

Annual 2009 Report

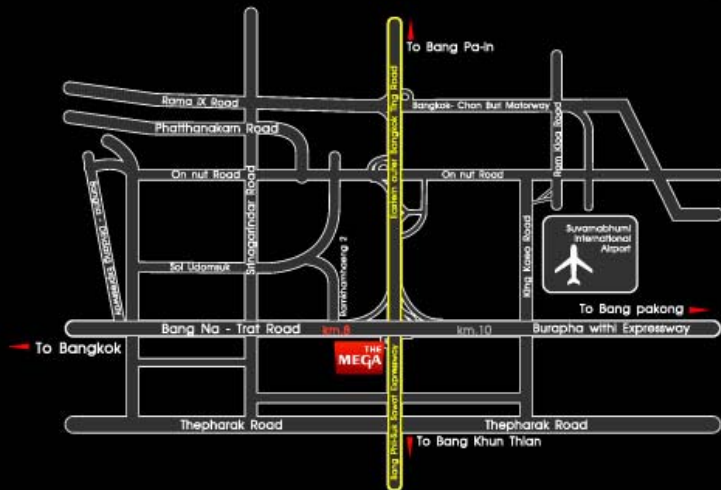
รายงานประจำปี 2552

Unlike other developers, Siam Future Development
creates a place for people and, then, for commerce.



บริษัท สยามฟิวเจอร์ดีเวลอปเมนต์ จำกัด (มหาชน)
SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

THE MEGA



Project Information

Gross size of center:	400,000 sq.m.
Gross leasable area:	200,000 sq.m.
Total site area:	240 Rais
Type of center:	Regional
Physical description:	Two-level mall
Location of trading area:	Suburban (Bangna km.8)
Development schedule:	Opening date: November 2011
Parking spaces:	8,000



บริษัท สยามฟิวเจอร์ดีเวลอปเม้นท์ จำกัด (มหาชน)
SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED



SIAM FUTURE DEVELOPMENT PUBLIC CO., LTD.

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Website: www.siamfuture.com



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Message from the Board of Directors

In 2009, the Company opened an open-air shopping center called Nawamin City Avenue Phase I Shopping Center on Kaset-Nawamin Road situated on the area of approximately 7,891 square meters. Focal point of the shopping center is to provide breeziness and lifestyle similar to those of J Avenue Shopping Center for customers on Kaset-Nawamin Road and neighboring area to create another meeting point for the new generations. Distinguished partners of this shopping center are Villa Supermarket, Gubkhao Gubpla Restaurant, Iberry Ice-Cream as well as other famous shop operators which have been opened at the Company's shopping centers, i.e. J Avenue Thonglor Shopping Center, Esplanade Ratchadapisek Shopping Center and Major Avenue Ratchayothin Shopping Center. At present the Company owns 29 shopping centers with total rental area of 235,229 square meters.

However, global financial crisis was arisen in 2009 as a result of economic crisis in the US starting from closure of financial institutions and difficulty of major investment banking corporations in the US which have an impact on Thailand as well. Together with current political situation which remains unstable due to repetitive political rally by various parties, the number of visitors coming to Thailand during the traveling season has significantly declined and thereby induced various troubles to all business sectors. Therefore, to ensure sustainable income and no difficulty to the Company during this uncertain economic situation, the Company has focused on continual renovation of the existing shopping centers to maintain the existing target customers while the new shopping centers are developed with cautiousness for the benefit of all stakeholders of the Company.

There are two shopping centers under construction in 2009, i.e. Nawamin City Avenue Phase II Shopping Center on Kaset-Nawamin Road on the area of around 7,000 square meters which is an extension of Nawamin City Avenue Phase I Shopping Center to support minor tenants.

In May 2009, the Company entered into a joint venture with IKEA stores, a leading furniture conglomerate in a global market, to develop a large shopping center called Mega Bangna Project on a total area of approximately 200,000 square meters situated on Bangna-Trade KM 8 Road. The construction has commenced this year and is expected to complete at the beginning of 2012.

Regarding operating performance for the year 2009, the Company's rental and service income amounted to THB 1,564 million, declining by 8% due to a decrease in income from financial lease compared with that in 2008. Net profit reduced by 18% from that of 2008 to THB 186 million. A decreasing income was a result of 63% reduction in income from financial lease as the number of shops under a long-term lease of Major Avenue Ratchayothin Shopping Center whose operation commenced in 2008 was greater than that of Nawamin City Avenue Phase I Shopping Center whose operation commenced in 2009.

However, considering current instability in economic situation which may cause uncertainty to the business, the Company will carefully determine new projects with an emphasis on quality of the management throughout the organization. As such, the Company will be able to develop shopping centers with stability, thereby incurring positive profit and sustainable return to the Company's shareholders in a long run. The Board of Directors continues to act upon the principles of good corporate governance, professional management with ethical and governance transparency of business operation.

Finally, past accomplishment of the Company is a result of dedication, commitment and cooperation to perform the duties at their best capability from all groups of business alliances of the Company. The Board of Directors, therefore, would like to convey a sincere appreciation to supporters, shareholders, suppliers, customers, financial institutions, financial advisors and staffs for their continuous trust and support over the past years and going forward.

(Mr. Oranop Jantaraprapa)

Chairman



Audit Committee Report

The Audit Committee of Siam Future Development Public Company Limited consists of:

- | | |
|-----------------------------|---------------------------------|
| 1. Mrs. Nantiya Montriwat | Chairman of the Audit Committee |
| 2. Mr. Dusit Nontanakorn | Member of the Audit Committee |
| 3. Mrs. Sabaithip Soontaros | Member of the Audit Committee |

In performing its duty during Year 2009, the Audit Committee has convened 4 meetings according to the quarterly review of financial statements by the auditor of the Company. In Year 2009, the Company continues to grow and has 1 project under construction. However, global economic crisis has an impact on every industry around the globe including Thailand. Thus the Audit Committee, in this year and next year, has emphasized on internal control system and reporting system as well as further development of other operational systems in order for the Company's operation to be carried out efficiently and effectively to bring about accurate and complete information for a sound and timely decision making under this uncertain economic condition. The Audit Committee has performed its duties assigned by the Company's Board of Directors strictly pursuant to the principles of good corporate governance guideline of the Stock Exchange of Thailand.

The areas in which the Audit Committee has also emphasized that the Company must strictly and seriously comply with include compliance with related accounting principles, transparent business operation according to the Company's code of conduct, compliance with related laws and regulations, ensuring that there is no conflict of interest, review of the financial statements as well as proposing the appointment of the Company's auditor. In addition, the Audit Committee has continued to perform its tasks in other areas as usual.

The Audit Committee has considered and is of the opinion that the Company's internal control system is sufficient and suitable for the Company's business according to the principles of good corporate governance and no material failure was found. The Company's financial statements were prepared in conformity with generally accepted accounting principles and the information disclosure is complete and sufficient.

The Audit Committee has considered and agreed to appoint Mr. Kajornkiet Aroonpirodkul, C.P.A number 3445 and/or Mrs. Nataporn Phanudom, C.P.A. number 3430 and/or Mr. Boonmee Ngod-Ngarmwong, C.P.A. number 3673, under the name of PricewaterhouseCoopers ABAS Company Limited as the Company's auditor and to have one of these persons conduct the audit and provide opinion on the year 2010 financial statements of the Company.

(Mrs. Nantiya Montriwat)
Chairman of the Audit Committee

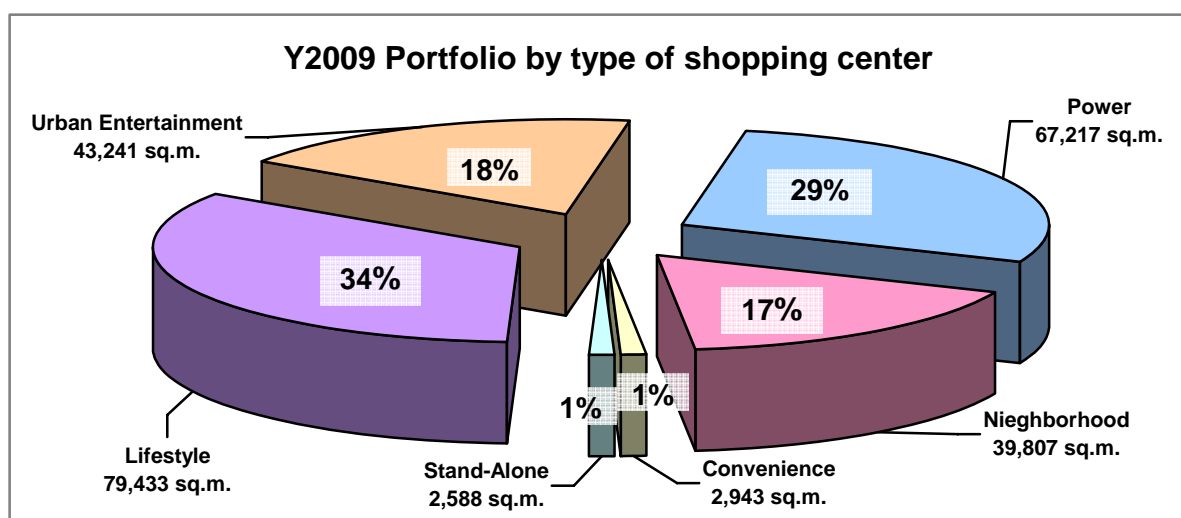


General Information

Siam Future Development Public Company Limited “Company” was incorporated on August 29, 1994 by Mr. Pongkit Suttapong and Mr. Nopporn Witoonchart with 10 Million Baht registered capital to run the business in open-air shopping center development and management.

Presently the company owns altogether 29 operating projects increasing from last year 1 new projects i.e. Nawamin City Avenue and disposed 1 project i.e. Kao Yai Market Village. Total gross leasable area is 235,229 sq.m. as follows:

Type of shopping center	Number of shopping centers	Name of Shopping Centers
Neighborhood shopping center	8	Bangbon, Pracha-Utis, Sukhapiban 3, Sukhumvit 71 (Klong Ton), Thonglor, and Thungmahamek, Piyarom Place (Soi Sukhumvit 101/1), Market Place Nawamin
Convenience shopping center	4	Ramindra Km.2, Wanghin, Ladprao Soi 120, Wanghin (Lotus Express)
Stand-alone retail store	7	Ratchadaphisek – Huay Khwang, Ratchadaphisek-Rama3, Sathorn, Bangkae, Phaholyothin Km.27, Mengjai and Tha Phra.
Power Center	3	SF Major Cineplex Cha Choeng Sao, Petchkasem Power Center, Ekkamai Power Center
Lifestyle Center	6	J Avenue Thonglor 15, The Avenue Chaeng Watthana, La Villa Phonyothin, The Avenue Pattaya, Major Avenue Ratchayothin, and Nawamin City Avenue
Urban Entertainment Center	1	Esplanade Ratchadapisek





Additionally, we have 2 under construction projects which planned to be opened within the 4th quarter of 2010, one lifestyle centers: Nawamin City Avenue (Phase II) and Mega Bangna Project, join venture with IKEA, which planned to be opened in 2012.

The Company earns its income from 4 groups of major services:

1. Income from the project rental.
2. Income from the project management services and common area maintenance (CAM).
3. Revenue from finance lease contracts ¹
4. Income from public utilities services consisting of electricity bills, water supply and telephone bills.

¹ additional details concerning accounting policy on long-term lease can be found in item 2.8 of the notes to financial statements on page 60

**Company Profile**

Siam Future Development Public Company Limited	
Registration No. :	0107545000187
Registration Date:	August 13, 2002
Address:	Esplanade Ratchadapisek 99 Ratchadapisek Road, Din Dang Bangkok, Thailand 10400.
	Tel.: 0-2660-9000 Fax: 0-2660-9010, 0-2660-9020, 0-2660-9030
	Website: http://www.siamfuture.com
Registered Capital:	1,047.09 Million Baht with 1,047.09 Million ordinary shares, par value of Baht 1 each.
Issued and Paid-up Capital:	1,026.30 Million Baht with 1,026.30 Million ordinary shares, par value of Baht 1 each.

Vision

Unlike other developers, Siam Future Development creates a place for people and then for commerce. We aim to be number one mid size mall developer in Thailand.

Membership of International Organization

Member of International Council of Shopping Center (ICSC)

Awards

- **J Avenue Thonglo 15** won *The Innovative Design and Development of a New Project* from International Council of Shopping Centers (ICSC) International Design and Development Awards 2006.
- **Major Avenue Ratchayothin** won *The Green Architecture Awards 2009* from The Association of Siamese Architects under Royal Patronage selected by Academic committee, Building Technology and Environment.

Other Reference Persons

1. <u>Securities Registrar:</u> Thailand Securities Depository Company Limited 2/1 Moo4, 2 nd Floor Capital Market Institute Building (North Park) Viphavadee Rangsit Road, Thung Song Hong, Lak see, Bangkok, Thailand 10210 Tel : 0-2596-9000 Fax: 0-2832-4995-6	2. <u>External Auditors:</u> Mr. Kajornkiet Aroonpirodkul, Certified Public Accountant No. 3445 PricewaterhouseCoopers ABAS Limited 15 th Floor Bangkok City Tower 179/74-80 south Sathorn Road, Bangkok , Thailand 10120 Tel : 0-2344-1000, 0-2286-9999 Fax: 0-2286-5050
3. <u>Bond Registrar:</u> TMB Bank Public Company Limited 393 TMB Bank Public Company Limited, Silom Soi 7 Bangrak, Bangkok, Thailand 10500 Tel : 0-2230-6295 Fax : 0-2230-6093	Kasikornthai Bank Public Company Limited 11 th Floor, Phahonyothin Office 400/22 Phahonyothin Road, Samsen nai, Phayatai, Bangkok, Thailand 10400 Tel : 0-2470-1994 Fax : 0-2470-1998



Major Accomplishments of the Company

1994	◆	Siam Future Development Public Company Limited was established with a purpose to conduct an open-air shopping center development and management services.
1995	◆	The Company's first neighborhood shopping center was opened in Bang Bon with JUSCO as the anchor tenant.
1996	◆	The 2 nd and 3 rd neighborhood shopping centers were opened in as the Pracha Uthit and Sukhapiban 3 with JUSCO and Tops Supermarket anchor tenants, respectively.
1997	◆	Registered capital was increased to Baht 20 million.
	◆	The 4 th neighborhood shopping center was opened on Sukhumvit 71 with JUSCO as the anchor tenant.
2000	◆	14 branches of B-Quik were opened in Bang Bon, Pracha Uthit, Sukhapiban3, Sukhumvit71, Ramindra K.M. 2, Wang Hin, Ratchadaphisek-Huay Kwang, Ratchadaphisek, Rama III, Sathorn, Pattanakarn, Bang Kae, Phaholyothin K.M. 27, Meng Jai and Tapra.
2002	◆	The Company's status was transformed to a public company and the registered capital increased to Baht 150 million, Baht 71 million of which being paid-up capital at par value of Baht 1 per share
	◆	The Company was listed on the MAI on 17 December 2002.
2003	◆	The 5 th and 6 th neighborhood shopping centers were opened in Thong Lo and Thung Mahamek with Tops Supermarket as the anchor tenant.
	◆	Registered capital was increased to Baht 500 million. Major Cineplex Group Public Company Limited became one of the shareholders with 25% shareholding.
	◆	The Company was granted an approval from the SET to transfer its listing from the MAI to the SET on 12 December 2003 and became effective on 1 January 2004
2004	◆	Acquired The Family Center Chaeng Watthana and Piyaom Park
	◆	Ladprao Soi 120 Convenience Center, Major Cineplex Cha Choeng Sao, the 1 st Power Center, and J Avenue Thonglor 15, the 1 st Lifestyle Center were opened.
2005	◆	Issued the Baht 1 Billion 5-year Debenture with Credit rating of BBB+
	◆	Wanghin Lotus Express was opened.
	◆	Petchkasem Power Center and Ekkamai Power Center were opened.
2006	◆	Raising Registered Capital to Baht 533.95 million by Right Offering to Existing Shareholders at the ratio of 5 current shares to 1 newly issued share.
	◆	2 New Lifestyle Centers, The Avenue Chaeng Watthana and La Villa Phahonyothin, were opened.
	◆	J Avenue Thonglor 15 won <i>The Innovative Design and Development of a New Project</i> from International Council of Shopping Centers (ICSC) International Design and Development Awards 2006
	◆	Esplanade Ratchadapisek, an urban entertainment center, was opened.
2007	◆	The Avenue Pattaya, a lifestyle center, and Kao Yai Market Village, a Power Center, were opened.
	◆	Issued the Baht 940 Million 3-year Debenture with Credit Rating of BBB+
2008	◆	One neighborhood center named Market Place Nawamin and one lifestyle center named Major Avenue Ratchayothin were opened.
2009	◆	Raising Registered Capital to Baht 1,047.09 million by Right Offering to Existing Shareholders at the ratio of 1 current shares to 1 newly issued share for investing in Bangna Project, joint venture with IKEA
	◆	Nawamin City Avenue Lifestyle center was opened.
	◆	Issued the Baht 500 million 3.5-year Debenture with Credit rating of BBB+



Financial Highlights

Siam Future Development Public Company Limited

For the fiscal year ended 31 December

Million Baht	Year 2008	Year 2009	Change in Year 2009-2008
Total Assets	7,184.72	8,604.30	19.8%
Total Liabilities	5,026.72	5,641.72	12.2%
Registered Capital	533.95	1,047.09	96.1%
Shareholders' Equity	2,158.00	2,962.58	37.3%
Total Revenues	1,697.34	1,564.71	-7.8%
Net Profit	226.42	185.88	-17.9%
Book Value per share (Baht)	3.52	2.58 ¹	-26.7%
Dividend per share (Baht)	Suspension	0.12	
Net Profit Margin	13.34%	11.88%	
Return on Equity (ROE)	11.12%	7.26%	
Return on Assets (ROA)	3.33%	2.35%	
Interest Bearing Debt to Equity Ratio	1.35	1.14	
Gross Leasable Area (sq.m.)	237,308	235,229	-0.9% ²

Note

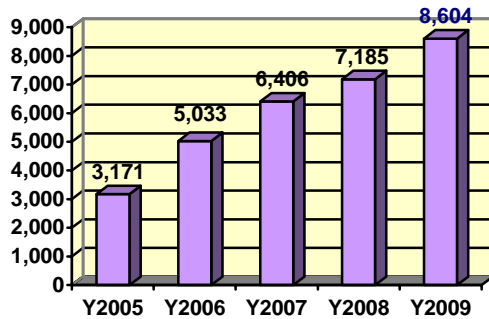
1 Dividend per share to be presented to the shareholders' meeting for approval

2 Gross Leasable Area decreased because of the disposal of Kao Yai Market Village.



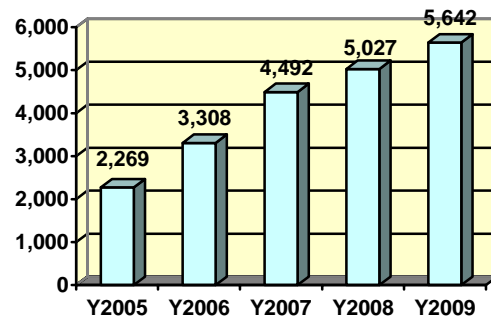
Total Assets

Million Baht



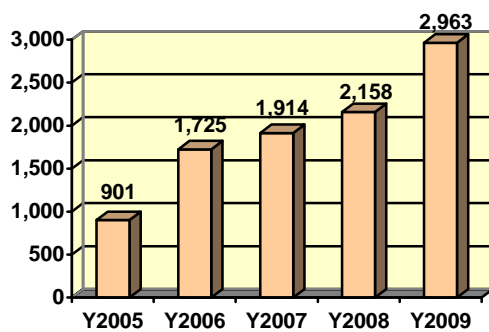
Total Liabilities

Million Baht



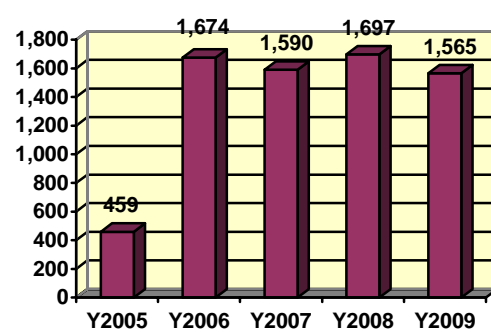
Shareholders' Equity

Million Baht



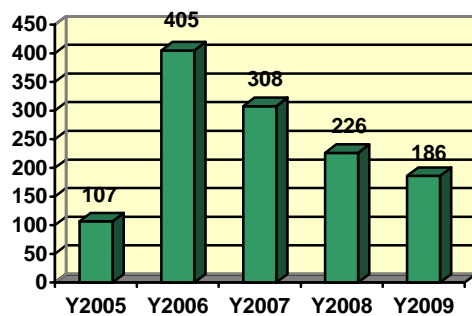
Total Revenues

Million Baht



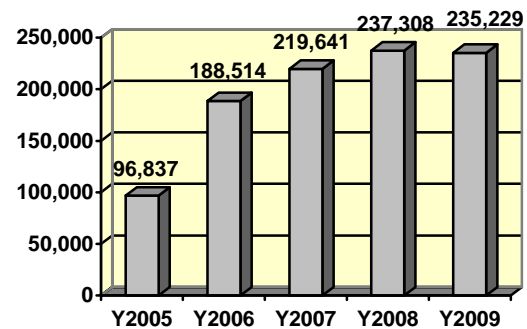
Net Profit

Million Baht



Gross Leasable Area

Sq.m.





