

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 2016, 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".

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Ltd.

Bangkok
10 May 2016

SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

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

31 MARCH 2016

Siam Future Development Public Company Limited
Statements of Financial Position
As at 31 March 2016

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		42,801	33,499	22,492	2,439
Short-term investments	3, 4	254,071	568,022	254,071	568,022
Trade and other receivables	5	144,826	225,879	83,888	460,717
Finance lease receivables due within one year	6	27,311	26,474	20,576	19,795
Amounts due from related parties	17	1,501	1,339	461,831	429,854
Short-term loans to related parties	17	23,000	23,000	318,500	79,056
Other current assets		13,931	5,965	4,755	5,054
Total current assets		507,441	884,178	1,166,113	1,564,937
Non-current assets					
Restricted cash		599	599	-	-
Finance lease receivables	6	628,628	635,587	419,038	424,559
Investments in subsidiaries	7	-	-	257,925	257,925
Interests in joint ventures	7	4,217,725	4,123,934	1,978,581	1,978,581
Prepaid rent, net		1,017	1,033	-	-
Investment property	3, 8	9,028,047	8,575,028	4,177,336	3,767,252
Building and equipment, net	9	43,582	45,399	18,721	19,924
Intangible assets, net	9	16,078	16,898	11,640	12,460
Deposits for leasehold land		52,315	86,915	52,315	86,915
Other non-current assets		52,404	52,511	45,448	46,088
Total non-current assets		14,040,395	13,537,904	6,961,004	6,593,704
Total assets		14,547,836	14,422,082	8,127,117	8,158,641

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
Statements of Financial Position (Cont'd)
As at 31 March 2016

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institution	10	300,000	-	300,000	-
Trade and other payables		429,778	149,377	375,737	96,602
Amounts due to related parties	17	29,009	30,972	14,009	18,242
Short-term loan from a subsidiary	17	-	-	249,450	275,000
Current portion of unearned rental and service income		49,476	92,293	21,505	22,470
Current portion of long-term borrowings	11	-	749,014	-	749,014
Finance lease liabilities on land leases current portion		38,730	54,952	45,169	53,208
Corporate income tax payable		18,326	12,795	1,214	-
Other current liabilities		223,941	198,888	127,623	117,480
Total current liabilities		1,089,260	1,288,291	1,134,707	1,332,016
Non-current liabilities					
Unearned rental and service income		391,037	364,820	45,491	57,655
Long-term borrowings	11	1,198,155	1,198,796	1,198,155	1,198,796
Deposits received from customers		488,466	493,954	293,797	287,384
Deferred tax liabilities		934,841	902,494	398,899	372,038
Finance lease liabilities on land leases		1,457,473	1,234,598	934,820	709,865
Employee benefit obligations		34,222	33,126	34,222	33,126
Total non-current liabilities		4,504,194	4,227,788	2,905,384	2,658,864
Total liabilities		5,593,454	5,516,079	4,040,091	3,990,880

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

Siam Future Development Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2016

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital	13	1,776,618	1,776,618	1,776,618	1,776,618
Issued and paid-up share capital	13	1,776,608	1,776,608	1,776,608	1,776,608
Share premium	13	634,029	634,029	634,029	634,029
Retained earnings					
Appropriated - legal reserve		177,666	148,056	177,666	148,056
Unappropriated		5,560,245	5,545,348	1,499,169	1,609,514
Other components of equity		(446)	(446)	(446)	(446)
Equity attributable to owners of the parent					
		8,148,102	8,103,595	4,087,026	4,167,761
Non-controlling interests		806,280	802,408	-	-
Total equity		8,954,382	8,906,003	4,087,026	4,167,761
Total liabilities and equity		14,547,836	14,422,082	8,127,117	8,158,641

