

SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 2017

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Siam Future Development Public Company Limited

I have reviewed the interim consolidated financial information of Siam Future Development Public Company Limited and its subsidiaries, and the separate financial information of Siam Future Development Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 September 2017, the consolidated and separate statements of income, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information 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 accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
8 November 2017

Siam Future Development Public Company Limited
Statement of Financial Position
As at 30 September 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 September 2017 Baht'000	Audited 31 December 2016 Baht'000	Unaudited 30 September 2017 Baht'000	Audited 31 December 2016 Baht'000
Assets					
Current assets					
Cash and cash equivalents		52,611	25,198	39,519	9,943
Short-term investments	3, 4	94,977	171,241	94,977	171,241
Trade and other receivables	5	148,982	126,410	103,184	81,490
Finance lease receivables due within one year	6	25,380	29,480	18,178	22,613
Amounts due from related parties	16 c)	10,031	6,474	639,799	548,295
Short-term loans to related parties	16 d)	15,900	18,150	93,000	206,000
Other current assets		16,564	13,679	3,863	-
Total current assets		364,445	390,632	992,520	1,039,582
Non-current assets					
Restricted cash		605	605	-	-
Finance lease receivables	6	536,737	605,180	340,968	401,865
Investments in subsidiaries	7	-	-	257,925	257,925
Investments in joint ventures	7	5,067,641	4,649,303	1,978,581	1,978,581
Prepaid rent, net		918	967	-	-
Investment property	3, 8	9,641,299	9,102,952	4,676,415	4,177,371
Building and equipment, net	9	63,162	58,198	30,880	27,737
Intangible assets, net	9	34,427	13,847	29,681	9,410
Deposits for leasehold land		49,387	49,387	49,387	49,387
Other non-current assets		46,395	49,253	40,583	42,630
Total non-current assets		15,440,571	14,529,692	7,404,420	6,944,906
Total assets		15,805,016	14,920,324	8,396,940	7,984,488

Director Director

The notes to the consolidated and separate 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 September 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 September 2017 Baht'000	Audited 31 December 2016 Baht'000	Unaudited 30 September 2017 Baht'000	Audited 31 December 2016 Baht'000
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institution		849,502	349,583	849,502	349,583
Trade and other payables	10	234,731	140,301	178,841	93,321
Amounts due to related parties	16 e)	3,866	18,808	13,078	13,999
Short-term loans from subsidiaries	16 f)	-	-	295,100	272,650
Current portion of unearned rental and service income		50,115	39,196	18,719	13,491
Current portion of long-term borrowings	11	104,000	699,389	104,000	699,389
Finance lease liabilities on land leases - current portion		164,088	124,330	157,995	101,260
Corporate income tax payable		2,283	10,469	-	2,025
Other current liabilities		195,167	238,681	129,225	136,990
Total current liabilities		1,603,752	1,620,757	1,746,460	1,682,708
Non-current liabilities					
Unearned rental and service income		356,577	358,893	50,860	39,065
Long-term borrowings	11	890,234	499,406	890,234	499,406
Deposits received from customers		474,416	488,689	284,355	290,578
Deferred tax liabilities		1,003,650	957,134	440,346	404,448
Finance lease liabilities on land leases		1,316,705	1,326,235	812,120	838,815
Employee benefit obligations		40,728	37,508	40,728	37,508
Total non-current liabilities		4,082,310	3,667,865	2,518,643	2,109,820
Total liabilities		5,686,062	5,288,622	4,265,103	3,792,528

The notes to the consolidated and separate 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 September 2017

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital	1,776,618	1,776,618	1,776,618	1,776,618
Issued and paid-up share capital	1,776,608	1,776,608	1,776,608	1,776,608
Share premium	634,029	634,029	634,029	634,029
Retained earnings				
Appropriated - legal reserve	177,666	177,666	177,666	177,666
Unappropriated	6,683,335	6,213,232	1,543,980	1,604,103
Other components of equity	(446)	(446)	(446)	(446)
Equity attributable to owners				
of the parent	9,271,192	8,801,089	4,131,837	4,191,960
Non-controlling interests	847,762	830,613	-	-
Total equity	10,118,954	9,631,702	4,131,837	4,191,960
Total liabilities and equity	15,805,016	14,920,324	8,396,940	7,984,488

