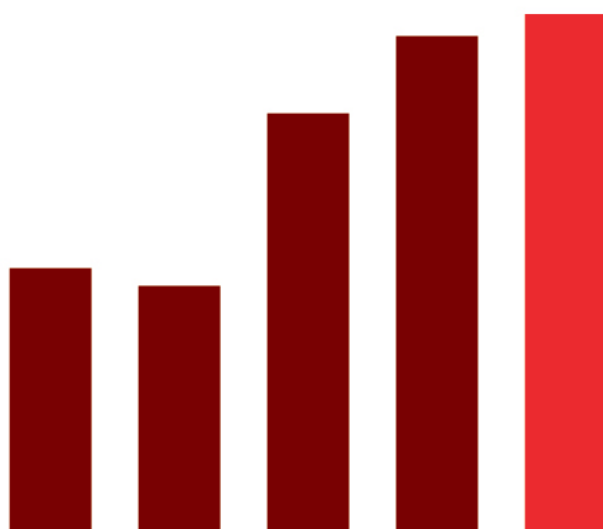


รายงานประจำปี 2558

ANNUAL REPORT 2015



SIAM FUTURE DEVELOPMENT PLC.



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Message from the Board of Directors

Global economy had been fragile throughout 2015. There was a recession of oil and petroleum energy prices due to an oversupply problem, thereby weakening the purchasing power of oil producing countries. Additionally, an upward trend of the US dollar rate and interest rate in the US drove fund flow out of the developing countries, including Thailand.

In 2015, apart from an impact from the global economic condition as aforementioned, Thailand's economy was also affected from the drought at the beginning of the year which reduced the population's income and spending. As a result, the inflation turned negative due to a continuous decline of oil price as well as political instability. This affected the decision of foreign and domestic investors. The economy slowly expanded comparing with the previous year. The Company, therefore, was cautious in the improvement and development of the projects to correspond with current economic condition.

The Festival Walk project, currently renamed to Nawamin Avenue project, had renovated the roof of covered walkway to enhance the convenience of shopping in the project to the customers. Manee MeMore, a Thai styled shabu-suki restaurant famous for its soup mixed with a red lump from the head of river prawn, was a new shop opened at the project. It was also opened in two other projects, i.e. The Avenue Chaeng wattana and the Esplanade projects. Other restaurants were also just opened, e.g. Baan Pla Joom, shabu-suki Spicy Isaan Fish, Chongjaroen Bar & Bistro, and Tom's Home Pub & Bistro owned by Mr. Tom Rainbow.

The Esplanade added more restaurants to the project, such as Ning Kee Hot Pot (a Hong Kong styled hotpot buffet), Satanee Guay Tiew Ruea, Manee Me More, Hot Star (an XXL Taiwanese style fried chicken), Snow Tree (Korean styled shaved ice), Yogurtland from the US, Croissant Taiyaki (a popular taiyaki from Japan), and Roger That! Quick Meal (Ramen Burger), to support the

customers from AIA Capital Center Building and the Stock Exchange of Thailand Building which was unofficially opened in quarter 3 of 2015 and subsequently opened officially on Monday, 4 January 2016. Train Night Market at the back of The Esplanade project was opened since January 2015. Goods in such market diversified and, as a result, attracted the increasing number of customers to the shopping center, resulting in the increase in sales of shops in The Esplanade project. As the parking lot became scarce, the Company needed to rent additional parking lot to maximize the convenience of its customers.

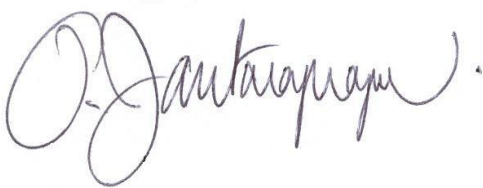
The operating performance of Mega Bangna project had been continually outstanding. In 2015, the tenant mix was adjusted for the shops whose lease agreements expired in May 2015 to support and fulfill the needs of the customers, e.g. Greyhound Café, H&M and MUJI, etc. As a result, net profit from normal operation increased by 21% from THB 388 million in 2014 to THB 468 million (recognized according to the Company's 49% shareholding). Mega Bangna project added access convenience by building a flyover in front of the project, which was officially opened on 14 January 2015. Additional U-turn was planned around Bangna K.M.7 to add convenience for those customers transported by car, which was expected to construct within 2016.

As at 31 December 2015, the Company had 22 projects in total with total rental area of 408,563 square meters, inclusive of the rental area of 180,000 square meters of Mega Bangna project. The Company mainly focused on changing shops as well as developing and improving the existing projects to support the customers in the vicinity areas.

The Company's total revenue stood at THB 2,026 million. Net profit increased by THB 708 million or 101% to THB 1,408 million. Its total assets increased by THB 1,962 million or 16% to THB 14,422 million. Total liabilities increased by THB 203 million or 4%.

The Board of Directors had managed professionally and with quality as well as ethical and governance transparency with due care, and as a result of domestic fluctuation of the economy which had not yet recovered, the expansion needed to be more carefully considered. However, the Company renovated the existing projects with favorable operating performance and could increase the rentable area this year due to the rapid sale of available space. It also improved the selection process of the tenants of common area for greater efficiency in order to maintain and increase the customer base as well as to earn consistent income for the benefit of all stakeholders in a long run.

The accomplishment the Company has made was the 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 would like to convey a sincere appreciation to shareholders, suppliers, customers, financial institutions, financial advisors and all employees for their continuous trust and support in the past and going forward.

A handwritten signature in dark ink, appearing to read 'Oranop Jantaraprapa', with a stylized flourish at the end.

(Mr. Oranop Jantaraprapa)

Chairman

Audit Committee Report

Dear Shareholders of Siam Future Development PLC.

The Audit Committee of Siam Future Development Public Company Limited consists of three independent directors. In 2015 there were five meetings of the Audit Committee, all of which being participated by all members of the Audit Committee. In the meeting, the Audit Committee discussed with the management, auditor and internal auditor, and provided their opinion as well as advice independently in the way it should be. The Audit Committee reported the operating results in four meetings of the Board of Directors, main points and opinions of which as follows:

Accuracy, completeness and creditability of the financial reports: The Audit Committee has reviewed quarterly financial statements, annual financial statements, material accounting policy and material financial reports. From the scopes of audit plan, audit methods and issued found, together with the management and the auditor, the Audit Committee is of the opinion that the Company's financial reports were prepared in conformity with generally accepted accounting principles, accurate, complete and creditable. The adoption of the accounting policy is reasonable.