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 2016

	Notes	Consolidated		Company	
		2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Revenues					
Rental and service income		338,673	329,557	191,652	186,121
Finance and interest income		6,560	6,791	6,048	8,189
Dividend income	7	-	-	49,980	112,700
Other income		20,445	7,834	33,373	32,230
Share of profit from joint ventures	7	143,771	128,666	-	-
Total revenues		509,449	472,848	281,053	339,240
Expenses					
Cost of rental and service		127,436	123,076	72,092	70,243
Fair value adjustment on investment property, net	3, 8	(57,605)	39,594	(83,920)	28,284
Selling expenses		4,277	7,900	3,508	7,053
Administrative expenses		45,432	41,676	40,533	37,454
Management's remuneration	17	5,609	5,405	5,609	5,405
Total expenses		125,149	217,651	37,822	148,439
Profit before financial costs and tax		384,300	255,197	243,231	190,801
Finance costs		(22,302)	(23,261)	(23,370)	(24,378)
Profit before tax		361,998	231,936	219,861	166,423
Income tax expenses		(47,128)	(18,851)	(34,105)	(9,287)
Profit for the period		314,870	213,085	185,756	157,136
Profit Attributable to:					
Owners of the parent		310,998	206,762	185,756	157,136
Non-controlling interests		3,872	6,323	-	-
		314,870	213,085	185,756	157,136
Earnings per share					
	15	Baht	Baht	Baht	Baht
Basic earnings per share		0.18	0.12	0.10	0.09
Diluted earnings per share		0.18	0.12	0.10	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 three-month period ended 31 March 2016

	Consolidated		Company	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Profit for the period	314,870	213,085	185,756	157,136
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	314,870	213,085	185,756	157,136
Total comprehensive income attributable to:				
Owners of the parent	310,998	206,762	185,756	157,136
Non-controlling interests	3,872	6,323	-	-
	314,870	213,085	185,756	157,136

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 2016

Consolidated (Baht'000)							
Attributable to owners of the parent							
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings	Other component of equity	Non-controlling interests	Total Shareholders' equity
Opening balance 1 January 2016	1,776,608	634,029	148,056	5,545,348	(446)	802,408	8,906,003
Legal reserve appropriation	-	-	29,610	(29,610)	-	-	-
Dividends	-	-	-	(266,491)	-	-	(266,491)
Total comprehensive income for the period	-	-	-	310,998	-	3,872	314,870
Closing balance 31 March 2016	1,776,608	634,029	177,666	5,560,245	(446)	806,280	8,954,382
Opening balance 1 January 2015	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
Closing balance 31 March 2015	1,480,515	634,029	131,626	4,690,047	(512)	423,767	7,359,472

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 2016

Company (Baht'000)						
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings	Other component of equity	Total Shareholders' equity
Opening balance 1 January 2016	1,776,608	634,029	148,056	1,609,514	(446)	4,167,761
Legal reserve appropriation	-	-	29,610	(29,610)	-	-
Dividends	-	-	-	(266,491)	-	(266,491)
Total comprehensive income for the period	-	-	-	185,756	-	185,756
Closing balance 31 March 2016	1,776,608	634,029	177,666	1,499,169	(446)	4,087,026
Opening balance 1 January 2015	1,480,515	634,029	131,626	1,450,915	(512)	3,696,573
Total comprehensive income for the period	-	-	-	157,136	-	157,136
Closing balance 31 March 2015	1,480,515	634,029	131,626	1,608,051	(512)	3,853,709