The notes to the consolidated and separate 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 September 2017

	Consolidated		Separate	
	financial information		financial information	
Note	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Rental and service income	344,455	341,409	191,471	195,111
Finance and interest income	5,384	6,508	5,137	8,027
Other income	9,502	5,326	34,407	29,632
Share of profit from joint venture	193,719	140,763	-	-
Total revenues	553,060	494,006	231,015	232,770
Expenses				
Cost of rental and service	136,816	130,120	77,736	77,914
Fair value adjustment on investment property, net	(20,157)	(3,540)	(40,961)	22,836
Selling expenses	7,095	8,555	6,135	6,320
Administrative expenses	45,406	46,542	40,680	42,234
Management's remuneration	3,597	4,339	3,597	4,339
Total expenses	172,757	186,016	87,187	153,643
Profit before financial costs and income tax				
	380,303	307,990	143,828	79,127
Financial costs	(16,611)	(18,229)	(17,761)	(19,428)
Profit before tax	363,692	289,761	126,067	59,699
Income tax	(33,656)	(33,202)	(25,273)	(12,125)
Profit for the period	330,036	256,559	100,794	47,574
Profit attributable to:				
Owners of the parent	324,240	242,434	100,794	47,574
Non-controlling interests	5,796	14,125	-	-
	330,036	256,559	100,794	47,574
Earnings per share				
	14			
Basic earnings per share (Baht)	0.18	0.14	0.06	0.03

The notes to the consolidated and separate 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 September 2017

	Consolidated		Separate	
	financial information	financial information	financial information	financial information
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Profit for the period	330,036	256,559	100,794	47,574
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>330,036</u>	<u>256,559</u>	<u>100,794</u>	<u>47,574</u>
Total comprehensive income attributable to:				
Owners of the parent	324,240	242,434	100,794	47,574
Non-controlling interests	5,796	14,125	-	-
	<u>330,036</u>	<u>256,559</u>	<u>100,794</u>	<u>47,574</u>

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

Siam Future Development Public Company Limited
Statement of Income (Unaudited)
For the nine-month period ended 30 September 2017

	Notes	Consolidated financial information		Separate financial information	
		2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Revenues					
Rental and service income		1,016,448	1,033,215	572,309	586,580
Finance and interest income		17,032	19,715	17,465	22,605
Dividends income		-	-	54,162	53,448
Other income		24,522	31,196	97,300	94,598
Share of profit from joint venture	7	468,318	437,763	-	-
Total revenues		1,526,320	1,521,889	741,236	757,231
Expenses					
Cost of rental and service		409,906	397,366	231,880	229,710
Fair value adjustment on investment property, net	8	(40,946)	(3,884)	(52,865)	(8,671)
Selling expenses		21,270	23,241	18,143	18,207
Administrative expenses		145,980	137,599	131,064	123,713
Management's remuneration	16 h)	11,115	15,033	11,115	15,033
Total expenses		547,325	569,355	339,337	377,992
Profit before financial costs and income tax		978,995	952,534	401,899	379,239
Financial costs		(52,991)	(57,455)	(56,361)	(61,012)
Profit before tax		926,004	895,079	345,538	318,227
Income tax		(79,419)	(95,885)	(50,346)	(53,074)
Profit for the period		846,585	799,194	295,192	265,153
Profit attributable to:					
Owners of the parent		825,418	772,049	295,192	265,153
Non-controlling interests		21,167	27,145	-	-
		846,585	799,194	295,192	265,153
Earnings per share					
	14				
Basic earnings per share (Baht)		0.46	0.43	0.17	0.15

