cost of rental and service	468,227		
Selling and administrative expenses	114,966		
Total expenses	583,193	(135,865) ²	447,328
Profit before finance costs	182,997	258,079	441,076
Finance costs	(49,220)	-	(49,220)
Profit before income taxes	133,777	258,079	391,856
Income taxes	(16,949)	(31,440) ³	(48,389)
Profit for the period	116,828	226,639	343,467
Profit attributable to			
Owners of the parent	107,542	219,329	326,871
Non-controlling interests	9,286	7,310	16,596
	116,828	226,639	343,467
Fair value adjustment on investment property, net	226,639	(226,639)	-
Profit for the period after fair value adjustment on investment property	343,467	-	343,467

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18 Segment information (Cont'd)

	Unit : Baht'000		
	Consolidated		
	Internal reporting	Investment properties adjustment to be fair value	Financial statement
For the six-month period ended 30 June 2013			
Revenues			
Rental and service income	654,713		
Revenue from finance lease contracts	7,414		
Finance and interest income	12,811		
Other income	14,180		
Share profit from joint venture	63,778		
Total revenues	752,896	71,987 ¹	824,883
Expenses			
Cost of rental and service	470,013		
Cost of finance lease contracts	3,534		
Selling and administrative expenses	106,074		
Total expenses	579,621	(141,005) ²	438,616
Profit before finance costs	173,275	212,992	386,267
Finance costs	(50,146)	-	(50,146)
Profit before income taxes	123,129	212,992	336,121
Income taxes	(16,282)	(28,201) ³	(44,483)
Profit for the period	106,847	184,791	291,638
Profit attributable to			
Owners of the parent	100,156	173,168	273,324
Non-controlling interests	6,691	11,623	18,314
	106,847	184,791	291,638
Fair value adjustment on investment property, net	184,791	(184,791)	-
Profit for the period after fair value adjustment on investment property	291,638	-	291,638

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.

19 Events occurring after the reporting date

As at 29 July 2014, the Company issued bills of exchange totaling Baht 500 million. It bears interest at the rate of 3.55% per annum and will be matured in the first quarter of 2015. The Company has to maintain financial ratios and other criteria as stipulated in the offering documents.