Explanation and Analysis on the Financial Status and Operating Performance

In the second quarter of year 2006, the Company realized revenue from long-term lease as financial lease. Previously, the Company treated the revenue from long-term lease as operating lease because, according to the lease agreement, the Company is still exposed to the risk of paying the leasehold right fee back to the customers if the Company fails to comply with the agreement. The Company, however, is not exposed to such risk for the long-term lease agreement of the projects opened in year 2006 onwards such as The Avenue Chaengwattana project, La Villa Phaholyothin project, The Esplanade Ratchadapisek project, Petchakasem Avenue project (the expanded section of The Petchakasem Power Center project), The Avenue Pattaya project Market place Nawamin, and Major Avenue Ratchayothin. Therefore, the Company realized revenue from those long-term lease agreements as if it recognizes revenue from the sale of such space. The revenues from financial lease realized on the date the Company hands over rental space to customers are the leasehold right fee and the present value of monthly rental for a whole agreement period while cost of financial lease is land usage fee and the construction cost of the project.

Realizing the transaction according to the financial lease method will affect the balance sheet of the Company. For example, on the asset side, financial lease receivables will increase and Property and equipment will decrease while, on the liabilities side, the Company's land leasehold right payables will increase. In the profit & loss statement, the Company's revenue from financial lease will rise and the revenue will be realized on the hand-over date of rental space of the project. Interest income will be realized throughout the period of the lease agreement while the cost of financial lease will increase (additional details concerning accounting policy on long-term lease can be found in item 2.8 of the notes to financial statements on page 60).

Financial Status

Total Assets

As at 31 December 2009 the Company's total assets stood at Baht 8,604.30 million, an increase of Baht 1,419.58 million or 19.76% from year 2008 figure. The increment of the Company's total assets resulted from Baht 1,470 million increase in Investment in the joint venture with IKANO Pte., the subsidiary of IKEA which is the world's furniture manufacturer and distributor in order to invest in Bangna Project.

For the year 2009, the Company's net profit was Baht 185.88 million decreasing from the year 2008 by 17.90%. Therefore, return on equity (ROE) stood at 7.26% while return on asset (ROA) was 2.35% decrease from last year 11.12% and 3.33% respectively.



Total Liabilities

As at 31 December 2009, the Company's total liabilities stood at Baht 5,641.72 million, increasing by Baht 615 million or 12.23% from year 2008 figure. Such growth was due to the borrowings by Baht 446.33 million in order to invest in Bangna Project by issuing 3.5-year debenture of Baht 500 million which will redeem on 15 March 2013. Additionally, the Company's other non-current liabilities increased by Baht 172.27 million from the land upfront of Nawamin City Avenue Project, operated in July, 2009, which had not due yet.

The Company's debt to equity ratio and interest bearing debt to equity ratio equal to the year 2009 figures to 1.90 and 1.14 respectively. These ratios decreased from the previous year because of raising capital to existing shareholders. According to the covenant of debentures, the Company has to maintain Interest bearing debt ratio not more than 1.50 at the year ended.

Shareholders' Equity

The Company's total shareholders' equity stood at Baht 2,962.58 million, the growth of Baht 804.58 million or 37.28% from year 2008 figure. Such an increase was a result of the Company's net profit amounted to Baht 185.88 million and capital increase by Right Offering to existing shareholders amounted to Baht 615.78 million to invest in Bangna Project.

Operating Performance

In relation to the operating performance for the year ended 31 December 2009, the Company's total revenue amounted to Baht 1,564.71 million, decreasing by Baht 132.63 million or 7.8% from figure of the same period of the previous year. Such decrease consisted of rental and service income of Baht 1,222.99 million, the increase of Baht 105.34 million from the same period of the previous year as a result of the recognition of revenue of the projects opened in the mid of year 2008, i.e. Market Place Nawamin and Major Avenue Ratchayothin, together with the projects opened in year 2009 i.e. Nawamin City Avenue. In year 2009, the Company realized revenue from financial lease contracts in the amount of Baht 187.52 million decreasing by Baht 323.14 million, resulting from the upfront money of long lease space of Nawamin City Avenue. Additionally, the Company realized Finance and interest income in the amount of Baht 45.67 million, the increase of Baht 6.98 million or 18.04% from the same period of the previous year. Other income amounted to Baht 108.54 million increased by Baht 78.21 million from the profit from disposal of Kao Yai Market Village of Baht 96.76 million.

The Company's cost of rental and service amounted to Baht 841.45 million, the growth of Baht 54.17 million or 7% from the same period of the previous year. Cost of financial lease contracts from Nawamin City Avenue amounted to Baht 124.03 million. Accordingly, the Company's earnings before interest and tax (EBIT) amounted to Baht 413.91 million, the decrease from the same period of the previous year by Baht 201.29 million. Interest expenses was Baht 154.83 million increasing by Baht 23.94 million or 18.3% from the



borrowings to invest in Bangna Project and Net profit totaling Baht 185.88 million was less than the figure of the same period of the previous year by Baht 40.54 million or 18%.

For the year 2009, the current ratio of the Company raised from the previous year to 0.37 as a result of increase in current assets of Baht 451.72 million from Cash on hand and Short-term investment of Baht 478.60 million from the disposal of Kao Yai Market Village of Baht 160 million. Finance lease receivables due within one year increased by Baht 10.97 million from Nawamin City Avenue. The finance lease receivables consist of Upfront and Present value of annual rental and service income throughout the lease period for 15-30 years. Finance lease receivables will be declined when the tenants pay upfront and monthly rental and service income.



Nature of Business

Chronology and Major Development

Siam Future Development Public Company Limited was established on 29 August 1994 by Mr.Pongkit Suttapong and Mr.Nopporn Witoonchart with a registered capital of Baht 10 million as open shopping center developer and management service provider.

In 1995, the Company opened Bang Bon project as its first neighborhood shopping center¹ with Jusco Supermarket as the anchor tenant.

In 1996 the Company opened its second and third neighborhood shopping centers, i.e. Pracha Uthit and Sukhapiban 3 projects. At present, Jusco Supermarket and Tops Supermarket are the anchor tenants, respectively.

In 1997 the Company increased its registered capital from Baht 10 million to 20 million to support further expansion. Subsequently in 1998 the Company opened its fourth neighborhood shopping center on Sukhumvit 71 (Klong Tan) Road with Jusco Supermarket as the anchor tenant.

In 2000 the Company successfully developed and provided the business premises for B-Quik Service Company Limited, an auto service company under the name of "B-Quik" under its 14 branches. The Company developed 2 branches as convenience centers² and 8 branches as stand-alone retail stores³. B-Quik's remaining 4 branches were established on the Company's existing neighborhood shopping centers.

In 2002, the Company was first listed on the MAI board with an increase in registered capital from Baht 20 million to 150 million and total paid-up capital of Baht 71 million. The Company also opened its fifth neighborhood shopping center in Soi Thong Lo. Tops Supermarket under the name "Market Place" was the anchor tenant.

In March 2003 the Company opened the sixth neighborhood shopping center in Thung Mahamek with Tops Supermarket as the anchor tenant.

In August 2003 the Company entered into a long-term lease agreement with an owner of the land on Thong Lo Soi 15 to be developed as its seventh neighborhood shopping center. In September and October 2003 the Company increased its registered capital to Baht 500 million via additional share allocation totaling 24 million shares to Major Cineplex Group Public Company Limited at a price of Baht 3.99 per share, and 142,499,935

Note:

¹ Neighborhood Shopping Center is an open shopping center which has supermarket as an anchor tenant, day-to-day product and specialty stores such as restaurant, bakery shop, beauty shop, music school.

² Convenience center is a small shopping center in an area of around 1 rai close to the main road with a parking lot for merely 3 – 10 cars. The convenience center is available for 2 – 3 tenants, e.g. auto service center, convenience store, video rental and/or school.

³ Stand-alone retail store is a one-shop retail store in an area of around ½ rai close to the main road. The stand-alone retail store is available for 1 tenant, e.g. auto service center, convenience store or retail shop.



shares to the existing shareholders at a proportion of 1:1.5 of existing shares : new shares at a price of Baht 1 per share.

In December 2003 the Company entered into a long-term lease agreement with the landlord of the land on Chaeng Watthana Road for development of its eighth neighborhood shopping center.

The Company was granted an approval to transfer the listing of its shares from the MAI board to the main board on 12 December 2003.

In 2004, the Company opened 5 new shopping centers i.e. The Family Center Chaeng Watthana, Ladprao Soi 120 Convenience Center, Major Cineplex Chaeng Sao, Lifestyle Center¹ “J Avenue Thonglor 15”, and Piyarom Place Sukhumvit 101/1.

In 2005, the Company opened 3 new shopping centers as follows: Wanghin Convenience Center, Petchkasem Power Center² with Big C Supermarket, Index Living Mall, HomeWork, and Major Cineplex as anchor tenants, Ekkamai Power Center² with Big C Supermarket and Index Living Mall as anchor tenants.

In April 2005, the Company issued the 5-year Amortizing Debenture in the amount of 1,000,000 units with Par Baht 1,000 each, Total Value Baht 1 Billion to institutional investors. Fitch Ratings (Thailand) Co., Ltd. has assigned National Long-term Ratings of BBB+.

In 2006, the Extraordinary General Meeting of Shareholders No. 1/2006 approved the increased registered capital from 424,117,769 Baht to 533,947,769 Baht by right offering to existing shareholders at the ratio 5 current shares to 1 newly issued share at the price 5 Baht per share. As of 31 December 2006, the Company had paid-up capital 508,941,438 baht from right offering.

The Company opened 3 new shopping centers as follows: The Avenue Chaeng Watthana Lifestyle center¹, La Villa Phahonyothin Lifestyle center¹, and Esplanade Ratchadapisek Urban entertainment center³.

In August 2007, the Company issued the 3-year Bullet Debenture in the amount of 940,000 units with Par Baht 1,000 each, Total Value Baht 940 million to institutional investors. Fitch Ratings (Thailand) Co., Ltd. has assigned National Long-term Ratings of BBB+.

During year 2007, the Company launched 2 new shopping centers as follow: The Avenue Pattaya (Lifestyle Center¹) with Major Cineplex, Major Bowl, Villa Market and California Fitness as anchor tenants, Kao Yai Market Village (Power Center²) with Tesco Lotus as an anchor tenant.

Note:

¹ Lifestyle center is an open shopping center which has up-scale supermarket as an anchor tenant, day-to-day product and specialty stores such as theatre, bowling, restaurant, bakery shop, beauty shop, music school.

² Power center is a large scale shopping center with more than 2 anchor tenants and specialty stores such as furniture shop, construction equipment and material, etc.

³ Urban Entertainment Center is a combination of entertainment complex and retailers catered to consumers desiring for amusement experiences and leisure spending such as cinema, ice skating ring, playhouse, and day-to-day product shops .



In the year 2008, there are 2 new shopping centers i.e. Neighborhood Center named Market Place Nawamin (Sukapiban 1) with Carrefour supermarket as an anchor tenant, Lifestyle Center named Major Avenue Ratchayothin with Villa Supermarket as an anchor tenant.

In the year 2009, the Company raised the capital by Right offering to existing shareholders at the ratio 1 current share to 1 newly issued share at the price 1.20 Baht per share in order to invest in the joint venture, named "SF Development Co., Ltd.", with IKEA. Currently the Company has registered capital of Baht 1,047.09 million and paid-up capital of Baht 1,026.30 million. Moreover, the Company issued 3.5-year debenture of 500,000 units at Par value Baht 1,000 each. Totaling debenture of Baht 500 million will redeem on 15 March 2013. The Company opened the newly Nawamin City Avenue Lifestyle center located on Kaset-Nawamin Road with 7,891 sq.m. gross leasable area and Villa Market as an anchor tenant. The Company disposed Kao Yai Market Village to Ek-chai Distribution System Co., Ltd. (Tesco Lotus) which is an anchor tenant of the project.

In summary, as of 31 December 2009, the Company had Gross Leasable Area in amount of 235,229 sq.m.

Revenue Structure

2006-2009 Rental and Service Income from anchor tenants and co-tenants of the Company

Tenants	2006		2007		2008		2009	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1. Anchor Tenants	114.48	34.88%	212.19	40.12%	257.38	35.26%	266.04	33.79%
2. Co-Tenants	213.77	65.12%	316.64	59.88%	472.59	64.74%	521.25	66.21%
Total	328.24	100.00%	528.83	100.00%	729.97	100.00%	787.29	100.00%

Remarks: Anchor Tenants are showed in the Details of the 29 present operating projects (Rental Area and Occupancy Rate)

Table in page 15-16



Details of the 29 existing projects (Rental Area and Occupancy Rate)

	Shopping Center	Anchor Tenant	Type of Shopping Center	Gross Leasable Area (Sq.m.)	Occupancy Rate (%)
1	Bangborn	Jusco Supermarket	Neighborhood Center	7,206	94
2	Pracha Utit	Jusco Supermarket	Neighborhood Center	6,174	100
3	Sukaphiban 3	Tops Supermarket	Neighborhood Center	6,725	100
4	Sukhumvit 71	B-Quik	Neighborhood Center	1,418	100
5	Thonglo 4	Tops Supermarket	Neighborhood Center	3,644	100
6	Thungmahamek	Tops Supermarket	Neighborhood Center	2,877	100
7	The Avenue Chaeng Watthana	Major Cineplex, Villa Market, Lemon Farm, California Wow	Lifestyle Center	21,031	95
8	Piyarom Place	Tops Supermarket	Neighborhood Center	7,588	100
9	Cha Choeng Sao	Major Cineplex	Power Center	8,408	100
10	J Avenue (Thonglo 15)	Villa Market	Lifestyle Center	7,765	100
11	Ramindra K.M. 2	B-Quik	Convenience Center	777	100
12	Wanghin	B-Quik	Convenience Center	535	100
13	Ladprao 120	Tesco Lotus Express	Convenience Center	643	100
14	Wanghin 2	Tesco Lotus Express	Convenience Center	988	100
15	Bangkae	B-Quik	Stand-Alone Retail Store	364	100
16	Meng Jai	B-Quik	Stand-Alone Retail Store	465	100
17	Phahonyothin K.M.27	B-Quik	Stand-Alone Retail Store	433	100
18	Ratchda-Hauy Kwang	B-Quik	Stand-Alone Retail Store	314	100
19	Ta Pra	B-Quik	Stand-Alone Retail Store	355	100
20	Sathorn	B-Quik	Stand-Alone Retail Store	314	100
21	Ratchada-Rama III	B-Quik	Stand-Alone Retail Store	343	100
22	Petchkasem Power Center	Big C, Index, HomeWork, Major Cineplex	Power Center	43,735	99
23	Ekkamai Power Center	Big C, Index	Power Center	15,074	100



	Shopping Center	Anchor Tenant	Type of Shopping Center	Gross Leasable Area (Sq.m.)	Occupancy Rate (%)
24	La-Villa (Phahonyothin)	Villa Market	Lifestyle Center	5,330	100
25	Esplanade (Ratchadapisek)	Major Cineplex, Blu-o Bowl, California Wow, Ratchadalai Theatre, Tops Supermarket, Sub-Zero Ice Skate	Urban Entertainment Center	43,241	100
26	The Avenue Pattaya	Major Cineplex, Major Bowl, Villa Market, California Wow	Lifestyle Center	22,403	91
27	Market Place Nawamin	Carrefour	Neighborhood Center	4,175	96
28	Major Avenue Ratchayothin	Villa Market	Lifestyle Center	15,013	99
29	Nawamin city Avenue	Villa Market	Lifestyle Center	7,891	100
	Total			235,229	98

Remarks: As at December 31st, 2009.

No. 15-21, Total leasable area are occupied by B-Quik, automotive service workshop, only.

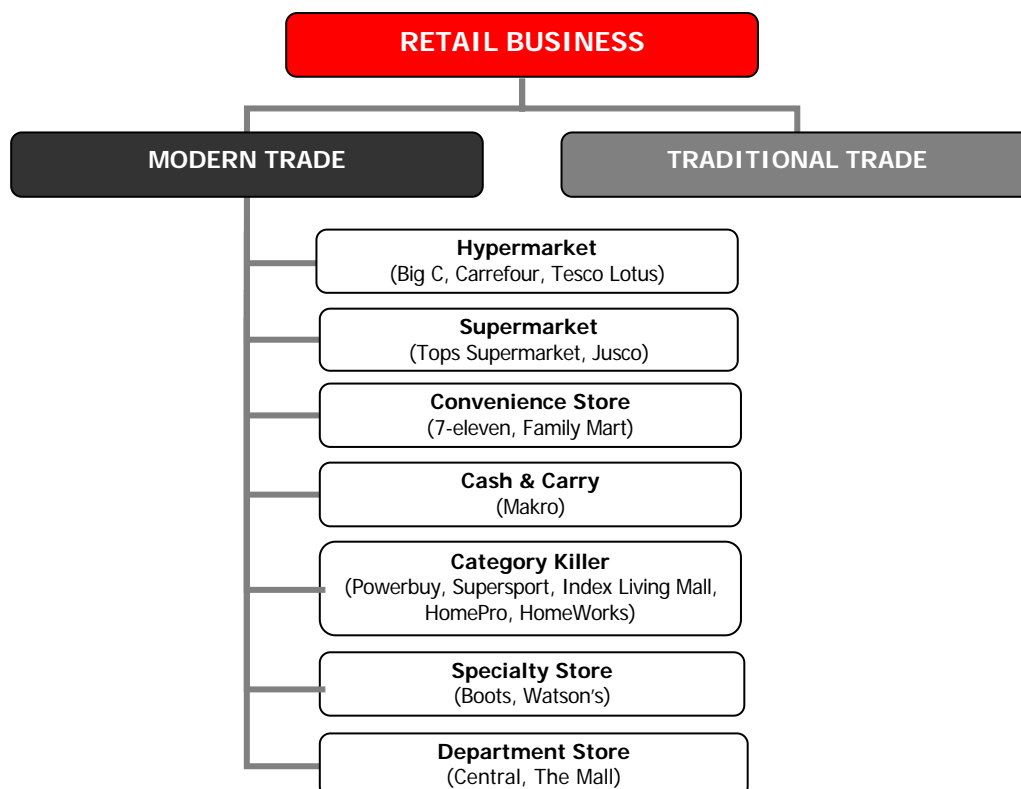
The Company disposed Kao Yai Market Village to Ek-chai Distribution System Co., Ltd. (Tesco Lotus) which is an anchor tenant of the project.