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

Siam Future Development Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2016

	Consolidated		Separate	
	financial information		financial information	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Profit for the period	846,585	799,194	295,192	265,153
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>846,585</u>	<u>799,194</u>	<u>295,192</u>	<u>265,153</u>
Total comprehensive income attributable to:				
Owners of the parent	825,418	772,049	295,192	265,153
Non-controlling interests	21,167	27,145	-	-
	<u>846,585</u>	<u>799,194</u>	<u>295,192</u>	<u>265,153</u>

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

Siam Future Development Public Company Limited
Statement of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2017

Consolidated financial information							
Attributable to owners of the parent							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings	Other component of equity	Non-controlling interests	Total equity
Note	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
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	-	-	-	(266,483)	-	-	(266,483)
Dividend paid from a subsidiary to non-controlling interests	-	-	-	-	-	(3,332)	(3,332)
Total comprehensive income for the period	-	-	-	772,049	-	27,145	799,194
Closing balance 30 September 2016	1,776,608	634,029	177,666	6,021,304	(446)	826,221	9,435,382
Opening balance 1 January 2017	1,776,608	634,029	177,666	6,213,232	(446)	830,613	9,631,702
Dividends	-	-	-	(355,315)	-	-	(355,315)
Dividend paid from a subsidiary to non-controlling interests	-	-	-	-	-	(4,018)	(4,018)
Total comprehensive income for the period	-	-	-	825,418	-	21,167	846,585
Closing balance 30 September 2017	1,776,608	634,029	177,666	6,683,335	(446)	847,762	10,118,954

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

Siam Future Development Public Company Limited
Statement of Changes in Equity (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2017

Separate financial information (Unaudited)

	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings	Other component of equity	Total equity
Note	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
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	-	-	-	(266,483)	-	(266,483)
Total comprehensive income for the period	-	-	-	265,153	-	265,153
Closing balance 30 September 2016	<u>1,776,608</u>	<u>634,029</u>	<u>177,666</u>	<u>1,578,574</u>	<u>(446)</u>	<u>4,166,431</u>
Opening balance 1 January 2017	1,776,608	634,029	177,666	1,604,103	(446)	4,191,960
Dividends	-	-	-	(355,315)	-	(355,315)
Total comprehensive income for the period	-	-	-	295,192	-	295,192
Closing balance 30 September 2017	<u>1,776,608</u>	<u>634,029</u>	<u>177,666</u>	<u>1,543,980</u>	<u>(446)</u>	<u>4,131,837</u>

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

Siam Future Development Public Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2017

	Notes	Consolidated financial information		Separate financial information	
		2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Cash flows from operating activities					
Cash generated from operating activities	15	427,510	967,646	218,975	730,075
Interest paid		(57,183)	(61,302)	(60,744)	(68,889)
Income tax paid		(45,732)	(55,310)	(19,387)	(20,086)
Income tax received		-	5,880	-	5,880
Net cash generated from operating activities		324,595	856,914	138,844	646,980
Cash flows from investing activities					
Purchases of intangible assets		(23,710)	(1,439)	(23,379)	(1,439)
Purchases of property, equipment and investment property		(262,104)	(244,493)	(215,278)	(122,066)
Short-term loans made to related parties	16 d)	-	-	(1,100)	(294,500)
Short-term loans repayments received from related parties	16 d)	2,250	4,850	114,100	128,556
Proceeds from disposals of equipment		688	-	688	-
Dividends received	7	49,980	49,980	54,162	338,445
Interest received		765	950	122	108
Net cash (used in) generated from investing activities		(232,131)	(190,152)	(70,685)	49,104
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		1,199,919	349,217	1,199,919	349,217
Proceeds from short-term loans from subsidiaries	16 f)	-	-	55,300	140,900
Proceeds from long-term borrowings from financial institution	11	494,363	-	494,363	-
Repayments to short-term loans from financial institutions		(700,000)	-	(700,000)	-
Repayments to short-term loans from subsidiaries	16 f)	-	-	(32,850)	(157,050)
Redemption of debentures	11	(700,000)	(750,000)	(700,000)	(750,000)
Dividends paid from a subsidiary to non-controlling interests		(4,018)	(3,332)	-	-
Dividends paid	13	(355,315)	(266,483)	(355,315)	(266,483)
Net cash used in financing activities		(65,051)	(670,598)	(38,583)	(683,416)
Net increase (decrease) in cash and cash equivalents		27,413	(3,836)	29,576	12,668
Cash and cash equivalents, beginning balance		25,198	33,499	9,943	2,439
Cash and cash equivalents, ending balance		<u>52,611</u>	<u>29,663</u>	<u>39,519</u>	<u>15,107</u>