Sufficiency of the internal control system and internal audit: The Audit Committee has reviewed the reports of the Internal Audit Department and the auditor regarding the evaluation of internal control system as well as the operation of the management according to the suggestion in such reports. The Audit Committee is of the opinion that the Company's internal control system is sufficient and suitable. The Audit Committee has reviewed the annual risk-based internal audit plan, results from the implementation of such plan and the evaluation of the Internal Audit Department's operation. It also has constantly discussed with the Head of the Internal Audit Department without the management. The

Audit Committee, therefore, is of the opinion that the internal audit is independent and appropriate.

Compliance with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand and laws related to the Company's business: The Audit Committee has reviewed the compliance with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand and laws related to the Company's business, and has regularly followed up on the approach of improvement of the management. The Audit Committee is of the opinion that the Company complies with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand and laws related to the Company's business.

Potential conflict of interest transactions: The Audit Committee has placed importance on the consideration of related party transactions and potential conflict of interest transactions to ensure that they comply with the laws and regulations of the Stock Exchange of Thailand. It also has the Internal Audit Department preliminarily checked the accuracy from the report of interest of the directors and the management as well as having the auditor reviewed those transactions annually. The Audit Committee is of the opinion that the related party transactions considered are deemed normal business with the conditions in the ordinary course of business, reasonable, fair and yield maximum benefit to the Company.

Suitability of the auditor, consideration, selection and nomination of the auditor: An Audit Committee had assessed the independency and 2015 performance of PricewaterhouseCoopers ABAS Ltd. was satisfied by evaluating from independency, reputation, creditability, as well as their performance which complied with general accounting standard. It therefore proposed to the

Company's Board of Directors to seek approval from the shareholders' meeting to appoint Mr. Chanchai Chaiprasit C.P.A.(Thailand) no. 3760, Mr. Kajomkiet Aroonpirodkul C.P.A. (Thailand) no. 3445, and Mr.Paiboon Tunkoonl C.P.A. (Thailand) no. 4298 from PricewaterhouseCoopers ABAS Ltd. as the auditors of the Company. Any one of the above persons shall be eligible to conduct an audit and express an opinion to the Company's financial statements for the accounting year of 2016. In the absence of the above-named auditors, PricewaterhouseCoopers ABAS Ltd. is authorized to indentify one other Certified Public Accountant

within PricewaterhouseCoopers ABAS Ltd. to carry out the work.

Overall opinion and observation from the performance of duties in accordance with the charter: The Audit Committee had cautiously and independently performed its duties in accordance with the charter. It was of an opinion that the Company's internal control and internal audit was efficient. The financial statements were accurately and completely prepared. The Company complied with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand and laws related to the Company's business as well as the consideration of related party transactions.



(Mrs. NantiyaMontriwat)

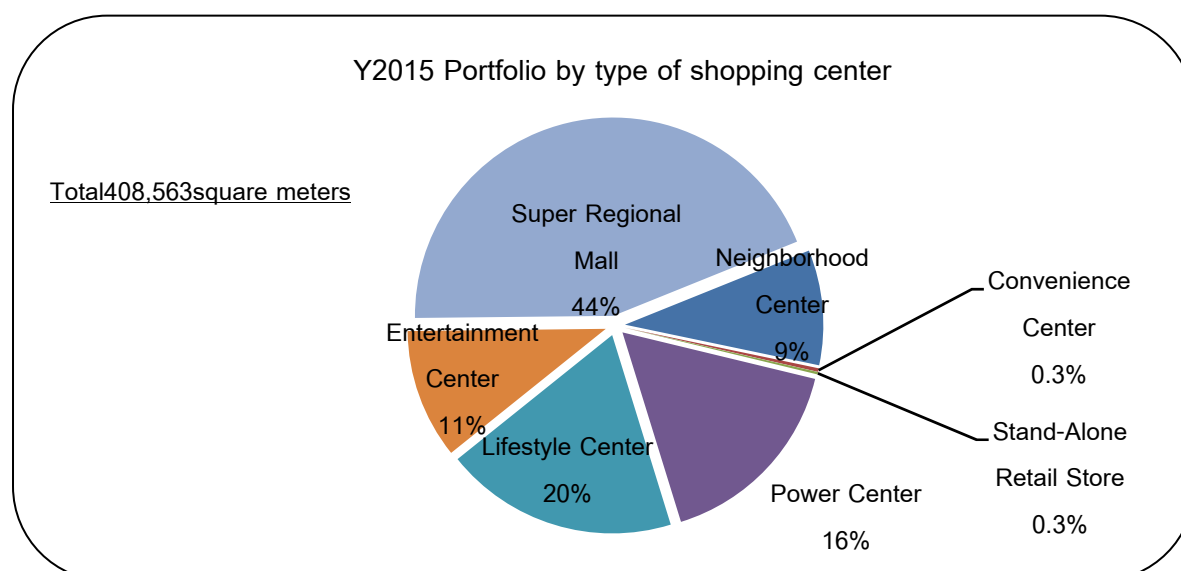
Chairman of the Audit Commimitee

General Information

Siam Future Development Public Company Limited, "Company", was incorporated on August 29th, 1994 by Mr. Pongkit Suttapong and Mr. Nopporn Witoonchart with 10 Million Baht registered capital to run the business in shopping center development and management by focusing on open-air shopping center development and management¹. In 2012, the Company has begun to develop and manage super regional mall² i.e. Mega Bangna Shopping Center.

Presently the company owns altogether 22 operating projects. **Currently Total gross leasable area is 408,563 sq.m.**

Type of shopping center	Number of shopping centers	Name of Shopping Centers
Neighborhood shopping center	7	Bangbon, Pracha-Utis, Sukhapiban 3,ThonglorSoi 4 ,Thungmahamek, Piyarom Place (SoiSukhumvit 101/1) and Market Place Nawamin(Sukapiban 1)
Convenience shopping center	2	Wanghin and Ladprao Soi 120
Stand-alone retail store	2	Bangkae and Mengjai
Power Center	3	SF Major Cineplex Cha Choeng Sao,Petchkasem Power Center,and Ekkamai Power Center
Lifestyle Center	6	J Avenue Thonglor 15, The Avenue Chaeng watthana, La Villa Phonyothin, Pattaya Avenue, The Avenue Ratchayothin, and Nawamin City Avenue
Urban Entertainment Center	1	Esplanade Ratchadapisek
Super Regional Mall	1	Mega Bangna
Total	22	