Market and Competition

Industry Overview

Shopping center development and management business directly relates to retail business, i.e. upon expansion of retail business, demand for business premise will increase accordingly.

Thailand Retail Business Structure

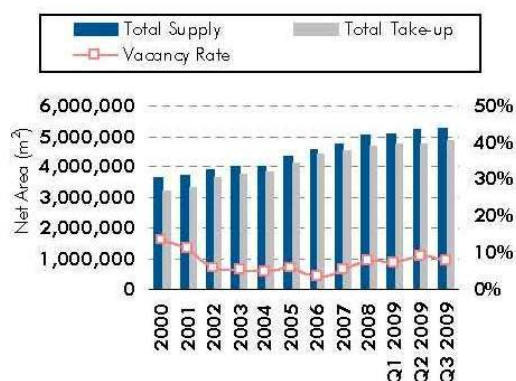


Source: Institute of Thailand retails business

Retail business in Asia has grown rapidly with Thailand being in the 2nd rank after China. Specifically, modern trade has been growing continually throughout Bangkok and vicinity area.

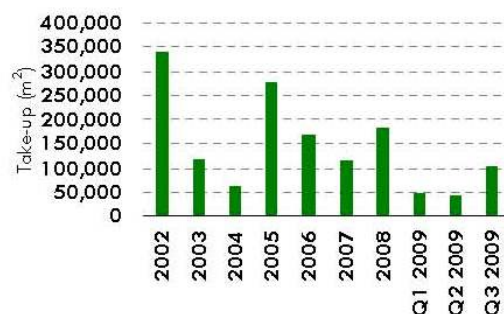
Overview of Retail Business 2009

Total Retail Supply



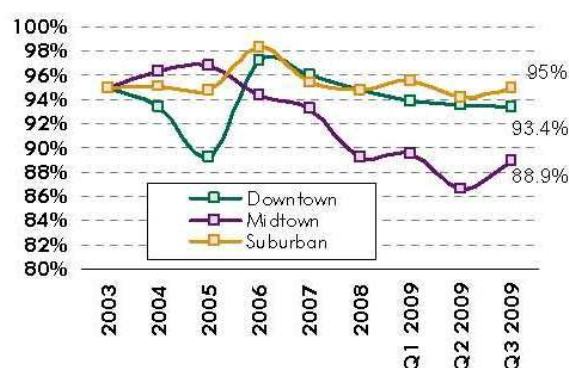
Source: CBRE Research

Total Occupied Retail Space



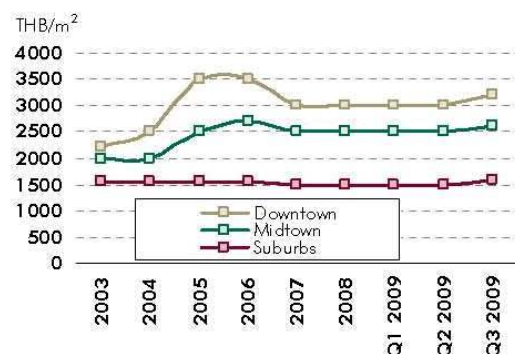
Source: CBRE Research

Occupancy Levels by Area



Source: CBRE Research

Achieved Rents



Source: CBRE Research

Total retail supply in Bangkok and metropolitan areas increased by 0.7% Q-o-Q and 6.6% Y-o-Y to 5.26 million square meters in 2009, accounting for 38.6% and 40.5% of retail space for Bangkok and metropolitan areas, respectively. Total occupied retail space increased by 2.2% Q-o-Q and 5.3% Y-o-Y to 4.86 million square meters. Bangkok's overall occupancy rate increased to 92.4%, or an increase of 1.3% Q-o-Q but a decline of 1.2% Y-o-Y. Overall rent also increased according to a recovery in economic condition.

Retail business for the year 2010 tends to continue to grow as a result of positive recovery in economy since quarter 3 and 4 of 2009, resulting in a rising consumer confidence and spending. It is thus expected an expansion will grow by not less than 5% according to the economic direction domestically and globally which is recovering. Retail business operators, therefore, are confident to invest in branch expansion with an emphasis on opening of new pattern of shopping centers with unique style to catch certain target groups according to consumer behavior with diversified requirements. The operators are also positively affected from the



government's announcement of its spending of Strong Thailand budget totaling more than a trillion Baht in order to build confidence of the investors to the country's economic stimulus plan in the future.

However, stability of growth or expansion still needs to depend on major factors both of Thailand and other countries. Domestic factors are consumer spending power as well as political stability which continue to have greatest impact on domestic consumer confidence. External factors are dependence on the investment from overseas in the expansion of new business and the fluctuation in global oil price which also affect the economy of the country. Overall world economy in 2010 tends to improve. In addition, in 2010 retail business operators still need to keep an eye on various measures in the US and the EU in which new global trade measures may be enforced and may have an impact on the business.

Competition is intense in 4 major sectors of retail business, i.e. discount store, department store, convenience store and supermarket. Sector with the most intense competition and influence over retail business is the discount store. Approximately 90% of Thai people visit the discount stores at least once a month. However, convenient store is the most popular category with average visit of 2 – 3 times per week, 7-11 in particular attributable to its convenience, numerous branches and proximity to community areas.

Discount Store and Hypermarket

Discount store and hypermarket has expanded increasingly. In Thailand, there are 4 major operators in this sector, i.e. Tesco Lotus, Big C, Carrefour and Makro. Due to a restriction from the retail law and city plan, size of the discount store tends to be smaller. Such discount store chains as Tesco Lotus, Big C, Carrefour and Makro have adapted new expansion pattern and concept by using a smaller space, e.g. in form of convenient store and supermarket, etc.

It is a forecast that Discount store might set up more promotion or campaign in variety products. Not only end customers turn to spend more in modern trade retail store in the high cost of living situation as currently.

Supermarket

In 2010, supermarket sector has continually expanded along with a more intense competition. Indirect competitors like small discount store tend to be increased especially in the small streets which cause Supermarkets to expand and adapt themselves by expanding their branches to serve many area both communities and sub urban, including shop houses, stand-alone, and in the office building, as well as part of community mall which is continuously expand from now on. Accordingly, the development has its clear target market by customer behavior in each location in order to serve customers who need convenience shop with more variety products than typical convenience stores and more differentiate.

Convenient Store

7-11 continues to be the leader in the convenient store sector with more than 4,000 branches covering almost all regions. There is intense competition and variety of marketing strategy to increase revenue and market share, e.g. providing service on utility and insurance payment, etc. Some operators provide more variety distribution



such as ordering products via telephone, internet, or mobile phone in order to be in line with current customer behavior which prefers to reduce the traveling cost in the high oil price situation. The more expansion in variety distribution, the more opportunity to increase more sales. Each convenience store chain speeds up branch expansion to increase customer base and achieve the break-even point and, thereby, gain more profit from the increasingly higher number of branches. C.P. 7-11, market leader, grows at a higher rate than other convenient store chains attributable to its branch expansion capability, readiness of its human resources, management and technology.

Intense competition in retail business at present requires the operators to rapidly seek a strategy to increase their competitive edge in order to increase revenue and market share, prompting the operators to form alliance or joint venture.

Apart from the expansion of retail business which has direct impact upon the expansion of shopping center development and management business, customers' changing lifestyle with higher purchasing power according to the economic situation, and increasing health consciousness open up marketing opportunity to enhance customers' base to the products. Also, such changes drive the customers to increasingly prefer shopping from the shopping center and modern trade retail store over traditional trade retail store which is grocery store and fresh market. As a result, market share of the modern trade retail store grows progressively.

Industry Outlook

Retail business in Thailand has a tendency to continue to grow, thereby encouraging growth of the shopping center development and management business in the same direction. Most of the existing retailers in the country plan to continue their business expansion. Moreover, some of the discount store retailers, such as Tesco Lotus and Big-C, have a definite plan to expand their branches in form of supermarket, smaller size that conforming to the retail law, in the open shopping centers which are the business that the Company operates and has expertise. Villa Market and Jusco, expert supermarket developers, are planning to expand more centers with the Company as well. Other retailers who have no presence in the country, e.g. drugstore, furniture store and supermarket, also plan to enter Thailand market and the Company has been contacted by many of these retailers.



**Number of branches of Supermarkets, Discount stores, Specialty stores, and Convenience stores
in Thailand from 2004-2009**

	2004	2005	2006	2007	2008	2009
<u>Supermarkets</u>						
Tops supermarket	61	91	94	92	105	114
Jusco and Maxvalu	6	6	6	9	9	12
Foodland	9	9	9	9	9	13
Lotus supermarket and Oasis		8	19	28	54	80
Villa Market	9	9	12	13	16	18
Total	85	123	140	151	193	237
<u>Discount stores</u>						
Tesco Lotus	48	67	71	94	109	120
Carrefour	21	23	23	27	30	39
Big C	39	45	49	55	66	67
Makro	25	29	29	41	41	45
Total	133	164	172	217	246	271
<u>Specialty stores</u>						
Powerbuy	38	36	69	51	64	73
HomePro	18	20	26	30	33	35
HomeWorks	8	9	10	8	8	9
Total	64	65	105	105	105	117
<u>Convenience stores</u>						
Boots	74	n.a.	115	153	112	160
Watson	90	100	130	145	145	155
7-eleven	2,861	3,095	3,674	4,335	4,769	5,123
Family Mart	n.a.	n.a.	n.a.	502	550	561
V shop	n.a.	n.a.	n.a.	400	792	840
108 shop					100	300
Tesco Lotus Express		100	222	189	401	450
Fresh Mart	150	n.a.	n.a.	300	400	600

Source: Thailand Retail Food Sector Report 1999-2001, USDA Global Agriculture Information Network (GAIN Report) :

: <http://www.tescolotus.net>

: <http://www.tops.co.th>

: <http://www.bigc.co.th>

: <http://www.carrefour.co.th>

: <http://th.wikipedia.org/wiki/seven-eleven>

: <http://www.powerbuy.co.th>

: <http://www.homepro.co.th>

Industry Competition

There is an intense competition for close shopping center development and management business in Thailand. However, level of competition for open shopping centers is lower as there are few players in the market, many of which have closed or ceased operation during the economic recession in the past few years. The remaining players are not direct shopping center developers and management providers, some of which are land owners with high investment power but not specialized in the business directly.

Shopping center development and management business requires intensive operational experience and fundamental knowledge. For example,

A) Selecting the right land plot suits to business

B) Business feasibility study

C) Business trend, e.g. appropriate concept of open shopping center which meets the requirement of tenants and consumers and appropriate tenant mix

D) Relationship with tenants in which the tenants must be confident and entrusted that their business in the Company's shopping center area will be successful, i.e. the shopping center developer and management provider should not do the business that compete with tenants, project concept should not be changed and any future construction which would be detrimental to all tenants should not be made throughout the long-term lease of 10 – 30 years, and

E) Knowledge and experience in common area maintenance (CAM) of the shopping center to ensure that the project is run smoothly and in an orderly manner.

Number of Competitors

The Company's competitors can be divided into direct and indirect competitors. Size of the project, pattern of the shopping centers, target customers and other characteristics of each type of competitors are different.

Direct competitors mean shopping center development and management operators which can be classified into two categories, i.e.

- a) Developers and managers of open-air shopping centers: There are a few developers and managers of open-air shopping centers at present although several operators have developed open-air shopping centers with similar pattern as those operated by the Company. New operators with no experience in property development or retail business also expand their business operation model, e.g.

Srisiri Development Company Limited, a new operator focusing on developing and managing open-air shopping center, has opened its first community shopping center during the end of 2007 under the name of "The Compound" on Phraya Suren Ramindra 109 Road in form of modern tropical design.



K.E. Land Company Limited, another property developer having developed an open-air community mall under The Crystal project on Ekamai-Ramindra Road at the end of 2007. It has also developed new form of retail center project called Crystal Design Center or CDC on the 70-rai land plot on the same road which will be home decorating center which was opened since mid-2009.

Sinthoranee Property Company Limited has developed and managed an open-air shopping center called The Pavilion Place on Petchakasem 69 Road on the area of approximately 4 rais in form of modern European contemporary style.

Panya Property Company Limited has launched community mall project around the end of 2008 under the name of Panya Village on Ramindra KM 9 Road.

- b) Developers and managers of enclosed shopping centers: Well-known developers and managers of shopping centers who continue to expand their business such as Central Group and The Mall Group will emphasize on the development and management of enclosed shopping centers, as illustrated in the table in the following page. There is slight expansion of other director competitors in enclosed shopping center sector, some of which are renovating the existing shopping centers while some are under negotiation of debt restructuring with their creditors.

Characteristics of major groups of service patrons of open-air shopping centers still differ from those of enclosed shopping centers. Major patron groups of open-air shopping centers will require convenience and will not spend much time in each visit but can be frequent visitors because of convenient car park, immediate access to the shops and passageway to the residence. Store access of the enclosed shopping centers will be less convenient, resulting in difficulty in finding parking space as parking time of service users will be longer according to the time required for shopping goods and service. Frequency of the visits will be less often.

Shopping Center Operators

Name	Existing Shopping center*	Type of shopping center	
		Type	Category
Central	Central: Chidlom, Ladprow, Rama 3, Pin kloy, Bangna, Ramindra, Airport Plaza (Chiang mai), Had yai, Rama 2, Phuket, Central World, Changwattana	Enclosed Mall	Regional Mall
	Pattaya Festival Center	Open-air Mall	Community Mall
	Central Town Center Ratanatibet	Open-air Mall	Community Mall
	Wong sawang	Open-air Mall	Community Mall
The Mall	The Mall: Ramkamhaeng, Ngamwongwan, Tapra, Bangkai, Bangkok, Nakomratchaseema, The Emporium, Siam Paragon	Enclosed Mall	Regional Mall
Sor Sotikun	Seacon square	Enclosed Mall	Super Regional Mall



Name	Existing Shopping center*	Type of shopping center	
		Type	Category
Wang Lee	Future Park : Bangkai and Rangsit	Enclosed Mall	Super Regional Mall
Asawapokin	Fashion Island	Enclosed Mall	Super Regional Mall
Thanachart	MBK	Enclosed Mall	Super Regional Mall
Osatanukror	Seri Center	Enclosed Mall	Regional Mall
Sravigrom	Kaysorn Plaza	Enclosed Mall	Fashion Mall
Siampiwat	Siam Center and Siam Discovery Center	Enclosed Mall	Fashion Mall

Remark : * Only shopping center part

Indirect competitors of the Company are the retailers who develop and manage their own shopping centers, such as Tesco Lotus, Carrefour and Big-C. In fact, the target groups of customer for the retailers are different from those of the Company as the target customers of retailers are consumers while those of the Company are retailers. Due to the fact that retailers could not source sufficient professionals to develop and manage a number of new shopping centers, it is therefore necessary for them to develop and manage their shopping centers by themselves.

The development and management of the shopping center by retailers might have an impact on the Company in term of competition in securing the land for new projects and attracting consumers and retailers in case where these retailers open the new shopping centers nearby those of the Company. However, the number of such indirect competitors will be reduced should the Company be able to develop and manage more new shopping centers for the retailers.



Risk Factors

Risk of land acquisition for new projects

Land is the major raw material in developing and managing the shopping centers. The search for land in a proper area with the upside potential for the business both operationally and financially may take some time. In some area, there are only a few suitable places available. In renting or purchasing the lands, the negotiation with landlords can take both time and effort especially when there are many owners involved in the negotiation. Moreover, the expansion of large modern trade retailers would elevate the Company's risk in the search of lands for new projects as those retailers will compete with the Company in the searching process.

However, with long-time experience in the business, management of the Company has effective skills and techniques in contacting and negotiating with landlords. Thus, the Company has received considerably good conditions in rental agreements for every project. The Company also received the advices from retailers on the land which retailers would like the company to develop the new projects.

About the competition with other retailers in land acquisition, the Company will moderate the risk by signing the memorandum of understanding with landlords before negotiation in order to prevent the owners from contacting with other retailers. The Company tries not to offer higher price for the lands to compete with retailers since the higher price affects the project feasibility or the profit level. In contrast, the Company will negotiate with other competing retailers to develop and manage the shopping centers for them instead.

Risk of Business Competition

Risk of business competition mostly incurred from the indirect competitors, which are retailers who want to develop and manage the shopping centers themselves. Those retailers would compete with the Company in land acquisition and customers and tenants' attraction. The Company also faces risk of lower number of consumers which are tenants' customers if there are other new shopping centers opened in the nearby areas. This will affect the businesses of tenants, which in turn has an effect on the occupancy rates and rental and service fees of the company. From the past experience, the indirect competition does not have strong impact on the company as the company's projects located in the most outstanding location in the area. In addition, the coverage areas¹ of the Company's open-air shopping centers² are only 1-2 kilometers, thus, the company is not significantly affected from the opening of new shopping centers in the same area.

However, in order to reduce the effect of competition and to maintain the occupancy rate and rental and service fees, the company has done promotions occasionally and rolled over the tenants on the magnet areas to attract more tenants and consumers to the shopping centers.

Note

1 Coverage Area is defined by the household area of which the target consumer for tenants located.

2 Open-Air Shopping Center is the shopping center where the parking lots are provided in the front of center. There are normally 1-3 Floors in comprise of 1-3 buildings shaped in either straight line, L shape or U shape. The air-condition corridor shall not be found on this type of center. On the other hand, Enclosed Shopping Center has parking area and shopping area within the building. The air-condition is provided among retail shops. At present, most of Thailand shopping centers are account for this type of center such as Central Plaza, The Emporium, Seacon Square, Maboonkrong, Siam Discovery and Future Park.



The Company also faces direct competition but at the low magnitude because there are few numbers of open shopping center operators and most of them are small entrepreneurs who are not professional operators. Besides, the other large capitalized competitors For example the discount stores such as Tesco Lotus and Big C are tendency to focus only on retail distributors. Therefore, these competitors are likely to be our potential business partner by our project management services.

