

SF 019/11

16 February 2011

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 Y2010 ended 31 December 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 and Land Rental.

The operating results for the 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 1,295.98 Million Baht increased by 72.99 Million Baht or 6% from the same period last year.

Revenue from finance lease contracts of 684.16 Million Baht increased by 496.64 Million Baht or 265% from the same period last year due to the fact that in the

4th Quarter 2010, Ratchayothin Avenue Co., Ltd., the subsidiary of the Company, sold the Leasehold of Suzuki Avenue Ratchayothin to Major Cineplex Lifestyle Leasehold Property Fund (MJLF).

Gain from fair value adjustment on Investment Property of 83.18 Million Baht from accounting record of TAS 40.

Total Revenues of 2,137.90 Million Baht increased by 573.19 Million Baht or 37% from the same period last year.

2. Cost and Expenses

Cost of rental and services of 510.18 Million Baht decreased by 331.27 Million Baht or 39% from the same period last year because there was no depreciation and amortization and Land Rental.

Cost of finance lease contracts of 274.78 Million Baht increased by 150.75 Million Baht or 122% from the same period last year because of the Sale of Leasehold of Suzuki Avenue Ratchayothin to Major Cineplex Lifestyle Leasehold Property Fund (MJLF).

Total Cost and Expenses of 977.45 Million Baht decreased by 176.24 Million Baht or 15% from the same period last year.

3. Net Profit

Net profit of 517.64 Million Baht increased by 334.65 Million Baht or 183% from the same period last year because of accounting record of such TAS 40 and the Sale of Leasehold of Suzuki Avenue Ratchayothin to Major Cineplex Lifestyle Leasehold Property Fund (MJLF).

Please be informed accordingly.

Sincerely Yours,

(Mr. Somnuk Pojkasemsin)

President