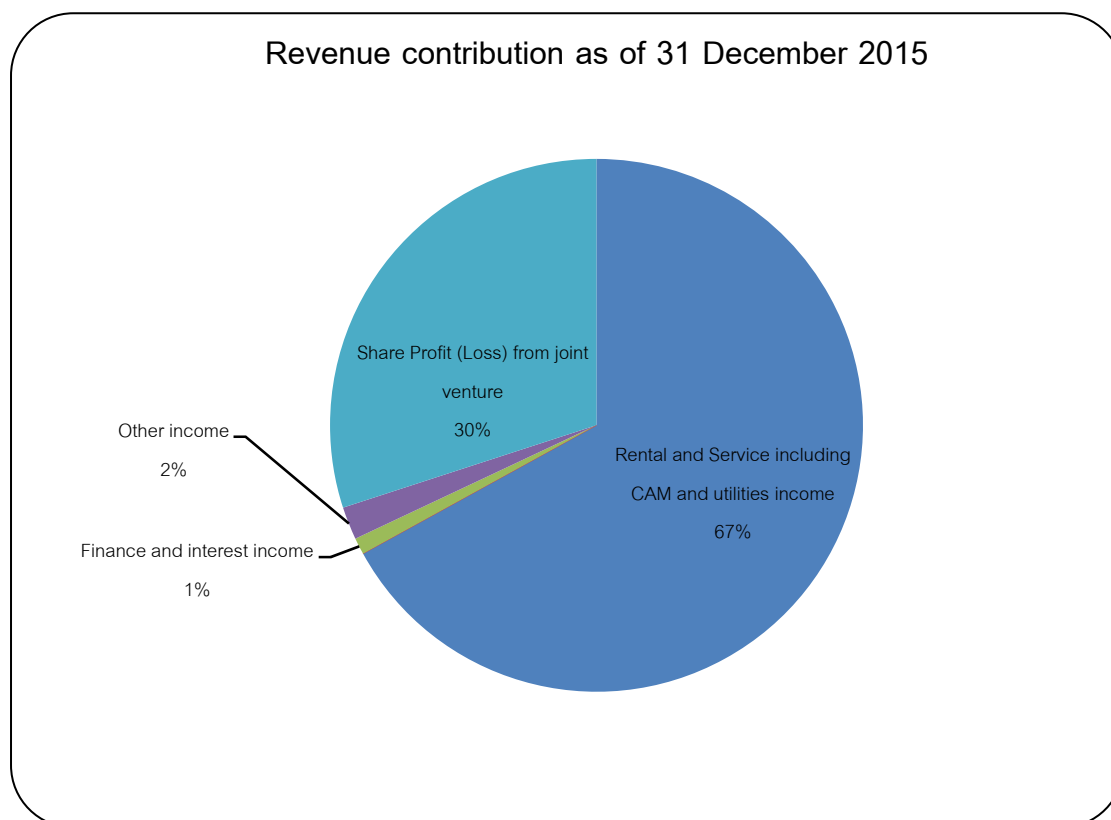


1 Open-air Shopping Center defines as the shopping center which has outdoor parking. Generally there is a few 1-3 stories building which locate in straight line, L shape, or U shape and there is no air-conditioner in the corridor.

2 Super Regional Mall defines as the shopping center which has gross building area more than 150,000 sq.m. There are varieties of tenants which comprise of such as a supermarket, restaurants, banks, specialty stores, event area, food court, Office towers.

The Company earns its income from 5 groups of major services:

1. Revenue from the project rental, management services, and common area maintenance (CAM) including revenue from public utilities services consisting of electricity, water supply and telephone bills.
2. Revenue from finance lease contracts¹ from long term lease tenants
3. Revenue from Finance and interest from long term lease tenants
4. Other Income such as revenue from installation of Electricity and water meter
5. Share profit (loss) from joint venture



¹ additional details concerning accounting policy on long-term lease can be found in item 2.9 of the notes to financial statements on page 76

<u>Company Profile</u>	Siam Future Development Public Company Limited
Registration No. :	0107545000187
Registration Date:	August 13, 2002
Address:	Esplanade Ratchadapisek 99 Ratchadapisek Road, Sub-district Din Daeng, District Din Daeng, Bangkok, Thailand 10400. Tel.: 0-2660-9000 Fax: 0-2660-9010, 0-2660-9020, 0-2660-9030 Website: www.siamfuture.com
Registered Capital:	1,776,618,036 Baht with 1,776,618,036 ordinary shares, par value of Baht 1 each.
Issued and Paid-up Capital:	1,776,607,541 Baht with 1,776,607,541 ordinary shares, par value of Baht 1 each.

Vision

Unlike other developers, we create a place for people first then for business.

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.
- The 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. Securities Registrar:

Thailand Securities Depository Company Limited
93 The Stock Exchange of Thailand Building Tower A,
14th Floor, Ratchadapisek Road, Sub-district Din Daeng,
District Din Daeng, Bangkok, Thailand 10400
Tel: 0-2009-9378-89
Fax: 0-2009-9001

2. External Auditors:

Ms. Sakuna Yamsakul,
Certified Public Accountant No. 4906
PricewaterhouseCoopers ABAS Limited
15th 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. Bond Registrar:

Kasikorn Bank Public Company Limited
11th Floor, Phahonyothin Office
400/22 Phahonyothin Road, Samsennai, 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 - 2000	◆	The Company's first neighborhood shopping center was opened in Bang Bon with JUSCO as the anchor tenant and expanded 14 centers including B-Quik stand alone.
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 Piyarom 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
	◆	2 New Lifestyle Centers, The Avenue Chaeng Watthana and La Villa Phahonyothin, were opened. Esplanade Ratchadapisek, an urban entertainment center, was opened.

2007	◆	Pattaya Avenue, a lifestyle center, and Kao Yai Market Village, a Power Center, were opened and in 2009, the Company sold Kao Yai Market Village to Tesco Lotus.
	◆	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 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 share to 1 newly issued share for investing in Mega Bangna Project, joint venture with IKANO Pte. (IKEA)
	◆	Nawamin City Avenue Lifestyle center on Kaset-Nawamin Road was opened.
	◆	Issued the Baht 500 million 3.5-year Debenture with Credit rating of BBB+
2010	◆	Issued the Baht 1,200 million Debenture with Credit rating of BBB
	◆	Disposal of Leasehold right of Avenue Ratchayothin to Major Cineplex Lifestyle property fund (MJLF) for 30 years.
2011	◆	Festival Walk Nawamin Art Village on Kaset-Nawamin Road was opened which had a new concept "Art Village".
	◆	IKEA Store Bangna, a home furniture under brand IKEA, was opened as the first IKEA Store in Thailand on November 3rd, 2011.
2012	◆	Mega Bangna, Super Regional Mall located on Bangna-Trad K.M.8 road, was opened on May 5 th , 2012. The Company had joint venture with IKANO Pte. which is the world famous home furnishing company from Sweden under brand "IKEA".
2013	◆	The company management service provider for Bangkok University's community mall named "Imagine village" Currently the management contract has been expired.
2014	◆	Joint venture with IKEA and acquire land for developing new MEGA project in northern Bangkok
2015	◆	Issued the Baht 500 Million Debenture with Credit Rating of BBB+