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 2016

	Notes	Consolidated		Company	
		2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Cash flows from operating activities					
Cash generated from (used in) operations	16	602,218	40,446	810,937	(51,868)
Interest paid		(25,297)	(19,322)	(30,146)	(19,321)
Income tax paid		(12,612)	(9,775)	(6,030)	(5,715)
Net cash generated from (used in) operating activities		<u>564,309</u>	<u>11,349</u>	<u>774,761</u>	<u>(76,904)</u>
Cash flows from investing activities					
Purchases of property, equipment and investment property		(155,018)	(12,264)	(89,714)	(5,658)
Short-term loans made to related parties	17	-	-	(285,000)	(9,000)
Short-term loans repayments received from related parties	17	-	-	45,556	61,225
Proceeds from disposals of equipment		-	2,336	-	2,336
Dividends received	7	49,980	-	49,980	-
Interest received		31	72	20	36
Net cash (used in) generated from investing activities		<u>(105,007)</u>	<u>(9,856)</u>	<u>(279,158)</u>	<u>48,939</u>
Cash flows from financing activities					
Proceeds from short-term loans from financial institution	10	300,000	-	300,000	-
Repayments to long-term borrowings	11	(750,000)	-	(750,000)	-
Proceeds from loans from subsidiaries	17	-	-	77,650	41,500
Proceeds from long-term borrowings	11	-	498,537	-	498,537
Repayments to short-term loans from financial institution		-	(498,817)	-	(498,817)
Repayments to short-term loans from related parties	17	-	-	(103,200)	(6,000)
Net cash (used in) generated from financing activities		<u>(450,000)</u>	<u>(280)</u>	<u>(475,550)</u>	<u>35,220</u>
Net increase in cash and cash equivalents		<u>9,302</u>	<u>1,213</u>	<u>20,053</u>	<u>7,255</u>
Cash and cash equivalents, beginning balance		<u>33,499</u>	<u>27,584</u>	<u>2,439</u>	<u>5,422</u>
Cash and cash equivalents, ending balance		<u><u>42,801</u></u>	<u><u>28,797</u></u>	<u><u>22,492</u></u>	<u><u>12,677</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 2016

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the three-month period ended 31 March 2016 and 2015 are as follows:

	Consolidated		Company	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Accounts payable arisen as a result of purchases of property, equipment and investment property	25,873	42,418	10,708	21,452
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
Dividends payable	266,491	-	266,491	-
Dividends receivable	-	112,700	-	112,700
Increase in finance lease liabilities on land leases	231,526	-	231,526	-

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 listed on the Stock Exchange of Thailand and 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.

For reporting purposes, the Company and its subsidiaries are referred to as 'the Group'.

These interim consolidated and company financial information have been approved for issue by the Board of Directors on 10 May 2016.

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

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 2015.

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 2015.

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group.

- a) Financial reporting standards, which have a significant impact to the group:

TAS 19 (revised 2015) Employee benefits

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

Management of the Company and the Group has determined that the revision will not significantly impact the interim financial information being presented.

- b) Financial reporting standards with minor changes

There are 40 financial reporting standards with minor changes. The management assesses that they do not have an impact on the Group interim financial information.

2.3 Estimations

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

3 Fair value

3.1 Fair value estimation

The table below analyses assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

3 Fair value (Cont'd)

3.1 Fair value estimation (Cont'd)

The following table presents the Group's assets that are measured at fair value at 31 March 2016.

	Consolidated		
	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets			
Short-term investments - trading securities	254,071	-	254,071
Investment property	-	9,028,047	9,028,047
Total assets	<u>254,071</u>	<u>9,028,047</u>	<u>9,282,118</u>
	Company		
	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets			
Short-term investments - trading securities	254,071	-	254,071
Investment property	-	4,177,336	4,177,336
Total assets	<u>254,071</u>	<u>4,177,336</u>	<u>4,431,407</u>

There were no changes in valuation techniques during the periods.

3.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading securities - units are fair valued based on net assets value at the statements of financial position date, or last business day before the statements of financial position date if there was no trading on the statements of financial position date.

3.3 Fair value measurements using significant unobservable inputs (Level 3)

The Group disclosed the movement of investment property which is reclassified as level 3 in note 8.

There were no other changes in valuation techniques during the period.

3.4 Group's valuation processes

The Group's finance department includes an independent valuer performs the valuations of assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the finance committee. Discussions of valuation processes and results are held between the finance committee and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

The main Level 3 input used by the Group pertains to the discount rate for investment property. It is estimated based on discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate is estimated based on the average yield rate of property fund of public companies that are, in the opinion of the Group, in a comparable financial position including the appropriate risk premium and reflects current market assessments of the time value of money and risk adjusted which mainly are at the rates of 12% per annum. The discount rate of finance lease liabilities on land leases is at the rates between 4.15% to 8% per annum. The Group has hired an independent valuer to estimate such information for this valuation.

