

SF 060/10

10 May 2010

Subject: Clarification of the operating results and change of accounting policy

To: President

The Stock Exchange of Thailand

Siam Future Development Public Company Limited would like to clarify the operating results for the first quarter of Y2010 ended 31 March 2010, which differ from the same period last year by more than 20%.

Due to in the first quarter of Y2010, the Company started to apply the Thai accounting standard No.40 (TAS 40) "Investment Property" by using Fair value instead of Cost method in order to reflect the current value of property. According to Fair value method, all of Company's shopping centers had to be appraised for Fair Value of Investment Property. Then compared Fair Value and Book Value at the beginning of the year and subsequently recognized the effect from change of accounting policy to Shareholders' Equity and recognized the differences of Fair value of each accounting period to Profit and Loss Statement.

The Company's financial statement has been affected from the accounting record by Fair value method as follows:

1. Assets: recorded Investment Property as Fair Value instead of Property, Plant and Equipment as Book Value
2. Liabilities: increased in Land rental throughout the land lease period as Finance lease
3. Shareholders' Equity: increased in the differences between Fair value and Book Value
4. Profit and Loss: Revenue side, record the differences of Fair Value of each accounting period. Cost side, no depreciation and amortization.

The operating results for the three-month period in the first quarter of Y2010 increased from the same period last year as a result of change of accounting policy from Cost method to Fair value method.

1. Revenues

Rental and service income of 309.54 Million Baht increased by 13.61 Million Baht or 4.6% from the same period last year due to such revenue from Nawamin City Avenue Project which started operation in July 2009.

No Revenue from finance lease contracts due to the fact that there was no new project open in Q1/10, but in the year 2009, the Company recognized such revenue from a new project, i.e. Nawamin city Avenue.

Gain from fair value adjustment on Investment Property of 26.16 Million Baht from accounting record of TAS 40.

Total Revenues of 352.12 Million Baht decreased by 52.02 Million Baht or 14.8% from the same period last year.

2. Cost and Expenses

Cost of rental and services of 124.61 Million Baht decreased by 76.98 Million Baht or 38.2% from the same period last year because there was no depreciation and amortization.

No Cost of finance lease contracts

Total Cost and Expenses of 162.86 Million Baht increased by 113.50 Million Baht or 41.1% from the same period last year.

Interest expense of 41.38 Million Baht increased by 2.83 Million Baht or 7.3% from the same period last year because of issuance 300 Million baht debenture, 3.5 years.

3. Net Profit

Net profit of 97.65 Million Baht increased by 36.54 Million Baht or 59.8% from the same period last year due to accounting record of such TAS 40.

Please be informed accordingly.

Sincerely Yours,

(Mr. Somnuk Pojkasemsin)

President