Financial Highlights

Siam Future Development Public Company Limited

For the fiscal year ended 31 December 2015

Unit: Million Baht	Year 2015	Year 2014	%Change in Y2015-2014
Total Assets	14,422	12,460	16%
Total Liabilities	5,516	5,314	4%
Shareholders' Equity	8,906	7,146	25%
Paid-up Capital	1,777	1,481	20%
Total Revenue	2,026	1,869	8%
Net Profit	1,408	700	101%
Book Value per Share (Baht) ¹	4.56	4.55	
Dividend per Share (Baht) ²	0.15	0.22222	
Net Profit Margin	69.48%	37.47%	
Return on Equity (ROE) ³	17.54%	10.96%	
Return on Assets (ROA) ⁴	10.47%	7.48%	
Interest Bearing Debt to Equity Ratio	0.22	0.27	
Gross Leasable Area (Sq.m.)	408,563	412,712	

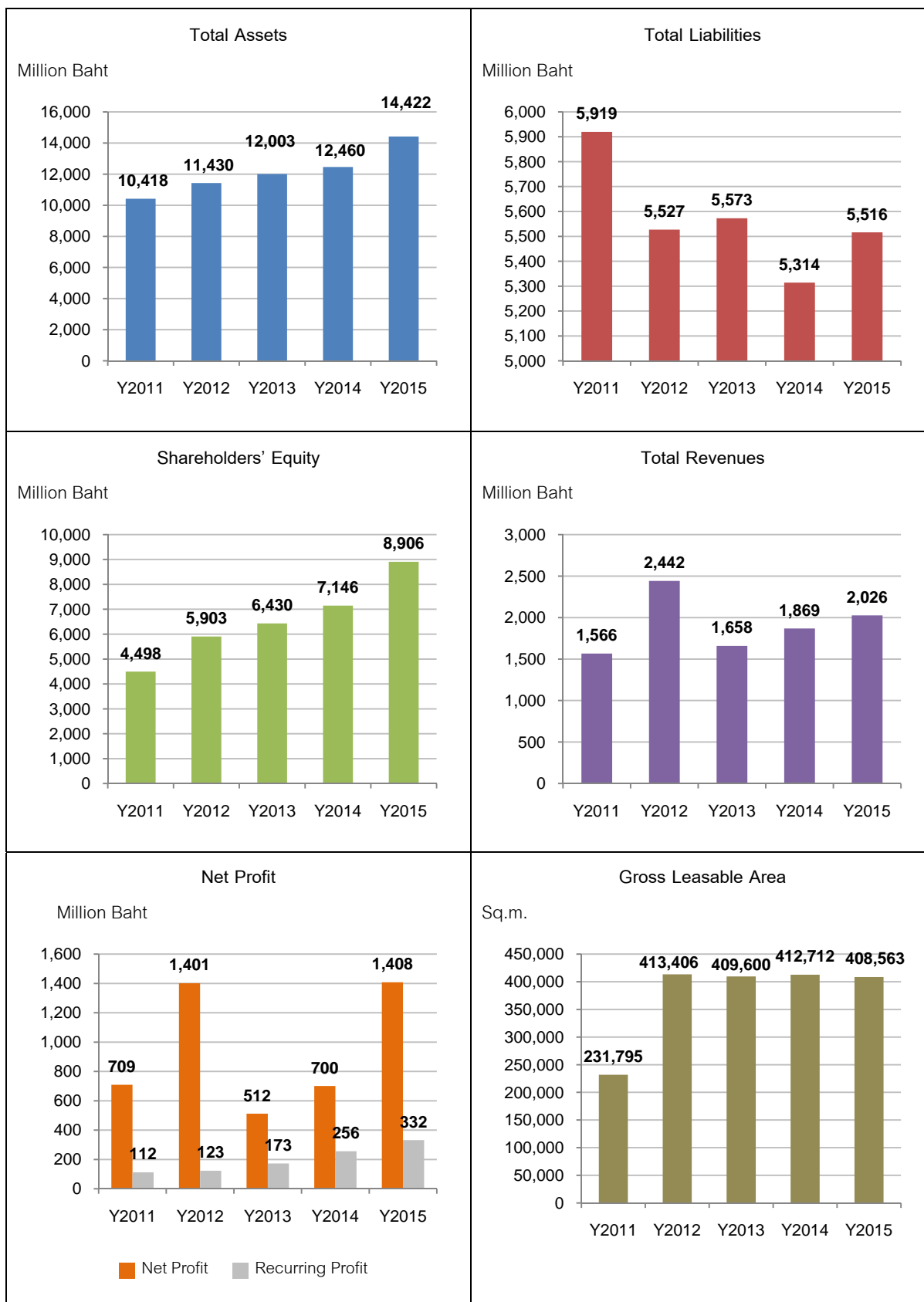
Note

1 Book Value per share means total equity attributable to owners of the parent divided by Number of ordinary shares.

2 Dividend per share to be presented to the shareholders' meeting for approval of Cash dividend at 0.15 Baht/share.

3 Return on Equity (ROE) calculate from (Net profit / Average Equity attributable to owners of the parent) x 100%

4 Return on Asset (ROA) calculate from (Net profit / Average total assets) x 100%



Management Discussion and Analysis (MD&A)

Overview of the Operating Performance for the Year 2015

Many large shopping centers were opened both in the inner and outer Bangkok, leading to an increase in the rental area in 2015. However, an occupancy rate of the Company's shopping centers rose from 96% last year to 98%.

Accounting Policy

In 2006, the Company started to recognize revenues from long-term lease called financial lease according to the accounting standard no. 17. The Company recognized revenues as if it sold the rental areas. Revenues from financial lease recognized on the delivery date of the rental area to the customers consisted of upfront payment, net present value of monthly rental throughout the leasing period, the cost of financial lease, i.e. land leasing fee and construction cost of the project, and net present value of land lease expenses.

Accounting record as financial lease would change the Company's statements of financial position. For example, on the assets side, the financial lease receivables increased while land, building and equipment decreased. On the liabilities side, finance lease liabilities on land leases increased. In the profit & loss statements, the Company's revenues from financial lease contracts increased as revenues would be recognized on the delivery date of rental areas of the project. Interest income would be recognized throughout the period of lease while cost of financial lease rose (please refer to the notes to the financial statements no. 2.9 regarding accounting for long-term lease on page 76 for more details).