Siam Future Development Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2016

4 Short-term investments

As of 31 March 2016 and 31 December 2015, information relating to short-term investments are as follows:

	Consolidated and Company			
	31 March 2016		31 December 2015	
	Cost	Fair Value	Cost	Fair Value
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term investments				
Trading securities	254,000	254,071	562,153	568,022

During the quarter ended 31 March 2016, the movement of short-term securities is as follows:

	Consolidated and Company Baht'000
Book value-beginning balance	568,022
Additions	329,000
Disposal	(643,760)
Change in fair value of trading securities	809
Book value-ending balance	<u>254,071</u>

5 Trade and other receivables

	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables	71,932	74,776	36,748	40,783
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade receivables, net	71,932	74,776	36,748	40,783
Prepayment	30,469	4,640	20,439	2,932
Advance payment	5,006	4,820	3,042	2,400
Property tax receivable	27,199	22,936	14,691	12,931
Dividend receivable	-	-	-	284,997
Other receivables	10,220	118,707	8,968	116,674
	<u>144,826</u>	<u>225,879</u>	<u>83,888</u>	<u>460,717</u>

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Baht'000	Baht'000	Baht'000	Baht'000
Current	58,796	65,288	32,443	38,024
Overdue 1 to 6 months	11,717	8,651	4,305	2,759
Overdue 7 to 12 months	27	812	-	-
Overdue over 12 months	1,392	25	-	-
	71,932	74,776	36,748	40,783
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>71,932</u>	<u>74,776</u>	<u>36,748</u>	<u>40,783</u>

Siam Future Development Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2016

6 Finance lease receivables

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
The gross receivable in the lease contracts				
Due within 1 year	52,301	51,583	38,897	38,251
Due within 1 to 5 years	208,928	209,187	151,774	152,744
Due later than 5 years	674,420	687,373	431,740	440,788
	<u>935,649</u>	<u>948,143</u>	<u>622,411</u>	<u>631,783</u>
The present value of minimum lease payments receivable				
Due within 1 year	27,311	26,474	20,576	19,795
Due within 1 to 5 years	115,445	114,892	86,172	86,335
Due later than 5 years	513,183	520,695	332,866	338,224
	<u>628,628</u>	<u>635,587</u>	<u>419,038</u>	<u>424,559</u>
	655,939	662,061	439,614	444,354
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>655,939</u>	<u>662,061</u>	<u>439,614</u>	<u>444,354</u>
The unearned finance income	<u>279,710</u>	<u>286,082</u>	<u>182,797</u>	<u>187,429</u>

7 Investments in subsidiaries and interests in joint ventures

Movements in investments in subsidiaries and interests in joint ventures are as follows:

	Company Baht'000
Investment in subsidiaries	
For the three-month period ended 31 March 2016	
Opening book value	257,925
Additional (disposal)	-
Closing book value	<u>257,925</u>
	Consolidated Baht'000
	Company Baht'000
Interests in joint ventures	
For the three month period ended 31 March 2016	
Opening book value	4,123,934
Dividend income	(49,980)
Share of profit from joint ventures	143,771
Closing book value	<u>4,217,725</u>
	<u>1,978,581</u>

Siam Future Development Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2016

7 Investments in subsidiaries and interests in joint ventures (Cont'd)

The details of investments in subsidiaries and interests in joint ventures as at 31 March 2016 and 31 December 2015 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
West 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 three-month period ended 31 March 2016		
Investment property at 1 January 2016	8,575,028	3,767,252
Additions of investment property during the period	378,439	317,955
Increase in fair value adjustment	74,580	92,129
Investment property at 31 March 2016	<u>9,028,047</u>	<u>4,177,336</u>
	<u>Consolidated Baht'000</u>	<u>Company Baht'000</u>
Income statement for the three-month period ended 31 March 2016		
Increase in fair value adjustment	74,580	92,129
Financial cost from recording investment property	(16,975)	(8,209)
Fair value adjustment on investment property, net	<u>57,605</u>	<u>83,920</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 three-month period ended 31 March 2016				
Opening net book amount	45,399	16,898	19,924	12,460
Additions	1,487	-	585	-
Depreciation and amortisation	(3,304)	(820)	(1,788)	(820)
Closing net book amount	43,582	16,078	18,721	11,640

10 Bank overdraft and short-term borrowings from financial institution

	Consolidated and Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000
Short-term borrowings from financial institution	300,000	-
	300,000	-

Short-term borrowings from financial institution bear interest at the rates of 2.87% and 3.00% per annum.