The notes to the consolidated and separate 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 nine-month period ended 30 September 2017

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated		Separate	
	financial information		financial information	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Accounts payable arisen as a result of purchases of building, equipment and investment property	10,239	25,938	9,923	25,040
Accounts payable arisen as a result of purchases of intangible assets	-	260	-	260
Investment property increased due to reversal of finance lease contracts	51,613	735	49,849	-
Increase in finance lease liabilities on land leases	140,848	231,526	140,848	231,526

The notes to the consolidated and separate 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'.

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 8 November 2017.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. 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 2016.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is 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 2016.

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.

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

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

Management has assessed and considered that the above revised standards do not have significantly impact to the Group.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profits.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale according to TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

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 2016.

3 Fair value

Certain financial assets are carrying at fair value, measured by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents financial assets that are measured and recognised at fair value at 30 September 2017.

	Consolidated financial information		
	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets			
Short-term investments - trading securities	94,977	-	94,977
Investment property	-	9,641,299	9,641,299
	Separate financial information		
	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets			
Short-term investments - trading securities	94,977	-	94,977
Investment property	-	4,676,415	4,676,415

The following table presents financial assets that are measured and recognised at fair value at 31 December 2016.

	Consolidated financial information		
	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets			
Short-term investments - trading securities	171,241	-	171,241
Investment property	-	9,102,952	9,102,952
	Separate financial information		
	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets			
Short-term investments - trading securities	171,241	-	171,241
Investment property	-	4,177,371	4,177,371

There was no change in valuation techniques during the period.

4 Short-term investments

As at 30 September 2017 and 31 December 2016, the Group had short-term investments as follows:

	Consolidated and separate financial information			
	30 September 2017		31 December 2016	
	Cost Baht'000	Fair Value Baht'000	Cost Baht'000	Fair Value Baht'000
Short-term investments				
Trading securities - investment units	94,833	94,977	170,628	171,241

During the quarter ended 30 September 2017, the movements of trading securities are as follows:

	Trading securities	
	For three-month period	For nine-month period
	Consolidated and separate financial information Baht'000	Consolidated and separate financial information Baht'000
Book value - beginning balance	237,613	171,241
Addition	67,000	433,500
Disposal	(209,909)	(510,254)
Change in fair value of trading securities	273	490
Book value - ending balance	94,977	94,977

5 Trade and other receivables

	Consolidated financial information		Separate financial information	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables	107,708	86,932	77,107	54,837
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade receivables, net	107,708	86,932	77,107	54,837
Prepayment	18,660	5,008	13,403	2,755
Property tax receivable	19,494	20,758	10,994	12,421
Other receivables	3,120	13,712	1,680	11,477
	148,982	126,410	103,184	81,490

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated financial information		Separate financial information	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Baht'000	Baht'000	Baht'000	Baht'000
Current	63,368	57,482	38,220	30,451
Overdue 1 to 6 months	40,704	10,548	34,660	5,757
Overdue 7 to 12 months	3,636	3,380	4,227	3,189
Overdue over 12 months	-	15,522	-	15,440
	107,708	86,932	77,107	54,837
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	107,708	86,932	77,107	54,837