In 2010 the Company started to adopt the accounting standard no. 40 regarding investment property whereby fair value appraised by an independent appraiser of those properties owned by the Company intended for rental incomes would need to be shown to reflect the actual market condition. Such fair value could be calculated from the projected cash flow statements throughout the period of lease contract, reduced to the net present value. With this method, the Company would need to appraise the fair value of the investment property for all shopping centers projects, and compare it with the book value upon the commencement of the operation of the projects. After the commencement, the appraisal would need to be conducted every quarter for comparison. Should the fair value increase, it would be recognized as gain from fair value adjustment (please refer to the notes to the financial statements no. 2.8 regarding investment property on page 75 for more details).

Summary of the Financial Results

Company operates in only one business segment which is the development of shopping centers and lease out space in the centers. Currently, financial statements presented at fair value. Where as chief operating decision-maker and other financial analysts preferred using cost method. Therefore, company has provided cost method of income statement in No.32 Segment information of Notes to the Consolidated and Company Financial Statements in page 110. Detail as follow:

(Thousand Baht)

	2015	2014	Change (%) Increase (decrease)
Revenue			
Rental and service income	1,366	1,319	4%
Revenue from finance lease contracts	-	22	(100%)
Finance and interest income	27	27	0%
Other income	36	26	38%
Share profit from joint venture	201	191	5%
Total revenues	1,630	1,585	3%
Expenses			
Cost of rental and service	909	936	(3%)
Cost of finance lease contracts	-	19	(100%)
Selling and administrative expenses	233	229	2%
Total expenses	1,142	1,184	(4%)
Profit before finance costs	487	401	21%
Finance costs	(96)	(95)	1%
Income taxes	(38)	(33)	15%
Non-controlling interests	(21)	(18)	17%
Recurring Profit attributable to owners of the parent	332	255	30%
Profit from fair value adjustment on investment property *			
Siam Future Development	679	161	322%
Joint venture (MEGA Bangna)	397	284	40%
Net profit	1,408	700	101%

*Remarks: Profit from fair value adjustment on investment property is comprised of depreciation and amortization expense, land rental expense and change in investment property.

Revenues

Rental and service income increased by THB 47 million or 4% from that last year to THB 1,366 million attributable to the full-year recognition of 2015 revenues from anchor tenants in Pattaya Avenue project which was opened at the end of 2014 as well as the increase in revenue from common area management and the increase in rental and service rate during the year. The occupancy rate (excluding Mega Bangna project) increased from 93% in 2014 to 98%.

In addition, in 2014 the Company secured a new long-term lease contract with B-Quik and land lease contract of B-Quik Meng Jai Project was renewed. Therefore, it recognized THB 22 million as revenues from the financial lease in such year. However, the Company did not enter into a new long-term lease contract with tenants in 2015.

Share profit from the joint venture increased by THB 10 million or 5% from that last year to THB 201 million. Such increase was attributable to two reasons,

1. A 20% growth from Mega Bangna project due to a maturity of the lease agreements with the tenants, entitling the Company to raise the rental rate at the average of 8%. For those tenants who did not wish to renew the lease, the Company could replace them with the new tenants so that new shops were brought to the project while the rental rate could also be increased due to a consistently growing number of customers of Mega Bangna project.

2. The Company had purchased part of the land plots in expectation of the expansion of the project in the western Bangkok. Part of the fund used for such land purchase was in form of borrowing. However, as the Company could not collect all plots of land as planned, coupled with the opening of a large shopping center in the nearby area in 2015, it then planned to cancel such expansion project and wished to sell the land to other developers. To correspond with such approach, the interest expense obligation of THB 30 million incurred in 2015 had to be recognized as expenses instead of being capitalized as part of assets.

Costs and Expenses

Cost of rental and services declined by THB 27 million or 3% from that last year to THB 909 million since land lease agreements of six small projects (B-Quik) were expired and not renewed during the end of 2014 to the beginning of 2015. Land rental was thus reduced. Additionally, the Company conducted an energy saving project by changing the light bulbs to LED bulbs.

Gain from Fair Value Adjustment on Investment Property

In 2015, the Company was due to appraise the fair value of investment property which would be conducted every three years. In this round of appraisal, land owned by the subsidiary for The Avenue Ratchayothin project was appraised. Price of land in this area significantly rose as it was the route for BTS extension line and the site of BTS station. As the Company held only 50% shares in such project, net profit after tax and minority interest portion equaled THB 321 million. Additionally, the operating performance of several projects improved as a result of the increase in traffic, gain from fair value adjustment also increased accordingly.

Mega Bangna project was also appraised with the increased operating results. Coupled with the reduction of terminal rate from 10% to 9%, fair value increased accordingly.

Total Assets

(Thousand Baht)

Statements of Financial Position	2015	2014
<u>Assets</u>		
<u>Current assets</u>		
Cash and cash equivalents	33,500	27,584
Short-term investments	568,022	237,295
Trade and other receivables	225,879	126,343
Finance lease receivables due within one year	26,474	24,396
Amounts due from related parties	1,339	128,709
Short-term loans to related parties	23,000	25,000
Other current assets	5,966	13,644
Total current assets	884,179	582,971
<u>Non-current asset</u>		
Restricted cash	599	591
Finance lease receivables	635,587	667,080
Investments in joint ventures	4,123,934	3,507,719
Prepaid rent, net	1,034	1,100
Investments property	8,575,028	7,518,365
Building and equipment, net	45,399	50,451
Intangible assets, net	16,898	20,178
Deposits for leasehold land	86,915	52,086
Other non-current assets	52,511	59,609
Total non-current assets	13,537,904	11,877,178
Total assets	14,422,082	12,460,149

As at 31 December 2015, the Company's total assets increased by THB 1,962 million or 16% from that last year to THB 14,422 million, which can be analyzed as follows:

Short-term investment consisted of trading securities. In 2015, the Company's short-term investment increased by THB 331 million from that last year to THB 568 million. Such increase was obtained from cash from the operation and dividend income from Mega Bangna joint venture project totaling THB 113 million. Such investment was made on low-risk fund with high liquidity and appropriate return. This investment together with cash and deposits

with the financial institutions would be used to redeem THB 750 million debentures which would be matured on 23 February 2016.

In 2015, interest in joint venture increased by THB 616 million to THB 4,124 million attributable to the share profit of Mega Bangna project, from the increase in both profit from the operation and gain from fair value adjustment, dividend income from Mega Bangna project and additional investment in joint venture 'North Bangkok Development Co.,Ltd.' for land procurement.

In 2015, investment property increased by THB 1,057million to THB 8,575 million due to the appraisal of land at The Avenue Ratchayothin project at market price

as well as the improvement in operating performance of several projects of the Company.