11 Borrowings

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Current portion debentures	-	749,014	-	749,014
Long-term portion	1,198,155	1,198,796	1,198,155	1,198,796
Total borrowings	1,198,155	1,947,810	1,198,155	1,947,810

The movements in the borrowings can be analysed as follows:

For the three-month periods ended 31 March	Consolidated		Company	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Opening amount	1,947,810	1,447,670	1,947,810	1,447,670
Additional - Debenture	-	500,000	-	500,000
Debenture issuance cost	-	(1,463)	-	(1,463)
Repayment of borrowings	(750,000)	-	(750,000)	-
Amortisation of debenture issuance cost	345	382	345	382
Closing amount	1,198,155	1,946,589	1,198,155	1,946,589

As at 27 January 2015, the Company issued 500,000 units of debentures with face value of Baht 1,000 per unit. The debenture is unsubordinated and unsecured, totalling Baht 500 million. The debentures bear interest of 5.00% per annum and will be mature on 27 January 2020. The Company has to maintain financial ratios and other conditions as stipulated in the offering documents.

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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 2016. 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 1 January 2016	1,776,608	1,776,608	634,029	2,410,637
Issue of shares	-	-	-	-
At 31 March 2016	<u>1,776,608</u>	<u>1,776,608</u>	<u>634,029</u>	<u>2,410,637</u>
At 1 January 2015	1,480,515	1,480,515	634,029	2,114,544
Issue of shares	-	-	-	-
At 31 March 2015	<u>1,480,515</u>	<u>1,480,515</u>	<u>634,029</u>	<u>2,114,544</u>

As at 31 March 2016, total authorised number of the ordinary shares is 1,776,618,036 shares with a par value of Baht 1 per share (31 December 2015: 1,776,618,036 shares with a par value of Baht 1 per share). Total issued and paid-up share capital is 1,776,607,541 shares with the paid-up of Baht 1 per share (31 December 2015: 1,776,607,541 shares with a paid-up of Baht 1 per share).

14 Dividends

At the Annual General Shareholders Meeting held on 24 March 2016, the shareholders approved cash dividend payment amounting to Baht 0.15 per share in respect of 2015 operating results totalling Baht 266.49 million. The dividends were paid to the shareholders on 25 April 2016.

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 during the period. The weighted average number of ordinary shares in issue during the three-month ended 31 March 2016 is 1,776,607,541 shares. (during the three-month ended 31 March 2015 : 1,776,607,541 shares).

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16 Cash flows from operating activities

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

	Notes	Consolidated		Company	
		31 March 2016 Baht'000	31 March 2015 Baht'000	31 March 2016 Baht'000	31 March 2015 Baht'000
Profit before tax		361,998	231,936	219,861	166,423
Adjustments for:					
Depreciation and amortisation	9	4,124	3,976	2,608	2,731
(Gain) on write-off of building and equipment		-	(185)	-	(185)
Amortisation of prepaid rent		16	16	-	-
Interest income		(6,560)	(6,791)	(6,048)	(8,189)
Interest expense		22,302	23,261	23,370	24,378
Dividend income	7	-	-	(49,980)	(112,700)
Amortisation of debenture issuance cost	11	345	382	345	382
Realised unearned rental and service income		(8,830)	(10,743)	(4,548)	(5,318)
Employee benefit obligations		1,096	1,241	1,096	1,241
Fair value adjustment on investment property	8	(57,605)	39,594	(83,920)	28,284
Share of profit from joint ventures	7	(143,771)	(128,666)	-	-
Unrealised gain on fair value adjustment on short-term investment	4	(809)	-	(809)	-
Write-off withholding tax assets		27	-	-	-
Changes in operating assets and liabilities:					
- short-term investment		314,760	(131,799)	314,760	(131,799)
- trade and other receivables		81,209	(23,982)	378,225	(11,099)
- finance lease receivables		12,495	12,787	9,372	9,656
- amounts due from related parties		(162)	(116)	(31,977)	(29,765)
- other current assets		(4,632)	-	299	-
- deposits for leasehold land		34,600	5,000	34,600	5,000
- other non-current assets		107	4,842	640	4,415
- trade and other payables		21,896	41,261	21,072	18,419
- amounts due to related parties		(335)	151	(3,185)	1,885
- other current liabilities		25,053	-	10,143	-
- unearned rental and service income		(7,770)	914	(8,581)	697
- deposits received from customers		(5,488)	8,197	6,413	6,060
- finance lease liabilities on land leases		(41,848)	(30,830)	(22,819)	(22,384)
Cash flows generated from (used in) operating activities		602,218	40,446	810,937	(51,868)