Risk of Dependence on Anchors of the Neighborhood Shopping Centers

Anchors¹ in the neighborhood shopping centers² will draw co-tenants³ to Company's projects. Therefore, the Company would incur risk if the anchors terminate the contracts or close their businesses, in which may cause the co-tenants to terminate contracts with the Company. This results in the lower revenue of the firm. However, the Company has requested the down payments of rental and service fees from all anchors and some co-tenants on the contract date, so the risk would be much lower. In case that the anchors terminate the contracts because of their internal policy such as when Seiyu Supermarket ("Seiyu") from Japan, the previous anchor of Sukhapibal 3 neighborhood shopping center³, had policy to close its foreign stores, Seiyu then found another anchor (with approval from the Company) to re-rent the spaces (at present, Tops Supermarket is the anchor at Sukhapibal 3 neighborhood shopping center). The Company then earns revenue continuously. In developing and managing 14 branches of B-Quik Auto Service Center, the Company has signed the long-term rental contracts with every land lord on the condition that the Company can terminate the rental contracts if B-Quik terminates the business with the Company. Therefore, the Company is not accountable for the rental expenses with income from B-Quik. Moreover, if any tenants close the businesses and do not pay rental and service fees, the Company can repossess the spaces and re-rent to other anchors without refunding of prepaid rental and services fees. Currently, the Company believes that there will be no problem in finding new tenants especially the anchors because of the continuous expansion in retail business. The Company also frequently receives rental demand from potential tenants.

Risk of Finding Tenants

The Company may have risk in finding tenants in some shopping centers such as Bang Bon Project and Pracha Uthit Project where the Company has longer – term contracts with landlords but has only 15- year and 20-year contracts with tenants, respectively. Therefore, in the 15th and 20th year of mentioned projects, the Company has to find other anchors to rent the spaces for another 15 years and 10 years accordingly. However, the Company believes that there will be no problem in finding the new tenants because of the rapid expansion in retail business. The Company also receives rental demand from potential tenants continuously.

Another risk is the risk in finding tenants to meet full occupancy rate especially in some space that are not of the interest of tenants such as on the 3rd floor of the shopping centers. The Company solves the problem by finding tenants who do not require the space on the 1st and 2nd floors but prefer quiet atmosphere on the 3rd floor and lower

Note :

1 Anchors are the lessees who take major of the project rental space, commonly they are supermarkets or drug stores. These anchors would be like magnet for co-tenants to take other rental spaces in the project.

2 Neighborhood Shopping Center is a moderate size of shopping center nearby the community. It is designed for the consumer's convenience. Common size of these shopping center is about 3-5 Rai, providing the rental spaces about 2,700-14,000 Sq.m. The attraction to draw the consumers will be the Anchors such as supermarkets or drug stores complied with other 15-20 tenants who regularly are restaurants, book stores and etc.

3 Co-tenants refer to the retail shops which join parts of the project's leasable area such as restaurants, beauty salon, book stores, video rental shops, language school, and clinic.



rental fee when compare to the 1st and 2nd floors such as language schools, tutorial schools, and tae kwon do schools.

Though there are only few spaces left in some shopping centers, the Company strictly consider tenants who are not directly compete with the existing ones, operate the moral businesses, have strong financial position, and create the good tenants mix of each project.

Risk of an Increasing cost of Land for the New Projects

The cost of lands for new projects may increase either because the rental fees increase or because the Company has to purchase the lands. Rental fees may increase due to higher market price of land, The Company may have to purchase land due to landlords want to sell instead of renting in the long-run and there are no other good potential areas for shopping center development in each region. Generally, the Company chooses to develop only the profitable projects. If cost of the lands increase, the Company would charge higher rental and service fees in order to sustain the current rate of return. Then, the Company can reduce risk if an increasing cost of lands. Due to the stronger competition in retail business, most retailers are willing to pay high rental charge to take advantage of the superior locations over the competitors.

Risk of Discontinuity on Projects

As the Company rents lands from landlords for the shopping center operation, the Company incurs risk if the rental agreements are not extended after they are expired. However, the Company has 15-30 year long-term rental agreements for most projects. However, the Company intends to extend the contracts as appropriate.

Risk of Dependence on Limited Numbers of Experienced Personnel

The development and management of shopping centers require experienced and expert personnel for land acquisition, concept design of projects, tenant finding, and management of the project and common areas. If the Company loses or does not have sufficient number of personnel, the operation would be affected. The Company has prevented this type of risk by, firstly, providing both on-the job training and outside training to improve knowledge, skills, and experience of the employees. Employees of the Company can rotate to do the job in case some resign. Moreover, the Company encourages the employees to acquire additional knowledge about developing and managing the shopping centers. The Company also provides additional source of information, for instance, books, magazines, and other related techniques that concern the business so that employees have sufficient knowledge and are able to apply the knowledge to actual operations.

Risk of Term of lease agreement longer than that of land lease agreement of Ramindra K.M.2 Project

With reference to term of land lease agreement of Company's Ramindra K.M.2 project which will be ended 31 January 2012, but the Company made the lease agreement with B-Quik, an anchor tenant of Ramindra K.M.2 project ended 31 March 2012. Refer to the land lease agreement, when the land lease expire, the Company must remove the machinery and other equipments including other assets out from the lease space within 3 months from the lease expired date. During such 3 months, the Company has to pay the land rent as mentioned in the lease agreement. Therefore, the Company and the lessee will have only 1 month left to remove such assets. The Company might have



the risk of inability to remove assets in time, which effect the penalty payment to the landlord at 5,000 Baht per day from the lease expired date to the completion date of removing all assets out.

Risk of the delay from receiving the rent of all projects

Rent of space is the Company's main income. If the tenants are inability to pay the rent on time, it will affect the operating performance of the Company. However, there are groups of long-term lease contracts especially anchors which the Company receive a lump sum of advance rental and service. These anchors have not much burden to pay the rest rental and service fee. Therefore, it can mitigate the risk of not pay the rental and service fee from anchors. Besides, the Company always looks after the rental and service fee payment from both anchors and co-tenants in order to mitigate the risk of delay receiving the rental and service fee.

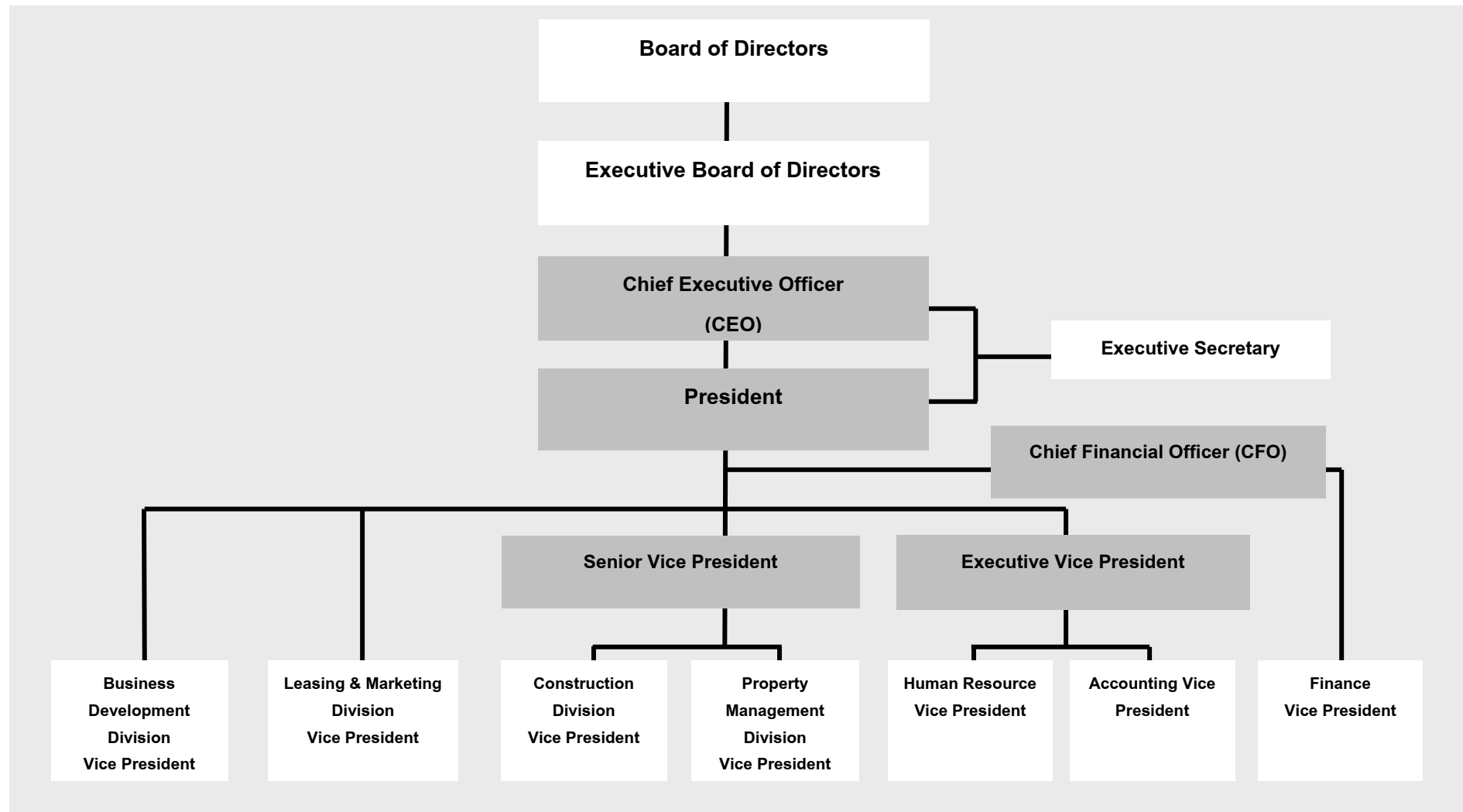
Risk of maintaining the financial ratios as covenant

The covenant of debentures set the financial ratios to the Company by maintaining Interest Bearing Debt to Equity ratio not more than 1.5 : 1 at the year end. As of 31 December 2009, the Company had such ration equal to 1.14 as a result of the increase in borrowings and also the increase in equity by right offering to existing shareholders in order to invest in the joint venture for Bangna Project. As mentioned, the Company has the risk of maintaining such financial ratio.



Organization Chart

Siam Future Development PLC





Shareholding Structure and Management

Shareholders

The top 10 major shareholders as listed in the shareholders' registration as at 31 December 2009 are as follows:

	Name of Shareholders ¹	Number of Shares	Percentage
1	Major Cineplex Group Public Company Limited ²	247,318,150	24.10%
2	Mr. Taweechart Jurangkul	67,610,000	6.59%
3	Mr. Nopporn Witoonchart	63,411,052	6.18%
4	Mr. Pongkit Suttapong	59,544,204	5.80%
5	Mr. Natthapon Jurangkul	50,431,700	4.91%
6	WORLD FUND PTE.LIMITED ³	50,037,133	4.88%
7	Miss Artitaya Jantaraprapa	49,390,140	4.81%
8	LUCKY SECURITIES, INC. ³	42,209,110	4.11%
9	Mrs. Kasinee Witoonchart	34,453,284	3.36%
10	Mrs. Supan Witoonchart	30,286,634	2.95%
Total		694,691,407	67.69%

Remark:

1 All of top 10 shareholders mentioned above have no relationship related to the Article no. 258 of SET Act year 1992. However shareholder no.3 and no.9 are related as aunt and nephew and shareholder no.3 and no.10 are related as mother and son, all shareholders are independent.

2 Major Cineplex Group PLC, company's major shareholder, assigns Mr. Vicha Poolvaraluck, Mr. Verawat Ongvasith and Mr. Chai Jroongtanapibarn as directors of the company.

3 None of director, management, subsidiary of the company or nominee is shareholder of WORLD FUND PTE.LIMITED and LUCKY SECURITIES, INC.

Management Structure

Directors of Siam Future Development Public Company Limited can be divided into 3 committees as follows:

1. Board of Directors
2. Executive Board of Directors
3. Audit Committee



1. Board of Directors

The Company's Board of Directors consists of 11 directors as follows:

	First Name – Last Name	Position
1.	Mr. Oranop Jantaraprapa	Chairman
2.	Mr. Pongkit Suttapong	Vice Chairman
3.	Mr. Nopporn Witoonchart	Director, Chairman of Executive Committee and Chief Executive Officer
4.	Mr. Somnuk Pojkasemsin	Director and President
5.	Mr. Dej Bulsuk	Director and Independent Director *
6.	Mr. Vicha Poolvaraluck	Director
7.	Mr. Verawat Ongvasith	Director
8.	Mr. Chai Jroongtanapibarn	Director
9.	Ms. Nantiya Montriwat	Chairman of the Audit Committee and Independent Director
10.	Mr. Dusit Nontanakorn	Member of the Audit Committee and Independent Director
11.	Ms. Sabaithip Suntaros	Member of the Audit Committee and Independent Director

* Mr.Dej Bulsuk is not the nominee of major shareholder.

Authorized director

Directors authorized to sign on behalf of the Company are Mr. Oranop Jantaraprapa, Mr. Pongkit Suttapong, Mr. Nopporn Witoonchart, and Mr. Somnuk Pojkasemsin. Documents must be signed by any two of these Directors and affixed with the Company's stamp to bind the Company.

Authority and Responsibility of the Company's Board of Directors

1. Duty of the Board of Directors

In performing their duties, the Board of Directors has carefully utilized their knowledge, capability and experiences and complied with the Company's objectives, articles of association and shareholders' resolutions for the best interest of the Company and responsibility to the shareholders.

2. Review and approval of the appropriate policy

Except for the matters which prior resolution from the shareholders' meeting is required by law, the Board of Directors is responsible to review and providing opinion on the Company's policies and business strategies proposed by the Executive Board of Directors.

3. Governing of the Executive Board of Directors



The Board of Directors is responsible for supervising the Executive Board of Directors to effectively comply with the policies set forth and the regulations of SET and SEC on the applicable material matters and connected transactions. The Board of Directors may engage an independent advisor to provide professional opinion and/or advice to assist the Board of Directors in making their decisions on the matters materially affect the Company's operations, where necessary.

4. Establishment of an internal audit and control

The Board of Directors has supervised the Company to establish the effective internal control and internal audit systems in order to monitor the operations of the Company and to coordinate with the Audit Committee.

5. Independence of non-executive Directors' duty

The Audit Committee has independently and adequately utilized their discretion in reviewing the Company's strategies, business management, appointment of directors, matters affecting the stakeholders, accessing financial & other business information, operational policies as well as annual budget.

2. Executive Committee

The Executive Committee comprises 4 Directors as follows:

	First Name – Last Name	Position
1.	Mr. Nopporn Witoonchart	Chairman of Executive Board
2.	Mr. Somnuk Pojkasemsin	Executive Director
3.	Mr. Vicha Poonvoruluck	Executive Director
4.	Mr. Chattaphum Khantiviriya	Executive Director *

* Mr. Chattaphum Khantiviriya is not Company's Directors and Management and not the authorized director of the Company.

Authority and Responsibility of the Executive Committee

1. To command, plan, and operate businesses of the Company following policy determined by Directors.
2. To approve the new investment projects.
3. To approve the expenses or payments beyond the authority of management.
4. To appoint the staff and manage from the department level and above for the benefits of effective and transparent management.
5. To determine the employees' benefits that suit the situations, and norms and at the same time comply with the prevailing laws
6. To perform other functions as occasionally assigned by the Board of Directors.



The approvals from the Executive Committee discussed above will not include transactions related to members the Board of Directors or person with potential conflict of interest with the Company or subsidiary as well as the connected transactions and acquisition/disposal of the material assets of the Company of which resolution from the shareholders is required pursuant to the SET regulation.

3. The Audit Committee

The Audit Committee comprises 3 members as follows:

	First Name – Last Name	Position
1.	Ms. Nantiya Montriwat	Chairman of the Audit Committee
2.	Mr. Dusit Nontanakorn	Member of the Audit Committee
3.	Ms. Sabaihip Suntaros	Member of the Audit Committee

Authority and Responsibility of the Audit Committee

1. To review the company's financial report to ensure accuracy and adequacy;
2. To ensure that the company has an appropriate and efficient internal control system and internal audit;
3. To review the company's performance to ensure compliance with the Securities and Exchange Law, the regulations of the Stock Exchange of Thailand or laws relating to the company's business;
4. To consider, select, nominate and propose remuneration of an external auditor;
5. To consider the disclosure of the company's information in the case that there is a connected transaction or transaction that may lead to conflict of interest, so as to ensure accuracy and completeness;
6. To prepare the Audit Committee report, duly endorsed by the Chairman of the Audit Committee, to be disclosed in the company's annual report; and
7. To perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee

In performing the above-mentioned duties, the Audit Committee is directly responsible for the Board of Directors' action. The Board of Directors, however, continues its responsibility to the external parties for the company's operation.

Management

Management of the Company are as follows:



	First Name – Last Name	Position
1.	Mr. Nopporn Witoonchart	Chief Executive Officer
2.	Mr. Somnuk Pojkasemsin	President
3.	Mr. Kittinanth Sumruatruamphol	Chief Financial Officer
4.	Ms. Pornnipa Rujipairrote	Executive Vice President
5.	Mr. Chernchai Niyamanusorn	Senior Vice President

Company's secretary: Ms. Pornnipa Rujipairrote who is also in the position of Executive Vice President.

Board of Directors' Meeting

In 2007 - 2009, the Company set up the Board of Directors' Meetings as shown below the number of meetings of each director.