6 Finance lease receivables

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
The gross receivable in the lease contracts				
Due within 1 year	46,057	54,279	31,960	40,473
Due within 2 to 5 years	168,997	207,306	109,241	148,934
Due later than 5 years	573,087	633,475	358,270	404,125
	<u>788,141</u>	<u>895,060</u>	<u>499,471</u>	<u>593,532</u>
The present value of minimum lease receivable				
Due within 1 year	25,380	29,480	18,178	22,613
Due within 2 to 5 years	90,891	116,336	58,683	85,815
Due later than 5 years	445,846	488,844	282,285	316,050
	<u>536,737</u>	<u>605,180</u>	<u>340,968</u>	<u>401,865</u>
	562,117	634,660	359,146	424,478
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>562,117</u>	<u>634,660</u>	<u>359,146</u>	<u>424,478</u>
The unearned finance income	<u>226,024</u>	<u>260,400</u>	<u>140,325</u>	<u>169,054</u>

7 Investments in subsidiaries and investments in joint ventures

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

	Consolidated financial information Baht'000	Separate financial information Baht'000
Investments in subsidiaries		
For the nine-month period ended 30 September 2017		
Opening book value		257,925
Additional (disposal)		-
Closing book value		<u>257,925</u>
Investments in joint ventures		
For the nine-month period ended 30 September 2017		
Opening book value	4,649,303	1,978,581
Dividends received	(49,980)	-
Share of profit from joint ventures	468,318	-
Closing book value	<u>5,067,641</u>	<u>1,978,581</u>

During 2017, the shareholders of the joint venture approved a dividends payment at Baht 0.34 per share, (2016: Baht 0.34 per share). The dividends were paid to the Company on 31 March 2017, amounting to Baht 49.98 million (2016: Baht 49.98 million).

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

The details of investments in subsidiaries and investments in joint ventures as at 30 September 2017 and 31 December 2016 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 financial information Baht'000</u>	<u>Separate financial information Baht'000</u>
For the nine-month period ended 30 September 2017		
Investment property as at 1 January 2017	9,102,952	4,177,371
Additions	423,225	395,611
Fair value adjustment	115,122	103,433
Investment property as at 30 September 2017	<u>9,641,299</u>	<u>4,676,415</u>
	<u>Consolidated financial information Baht'000</u>	<u>Separate financial information Baht'000</u>
Income statement for the nine-month period ended 30 September 2017		
Increase in fair value adjustment	115,122	103,433
Finance costs from recording investment property	(74,176)	(50,568)
Fair value adjustment on investment property, net	<u>40,946</u>	<u>52,865</u>

9 Building and equipment and intangible assets, net

	Consolidated financial information		Separate financial information	
	Building and equipment Baht'000	Intangible assets Baht'000	Building and equipment Baht'000	Intangible assets Baht'000
For the nine-month period ended 30 September 2017				
Opening net book amount	58,198	13,847	27,737	9,410
Additions	20,483	23,450	11,908	23,119
Write-off / disposal	(519)	-	(519)	-
Depreciation and amortisation	(15,000)	(2,870)	(8,246)	(2,848)
Closing net book amount	63,162	34,427	30,880	29,681

10 Trade and other payables

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Trade payables	56,889	10,889	53,556	5,533
Accrued expenses	130,251	75,734	88,121	44,143
Retention payable	17,751	10,028	15,858	8,209
Accrued interest expense	7,242	11,434	7,242	11,434
Others	22,598	32,216	14,064	24,002
	234,731	140,301	178,841	93,321

11 Borrowings

	Consolidated and separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000
Current		
Current portion of long-term borrowings	104,000	-
Current portion of debentures	-	699,389
Non-current		
Non-current portion of long-term borrowings	390,800	-
Non-current portion of debentures	499,434	499,406
Total	994,234	1,198,795

Movements in borrowings are analysed as follows:

For the nine-month periods ended 30 September	Consolidated and separate financial information	
	2017 Baht'000	2016 Baht'000
Opening amount	1,198,795	1,947,810
Addition of long-term borrowings during the period	494,363	-
Redemption of debentures	(700,000)	(750,000)
Amortisation of debentures issuance cost	1,076	773
Closing amount	994,234	1,198,583

As at 30 September 2017, outstanding debentures comprise 500,000 units with face value of Baht 1,000 per unit of unsubordinated and unsecured debentures, totalling Baht 500 million, bearing interest of 5.00% per annum and mature on 27 January 2020.