Total Liabilities

(Thousand Baht)

Statements of Financial Position	2015	2014
Liabilities		
<u>Current liabilities</u>		
Bank overdrafts and short-term loans from financial institution	-	498,817
Trade and other payables	149,377	148,007
Amounts due to related parties	30,972	37,982
Current portion of unearned rental and service income	92,293	52,692
Current portion of long-term borrowings	749,014	-
Finance lease liabilities on land leases current portion	54,952	48,177
Corporate income tax payable	12,795	9,941
Other current liabilities	198,888	163,184
Total current liabilities	1,288,291	958,800
<u>Non-current liabilities</u>		
Unearned rental and service income	364,820	430,773
Long-term borrowings	1,198,797	1,447,670
Deposits received from customers	493,954	472,423
Deferred tax liabilities	902,493	666,047
Finance lease liabilities on land leases	1,234,598	1,307,585
Employee benefit obligations	33,126	30,463
Total non-current liabilities	4,227,788	4,354,962
Total liabilities	5,516,079	5,313,762

As at 2015, the Company's total liabilities increased by THB 202 million to THB 5,516 million due to the increase in deferred tax liabilities.

Moreover, the Company issued THB 500 million debentures in January 2015 to repay THB 500 million bills of exchange due in the same year. In February 2016, THB 750 million of debentures would be matured and, thus, was reclassified from long-term loan in non-current liabilities to current liabilities.

As at 31 December 2015, the Company's interest bearing liabilities stood at THB 1,948 million with the average interest rate of 4.83%

The Company's debt to equity ratio and net interest-bearing debt to equity ratio stood at 0.62 times and 0.22 times, respectively. The Company was required to maintain the debt to equity ratio at not more than 1.5 times according to the debentures covenant.

Shareholders' Equity

(Thousand Baht)

Statements of Financial Position	2015	2014
<u>Equity</u>		
Authorised share capital	1,776,618	1,480,523
Issued and paid-up share capital	1,776,608	1,480,515
Share premium	634,029	634,029
Retained earnings		
Appropriated – legal reserve	148,057	131,627
Unappropriated	5,545,348	4,483,285
Other components of equity	(446)	(512)
Non-controlling interests	802,408	417,443
Total equity	8,906,003	7,146,387

As at 31 December 2015, the Company's shareholders' equity increased by THB 1,746million from that in 2014 to THB 8,906 million attributable to the group's net profit and share profit from Mega Bangna joint venture. Return on equity (ROE) increased from 10.96% last year to 17.54%.

Cash Flow and Source of Fund

Cash Flow

1) In 2015, cash flow from operation declined by THB 57 million from that last year to THB 119 million due to the increase in the use of cash from rental and service income for short-term investment.

2) In 2015, cash flow used for investment activities increased by THB 127 million from that last year to THB 80 million due mainly to the additional investment of THB 131 million for land procurement in Rangsit joint venture (North Bangkok Development Co., Ltd.).

3) In 2015, cash flow used for financing activities declined by THB 186 million from that last year to THB 33 million as the Company made THB 200 million repayment of short-term borrowing (promissory notes) in 2014. In 2015, it

issued THB 500 million of debentures to repay the same amount of bills of exchange. Additionally, in 2015 the Company made share dividend payment at the ratio of 5 existing shares : 1 new share. Such share dividend payout rate was higher than that in 2014 at the rate of 8 existing shares : 1 new share. As a result, cash dividend payment was higher.

Source of Fund

In January 2015, the Company issued 5-year name-registered debentures, unsubordinated and unsecured without debenture holders' representative, totaling THB 500 million at a fixed interest rate of 5.00% p.a. The debentures were rated BBB by Fitch Ratings (Thailand) Co., Ltd. and will be matured on 27 January 2020.

In February 2016, THB 750 million of 3-year name-registered debentures, unsubordinated and unsecured without debenture holders' representative at the fixed interest rate of 4.70% p.a., would be matured. Such debentures were issued on 22 February 2013 and were rated BBB by Fitch Ratings (Thailand) Co., Ltd.

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 a shopping center developer and management service provider.

The company has a goal to be a leader of community mall developers and management service providers in Thailand, so the company has a plan to expand 10,000 – 20,000 square meters of gross leasable area (GLA) in order to develop various shopping centers to increase variety of services to retailer and customer are as follow:

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

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, and/or school.

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.

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.

Lifestyle center is an open-air 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.

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.

Super Regional Mall is a center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attractions are its anchors: traditional, mass merchant, or discount department stores or fashion specialty stores. A typical regional center is usually enclosed with an inward orientation of the stores connected by a common walkway and parking surrounds the outside perimeter.

Launch and Expansion Shopping Center

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

In 1996 the Company opened its second and third neighborhood shopping centers, i.e. PrachaUthit 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 centers and 8

branches as stand-alone retail stores. B-Quik's remaining 4 branches were established on the Company's existing neighborhood shopping centers.

In 2002, 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 2003 the Company opened the new neighborhood shopping center in Thungmahamek with Tops Supermarket as the anchor tenant. Moreover, the Company entered into a long-term lease agreement with an owner of the land on Thong Lo Soi 15 and Changwattana Road to be developed the shopping center in next year.

In 2004, the Company opened 5 new shopping centers i.e. The Family Center Chaengwathana, Ladprao Soi 120 Convenience Center, Major Cineplex Cha Choeng Sao, Lifestyle Center "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 Center with Big C Supermarket, Index Living Mall, HomeWork, and Major Cineplex as anchor tenants, Ekkamai Power Center with Big C Supermarket and Index Living Mall as anchor tenants.

In 2006, The Company opened 3 new shopping centers as follows: The Avenue Chaengwathana Lifestyle center, La Villa Phahonyothin Lifestyle center, and Esplanade Ratchadapisek Entertainment center. Esplanade Ratchadapisek with Major Cineplex, Ratchadalai Theatre and Tops Supermarket as anchor tenants. In 2014 there are new anchor tenants We Fitness Society and Art in paradise that is the first 3D Art museum in Thailand.

In 2007, the Company launched 2 new shopping centers as follow: The Avenue Pattaya (Lifestyle Center) with Major Cineplex, Major Bowl and Villa Market as anchor tenants, Kao Yai Market Village (Power Center) with Tesco Lotus as

an anchor tenant. In 2009, The Company disposed Kao Yai Market Village to Tesco Lotus.

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

In 2009, The Company opened the newly Nawamin City Avenue Lifestyle center located on Kaset-Nawamin Road and Villa Market as an anchor tenant.

Moreover, in December the Company sold 30-year leaseholds rights of 11,109 sq.m. short-term lease of Major Avenue Ratchayothin to Major Cineplex Lifestyle Property Fund (MJLF)

In Y2011, the Company launched 2 new shopping centers. Firstly Festival Walk Nawamin Art Village, an expansion of Nawamin City Avenue, on Kaset-Nawamin. Secondly, IKEA Store one of anchor tenants in Mega Bangna which is joint venture Company with IKANO Pte opened 40,000 sq.m.