Board of Directors	2007 (Totally 5 meetings)	2008 (Totally 5 meetings)	2009 (Totally 4 meetings)
Mr. Oranop Jantaraprapa	5	5	4
Mr. Pongkit Suttapong	5	5	4
Mr. Nopporn Witoonchart	4	5	4
Mr. Somnuk Pojkasemsin	5	5	4
Mr. Vicha Poolvaraluck	5	5	4
Mr. Verawat Ongvasith	5	5	4
Mr. Chai Jroongtanapibarn	5	5	4
Mr. Dej Bulsuk	5	5	3
Ms. Nantiya Montriwat	5	5	4
Mr. Dusit Nontanakorn	5	5	4
Ms. Sabaithip Suntaros	5	5	4



BOARD OF DIRECTORS

1. Mr.Oranop Jantaraprapa • Age 62 years • Shareholding 0.23%

Position	Chairman • Authorized director
Education	<ul style="list-style-type: none"> • M.B.A., East Texas State University, U.S.A. • B.A. (Accounting), Chulalongkorn University • The role of Chairman Certification (RCM) in 2004, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2002 – Present: Chairman, Siam Future Development Plc., Shopping Center Developer • 1996 – 1998: Executive Vice President, Thai Telephone & Telecommunication Plc., Telecommunication • 1990 – 1993: President, International Engineering Plc., Telecommunication • 1983 – 1990: Vice President of Operation Division, The Siam Cement Group, Cement • 1983 – 1990: President, SCT Computer Co., Ltd. (Siam Cement Group), Computer • 1983 – 1990: President, Pan Supplies Co., Ltd (Siam Cement Group), Construction & Supply Machine • 1983 – 1990: Manager of Accounting department, Manager of Trading department, Manager of Finance department, Siam Cement Trading Co., Ltd (Siam Cement Group) International Trading

2. Mr. Pongkit Suttapong • Age 49 years • Shareholding 6.81%

Position	Vice Chairman • Authorized director
Education	<ul style="list-style-type: none"> • M.B.A. (Marketing), National Institute of Development Administration (NIDA) • B.E. (Industrial Engineering), Khon-Kaen University • Director Certification Program (DCP) Class #35, Thai Institute of Directors Association (IOD) • Politics and Governance in Democratic Systems for Executives Class #9 (Por Por Ror. 9), King Prajadhipok's Institute, year 2005 • The Joint State-Private Class #19, National Defense College, (Wor Por Or. 2006), year 2006
Experience	<ul style="list-style-type: none"> • 1994 – Present: Vice Chairman, Siam Future Development Plc., Shopping Center Developer • 1993 – 1994: Director & General Manager, The International Engineering Public Co., Ltd., Telecommunication • 1990 – 1993: Senior Vice President, The International Engineering Public Co., Ltd., Telecommunication • 1989 – 1990: Regional Marketing Manager (South East Asia) Nokia Mobile Phone, Nokia (SEA) PTE. LTD, Singapore Office • 1986 – 1989: Mobile Phone Department Manager, The International Engineering Public Co., Ltd., Telecommunication • 1984 – 1986: Marketing Planning Manager, Sabina Fareast Co., Ltd., Lingerie

3. Mr. Nopporn Witoonchart • Age 44 years • Shareholding 6.20%

Position	Director • Chairman of Executive Committee • Chief Executive Officer • Authorized director
Education	<ul style="list-style-type: none"> • B.E. (Computer Engineering), King Mongkut's Institute of Technology • Director Certification Program (DCP) in 2005, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 1994 – Present: Director, Chief Executive Officer, Siam Future Development Plc., Shopping Center Developer • 1990 – Present: Executive Director, Witoon Holding Co., Ltd., Real Estate



• 1987 – 1990: Engineer, SCT Computer Co., Ltd. (Siam Cement Group), Computer

4. Mr. Somnuk Pojkasemsin • Age 52 years • Shareholding 0.16%

Position	Director • President • Board of Directors • Authorized Director
Education	<ul style="list-style-type: none"> • M.S. (Accounting), Thammasat University • B.A. (Accounting), Chulalongkorn University • Director Accreditation Program (DAP) in 2005, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2002 – Present: Director, President, Siam Future Development Plc., Shopping Center Developer • 2001 – 2002: Corporate Services Group Director, Motivation Asia (Thailand) Ltd., Marketing Service • 1995 – 1999: Senior Vice President Internal Affair, International Engineering Public Co., Ltd. (IEC), Telecommunication • 1991 – 1995: Vice President Finance & Administrative Division, International Engineering Public Co., Ltd. (IEC), Telecommunication • 1988 – 1991: Finance Manager, Bangkok Weaving Mill Co., Ltd., Weaving • 1985 – 1988: Cost Accountant, Laem-Thong Corporation, Agricultural Industry • 1980 – 1985: Senior Auditor, SGV-Na Thalang & Co., Ltd., Audit Firm

5. Mr. Dej Bulsuk • Age 59 years • Shareholding 0.47%

Position	Director
Education	<ul style="list-style-type: none"> • Bachelor degree, Faculty of Commerce & Accountancy, Thammasat University • Director Accreditation Program (DAP) in 2004, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2004 – Present: Director, Siam Future Development Plc., Shopping Center Developer • 2004 – Present: President, CCC Business Development Co., Ltd. • 2004 – Present : Audit and Independent Director of The Erawan Group PCL. • 2002 – Present : Audit and Independent Director of GMM Grammy PCL. • 2002 – Present : Audit and Independent Director of Jay Mart PCL. • 2002 – 2009 : Audit and Independent Director of GMM Media PCL. • 2001 – Present : Audit and Independent Director of AEON Thana Sinsap (Thailand) PCL. • 2006 – 2009 : Advisor to Board of Directors, President Bakery PCL. • 2004 – 2006: Honorary Chairman, McThai Co., Ltd. (McDonald's Thailand), Fast Food • 2001-2006 : Chairman, Ronald McDonald's House • 1984 – 2004: Founder and President, McThai Co., Ltd. (McDonald's Thailand), Fast Food

6. Mr. Vicha Poolvaraluck • Age 46 years • Shareholding 0.03%

Position	Director • Board of Directors
Education	<ul style="list-style-type: none"> • MBA – Marketing, United States International University of San Diego, USA. • B.A. (Accounting), Chulalongkorn University
Experience	<ul style="list-style-type: none"> • 2003 – Present: Director and Executive Director, Siam Future Development Plc., Shopping Center Developer



- 1998 – Present: Director, Chairman of Executive Board, Major Cineplex Group Plc., Cinema and Bowling
- 2003 – Present: Director, California WOW Xperience Plc., Fitness Center

7. Mr. Verawat Ongvasith • Age 39 years • Shareholding 0.00%

Position	Director
Education	<ul style="list-style-type: none"> • MBA, Boston University, USA. • B.A. (Accounting), Chulalongkorn University • Director Accreditation Program (DAP) in 2004, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2003 – Present: Director, Siam Future Development Plc., Shopping Center Developer • 2001 – Present: Director, Executive Director, Major Cineplex Group Plc., Cinema and Bowling • 2004 – Present: President, Veranda Resort and Spa Co.,Ltd., Hotel • 1996 – Present: Managing Partner, Vivat Construction Co.,Ltd., Construction • 1995 – Present: Managing Director, Tarin Hotel Chiangmai, Hotel

8. Mr. Chai Jroongtanapibarn • Age 55 years • Shareholding 0.00%

Position	Director
Education	<ul style="list-style-type: none"> • M.S. (Accounting), Thammasat University • B.A. (Accounting), Chulalongkorn University • Director Certification Program (DCP), in 2003, Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP) in 2005, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2003 – Present: Director, Siam Future Development Plc., Shopping Center Developer • 2002 – Present: Independent Director and Chairman of the Audit Committee, Major Cineplex Group Plc., Cinema and Bowling • 2007 – Present: Independent Director and Audit Committee, Siam Food Plc., Exporting of Canned fruits • 2006 – Present: Independent Director and Audit Committee, Oishi Plc., Softdrink & Restaurants • 2004 – Present: Independent Director and Chairman of the Audit Committee, Thai Metal Trade Plc., Steel trading and services • 2000 – Present: Chairman of the Audit Committee, Team Precision Co.,Ltd., Electronic Circuit • 1982 – 1997: Executive Director and Chief Financial Officer, The Minor Group, Hotel, Restaurants, Trading & Manufacturing

9. Mrs. Nantiya Montriwat • Age 62 years • Shareholding 0.36%

Position	Chairman of the Audit Committee and Independent Director
Education	<ul style="list-style-type: none"> • M.A. (Actuarial Science), University of Manitoba, Canada • B.A. (Statistics), Chulalongkorn University • Director Certification Program (DCP) In 2000, Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP) In 2005, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2002 – Present: Chairman of the Audit Committee, Siam Future Development Plc., Shopping Center Developer • 2008 – Present: Director, Thai Samut Asset Co., Ltd. • 2007 – Present: Director, Muang Thai Real Estate Pcl. • 2007 – Present: Chairman, Muang Thai Management Co., Ltd.



- 2004 – 2008: Advisor to the President, Muang Thai Life Assurance Co., Ltd.
- 2000 – 2003: Senior Executive Vice President, Muang Thai Life Assurance Co., Ltd.
- 1999 – 2008: Director, Muang Thai Life Assurance Co., Ltd.

10. Mr. Dusit Nontanakorn • Age 62 years • Shareholding 0.06%

Position	Member of Audit Committee
Education	<ul style="list-style-type: none"> • Executive Program, Harvard University • Executive Program, Stanford University • MBA (Marketing), University of California, in Los Angeles (UCLA) • Bachelor in Science of Civil Engineering, Youngstown State University, Ohio • Director Certification Program (DCP) in 2002, Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP) in 2005, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2002 – Present: Member of Audit Committee, Siam Future Development Plc., Shopping Center Developer • 2005 – Present: Consultant, The Siam Cement Group • 1997 – Present: Chairman, The Thai Chamber of Commerce and Board of Trade of Thailand • 1999 – 2005: President, Siam Cement Trading Co., Ltd. (Siam Cement Group) • 1995 – 1999: Senior Vice President, The Siam Cement Group, Ceramic Industry • 1991 – 1995: President, Siam Guardian Glass Co., Ltd., Glass Industry • 1987 – 1991: President, Siam Cement Trading Co., Ltd. (Siam Cement Group) • 1982 – 1987: Director, Distribution Division, Siam Cement Trading Co., Ltd. (Siam Cement Group) • 1981 – 1982: Director, Public Relation Division, Siam Cement Trading Co., Ltd. (Siam Cement Group) • 1979 – 1981: Chief of Marketing Division, Siam Cement Trading Co., Ltd. (Siam Cement Group) • 1977 – 1979: Chief of Construction, Sales and Public, Siam Cement Trading Co., Ltd. (Siam Cement Group)

11. Mrs. Sabaithip Suntaros • Age 62 years • Shareholding 0.03%

Position	Member of Audit Committee
Education	<ul style="list-style-type: none"> • B.A. (Accounting), Chulalongkorn University • Director Accreditation Program (DAP) in 2005, Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP) in 2005, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2009 – Present: Independent director, Hua Seng Heng Gold Future Co., Ltd., Trading Gold Future • 2003 – Present: Member of Audit Committee, Siam Future Development Plc., Shopping Center Developer • 2003 – 2006: Member of working group, TISCO Charity Foundation • 2001 – 2002: Senior Vice President Custodian Services, TISCO Finance Plc. • 1997 – 2001: Senior Vice President Financial Division, TISCO Finance Plc.

Remark: Shareholding as listed in the shareholders' registration at 31 December 2009.



Management

1. Mr. Nopporn Witoonchart • Age 44 years

Please see the Details in Board of Directors.

2. Mr. Somnuk Pojkasemsin • Age 52 years

Please see the Details in Board of Directors.

3. Mr. Kittinanth Sumruatruamphol • Age 47 years

Position	Chief Financial Officer
Education	<ul style="list-style-type: none">• MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University• Bachelor of Computer Science, Boston University, Massachusetts, USA.
Experience	<ul style="list-style-type: none">• 2009 – Present: Chief Financial Officer, Siam Future Development Plc., Shopping Center Developer• 2005 – 2008: Director of Research, Hunters Investments, Fund• 2004 – 2005: Advisor, Hard-thip Plc.• 2003 – 2004: Chief Investment Officer, Siam Commercial Asset Management Co., Ltd.• 2002 – 2003: Executive Vice President, Siam Commercial Securities Co., Ltd• 1997 – 2002: Head of Thailand Research, Salomon Smith Barney, Financial Advisor

4. Ms. Porntipa Rujipairrote • Age 47 years

Position	Executive Vice President
Education	<ul style="list-style-type: none">• MBA Thammasat university• MBA Bangkok University• B.B.A. Chulalongkorn University
Experience	<ul style="list-style-type: none">• 2004 – Present: Executive Vice President, Siam Future Development Plc., Shopping Center Developer• 1991 – 2004: Senior Vice President, International Engineering Public Co., Ltd. (IEC), Telecommunication• 1988 – 1991: Senior Auditor, Deloitte Touche Tomutsu (Thailand) Co.,Ltd., Ltd., Audit Firm

5. Mr. Chernchai Niyamanusorn • Age 45 years

Position	Senior Vice President
Education	<ul style="list-style-type: none">• Master of International Management, American Graduate School of Management (Thunderbird), Arizona, U.S.A.• M.B.A., Pittsburg State University, Kansas, U.S.A.• B.A. Assumption University• Director Accreditation Program (DAP) in 2004, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none">• 2006 – Present: Senior Vice President, Siam Future Development Plc., Shopping Center Developer• 2002 – 2005: Assistant Managing Director, Siam Piwat Co., Ltd., Shopping Center Development• 1997 – 2001: Deputy Managing Director, Bliss-tell Plc.• 1994 – 1997: Logistic & Supply Manager, Marketing Planning Manager, Tipco asphalt Plc.



Selection of the Directors and Executives

The Company does not have a committee to select the Directors. The qualification, capability, experience and availability to regularly attend the meeting with the Board of Directors are the criteria considered by the Company in selecting the Directors. However, the appointment of Directors must be approved by the resolution of shareholders' meeting, according to the following procedures:

1. Each share has one voting right.
2. Each shareholder may exercise all of his/her voting rights pursuant to 1) above to appoint one or several persons as Director(s). In case the shareholder votes for more than one person, his/her voting right must be allocated equally among the nominees voted for by such shareholder.
3. The Directors will be appointed based upon the number of votes of each nominee and the number of nominees to be appointed will be in accordance with the then vacancy. In a situation where there is more than one nominee with equal number of votes, the final selection will be made by Chairperson of the meeting at his/her discretion.

In the first and second year after becoming a public company, the term of service of one-third of the Board of Directors will expire randomly. In the following years, the Directors who have been in their position for the longest period will be automatically ceased from service. However, the leaving Directors according to their term of service may be re-elected.



Report on Compliance with Principles of Good Corporate Governance

The Board of Directors of the Company is aware of its role, authorities and responsibilities under the code of best practices of the listed company's director to enhance the transparency and trustworthiness of the Company and its operation as well as the sustainable growth. The Company has complied with good corporate governance guideline and established the policy and operation procedure that are consistent with the Company's characteristics as follows:

Section 1 Shareholders' Rights

The Company realizes the shareholders' rights and sufficiency and timeliness of information provided for decision making purpose. The disclosure of the Company's news and information are in compliance with the requirement of related authorities. For example, shareholders' meeting invitation was sent to the shareholders together with annual report and supporting information for meeting agendas as well as the opinion of the Board of Directors of the Company prior to the meeting date according to the requirements of related regulations. The disclosure of the information to shareholders is made in accordance with SET requirements. The Company's news is also disclosed via electronic channel of SET. The Company's directors realize the importance of shareholder's meeting and thus attend every shareholders' meeting. In Year 2009, the Company held 2 shareholders' meeting, i.e. 1 Annual General Meeting of Shareholders and 1 Extraordinary General Meeting of Shareholders, where all directors attended and the Chairman of the Meeting provided all shareholders an equal opportunity to raise questions, express opinion and make recommendations. The Company accordingly attended those opinions and recommendations given by shareholders, answered to questions asked and provided information as requested by the shareholders completely. In Year 2009, the Company has started providing information to support meeting agenda on the Company's website prior to sending the invitation to shareholders. As such, the shareholders could send their questions prior to the meeting date.

Section 2 Equitable Treatment of Shareholders

The Company has allowed the shareholders who cannot attend the meeting in person to exercise their right through such other persons as an Independent Directors of the Company to attend the meeting and vote on their behalves as their proxies. The Company has provided the proxy form which allows the shareholders to indicate their vote in the form. In addition, the shareholders who are the Company's management do not add any agenda to the meeting without prior notification unnecessarily. The Company uses the voting ballot for the voting on such major agendas as connected transaction, acquisition or disposal of assets and allocation of securities to directors and employees (ESOP). This is to enhance transparency and allow subsequent audit in case of dispute.

As the Company has commenced the disclosure of information for the shareholders' meeting on the Company's website in Year 2009, the minority shareholders of the Company thus could propose additional agenda prior to the meeting date and nominate the person for the Company's directors.

In order to avoid conflict of interest, the Company has established policy and operation procedure regarding the transactions with potential conflict of interest and connected transactions as well as the rules to prevent the Company's executives from using inside information for personal benefit as follows:



- The Board of Directors of the Company has the authority to consider investment or connected transaction. However, the connected directors or directors who might have conflict of interest cannot vote on such matter in the meeting.
- Directors and executives are required to report the changes in their holding of the Company's securities according to SEC and SET requirements.
- Rules are established to prohibit the Company's executives from trading the Company's securities within a period of 1 month prior to the disclosure of the Company's financial statements to public.

In addition, the Company has monitored the usage of inside information which requires its executives and employees to treat information of the Company and its customers on a confidential basis and prohibits the usage of such information made known to them as part of their responsibilities for personal benefit which might cause damage to the Company and its customers.

Section 3 Roles of Stakeholders

The Company recognizes the rights of all stakeholders, and has in place a policy whereby all stakeholders' rights have been safeguarded and fairly treated. Those policies include equitable treatment to business alliances, appropriate compensation to employees and executives according to their scopes of responsibility and strict compliance with applicable laws. The Company has not set out a written policy on the protection of the environment and society which may have an impact on the business operation of the Company. The Company, however, has emphasized on the environment and ambience in developing the shopping plaza projects by dedicating most of common areas to be the green area filled with plants to create refreshing atmosphere for the customers. Additionally, the Company emphasizes on the living condition of communities in the areas nearby the shopping plaza projects.

Section 4 Disclosure and Transparency

The Company has a policy pertaining to corporate governance which seriously emphasizes on the equitable treatment to all parties such as shareholders, the Company's stakeholders or related persons by sufficiently and transparently disclosing verifiable information. The Company also has in place a mechanism to assess and control the inevitable risk associated with the operation of the Company, and to have adequate control and internal audit. In addition, the Company establishes the policy pertaining to operation in compliance with the requirement of laws and common business ethics.

The Company has not established a specific unit to cope with investor relation matter as such activity is still relatively limited. However, it has assigned the appropriate personnel to answer the questions and communicate with investors and analysts from various institutions as deemed appropriate. The Company has constantly and timely disclosed complete and accurate financial and non-financial information via electronic channels, other media of SET as well as the Company's website. The investors can also request additional information of the Company at telephone number 02-660-9464-5 or via <http://www.siamfuture.com>. Presently, most of the information disclosed on the website is in English language and the Company is in the process of preparing such information in Thai language.

The Board of Directors of the Company has responsibility to ensure that the Company's financial statements, including financial information disclosed in the Annual Report, have been prepared according to the generally accepted accounting principles in Thailand based on appropriate accounting policy which are consistently applied with due care consideration, best



estimate and adequate disclosure of important information in the notes to financial statements. The Board of Directors has managed to maintain the effective internal audit system to reasonably ensure that the accounting information is accurately and completely recorded in order to maintain the assets and induce reasonable confidence on the reliability of the Company's financial statements.

The policy regarding remuneration of the Company's directors and executives is clear and transparent in which the shareholders will determine the amount of remuneration of the Board of Directors for each year. The Company's Board of Directors has a policy to appropriately determine the amount of directors' remuneration in order to attract and maintain capable directors with the Company.

Section 5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

- 1.1 In the Board of Directors, 3 of them are executive directors whilst 4 of them are non-executive directors and 4 are independent directors. The number of independent directors accounts for 36% of the Board of Directors and thus allows the effective balance of power and review of the operation. The remaining Board members are from each group of shareholders proportionately to their investment.
- 1.2 The service term of directors has not been clearly specified.
- 1.3 The Board of Directors has considered the appropriateness of the determination of qualifications of the "Independent Director" in order for the Company's Independent Director to be truly independent and suitable for the unique characteristics of the Company.
- 1.4 The Board of Directors has not yet determined the number of other companies that each of the Company's directors can be appointed as the director that would suit the characteristics or business nature of the Company.
- 1.5 The Board of Directors has not clearly determined the policy and guidelines on taking a position as the directors of other companies of the Chief Executive Officer and top executives of the Company.
- 1.6 The Company's Chairman of the Board of Directors and Chief Executive Officer are not the same person and have different responsibilities. The authority and responsibility of Chairman of the Board of Directors and Chief Executive Officer are clearly defined.
- 1.7 At present, Chairman of the Board of Directors is not an independent director.
- 1.8 In Year 2008, the Company has appointed the Company's secretary whose responsibility are to advise Board of Directors on related law and regulations the Board of Directors should be aware of, administer the activities of the Board of Director and coordinate with concerned parties to implement the Board of Directors' resolutions.

2. Committees

- 2.1 In addition to an Audit Committee which is required by the regulation of SET, the Company also establishes other subcommittees for the purpose of good governance, i.e. Remuneration Committee and Nomination Committee. At present, the Audit Committee of the Company also assumes the role of Remuneration Committee.
- 2.2 For the sake of transparency and independence in the operation, the majority of subcommittee members are independent directors and Chairman of the subcommittees are independent directors.