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 2017. The estimated average annual tax rate used are 15% to 20% for the Group and 20% for the Company.

13 Dividends

2017

At the Annual General Shareholders Meeting held on 21 March 2017, the shareholders approved cash dividend payment amounting to Baht 0.20 per share in respect of 2016 operating results totalling Baht 355.32 million. The dividends were paid to the shareholders on 18 April 2017.

2016

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.

14 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 and nine-month ended 30 September 2017 is 1,776,607,541 shares (during the three-month and nine-month ended 30 September 2016: 1,776,607,541 shares).

15 Cash flows from operating activities

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

	Notes	Consolidated financial information		Separate financial information	
		30 September 2017 Baht'000	30 September 2016 Baht'000	30 September 2017 Baht'000	30 September 2016 Baht'000
Profit before income tax		926,004	895,079	345,538	318,227
Adjustments for:					
Depreciation and amortisation	9	17,870	12,920	11,094	8,040
Gain on disposal of equipment		(169)	-	(169)	-
Amortisation of prepaid rent		49	49	-	-
Interest income		(17,032)	(19,715)	(17,465)	(22,605)
Interest expense		52,991	57,455	56,361	61,012
Dividends income		-	-	(54,162)	(53,448)
Amortisation of debenture issuance cost	11	1,076	773	1,076	773
Realised unearned rental and service income		(23,367)	(26,224)	(9,257)	(12,697)
Employee benefit obligations		3,220	3,286	3,220	3,286
Fair value adjustment on investment property	8	(40,946)	(3,884)	(52,865)	(8,671)
Share of profit from joint ventures	7	(468,318)	(437,763)	-	-
Unrealised gain on fair value adjustment on short-term investment	4	(490)	(1,385)	(490)	(1,385)
Write-off withholding tax		85	156	-	74
Changes in operating assets and liabilities:					
- short-term investment		76,754	441,572	76,754	441,572
- trade and other receivables		(22,715)	94,656	(15,537)	100,290
- finance lease receivable		37,342	38,239	26,669	28,363
- amounts due from related parties		(3,557)	(5,011)	(91,504)	(101,886)
- other current assets		1,673	(6,818)	(949)	(900)
- deposits for leasehold land		-	33,297	-	33,297
- other non-current assets		2,858	1,677	2,047	1,919
- trade and other payables		96,508	36,985	85,474	22,424
- amounts due to related parties		(1,713)	(6,502)	2,224	(2,007)
- other current liabilities		(43,514)	10,811	(7,765)	4,249
- unearned rental and service income		31,970	(22,033)	26,280	(9,658)
- deposit received from customers		(14,273)	(8,030)	(6,223)	4,178
- finance lease liabilities on land leases		(184,796)	(121,944)	(161,376)	(84,372)
Cash flows received from operating activities		427,510	967,646	218,975	730,075

16 Related party transactions

Siam Future Development Public Company Limited is an associate of Major Cineplex Group Public Company Limited which owns 25.27% of the Company's shares (31 December 2016: 24.89%). 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 and nine-month periods ended 30 September 2017 and 2016 are summarised as follows:

a) Revenues and expenses

	Consolidated financial information		Separate financial information	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
For the three-month periods ended 30 September				
Rental and services income				
Subsidiaries	-	-	240	240
Group of Major Cineplex Group Public Company Limited	20,003	19,909	7,479	7,389
Related parties	7,401	7,607	5,606	5,499
	<u>27,404</u>	<u>27,516</u>	<u>13,325</u>	<u>13,128</u>
Management fee income				
Subsidiaries	-	-	13,845	13,691
Joint ventures	1,350	1,350	1,350	1,350
	<u>1,350</u>	<u>1,350</u>	<u>15,195</u>	<u>15,041</u>
Interest income				
Subsidiaries	-	-	1,640	3,413
Major Cineplex Group Public Company Limited	119	135	-	-
	<u>119</u>	<u>135</u>	<u>1,640</u>	<u>3,413</u>
Costs of rental and services				
Subsidiaries	-	-	641	652
Management fee expense				
Major Cineplex Group Public Company Limited	1,780	1,551	1,686	1,462
Interest expense				
Subsidiaries	-	-	1,149	1,199