In Y2012, the Company launched one super regional mall. Mega Bangna, located on Bangna-Trad Road K.M. 8, The Company had joint venture with IKANO Pte. which is the world famous home furnishing company from Sweden. Mega Bangna is anchored by IKEA, Major Cineplex, Big C, Homepro, and Robinson with Gross Leasable Area of 180,000 sq.m.

In Y2013 the company management service provider for Bangkok University's community mall named "Imagine village" which was opened in April 2013. Imagine Village anchored by 7-Eleven. The management contract has expired at Oct 31st, 2015

In summary, as of 31 December 2015, the Company operates 22 centers, Gross Leasable Area in the amount of 408,563 sq.m. with 98% occupancy rate.

Funding

Siam Future Development Public Company Limited launched business in Year 1994 with a registered capital of Baht 10 million.

In 1997 the Company increased its registered capital from Baht 10 million to 20 million to support further expansion, after that the company has highlight funding as follows:

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.

In 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 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 and 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 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.

In 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 will redeem on 2010.

In 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 IKANO Pte. 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.

In Y2010, the Company issued 3-4 year debenture of Baht 1,200 Million will redeem Baht 700 Million on 2013 and Baht 500 Million on 2014.

In Y2012, the Company had a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share operating results totaling 130 Million shares. The company had registered capital 1,169.86 million shares.

In Y2013 the Company issued 3-4 year debenture of Baht 1,450 Million will redeem Baht 750 Million on 2016 and Baht 700 Million on 2017, beside the Company had a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share. Operating resultstotaling 146.16 Million shares.The company had registered capital 1,316.02 million shares.

In Y2014, the Company had a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share. Operating resultstotaling 164.50 Million. The company had registered capital 1,480.52 million shares.

In Y2015, the Company issued 5 year debenture of Baht 500 Million will redeem on 2020, besides the Company had a stock dividend to shareholders at the ratio of 5 existing shares to 1 new share. Operating results totaling 296.09 Million shares. The company had registered capital 1,776.62 million shares.

Revenue Structure

2013-2015 Rental and Service Income from anchor tenants and co-tenants of the Company

Tenants	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Anchor Tenants	210.55	27.49%	232.51	29.63%	195.42	26.73%
2. Co-Tenants	555.46	72.51%	552.43	70.37%	535.82	73.27%
Total	766.01	100.00%	784.84	100.00%	731.24	100.00%

Details of the 22 existing projects (Rental Area and Occupancy Rate)

	Shopping Center	Anchor Tenant	Type of Shopping Center	Gross Leasable Area (Sq.m.)	Occupancy Rate (%)
1	Bangbon	Maxvalu Supermarket	Neighborhood Center	7,206	78
2	PrachaUtitt	Maxvalu Supermarket	Neighborhood Center	6,174	100
3	Sukaphiban 3	Tops Market	Neighborhood Center	6,725	98
4	Thonglo 4	Tops Market	Neighborhood Center	3,644	100
5	Thungmahamek	Tops Market	Neighborhood Center	2,877	100
6	The Avenue ChaengWatthana	Major Cineplex, Villa Market, Lemon Farm,	Lifestyle Center	21,031	95
7	Piyarom Place	Tops Market	Neighborhood Center	7,588	100
8	Cha Choeng Sao	Major Cineplex	Power Center	8,408	93
9	J Avenue (Thonglo 15)	Villa Market	Lifestyle Center	7,765	100
10	Wanghin	B-Quik	Convenience Center	535	100
11	Ladprao 120	Tesco Lotus Express	Convenience Center	643	100
12	Bangkae	Seacon Square	Stand-Alone Retail Store	364	100
13	Meng Jai	B-Quik	Stand-Alone Retail Store	465	100
14	Petchkasem Power Center	Big C, Index, HomeWorks, MajorCineplex	Power Center	43,735	100
15	Ekkamai Power Center	Big C, Index	Power Center	15,074	100
16	La-Villa (Phahonyothin)	Villa Market	Lifestyle Center	5,330	100
17	Esplanade (Ratchadapisek)	Major Cineplex, Blu-o Bowl, We Fitness Society, Ratchadalai Theatre, Tops Market, Art in Paradise	Entertainment Center	43,241	100
18	Pattaya Avenue	Major Cineplex, Major Bowl, Villa Market, Premium Outlet	Lifestyle Center	24,113	96
19	Market Place Nawamin	Big C Market	Neighborhood Center	4,175	84
20	The Avenue Ratchayothin	Villa Market	Lifestyle Center	3,904	100
21	Nawamin City Avenue*	Villa Market, Bosch	Lifestyle Center	15,566	93

	Shopping Center	Anchor Tenant	Type of Shopping Center	Gross Leasable Area (Sq.m.)	Occupancy Rate (%)
22	Mega bangna	IKEA, Major Cineplex, Major Bowl, Sub-Zero Ice Skate, Big C, HomePro, Robinson	Super Regional Mall	180,000	100
	Total			408,563	98