- 2.3 Chairman of the Board of Directors is not a Chairman or member of the subcommittees to allow true independence in the operation of subcommittees.

3. Roles and Responsibilities of the Board of Directors

- 3.1 The Board of Directors of the Company has participated in approving the Company's vision, mission, strategy, target, business plan and budget of the Company. It also clearly defines the role and responsibility of the Board of Executive Directors and the executives as well as monitors to ensure that the executives follow the predetermined plan and budget effectively and efficiently.
- 3.2 The Board of Directors will set the corporate governance policy in writing and will approve such policy. It will also regularly review the policy and the implementation of such policy once a year at minimum.
- 3.3 According to the Company's mission, the Board of Directors, the executives and employees are required to perform their duties with integrity, fairness and responsibility in order for the operation to be transparent and verifiable.
- 3.4 The Board of Directors has reviewed the conflict of interest matter with due care. The guideline for considering the transaction with potential conflict of interest should be clear and based on the benefit of the Company and shareholders as a whole. The directors with conflict of interest should not be involved in making decision. The Board of Directors has monitored to ensure that related operation procedures are fully complied with and related information of the transaction with potential conflict of interest is disclosed accurately and adequately.
- 3.5 The Company is aware of the importance of effective internal audit system which will enhance the operation transparency. The effective internal control system also helps improve and thus optimize the effectiveness of operational system. However, the Company is still considered a small business in terms of the number of employees and relatively simple management structure. This is considered one of its competitive advantages that allow the supervision and internal audit to be simply conducted through a review of levels of approval limit, review of document flow and a clear segregation of duty. In addition, the Company monitors the usage of its assets in order to generate the best return while appropriately allows balance of power and cross-checking within the organization. In 2008, the Company appointed an internal audit firm to improve the internal audit system more effectively.
- 3.6 The Company also has the risk management in place in order to minimize the damage which might be incurred by obtaining opinion from independent financial expert prior to entering into any transaction which might involve the risk, such as registering long-term lease of land with significant contract value comparing to value of total assets of the Company or offering the Company's ordinary shares through private placement.

4. Board of Directors Meeting

- 4.1 The Company has scheduled the Board of Directors' meeting in advance and informed each Director of such schedule to ensure that they can manage the time to attend the meeting.
- 4.2 Normally, the Board of Directors' meeting is convened every three months with the meeting date scheduled in advance. Additional meeting may be held as necessary. The secretary of the Board of Directors will prepare the document, meeting invitation together with meeting agenda and circulate to the Board members 7 days prior to the meeting date to allow sufficient time for the Board of Directors to study the information before attending the meeting. However, the Company convenes the meeting of Executive Board of Directors on a monthly basis and provides report on operating performance to other members of the Board of Directors every time.



- 4.3 Chairman of the Board of Directors and Chief Executive Officer consider the agenda for Board of Directors' meeting together to ensure that all important matters are included in the agenda. Each director is free to propose the matter to be included in the meeting agenda.
- 4.4 In Year 2009, there were 4 Board of Directors' meeting and each meeting lasted for approximately 2-3 hours. The secretary of the Board of Directors has taken the note and prepared the minutes of each meeting in writing as well as keeping the minutes of the Board of Directors' meeting which have been approved by the Board of Directors for review.
- 4.5 The Board of Directors will support the Chief Executive Officer to invite top executives to attend the Board of Directors' meeting to provide additional information as they are directly involved in the matter and for the Board of Directors to know the top executives better which will be useful in considering succession plan.
- 4.6 The Board of Directors has requested for additional information as necessary within the predetermined scope from Chief Executive Officer or the Company's secretary or other designated executives.
- 4.7 The non-executive directors can hold meeting among themselves, without the management team, as necessary to discuss the management issues of their interest and inform the Chief Executive Officer the outcome of such meetings.

5. Board of Directors' Self-Assessment

The Board of Directors has arranged to assess themselves in order for the Board of Directors to jointly consider the performance and issues for further improvement. The benchmark for performance evaluation will be systematically predetermined.

6. Remuneration

- 6.1 Remuneration of the Board of Directors is comparable to the industry level taking into account the experience, duty, scope of work, accountability and responsibility as well as the contribution from each Director. Directors who are assigned with additional tasks and responsibilities, such as member of subcommittees, will receive appropriate additional remuneration.
- 6.2 Remuneration of the Chief Executive Officer and top executives is in accordance with the principle and policy fixed by the Board of Directors within the limit approved by the shareholders' meeting. For the best interest of the Company, level of salary, bonus and long-term incentive of each executive should be consistent with the Company's and their performance. The remuneration of the Company's Board of Directors and executives in Year 2009 comprised salary, meeting allowance and provident funds totaling Baht 33.97 million. Details of such are as follows:
 1. 11 Board of Directors' members received meeting allowance of Baht 5.62 million in total.
 2. 7 Executive Board of Directors' members and the Company's management received remuneration of Baht 21.21 million in total.
 3. Other compensations included provident funds of Baht 1.96 million and warrants allocated to directors and executives (ESOP) of Baht 5.18 million.
- 6.3 All non-executive directors or Remuneration Committee will appraise the performance of the Chief Executive Officer annually to set the compensation of the Chief Executive Officer. The criteria of the appraisal, however, will be



mutually agreed upon by the Chief Executive Officer. Such criteria will be objective and take into account financial performance, long-term strategy performance and career development plan for executives, etc.

7. Board of Directors and Management Training

- 7.1 The Board of Directors has encouraged and facilitated training on corporate governance of the Company for all internal parties, such as director, Audit Committee, executives and the Company's secretary, by sending them to attend the training course arranged by Thai Institute of Directors (IOD) to enable them to continuously enhance their operation.
- 7.2 In case where the new director is appointed, the management will provide new director with all documents and information useful to perform their jobs as well as providing such new director with introduction on nature of business and business operation guidelines of the Company.
- 7.3 The Board of Directors will establish an objective development and succession plan in writing which will allow the Chief Executive Officer and top executives to prepare their successors in case they cannot perform their duties.

In relation to the development program for executives, the Company has arranged its executives to attend conferences and seminars held by International Council of Shopping Centers (ICSC), an international organization established with an objective to provide knowledge on shopping center, information, news and statistics related to shopping centers and retail business around the world as well as to strengthen the relationship among professionals in shopping center business.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2009



AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company balance sheets as at 31 December 2009 and 2008 of Siam Future Development Public Company Limited and its subsidiaries and of Siam Future Development Public Company Limited ("the Company") and the related consolidated and company statements of income, changes in shareholders' equity, and cash flows for the years then ended. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial positions as at 31 December 2009 and 2008, and the consolidated and company results of operations and cash flows for the years then ended of Siam Future Development Public Company Limited and its subsidiaries and of Siam Future Development Public Company Limited in accordance with generally accepted accounting principles.

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

Bangkok
16 February 2010



Siam Future Development Public Company Limited

Balance Sheets

As at 31 December 2009 and 2008

		Consolidated		Company	
		2009	2008	2009	2008
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	4	142,430,726	43,748,376	16,567,319	6,036,618
Short-term investments	5	437,109,972	57,185,858	437,109,972	57,185,858
Trade accounts receivable	6, 27	100,667,976	96,564,429	46,221,494	45,119,893
Finance lease receivables due					
within one year	7, 27	77,210,383	66,237,388	72,824,911	17,938,993
Amounts due from related parties	27	999,986	999,986	213,449,897	141,964,027
Loans to subsidiaries	27	-	-	348,308,006	862,871,467
Other current assets	8	124,033,516	165,989,363	63,136,908	71,220,952
Total current assets		882,452,559	430,725,400	1,197,618,507	1,202,337,808
Non-current assets					
Restricted cash		533,642	2,748,502	-	-
Finance lease receivables	7, 27	984,075,085	841,615,166	411,469,490	266,994,686
Investments in subsidiaries	9	-	-	240,425,000	240,425,000
Interest in joint venture	9	1,470,000,000	-	1,470,000,000	-
Prepaid rent, net	10	765,720,629	611,322,188	487,490,335	321,839,894
Intangible assets, net	11	27,219,375	26,460,448	22,531,875	21,522,948
Property, plant and equipment, net	12	4,392,621,834	5,200,226,067	1,657,442,007	2,376,076,910
Deposits for leasehold land		56,338,668	56,338,668	56,338,668	56,338,668
Other non-current assets		25,342,899	15,280,719	24,165,489	14,308,574
Total non-current assets		7,721,852,132	6,753,991,758	4,369,862,864	3,297,506,680
Total assets		8,604,304,691	7,184,717,158	5,567,481,371	4,499,844,488

Director Director

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.


Siam Future Development Public Company Limited
Balance Sheets (Cont'd)
As at 31 December 2009 and 2008

		Consolidated		Company	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from banks	13	743,922,324	824,604,637	743,922,324	821,936,800
Trade accounts payable		6,883,503	9,677,523	3,794,479	6,300,279
Amounts due to related parties	27	17,656,337	3,493,459	-	3,185
Loan from related parties	27	12,902,860	48,902,860	-	5,000,000
Current portion of unearned rental					
and service income	16, 27	59,952,559	83,629,228	40,715,740	64,873,900
Current portion of long-term borrowings	14	1,241,223,081	389,607,067	1,159,575,481	357,209,467
Other current liabilities	15	307,697,665	265,881,097	185,291,727	157,413,874
Total current liabilities		2,390,238,329	1,625,795,871	2,133,299,751	1,412,737,505
Non-current liabilities					
Unearned rental and service income	16, 27	489,871,070	585,690,119	185,987,227	266,992,946
Long-term borrowings	14	1,380,651,866	1,705,253,688	587,500,000	1,245,275,469
Deposits received from customers		462,267,058	432,171,466	243,903,682	226,748,913
Deferred tax liabilities	17	346,835,432	353,239,680	102,709,944	93,256,287
Land rental recognised as cost of					
finance lease contracts		399,588,541	324,566,824	188,822,393	107,160,391
Other non-current liabilities		172,269,699	-	172,269,699	-
Total non-current liabilities		3,251,483,666	3,400,921,777	1,481,192,945	1,939,434,006
Total liabilities		5,641,721,995	5,026,717,648	3,614,492,696	3,352,171,511

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.

**Siam Future Development Public Company Limited****Balance Sheets (Cont'd)****As at 31 December 2009 and 2008**

		Consolidated		Company	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	18				
Authorised share capital		1,047,089,351	533,947,769	1,047,089,351	533,947,769
Issued and paid-up share capital	18	1,026,295,826	513,147,913	1,026,295,826	513,147,913
Share premium	18	584,065,564	481,435,982	584,065,564	481,435,982
Retained earnings					
Appropriated - legal reserve	19	51,926,690	51,926,690	51,926,690	51,926,690
Unappropriated		982,137,594	759,477,712	290,700,595	101,162,392
Total parent's shareholders' equity		2,644,425,674	1,805,988,297	1,952,988,675	1,147,672,977
Minority interests		318,157,022	352,011,213	-	-
Total shareholders' equity		2,962,582,696	2,157,999,510	1,952,988,675	1,147,672,977
Total liabilities and shareholders' equity		8,604,304,691	7,184,717,158	5,567,481,371	4,499,844,488

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.


Siam Future Development Public Company Limited
Statements of Income
For the years ended 31 December 2009 and 2008

	Notes	Consolidated		Company	
		2009 Baht	2008 Baht	2009 Baht	2008 Baht
Revenues					
Rental and service income		1,222,988,423	1,117,652,261	626,242,655	619,376,997
Revenue from finance lease contracts		187,515,778	510,661,199	187,515,778	58,882,300
Finance and interest income		45,665,817	38,694,694	49,978,895	90,973,030
Other income	12	108,535,803	30,331,891	230,928,379	86,677,576
Total revenues		1,564,705,821	1,697,340,045	1,094,665,707	855,909,903
Expenses					
Cost of rental and service		841,449,141	787,276,678	461,403,467	440,648,424
Cost of finance lease contracts		124,033,147	152,205,120	124,033,147	53,119,232
Selling expenses		25,767,624	7,673,486	21,553,195	7,834,790
Administrative expenses		134,284,986	112,202,072	98,229,746	98,598,723
Management's remuneration		25,262,593	22,783,520	25,262,593	22,783,520
Total expenses		1,150,797,491	1,082,140,876	730,482,148	622,984,689
Profit before financial costs and tax	20	413,908,330	615,199,169	364,183,559	232,925,214
Financial costs	21	(154,830,085)	(130,892,613)	(108,317,621)	(113,105,842)
Profit before tax		259,078,245	484,306,556	255,865,938	119,819,372
Income tax	22	(70,272,554)	(136,987,434)	(66,327,735)	(30,433,450)
Net profit for the year		188,805,691	347,319,122	189,538,203	89,385,922
Attributable to:					
Shareholders of the parent		185,882,003	226,423,827	189,538,203	89,385,922
Minority interests		2,923,688	120,895,295	-	-
Net profit for the year		188,805,691	347,319,122	189,538,203	89,385,922
Earnings per share for profit attributable to the shareholders of the parent	23				
Basic earnings per share		0.25	0.44	0.26	0.17
Diluted earnings per share		0.25	0.44	0.26	0.17

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.



Siam Future Development Public Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 December 2009 and 2008

		Consolidated					
	Notes	Issued and paid up share capital Baht	Share premium Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Minority interests Baht	Total Baht
Opening balance 1 January 2009		513,147,913	481,435,982	51,926,690	759,477,712	352,011,213	2,157,999,510
Issuance of ordinary shares	18	513,147,913	102,629,582	-	-	-	615,777,495
Net profit for the year		-	-	-	185,882,003	2,923,688	188,805,691
Adjustment of attributable to minority interests		-	-	-	36,777,879	(36,777,879)	-
Closing balance 31 December 2009		<u>1,026,295,826</u>	<u>584,065,564</u>	<u>51,926,690</u>	<u>982,137,594</u>	<u>318,157,022</u>	<u>2,962,582,696</u>
Opening balance 1 January 2008		508,941,438	456,449,520	39,626,690	673,308,453	236,115,918	1,914,442,019
Issuance of ordinary shares	18	4,206,475	24,986,462	-	-	-	29,192,937
Purchase shares from minority	9	-	-	-	-	(5,000,000)	(5,000,000)
Net profit for the year		-	-	-	226,423,827	120,895,295	347,319,122
Legal reserve appropriation	19	-	-	12,300,000	(12,300,000)	-	-
Dividends paid	24	-	-	-	(127,954,568)	-	(127,954,568)
Closing balance 31 December 2008		<u>513,147,913</u>	<u>481,435,982</u>	<u>51,926,690</u>	<u>759,477,712</u>	<u>352,011,213</u>	<u>2,157,999,510</u>

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.



Siam Future Development Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the years ended 31 December 2009 and 2008

	Notes	Company				Total Baht
		Issued and paid up share capital Baht	Share premium Baht	Legal reserve Baht	Unappropriated retained earnings Baht	
Opening balance 1 January 2009		513,147,913	481,435,982	51,926,690	101,162,392	1,147,672,977
Issuance of ordinary shares	18	513,147,913	102,629,582	-	-	615,777,495
Net profit for the year		-	-	-	189,538,203	189,538,203
Closing balance 31 December 2009		<u>1,026,295,826</u>	<u>584,065,564</u>	<u>51,926,690</u>	<u>290,700,595</u>	<u>1,952,988,675</u>
Opening balance 1 January 2008		508,941,438	456,449,520	39,626,690	152,031,038	1,157,048,686
Issuance of ordinary shares	18	4,206,475	24,986,462	-	-	29,192,937
Net profit for the year		-	-	-	89,385,922	89,385,922
Legal reserve appropriation	19	-	-	12,300,000	(12,300,000)	-
Dividends paid	24	-	-	-	(127,954,568)	(127,954,568)
Closing balance 31 December 2008		<u>513,147,913</u>	<u>481,435,982</u>	<u>51,926,690</u>	<u>101,162,392</u>	<u>1,147,672,977</u>

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.


Siam Future Development Public Company Limited
Statements of Cash Flows
For the years ended 31 December 2009 and 2008

	Notes	Consolidated		Company	
		2009	2008	2009	2008
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Cash generated from operating activities	25	754,347,478	1,003,313,015	402,989,084	343,354,720
Interest paid		(164,620,717)	(157,842,047)	(116,916,102)	(123,684,051)
Income tax paid		(14,852,283)	(48,714,953)	(22,923,576)	(22,597,022)
Net cash generated from operating activities		574,874,478	796,756,015	263,149,406	197,073,647
Cash flows from investing activities					
(Increase) decrease in restricted cash		2,214,860	(658,380)	-	-
Cash received (invested) in short-term investment		(379,924,113)	34,835,254	(379,924,114)	34,835,254
Cash invested in acquisition of subsidiary/ joint venture	9	(857,500,000)	(10,000,000)	(857,500,000)	(10,000,000)
Purchases of intangible assets		(7,882,070)	(27,459,386)	(7,882,070)	(27,459,386)
Purchases of property, plant and equipment		(454,405,612)	(1,059,989,123)	(417,062,702)	(800,806,710)
Proceeds from disposals of motor vehicles and office equipment		198,479,435	6,068,629	188,079,435	1,373,398
Loans made to related parties	27	-	-	(11,141,537)	(96,340,000)
Loans repayments from related parties	27	-	-	525,704,999	333,358,392
Interest received		1,177,186	1,837,965	34,214,908	74,435,883
Net cash used in investing activities		(1,497,840,314)	(1,055,365,041)	(925,511,081)	(490,603,169)
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and short-term loans from bank		(80,682,313)	659,604,637	(78,014,476)	656,936,800
Proceeds from loans from related parties	27	-	41,000,000	1,000,000	10,000,000
Repayments to loans from related parties	27	(36,000,000)	(15,000,000)	(6,000,000)	(21,670,000)
Proceeds from long-terms borrowings	14	950,000,000	156,000,000	500,000,000	50,000,000
Repayments to long-term borrowings	14	(427,376,353)	(478,648,181)	(359,800,000)	(321,024,000)
Payments for liabilities under financial lease agreement	14	(70,643)	(1,375,631)	(70,643)	(177,503)
Proceeds from increase of capital	18	615,777,495	29,192,937	615,777,495	29,192,937
Dividends paid	24	-	(127,954,568)	-	(127,954,568)
Net cash receipts from financing activities		1,021,648,186	262,819,194	672,892,376	275,303,666
Net increase (decrease) in cash and cash equivalents					
		98,682,350	4,210,168	10,530,701	(18,225,856)
Cash and cash equivalents, beginning balance		43,748,376	39,538,208	6,036,618	24,262,474
Cash and cash equivalents, ending balance		142,430,726	43,748,376	16,567,319	6,036,618

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.

**Siam Future Development Public Company Limited****Statements of Cash Flows (Cont'd)****For the years ended 31 December 2009 and 2008****Supplementary information for cash flows:****Non-cash transactions**

Significant non-cash transactions for the years ended 31 December 2009 and 2008 are as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Accounts payable arisen as a result of purchases of property and equipment	1,519,145	18,136,938	63,000	12,656,152
Accounts payable arisen as a result of purchases of intangible assets	260,000	4,628,267	260,000	4,628,267
Property, plant and equipment and prepaid rent decreased due to recognition as cost of finance lease contracts	72,696,761	139,501,016	72,696,761	40,153,927
Increase in land rental recognised as cost of financial leases contracts	87,286,748	40,991,153	87,286,748	40,991,153
Property, plant and equipment decreased due to transfer to investment in joint venture	490,000,000	-	490,000,000	-
Amount due from related party decreased due to transfer to investment in joint venture	122,500,000	-	122,500,000	-

The notes to the consolidated and company financial statements on pages 10 to 35 form an integral part of these financial statements.