16 Related party transactions (Cont'd)

a) Revenues and expenses (Cont'd)

	Consolidated financial information		Separate financial information	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
For the nine-month periods ended 30 September				
Rental and services income				
Subsidiaries	-	-	720	720
Group of Major Cineplex Group Public Company Limited	58,610	60,712	22,249	22,999
Related parties	21,959	22,863	16,523	16,643
	<u>80,569</u>	<u>83,575</u>	<u>39,492</u>	<u>40,362</u>
Management fee income				
Subsidiaries	-	-	40,535	42,230
Joint ventures	4,050	3,300	4,050	3,300
	<u>4,050</u>	<u>3,300</u>	<u>44,585</u>	<u>45,530</u>
Interest income				
Subsidiaries	-	-	6,157	8,665
Major Cineplex Group Public Company Limited	364	446	-	-
	<u>364</u>	<u>446</u>	<u>6,157</u>	<u>8,665</u>
Dividend income				
Subsidiaries	-	-	4,182	3,468
Joint venture	-	-	49,980	49,980
	<u>-</u>	<u>-</u>	<u>54,162</u>	<u>53,448</u>
Costs of rental and services				
Subsidiaries	-	-	1,924	1,958
Management fee expense				
Major Cineplex Group Public Company Limited	4,172	4,956	3,890	4,688
Interest expenses				
Subsidiaries	-	-	3,370	3,557

16 Related party transactions (Cont'd)

b) Trade and other receivables

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Group Major Cineplex Group Public Company Limited	4,817	33	2,467	-
Related parties	420	8	420	8
	<u>5,237</u>	<u>41</u>	<u>2,887</u>	<u>8</u>

c) Amounts due from related parties

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Subsidiaries	-	-	629,799	541,995
Joint venture	10,000	6,300	10,000	6,300
Major Cineplex Group Public Company Limited	31	174	-	-
	<u>10,031</u>	<u>6,474</u>	<u>639,799</u>	<u>548,295</u>

d) Short-term loans to related parties

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Subsidiaries	-	-	93,000	206,000
Major Cineplex Group Public Company Limited	15,900	18,150	-	-
	<u>15,900</u>	<u>18,150</u>	<u>93,000</u>	<u>206,000</u>

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

	Consolidated financial information Baht'000	Separate financial information Baht'000
For the nine-month period ended 30 September 2017		
Beginning balance	18,150	206,000
Loans made during the period	-	1,100
Repayments received during the period	(2,250)	(114,100)
Ending balance	<u>15,900</u>	<u>93,000</u>

Short-term loans to subsidiaries are repayable on demand, bearing interest at the rate of 5.00% per annum (31 December 2016: 5.00% per annum).

Short-term loans to Major Cineplex Group Public Company Limited are repayable on demand, bearing interest at the rate of 2.72% per annum (31 December 2016: 2.72% per annum).

16 Related party transactions (Cont'd)

e) Amounts due to related parties

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000	30 September 2017 Baht'000	31 December 2016 Baht'000
Subsidiaries	-	-	10,628	8,895
Major Cineplex Group Public Company Limited	3,866	18,808	2,450	5,104
	<u>3,866</u>	<u>18,808</u>	<u>13,078</u>	<u>13,999</u>

f) Short-term loans from subsidiaries

	Separate financial information	
	30 September 2017 Baht'000	31 December 2016 Baht'000
Subsidiaries	295,100	272,650

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

	Separate financial information Baht'000
For the nine-month period ended 30 September 2017	
Beginning balance	272,650
Loans received during the period	55,300
Loans repaid during the period	(32,850)
Ending balance	<u>295,100</u>

Short-term loans from subsidiaries represent unsecured loans denominated in Thai Baht, and are repayable on demand. The loans bear interest at the rates of 1.24% to 2.72% per annum. (31 December 2016: 1.26% to 2.72% per annum).

g) Unearned rental and service income

As at 30 September 2017, the unearned rental and service income of a subsidiary includes unearned income received from Major Cineplex Group Public Company Limited amounting to Baht 83 million (31 December 2016: Baht 87 million).