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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 24.18% of the Company's shares (31 December 2015: 23.86%). 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 2016 and 2015 are summarised as follows:

a) Revenues and expenses

	Consolidated		Company	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
For the three-month periods ended 31 March				
Rental and services income				
Subsidiaries	-	-	240	240
Group of Major Cineplex Group Public Company Limited	18,896	22,144	7,062	8,031
Related parties	7,584	7,403	5,562	5,438
	<u>26,480</u>	<u>29,547</u>	<u>12,864</u>	<u>13,469</u>
Management fee income				
Subsidiaries	-	-	14,426	12,951
Joint ventures	600	2,459	600	2,459
	<u>600</u>	<u>2,459</u>	<u>15,026</u>	<u>15,410</u>
Interest income				
Subsidiaries	-	-	1,396	3,386
Major Cineplex Group Public Company Limited	156	191	-	-
	<u>156</u>	<u>191</u>	<u>1,396</u>	<u>3,386</u>
Dividend income				
Joint ventures	-	-	49,980	112,700
	<u>-</u>	<u>-</u>	<u>49,980</u>	<u>112,700</u>
Cost of rental and service				
Subsidiaries	-	-	653	657
Management fee expense				
Major Cineplex Group Public Company Limited	2,009	2,654	1,920	2,569
Interest expenses				
Subsidiaries	-	-	1,068	1,119

17 Related party transactions (Cont'd)

a) Revenues and expenses (Cont'd)

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 specific rates on the agreements.

Interest income is charged at the rates between 2.72% to 5.00% per annum (2015: 2.72% to 5.00% per annum).

Interest expense is charged at the rates between 1.48% to 2.72% per annum (2015: 1.66% to 3.10% per annum).

b) Trade and other receivables

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Group of Major Cineplex Group Public Company Limited	215	221	-	-
Subsidiaries	-	-	-	284,997
	<u>215</u>	<u>221</u>	<u>-</u>	<u>284,997</u>

c) Amounts due from related parties

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Major Cineplex Group Public Company Limited	1,495	1,339	-	-
Subsidiaries	-	-	461,825	429,854
Joint ventures	6	-	6	-
	<u>1,501</u>	<u>1,339</u>	<u>461,831</u>	<u>429,854</u>

17 Related party transactions (Cont'd)

d) Short-term loans to related parties

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Major Cineplex Group Public Company Limited	23,000	23,000	-	-
Subsidiaries	-	-	318,500	318,500
	<u>23,000</u>	<u>23,000</u>	<u>318,500</u>	<u>318,500</u>

Movement of short-term loans to subsidiaries during the periods are as follows:

	Company Baht'000
For the three-month period ended 31 March 2016	
Beginning balance	79,056
Loans made during the period	285,000
Loans repayments during the period	<u>(45,556)</u>
Ending balance	<u>318,500</u>

Short-term loans to subsidiaries are repayable upon demand, bearing interest at the rates of 5.00% per annum. (2015: 5.00% per annum).