Siam Future Development Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2009 and 2008

1 General information

Siam Future Development Public Company Limited (“the Company”) is a public limited company, which is incorporated and domiciled in Thailand. The address of its registered office is as follows:

99 Ratchdapisek Road, Khwaeng Din Daeng, Khet Din Daeng, Bangkok 10400.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operating of the Group is the rental of building space and provision of utilities services in four categories as follow:

- (a) Short-term and long-term rental of building space, with rental terms of 1 - 3 years and 10 - 30 years, respectively.
- (b) Manage and provide services relating to common areas where by the term of service is in accordance with the term of rental.
- (c) Provision of utilities, which comprise electricity, water supplies and telephones.
- (d) Location procurement services.

These consolidated and company financial statements have been approved by the Board of Directors on 16 February 2010.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been 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 under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and the amounts or revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards and amendments to accounting standards

Thai Accounting Standards were renumbered with effect from 26 June 2009 following an announcement by the Federation of Accounting Professions in order to conform with the numbers used in the International Financial Reporting Standards.

Revised standards that are effective for the period beginning on or after 1 January 2009 and revised accounting framework are as follows:

TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)	

The revised accounting standard and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which were not early adopted by the Group are as follows:

Effective for the period beginning on or after 1 January 2011

TAS 24 (revised 2007)	Related Party Disclosure (formerly TAS 47)
TAS 40	Investment Property

Effective for the period beginning on or after 1 January 2012

TAS 20	Accounting for Government Grants and Disclosure for Government Assistance
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The Group's management has determined that the revised standard and the new standards will not significantly impact the financial statements being presented. Nevertheless, management has particularly considered TAS 40 Investment Property which is direct relevant to the business of the Group.

2.3 Group accounting - Investment in subsidiaries and interest in joint venture

a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (See Note 2.9 for the accounting policy on goodwill).

If the cost of acquisition over the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of income.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investment in subsidiaries and interest in joint venture (Cont'd)

a) Subsidiaries (Cont'd)

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are reported by using cost method less impairment (if any).

A list of the Group's principal subsidiaries is set out in Note 9.

b) Interest in joint venture

The Group's interests in jointly controlled entities are initially recorded at cost and accounted for by the equity method in the consolidated financial statements. The Group's share of its joint venture's post-acquisition profits or losses is recognised in the consolidated statement of income. The cumulative post-acquisition movements are adjusted against the carrying amount of the interest in joint venture. When the Group's share of losses in joint venture equals or exceeds its interest in joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

In the Company financial statements, the cost method is applied to account for interests in joint venture. Under the cost method, income from interests in joint venture will be recorded when dividends are declared.

A list of the Group's joint venture is set out in Note 9.

2.4 Cash and cash equivalents

Cash and cash equivalents are carried on the balance sheet at cost. Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are included in within current liabilities on the balance sheet.

2.5 Short-term investment

Short-term investment is investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price and short-term is defined as a year. The short-term investment is presented at a fair value in the balance sheet. The change of investment valuation are recognised a net gain or loss in the statement of income. The fair value of investment is based on net assets value of the fund on the last business day of the year. The Company used the first-in, first-out method to determine a cost of investment.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

2.6 Trade accounts receivable

Trade accounts receivable are recognised initially at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the closing date. The amount of the allowance is the difference between the carrying amount and the amount expected to be collectible. Bad debts are recognised in the income statement within selling and administrative expenses.

2 Accounting policies (Cont'd)

2.7 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and are subsequently stated at cost less accumulated depreciation as at the balance sheet date. Depreciation is calculated on the straight-line basis to write off the cost of each asset, to its residual value over the estimated useful life, or, if it is shorter, the lease term, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings and improvements	Land leased contracts being 15 - 30 years
Office equipment	5 years
Computer and equipment	3 years
Motor vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference will be recorded as impairment loss in the statement of income.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in operating profit.

Borrowing costs to finance the construction of property and equipment are capitalised as part of cost of the asset during the period of time that is required to complete and prepare the property for its intended use. The borrowing costs include interest on short-term and long-term borrowings. Capitalisation of borrowing costs will be suspended during extended periods in which active development is interrupted.

2.8 Accounting for long-term leases

Where a Group Company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property or equipment acquired under finance leases is depreciated over the useful life of the asset. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Where a Group Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2 Accounting policies (Cont'd)

2.9 Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset and amortised by straight-line method over the estimated useful lives 20 years.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Computer software licenses

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 10 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs are recognised as assets and are amortised using the straight line method over their useful lives 10 years.

Prepaid rent - leasehold right

Leasehold right are capitalised and amortised using the straight line method over the estimated useful life, or, if it is shorter, the lease term 15 to 30 years.

2.10 Impairment of assets

Property, plant and equipment and other non-current assets which are non-financial assets, including goodwill and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets (excluded goodwill) that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.11 Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences of the Group arise from deposit received from customers, unearned service income and profit from finance lease contracts.

Tax rates enacted at the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.13 Employee benefits

The Group operates a provident fund, being a defined contribution plan, the assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions made by the Group to the provident funds are charged to the statement of income in the year to which they relate.

2.14 Revenue recognition

Revenue from rentals and services are recognised over the period in accordance with the agreement and rental and services are rendered. Revenue from leases are recognised in accordance with the accounting policy per Note 2.8 - Leases.

Unearned rental and service income are recognised using the straight-line method over the period of lease.

Interest income is recognised on an accrual basis unless collectibles is in doubt.

2.15 Financial instruments

Significant financial assets carried on the balance sheet include cash and cash equivalents, short-term investment, trade accounts receivable, finance lease receivable, amount due from related parties, loan to related parties. Significant financial liabilities carried on the balance sheet include trade accounts payable, amount due to related parties, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.16 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by shareholders.

3 Critical accounting estimates, assumptions and judgements and capital risk management

3.1 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Impairment of receivable and finance lease receivables

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables and finance lease receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

b) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

c) Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

4 Cash and cash equivalents

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Cash	138	120	105	85
Deposits at call with banks	142,293	43,628	16,462	5,952
	<u>142,431</u>	<u>43,748</u>	<u>16,567</u>	<u>6,037</u>

The interest rates of deposits at call with banks during 2009 are ranging from 0.5% to 0.75% per annum (2008: 0.75% per annum).

**5 Short-term investment**

As at 31 December 2009, short-term investment represents investment in unit trusts of open fund and fixed deposit amounting to Baht 436 million and Baht 1 million, respectively (2008: investment in unit trusts of open fund Baht 57 million).

6 Trade accounts receivable, net

Outstanding trade accounts receivable can be aged as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Current	69,348	46,097	34,336	21,358
Overdue 1 to 6 months	12,408	41,138	1,200	17,751
Overdue 7 to 12 months	7,993	9,166	3,563	6,011
Overdue over 12 months	10,919	163	7,122	-
	100,668	96,564	46,221	45,120
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	100,668	96,564	46,221	45,120

7 Finance lease receivables

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
The gross receivable in the lease contracts				
Due within 1 year	119,913	105,083	88,068	29,834
Due within 2 to 5 years	238,233	201,080	102,069	70,212
Due later than 5 years	1,570,447	1,416,915	596,774	406,745
	1,928,593	1,723,078	786,911	506,791
The present value of minimum lease payments receivable				
Due within 1 year	77,210	66,237	72,825	17,939
Due within 2 to 5 years	55,786	38,065	35,294	20,657
Due later than 5 years	928,289	803,550	376,175	246,338
	1,061,285	907,852	484,294	284,934
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	1,061,285	907,852	484,294	284,934
The unearned finance income	867,308	815,226	302,617	221,857

The unearned finance income is calculated basing on the discount rate between 4.15% to 8.00% per annum.

The significant characteristic terms of the leasing arrangements are:

- the lease term covers the major part of the economic life of the asset although title to the asset is not transferred by the end of the lease term;
- the lease amount which the lessee agrees to pay to the lessor at the commencement of the lease will not be obliged by the lessor to refund;
- in case of the lessee cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee.

**8 Other current assets**

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Other accounts receivable	39,851	51,827	20,422	22,514
Withholding tax deducted at sources	25,053	64,426	-	10,158
Prepaid expenses	38,456	40,492	28,092	33,058
Others	20,674	9,244	14,623	5,491
	<u>124,034</u>	<u>165,989</u>	<u>63,137</u>	<u>71,221</u>

9 Investment in subsidiaries and interest in joint venture

Movements in investments in subsidiaries and interest in joint venture are as follows:

	Company	
	2009	2008
	Baht'000	Baht'000
Investment in subsidiaries		
For the years ended 31 December		
Opening book value	240,425	230,425
Additional	-	10,000
Closing book value	<u>240,425</u>	<u>240,425</u>

During 2008, the Company has acquired shares of Siam Future Property Company Limited from minority shareholder amounting to Baht 10 million, resulting in the percentage of shareholding held in that subsidiary increases from 90% to 100%. Goodwill arising from this additional acquisition is amounting to Baht 5 million.

	Consolidated	Company
	Baht'000	Baht'000
Interest in joint venture		
For the year ended 31 December 2009		
Opening book value	-	-
Additional	<u>1,470,000</u>	<u>1,470,000</u>
Closing book value	<u>1,470,000</u>	<u>1,470,000</u>

During 2009, the Company has invested in a joint venture with IKANO PTE LTD ("IKANO") in form of ordinary shares at par value. The joint venture was registered as SF Development Company Limited. Both IKANO and the Company hold 49% each, of the registered share capital of the joint venture.

Details of investments in subsidiaries and interest in joint venture as at 31 December 2009 are as follow:

	Nature of relationship	% Ownership interest
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 venture		
SF Development Company Limited	Shareholder	49

All subsidiaries and joint venture are incorporated in Thailand and engage in the business of building rental and providing utilities services.

**9 Investment in subsidiaries and interest in joint venture (Cont'd)**

The following amounts represent the assets and liabilities and revenue and expenses of joint venture:

	As at 31 December 2009 Baht'000
Cash and cash equivalents	694,872
Other current assets	46,638
Prepaid rent	141,285
Property, plant and equipment	2,659,677
Total assets	3,542,472
Loans from related parties	368,139
Amounts due to related parties	283,358
Other liabilities	391,358
Total liabilities	1,042,855
Net assets	2,499,617
	For the year ended 31 December 2009 Baht'000
Interest income	393
Expenses	(660)
Loss before income tax	(267)
Income tax	-
Net loss	(267)

The Company will recognise share of joint venture's loss in the period ending 31 March 2010 when the financial statements of the joint venture is audited.

**10 Prepaid rent, net**

	Consolidated	Company
	Leasehold rights	Leasehold rights
	Baht'000	Baht'000
At 1 January 2008		
Cost	824,121	497,242
<u>Less</u> Accumulated amortisation	<u>(176,735)</u>	<u>(152,157)</u>
Net book value	<u>647,386</u>	<u>345,085</u>
Year ended 31 December 2008		
Opening net book value	647,386	345,085
Additions	8,751	8,751
Disposals	(7,607)	(7,607)
Amortisation charge	<u>(37,208)</u>	<u>(24,389)</u>
Closing net book value	<u>611,322</u>	<u>321,840</u>
At 31 December 2008		
Cost	825,265	498,386
<u>Less</u> Accumulated amortisation	<u>(213,943)</u>	<u>(176,546)</u>
Net book value	<u>611,322</u>	<u>321,840</u>
Year ended 31 December 2009		
Opening net book value	611,322	321,840
Additions	200,134	198,468
Disposals	(5,742)	(5,742)
Amortisation charge	<u>(39,993)</u>	<u>(27,076)</u>
Closing net book value	<u>765,721</u>	<u>487,490</u>
At 31 December 2009		
Cost	994,362	665,816
<u>Less</u> Accumulated amortisation	<u>(228,641)</u>	<u>(178,326)</u>
Net book value	<u>765,721</u>	<u>487,490</u>

As at 31 December 2009 prepaid rent with the net book value of Baht 175 million (2008: Baht 193 million) have been pledged as collateral for borrowings as described in Note 13 and Note 14.

Disposals during 2009, include Baht 4.1 million (2008: Baht 8 million) of assets sold under finance lease contracts (where the Group is the lessor).

**11 Intangible assets, net**

	Consolidated			Company
	Goodwill Baht'000	Computer software licenses in progress Baht'000	Total Baht'000	Computer software licenses in progress Baht'000
At 1 January 2008				
Cost	-	-	-	-
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book value	-	-	-	-
Year ended 31 December 2008				
Opening net book value	-	-	-	-
Additions	5,000	21,523	26,523	21,523
Amortisation charge	(63)	-	(63)	-
Closing net book value	4,937	21,523	26,460	21,523
At 31 December 2008				
Cost	5,000	21,523	26,523	21,523
<u>Less</u> Accumulated amortisation	(63)	-	(63)	-
Net book value	4,937	21,523	26,460	21,523
Year ended 31 December 2009				
Opening net book value	4,937	21,523	26,460	21,523
Additions	-	3,413	3,413	3,413
Amortisation charge	(250)	(2,404)	(2,654)	(2,404)
Closing net book value	4,687	22,532	27,219	22,532
At 31 December 2009				
Cost	5,000	24,936	29,936	24,936
<u>Less</u> Accumulated amortisation	(313)	(2,404)	(2,717)	(2,404)
Net book value	4,687	22,532	27,219	22,532



12 Property, plant and equipment, net

	Consolidated					Total Baht'000
	Land Baht'000	Leasehold improvement Baht'000	Building and improvement Baht'000	Motor vehicles, office equipment, and computer Baht'000	Construction in progress and project under development Baht'000	
At 1 January 2008						
Cost	517,964	30,987	3,798,568	89,890	438,855	4,876,264
<u>Less</u> Accumulated depreciation	-	(7,171)	(392,531)	(40,114)	-	(439,816)
Net book value	517,964	23,816	3,406,037	49,776	438,855	4,436,448
Year ended 31 December 2008						
Opening net book value	517,964	23,816	3,406,037	49,776	438,855	4,436,448
Additions	88	1,813	115,247	19,764	969,788	1,106,700
Disposals, net	-	-	(104,139)	(3,763)	(31,193)	(139,095)
Transferred in (out)	64,048	-	542,347	-	(607,397)	(1,002)
Depreciation charge	-	(1,646)	(185,736)	(15,443)	-	(202,825)
Closing net book value	582,100	23,983	3,773,756	50,334	770,053	5,200,226
At 31 December 2008						
Cost	582,100	32,800	4,351,944	102,103	770,053	5,839,000
<u>Less</u> Accumulated depreciation	-	(8,817)	(578,188)	(51,769)	-	(638,774)
Net book value	582,100	23,983	3,773,756	50,334	770,053	5,200,226
Year ended 31 December 2009						
Opening net book value	582,100	23,983	3,773,756	50,334	770,053	5,200,226
Additions	-	286	52,559	7,810	375,121	435,776
Disposals, net	(64,049)	-	(40,646)	-	(2,256)	(106,951)
Transferred in (out)	-	10,098	204,714	5,935	(1,135,819)	(915,072)
Depreciation charge	-	(1,858)	(201,684)	(17,815)	-	(221,357)
Closing net book value	518,051	32,509	3,788,699	46,264	7,099	4,392,622
At 31 December 2009						
Cost	518,051	43,184	4,565,571	112,204	7,099	5,246,109
<u>Less</u> Accumulated depreciation	-	(10,675)	(776,872)	(65,940)	-	(853,487)
Net book value	518,051	32,509	3,788,699	46,264	7,099	4,392,622



12 Property, plant and equipment, net (Cont'd)

	Company					
	Land Baht'000	Leasehold improvement Baht'000	Building and improvement Baht'000	Motor vehicles, office equipment, and computer Baht'000	Construction in progress and project under development Baht'000	Total Baht'000
At 1 January 2008						
Cost	-	30,572	1,740,234	67,899	183,507	2,022,212
<u>Less</u> Accumulated depreciation	-	(7,156)	(285,796)	(34,188)	-	(327,140)
Net book value	-	23,416	1,454,438	33,711	183,507	1,695,072
Year ended 31 December 2008						
Opening net book value	-	23,416	1,454,438	33,711	183,507	1,695,072
Additions	-	1,814	43,842	9,080	772,195	826,931
Disposals, net	-	-	(33,098)	(723)	-	(33,821)
Transferred in (out)	64,048	-	121,487	-	(185,535)	-
Depreciation charge	-	(1,630)	(100,341)	(10,134)	-	(112,105)
Closing net book value	64,048	23,600	1,486,328	31,934	770,167	2,376,077
At 31 December 2008						
Cost	64,048	32,385	1,872,466	73,334	770,167	2,812,400
<u>Less</u> Accumulated depreciation	-	(8,785)	(386,138)	(41,400)	-	(436,323)
Net book value	64,048	23,600	1,486,328	31,934	770,167	2,376,077
Year ended 31 December 2009						
Opening net book value	64,048	23,600	1,486,328	31,934	770,167	2,376,077
Additions	-	286	33,809	5,673	374,657	414,425
Disposals, net	(64,048)	-	(30,489)	(486)	(2,256)	(97,279)
Transferred in (out)	-	10,098	204,714	5,935	(1,135,819)	(915,072)
Depreciation charge	-	(1,844)	(106,609)	(12,256)	-	(120,709)
Closing net book value	-	32,140	1,587,753	30,800	6,749	1,657,442
At 31 December 2009						
Cost	-	42,770	2,078,167	84,220	6,749	2,211,906
<u>Less</u> Accumulated depreciation	-	(10,630)	(490,414)	(53,420)	-	(554,464)
Net book value	-	32,140	1,587,753	30,800	6,749	1,657,442

During 2009, the borrowing cost of Baht 8 million (2008: Baht 29 million) arising from financing for the project under development has been capitalised. The interest rate of 5% which is the weighted average cost of loans is applied for the capitalisation (2008: 5%).

As at 31 December 2009, properties with the net book value of Baht 1,805 million (2008: Baht 1,870 million) have been pledged as collateral for borrowings (Note 14).

During 2009, the disposals in the consolidation and the Company include Baht 69 million (2008: Baht 132 million and Baht 33 million, respectively) of assets sold under finance lease contracts (where the Group is the lessor).

During 2009, the Company sold land, building and assets of a project which has profit amounting to Baht 98 million. It was included under other income in the statement of income.

**13 Bank overdrafts and short-term loans from banks**

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Bank overdrafts	2	54,605	2	51,937
Short-term loans from banks	743,920	770,000	743,920	770,000
	<u>743,922</u>	<u>824,605</u>	<u>743,922</u>	<u>821,937</u>

Certain loans from a bank have been guaranteed by pledge of leasehold rights and leasehold improvements as collateral.

14 Borrowings

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Current portion of long-term borrowings				
Financial lease liabilities	-	70	-	70
Bank borrowings	178,248	143,998	96,600	111,600
Debentures	1,062,975	245,539	1,062,975	245,539
	<u>1,241,223</u>	<u>389,607</u>	<u>1,159,575</u>	<u>357,209</u>
Long-term borrowings				
Bank borrowings	880,652	642,279	87,500	182,300
Debentures	500,000	1,062,975	500,000	1,062,975
	<u>1,380,652</u>	<u>1,705,254</u>	<u>587,500</u>	<u>1,245,275</u>
Total borrowings	<u>2,621,875</u>	<u>2,094,861</u>	<u>1,747,075</u>	<u>1,602,484</u>

Bank borrowings

Long-term bank borrowings which bear interest rates at MLR and MLR minus 0.25%, 0.50% and 0.75% per annum (2008: MLR minus 0.50% and 0.75% per annum) are secured by pledge of certain leasehold right including existing leasehold improvements, existing buildings and buildings to be constructed thereon. The borrowings are due for monthly repayment.