16 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;

For the nine-month period ended	Consolidated and separate financial information	
	30 September 2017	30 September 2016
	Baht'000	Baht'000
Short-term benefits	10,240	13,662
Post-employment benefits	875	1,371
	11,115	15,033

17 Commitments and contingencies

Bank guarantees

As at 30 September 2017, the Group has outstanding letters of guarantee amounting to Baht 55 million (31 December 2016: Baht 52 million) issued by bankers in respect of normal business operations.

Contingent liabilities - capital expenditure

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial information are as follows:

	Consolidated financial information		Separate financial information	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Baht'000	Baht'000	Baht'000	Baht'000
Less than 1 year	4,232	12,479	4,232	11,379
Over than 1 year but not later than 5 years	980	2,451	980	2,451
	5,212	14,930	5,212	13,830

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. Whereas the financial statement presents investment property using fair value method, the internal reporting provided to the chief operating decision-maker presents investment property using cost method.

Profit and loss of cost method for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

	Consolidated financial information	
	For the three-month periods ended	
	30 September 2017 Baht'000	30 September 2016 Baht'000
Revenues		
Rental and service income	344,455	341,409
Finance and interest income	5,385	6,508
Other income	9,502	5,326
Share profit from joint venture	122,192	73,960
Total revenues	481,534	427,203
Expenses		
Cost of rental and service	232,715	230,231
Selling and administrative expenses	57,033	60,186
Total expenses	289,748	290,417
Profit before finance costs and income tax	191,786	136,786
Finance costs	(16,611)	(18,229)
Profit before income taxes	175,175	118,557
Income tax	(10,276)	(12,321)
Profit for the period	164,899	106,236
Profit before fair value adjustment on investment property, net attributable to		
Owners of the parent	159,968	102,939
Non-controlling interests	4,931	3,297
	164,899	106,236
Fair value adjustment on investment property, net	165,137	150,323
Profit for the period after fair value adjustment on investment property	330,036	256,559
Profit after for value adjustment on investment property, net attributable to		
Owners of the parent	324,240	242,434
Non-controlling interests	5,796	14,125
	330,036	256,559

18 Segment information (Cont'd)

Profit and loss of cost method for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows: (Cont'd)

	Consolidated financial information	
	For the nine-month periods ended	
	30 September	30 September
	2017	2016
	Baht'000	Baht'000
Revenues		
Rental and service income	1,016,448	1,033,215
Finance and interest income	17,033	19,715
Other income	24,522	31,196
Share profit from joint venture	276,872	206,369
Total revenues	<u>1,334,875</u>	<u>1,290,495</u>
Expenses		
Cost of rental and service	692,005	682,965
Selling and administrative expenses	180,797	178,146
Total expenses	<u>872,802</u>	<u>861,111</u>
Profit before finance costs and income tax	462,073	429,384
Finance costs	(52,991)	(57,455)
Profit before income taxes	409,082	371,929
Income tax	(14,383)	(37,565)
Profit for the period	<u>394,699</u>	<u>334,364</u>
Profit before fair value adjustment on investment property, net attributable to		
Owners of the parent	380,159	319,605
Non-controlling interests	14,540	14,759
	<u>394,699</u>	<u>334,364</u>
Fair value adjustment on investment property, net	451,886	464,830
Profit for the period after fair value adjustment on investment property	<u>846,585</u>	<u>799,194</u>
Profit after fair value adjustment on investment property, net attributable to		
Owners of the parent	825,418	772,049
Non-controlling interests	21,167	27,145
	<u>846,585</u>	<u>799,194</u>