Short-term loans to Major Cineplex Group Public Company Limited are repayable upon demand, bearing interest at the rate of 2.72% per annum. (2015: 2.72% per annum).

e) Amounts due to related parties

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Major Cineplex Group Public Company Limited	29,009	30,972	7,999	9,104
Subsidiaries	-	-	6,010	9,138
	<u>29,009</u>	<u>30,972</u>	<u>14,009</u>	<u>18,242</u>

17 Related party transactions (Cont'd)

f) Short-term loans from subsidiaries

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Subsidiaries	-	-	249,450	275,000
	-	-	249,450	275,000

Movement of short-term loans from subsidiaries during the periods are as follows:

	Company Baht'000
For the three-month period ended 31 March 2016	
Beginning balance	275,000
Loans received during the period	77,650
Loans repaid during the period	<u>(103,200)</u>
Ending balance	<u>249,450</u>

As at 31 March 2016, 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 1.48% to 2.72% per annum. (2015: 1.66% to 3.10% per annum).

g) Unearned rental and service income

As at 31 March 2016, the unearned rental and service income of a subsidiary includes unearned income received from Major Cineplex Group Public Company Limited amounting to Baht 92 million (31 December 2015: Baht 94 million).

17 Related party transactions (Cont'd)

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 as follows:

	Consolidated and Company	
	31 March 2016 Baht'000	31 March 2015 Baht'000
Short-term benefits	5,052	4,835
Post-employment benefits	557	570
	<u>5,609</u>	<u>5,405</u>

18 Commitments and contingencies

Bank guarantees

As at 31 March 2016, the Group has outstanding letters of guarantee amounting to Baht 53 million (31 December 2015: Baht 51 million) issued by the Group's bankers in respect of normal business operations.

Operating lease commitments

The Group leases land under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated		Company	
	31 March 2016 Baht'000	31 December 2015 Baht'000	31 March 2016 Baht'000	31 December 2015 Baht'000
Less than 1 year	14,227	3,257	12,577	1,607
Over than 1 year but not later than 5 years	11,010	2,222	10,323	1,122
	<u>25,237</u>	<u>5,479</u>	<u>22,900</u>	<u>2,729</u>

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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 presents investment property using cost method whereas financial statements applying 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 2016			
Revenues			
Rental and service income	338,673		
Finance and interest income	6,560		
Other income	20,445		
Share of profit from joint ventures	63,288		
Total revenues	428,966	80,483 ¹	509,449
Expenses			
Cost of rental and service	220,223		
Selling and administrative expenses	56,088		
Total expenses	276,311	(151,162) ²	125,149
Profit before finance costs	152,655	231,645	384,300
Finance costs	(22,302)	-	(22,302)
Profit before tax	130,353	231,645	361,998
Income tax expenses	(16,912)	(30,216) ³	(47,128)
Profit for the period	113,441	201,429	314,870
Profit attributable to			
Owners of the parent	107,458	203,540	310,998
Non-controlling interests	5,983	(2,111)	3,872
	113,441	201,429	314,870
Fair value adjustment on investment property, net	201,429	(201,429)	-
Profit for the period after fair value adjustment on investment property	314,870	-	314,870

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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 2015			
Revenues			
Rental and service income	329,557		
Finance and interest income	6,791		
Other income	7,834		
Share of profit from joint ventures	53,030		
Total revenues	<u>397,212</u>	<u>75,636¹</u>	<u>472,848</u>
Expenses			
Cost of rental and service	215,835		
Selling and administrative expenses	55,654		
Total expenses	<u>271,489</u>	<u>(53,838)²</u>	<u>217,651</u>
Profit before finance costs	125,723	129,474	255,197
Finance costs	(23,261)	-	(23,261)
Profit before tax	102,462	129,474	231,936
Income tax expenses	(8,517)	(10,334) ³	(18,851)
Profit for the period	<u>93,945</u>	<u>119,140</u>	<u>213,085</u>
Profit attributable to			
Owners of the parent	88,645	118,117	206,762
Non-controlling interests	5,300	1,023	6,323
	<u>93,945</u>	<u>119,140</u>	<u>213,085</u>
Fair value adjustment on investment property, net	<u>119,140</u>	<u>(119,140)</u>	<u>-</u>
Profit for the period after fair value adjustment on investment property	<u>213,085</u>	<u>-</u>	<u>213,085</u>

Additional explanation on adjustment

¹ Adjustment relates to share of profit of joint ventures due to differences in value of investment property between cost method and fair value method.

² Adjustment to operating expenses as a result of depreciation accounted for under cost method and adjustment of change in fair value of investment property.

³ Adjustment to income tax expense as a result of deferred income tax relating to the fair value measurement of investment property.