Debentures

In 2005, the Company issued unsubordinated and unsecured debenture of 1,000,000 units with the face value of Baht 1,000 per unit amounting to a total of Baht 1,000 million. The term of debenture is five years and bears interest at the rate of 5.20% per annum.

During 2007, the Company issued a debenture No.1/2007, totaling 590,000 units of Baht 1,000 per unit, amounting to Baht 590 million, bearing interest rate of 4.98% per annum. The Company also issued debenture No. 2/2007, totaling 350,000 units of Baht 1,000 per unit, amounting to Baht 350 million, bearing interest rate of 4.98% per annum. Both debentures are unsubordinated and unsecured, with maturing on 14 August 2010. Total issuance costs for both bonds are amounting to Baht 3.23 million. The Company has to maintain financial ratios, percentage of shareholding and other conditions as stipulated in the offering documents.

During 2009, the Company issued unsubordinated and unsecured debenture, totaling 500,000 units of Baht 1,000 per unit, amounting to Baht 500 million and bearing interest rate of 5.10% per annum. The debenture is maturing on 15 March 2013. The Company has to maintain financial ratios as stipulated in the offering documents.

**14 Borrowings (Cont'd)**

The movements in the borrowings can be analysed as follows:

For the year ended 31 December 2009	Consolidated	Company
	Baht'000	Baht'000
Opening amount	2,094,861	1,602,485
Additional	950,000	500,000
Repayment of borrowings	(427,447)	(359,871)
Amortisation of debenture issuance cost	4,461	4,461
Closing amount	<u>2,621,875</u>	<u>1,747,075</u>

The exposure of the borrowings in relation to interest rate changes are as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Total borrowings:				
- at fixed rates	1,562,975	1,308,584	1,562,975	1,308,584
- at floating rates	1,058,900	786,277	184,100	293,900
	<u>2,621,875</u>	<u>2,094,861</u>	<u>1,747,075</u>	<u>1,602,484</u>
	Consolidated		Company	
	2009	2008	2009	2008
	%	%	%	%

Weighted average effective interest rates:

All borrowings:	5.23	5.62	5.17	5.29
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The carrying amounts and fair values of long-term borrowings as at 31 December are as follows:

	Consolidated			
	Carrying amount		Fair value	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Total borrowings:	2,621,875	2,094,861	2,427,726	1,975,275
	Company			
	Carrying amount		Fair value	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Total borrowings:	1,747,075	1,602,484	1,706,471	1,557,107

The fair values of bank and financial institution borrowings and loan from related companies are based on discounted cash flows using a discount rate based upon the borrowing rate which the directors expect would be available to the Group at the balance sheet date.

**14 Borrowings (Cont'd)**

Maturity of long-term borrowings:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Within 1 year	1,241,223	389,607	1,159,575	357,209
Later than 1 year and not later than 2 years	124,148	1,191,973	33,200	1,159,575
Later than 2 years and not later than 5 years	880,493	197,293	554,300	85,700
Later than 5 years	376,011	315,988	-	-
	<u>2,621,875</u>	<u>2,094,861</u>	<u>1,747,075</u>	<u>1,602,484</u>

As at 31 December, the group has undrawn borrowing facilities as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Unused credit lines				
Floating rate	-	-	-	-

15 Other current liabilities

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Accrued expenses	132,868	111,143	86,952	76,429
Retention payable	19,273	33,436	15,643	16,403
Accrued interest expense	26,821	26,081	26,821	25,919
Others	128,736	95,221	55,876	38,663
	<u>307,698</u>	<u>265,881</u>	<u>185,292</u>	<u>157,414</u>

16 Unearned rental and service income

Unearned rental and service income are due for recognition as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Within 1 year	59,953	83,629	40,716	64,874
Within 2 years and not later than 5 years	162,201	181,537	105,038	123,172
Later than 5 years	327,670	404,153	80,949	143,821
	<u>549,824</u>	<u>669,319</u>	<u>226,703</u>	<u>331,867</u>

**17 Deferred income taxes**

The movements of the deferred income tax account are as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance of deferred tax liabilities	(353,240)	(263,004)	(93,256)	(98,049)
Statement of income charges (Note 22)	6,405	(90,236)	(9,454)	4,793
Closing balance of deferred tax liabilities	<u>(346,835)</u>	<u>(353,240)</u>	<u>(102,710)</u>	<u>(93,256)</u>

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

Deferred tax assets	Consolidated			
	Deposit received from customers	Unearned service income	Accumulated deficit	Total
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance 1 January 2009	9,811	12,901	524	23,236
Charges to net profit	2,466	3,846	(430)	5,882
Closing balance 31 December 2009	<u>12,277</u>	<u>16,747</u>	<u>94</u>	<u>29,118</u>

Deferred tax liabilities	Consolidated
	Profit from finance lease contracts
	Baht'000
Opening balance 1 January 2009	376,476
Charges to net profit	(523)
Closing balance 31 December 2009	<u>375,953</u>

Deferred tax assets	Company		
	Deposit received from customers	Unearned service income	Total
	Baht'000	Baht'000	Baht'000
Opening balance 1 January 2009	3,029	3,977	7,006
Charges to net profit	1,206	725	1,931
Closing balance 31 December 2009	<u>4,235</u>	<u>4,702</u>	<u>8,937</u>

Deferred tax liabilities	Company
	Profit from finance lease contracts
	Baht'000
Opening balance 1 January 2009	100,262
Charges to net profit	11,385
Closing balance 31 December 2009	<u>111,647</u>

**17 Deferred income taxes (Cont'd)**

Deferred income tax assets and liabilities are offset when the income taxes are related to the same fiscal authority being the Revenue Department. The following amounts, determining after appropriate offsetting, are shown in the consolidated and the Company balance sheets as at 31 December:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets	29,118	23,236	8,937	7,006
Deferred tax liabilities	(375,953)	(376,476)	(111,647)	(100,262)
Total deferred tax liabilities	(346,835)	(353,240)	(102,710)	(93,256)

The amount shown in the balance sheet as at 31 December 2009 and 2008 include the following:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets to be recovered after 12 months	29,118	23,236	8,937	7,006
Deferred tax liabilities to be payable after 12 months	375,953	376,476	111,647	100,262

18 Share capital and share premium

	Number of ordinary share share	Ordinary share capital Baht'000	Share premium Baht'000	Total Baht'000
Authorised share capital				
At 31 December 2009	1,047,089,351	1,026,296	584,066	1,610,362
Issued and paid-up share capital				
At 31 December 2007	533,947,769	508,941	456,450	965,391
Issue of shares	-	4,207	24,986	29,193
At 31 December 2008	533,947,769	513,148	481,436	994,584
Decrease of shares	6,331	-	-	-
Issue of shares	513,147,913	513,148	102,630	615,778
At 31 December 2009	1,047,089,351	1,026,296	584,066	1,610,362

At the Extraordinary General Meeting No. 1/2009 held on 17 June 2009, the shareholders approved the decrease and increase of share of 6,331 shares and 513,147,913 shares, respectively, at par value of Baht 1 each. The Company registered the increase of share capital with The Ministry of Commerce in 30 June 2009.

As at 31 December 2009, total authorised number of the ordinary shares is 1,047,089,351 shares with a par value of Baht 1 per share (2008: 533,947,769 shares with a par value of Baht 1 per share). Total issued and paid-up share capital is 1,026,295,826 shares with the paid-up of Baht 1 per share (2008: 513,147,913 shares with a paid-up of Baht 1 per share). The unissued authorised shares are reserved for the exercise of warrants.

**18 Share capital and share premium (Cont'd)****Warrants**

The Company issued the warrants to directors and employees of the Group on 17 January 2007, totaling 15,000,000 units with the exercise period of 5 years. The conversion right is 1 warrant unit per 1 ordinary share at the exercise price of Baht 6.94.

At the Board of Directors meeting held on 7 May 2009, the Board of Directors approved to change the conversion right from 1 warrant unit per 1 ordinary share to 1 warrant unit per 1.48344 ordinary shares and adjust the exercise price from Baht 6.94 to Baht 4.678.

During 2009, there are 10.5 million (2008: 6 million units) units of warrants due for exercise, and there are exercised warrants of 4,206,475 units (2008: 4,206,475 units).

19 Legal reserve

Under the Public Companies Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as dividend. The Company will set aside its net profit as a legal reserve when the Board of Directors passes a resolution to approve the reserve.

20 Profit before financial costs and tax

The following significant expenditures, classified by nature, have been charged in arriving at profit before financial costs and tax:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Amortisation on prepaid rent (Note 10)	39,993	37,208	27,076	24,389
Depreciation on property and equipment (Note 12)	221,357	202,825	120,709	112,105
Staff costs	72,291	65,720	72,153	63,868

21 Financial costs

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Interest expenses				
- Debentures	63,279	67,142	63,279	67,142
- Long-term borrowings bank	71,285	42,174	26,300	25,346
- Bank overdrafts	2,215	717	2,152	639
- Promissory notes	11,973	15,522	11,973	15,522
- Debenture issuance cost	4,544	4,272	4,544	4,272
- Loan from related parties	1,534	1,066	70	185
Total financial costs	<u>154,830</u>	<u>130,893</u>	<u>108,318</u>	<u>113,106</u>

**22 Income tax**

Income taxes in the consolidated and company statements of income can be analysed as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Current tax charge	76,678	46,751	56,874	35,226
Deferred tax (Note 17)	(6,405)	90,236	9,454	(4,793)
Income tax	70,273	136,987	66,328	30,433

The calculation of income tax in the consolidated and company statements of income are as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
Profit before income tax	259,078	484,307	255,866	119,819
Tax calculated at a tax rate between 25% to 30% for the Company and 15% to 30% for subsidiaries	67,911	134,990	63,966	28,594
Expenses not deductible for tax purposes	2,362	1,997	2,362	1,839
Income tax	70,273	136,987	66,328	30,433

23 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of paid-up ordinary shares in issue during the year.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has warrants issued to the directors and employees (Note 18) for subscription of ordinary shares.

A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's ordinary shares) based on the outstanding warrants, and the potential shares are added to the ordinary shares outstanding but no adjustment is made to net profit.

	Consolidated		Company	
	2009	2008	2009	2008
Net profit attributable to equity holders of the parent (Baht'000)	185,882	226,424	189,538	89,386
Weighted average number of paid-up ordinary shares in issue ('000 shares)	732,465	512,268	732,465	512,268
Basic earnings per share (Baht)	0.25	0.44	0.26	0.17
Effect of dilutive potential ordinary shares ('000 shares)	-	2,281	-	2,281
Weighted average number of ordinary shares for diluted earnings per share ('000 shares)	732,465	514,549	732,465	514,549
Diluted earnings per share (Baht)	0.25	0.44	0.26	0.17



24 Dividends

At the Annual General Meeting held on 24 March 2008, the shareholders approved the payment of a dividend in respect of 2007 of Baht 0.25 per share, totaling Baht 127.95 million. The Company paid the dividends on 24 April 2008.

25 Cash flows from operating activities

Reconciliation of net profit for the year ended 31 December to cash flows from operating activities:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Net profit before income tax for the year	259,078,245	484,306,556	255,865,938	119,819,372
Adjustments for:				
Depreciation and amortisation (Notes 11 and 12)	224,011,638	202,887,569	123,113,084	112,106,110
Amortisation of prepaid rent (Note 10)	39,993,464	37,208,671	27,076,348	24,389,157
Amortisation of prepayments	-	362,375	-	362,375
Interest income	(45,665,817)	(38,694,694)	(49,978,895)	(90,973,030)
Interest expense	154,830,085	130,892,613	108,317,621	113,105,842
Amortisation of debenture issuance costs	4,461,188	4,461,188	4,461,188	4,461,188
Realised unearned rental and service income	(56,001,940)	(53,424,893)	(38,587,789)	(39,134,063)
Loss (gain) on disposals of land, motor vehicles and office equipment	(97,759,917)	505,535	(96,756,769)	(100,394)
Property, plant and equipment recognised as cost of finance lease	72,696,761	139,501,016	72,696,761	40,153,927
Increase in land rental recognised as cost of finance lease	87,286,748	40,991,153	87,286,748	40,991,153
Changes in operating assets and liabilities:				
- trade accounts receivable	(4,103,547)	(32,451,207)	(1,101,601)	(15,109,093)
- finance lease receivable	(128,510,357)	(12,222,486)	(203,399,711)	20,096,248
- amount due from related companies	39,283,958	(999,986)	(30,536,796)	(78,988,542)
- other current assets	5,434,962	32,615,156	(399,820)	36,851,531
- other non-current assets	(10,062,181)	3,182,958	(9,856,915)	332,253
- trade accounts payable	(2,794,020)	(2,606,468)	(2,505,800)	3,662,691
- amounts due to related parties	14,162,877	2,460,000	(3,185)	3,185
- other current liabilities	51,832,773	40,828,593	20,508,971	15,142,967
- unearned rental and service income	(43,927,702)	(37,021,735)	(47,010,015)	12,278,352
- deposit received from customers	30,095,592	69,005,605	17,154,768	26,912,630
- other non-current liabilities	160,004,668	(8,474,504)	166,644,953	(3,009,139)
Cash flows from operating activities	754,347,478	1,003,313,015	402,989,084	343,354,720



26 Financial instruments

The principal financial risks faced by the Group are interest rate risk and credit risk. The Group borrows at both fixed and floating rates of interest to finance its operations. Credit risk arises from the risk in the collectability of rental fees.

a) Credit risks

The current policies established by the Group to manage credit risk are:

- To collect a guarantee equivalent to 6 months rental and service fee from customers.
- To terminate rental contracts for tenants whose rental and service fees are overdue.

b) Liquidity risks

The liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Group's treasury policy aims at maintaining flexibility in funding by keeping committed credit lines available.

c) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values: cash and cash equivalent, trade accounts receivable, amounts due from related parties, loans to subsidiaries, bank overdrafts and short-term loans from financial institutions, trade accounts payable, other accounts payable. Information on the fair values of finance lease receivables and borrowings are included in Note 7 and Note 14, respectively.

27 Related party transactions

Enterprises and individuals that directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is an associate of Major Cineplex Group Public Company Limited which owns 24.10% of the Company's share (31 December 2008: 24.10%). Therefore, all subsidiaries and associates of Major Cineplex Group Public Company Limited are related parties.

**27 Related party transactions (Cont'd)**

The Group enters into transactions with related companies in the normal course of business. Significant transactions for the years ended 31 December are summarised as follows:

a) Revenues and expense

For the years ended 31 December	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Rental and service income				
Group Major Cineplex Group				
Public Company Limited	164,802	168,412	101,818	96,275
Revenue from finance lease contracts				
Group Major Cineplex Group				
Public Company Limited	-	51,902	-	-
Management fee income				
Subsidiaries	-	-	93,049	47,430
Interest income				
Subsidiaries	-	-	33,526	77,406
Management fee expense				
Group Major Cineplex Group				
Public Company Limited	21,924	8,175	-	-

Rental and service incomes were carried out on normal commercial terms and conditions and at market prices which are subject to location, leases pace, leases terms, timing and type of lease.

Management fee income and expense were charged at the rates specific on the agreements.

Interest is charged at the rate between 6.00% to 7.75% per annum (2008: 6.875% to 7.75% per annum).

b) Trade accounts receivable

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Related parties	46,092	33,490	25,411	19,663

c) Finance lease receivables

	Consolidated	
	2009 Baht'000	2008 Baht'000
Related parties	327,911	356,815

d) Amounts due from related parties

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Major Cineplex Group				
Public Company Limited	1,000	1,000	-	-
Subsidiaries	-	-	213,450	141,964
	1,000	1,000	213,450	141,964

**27 Related party transactions (Cont'd)****e) Loans to subsidiaries**

Movement of loans to subsidiaries during the year are as follows:

	Company	
	2009	2008
	Baht'000	Baht'000
Beginning balance	862,871	1,099,890
Loans made during the year	11,142	96,340
Loans repayments during the year	(525,705)	(333,359)
Ending balance	<u>348,308</u>	<u>862,871</u>

Loans to subsidiaries represent short-term loans repayable upon demand. The loans bear interest at the rates between 6.00% to 7.75% per annum (2008: 6.875% to 7.75% per annum).

f) Amount due to related parties

	Consolidated		Company	
	2009	2008	2009	2008
	Million Baht	Million Baht	Million Baht	Million Baht
Major Cineplex Group Public Company Limited	17,656	3,493	-	-
Subsidiaries	-	-	-	3
	<u>17,656</u>	<u>3,493</u>	<u>-</u>	<u>3</u>

g) Loans from related parties

Movement of loans from related parties during the year are as follows:

	Consolidated	Company
	Baht'000	Baht'000
Beginning balance	48,903	5,000
Loans received during the year	-	1,000
Loans repaid during the year	(36,000)	(6,000)
Ending balance	<u>12,903</u>	<u>-</u>

Loans from related parties represent short-term loans which are unsecured, denominated in Thai Baht, and are repayable on demand. The loans bear interest at the rates between 7.00% to 7.75% per annum (2008: 6.875% to 7.75% per annum).

h) Unearned rental and service income

As at 31 December of 2009, the unearned rental and service income of a subsidiary includes unearned income received from Major Cineplex Group Public Company Limited amounting to Baht 131 million (2008: Baht 138 million).

i) Directors and management remuneration

In 2009, the total salaries and other benefits, including directors' fee paid to directors and management included as an expense in the statements of income are amounting to Baht 25 million (2008: Baht 23 million).

**28 Commitments and contingencies****Capital commitments**

Capital expenditures contracted for at the balance sheet date which have not yet been recognised in the financial statements are as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Million Baht	Million Baht	Million Baht	Million Baht
Projects under development	-	207	-	182

Operating lease commitments - the Group is the lessee

The future minimum lease payments under non-cancelable operating lease are as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	124	120	95	92
Within 2 years and not later than 5 years	525	504	400	384
Later than 5 years	2,108	2,242	1,197	1,304
	<u>2,757</u>	<u>2,866</u>	<u>1,692</u>	<u>1,780</u>

Bank guarantees

As at 31 December 2009, the Group has outstanding letters of guarantee amounting to Baht 274 million (2008: Baht 211 million) issued by the Group's bankers in respect of normal business operations.

Guarantee

As at 31 December 2009, the Company has guaranteed for bank loans granted to subsidiaries for a total of Baht 782 million (2008: Baht 332 million).

29 Segment information

The Group operates in only one business segment which is the development of shopping centers and lease out space in the centers. Additionally, currently, the business is only operated in Thailand. Therefore presentation of segment information is not necessary.



Special Thanks

- Stylerich, 2nd Floor, Esplanade
- Villa Market, Nawamin City Avenue
- Swensen's, Nawamin City Avenue
- Starbucks, Nawamin City Avenue
- My Cafe' the Library, Nawamin City Avenue
- Kopitiam, Nawamin City Avenue
- I Studio, Nawamin City Avenue
- Cosy Nail, Nawamin City Avenue
- Beauty Hall, Nawamin City Avenue
- Thai Commercial Bank, Nawamin City Avenue





Annual 2009 Report

รายงานประจำปี 2552

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