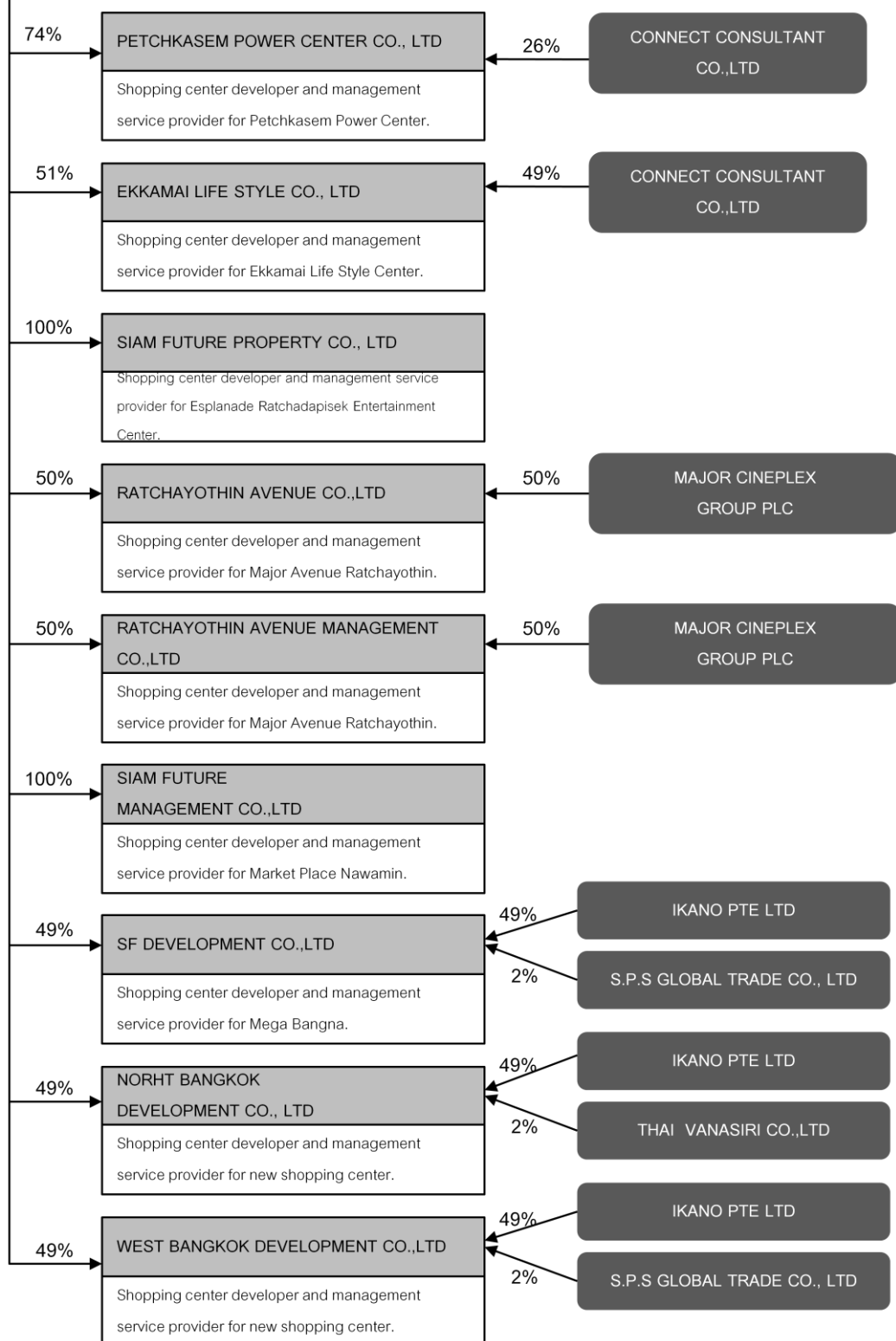
Remarks: As at December 31st, 2015.

No. 13 Total leasable area are occupied by B-Quik, automotive service workshop, only.

*For managing the purpose, the company decided to integrate Nawamin City Avenue and Festival walk to be united.

SIAM FUTURE DEVELOPMENT PLC

% of shareholder



Remark Shareholding and voting rights are the same proportion.

Marketing and Competition

(a) Marketing Policy of Major Products or Services

The Company classifies customers into two groups as follows:

Anchor tenants

i.e. supermarkets, hypermarkets, movie theaters, etc. This group of customers is important and essential to the shopping centers of the Company as these anchor tenants will be a magnet for co-tenants as well as customers of the shopping centers. Therefore, the Company oversees, monitors turnover and facilitates anchor tenants to ensure their business is operated smoothly.

Retail tenants

More than 700 shops are the Company's retail tenants. The Company continually monitors their business and analyzes market information so that tenants of the shopping centers are well mixed. It also procures new tenants to create new atmosphere and add diversity to each project.

The Company organizes events to meet its customers to obtain feedback on those areas which need improvements so that the needs of shops and customers are genuinely responded.

Additionally, marketing campaigns have been continually implemented with a focus on customer attraction to boost sales of shops in the Company's shopping centers. Marketing department always finds distinctive, modern and creative activities to create good experiences from using services in the shopping centers.

(b) Industry Overview and Competition

Domestic Economic Situation in Quarter 3 of 2015

Thai economy in the 3rd quarter of 2015 grew by 2.9%, a slight improvement from 2.8% growth in the prior quarter ⁽¹⁾ attributable to major expansion of the service export and investment of the governmental sector, continual growth of household and governmental expenditure as well as hotel, restaurant and other services business sectors. However, product export was still affected by world economic stagnation and a decline in investment of the private sector. Agricultural sector was also affected by the drought. These factors limited the economic expansion of the country.

Marginal growth of economy, coupled with a decreasing expenditure which lowered money flow within the economy, caused the government to take various measures to increase economic activities, e.g. village fund and "Shop for Thailand" campaign during 25 – 31 December 2015. Such measures improved retail business as a whole. It increased consumers' confidence and spending atmosphere. "Shop for Thailand" campaign, in particular, increased spending during new year and was widely accepted from public.

Table illustrating Thailand economic index in quarter 3 of 2015



Source: Office of the National Economic and Social Development Board (NESDB)

Note

⁽¹⁾ Macroeconomic Strategy and Planning Office

Retail Business Overview

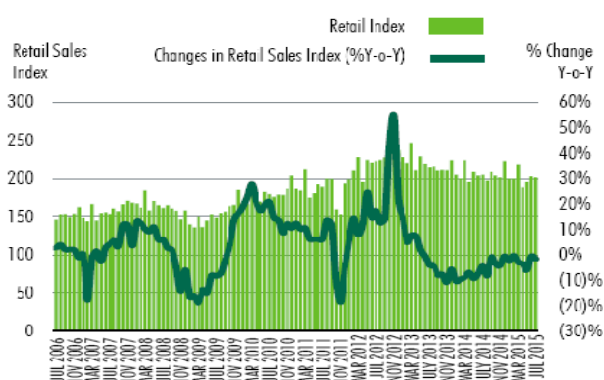
In July 2015 retail sales index stood at 201.58, an increase of 2.8% quarter to quarter, but a slight decline of 1.5% year on year. This was due to a 24% increase in the number of foreign visitors from that last year. The increase in the number of tourists boosted retail sales in Bangkok accordingly. In spite of a slowdown in retail sales, more than 1,100,000 square meters of retail space is under construction to be completed in 2017, 44% or approximately 500,000 square meters of which to be located in the suburb while 41% and 15% to be located around the CBD and in the CBD area, respectively.

Major retail store developers are planning for big projects around the CBD and in the outskirt area. Both domestic and foreign retail chains start to expand towards the outskirt area as well as renovating a number of shopping centers in the CBD area in order to attract new stores and more customers, e.g. Siam Discovery, MBK Center, Central Plaza Pinklao and Central Plaza Bangna.

Despite a slight economic improvement, customers' purchasing power declined. As such, operating performance of some shopping centers were still unpleasant, resulting in a slowdown of retail store development upcountry as well as a potential raise in rental rate.

Table illustrating Thailand retail sales index in quarter 3 of 2015

Figure 1: Thailand's Retail Sales Index



Source: Research Department,
CB Richard Ellis (Thailand) Co., Ltd.

Supply

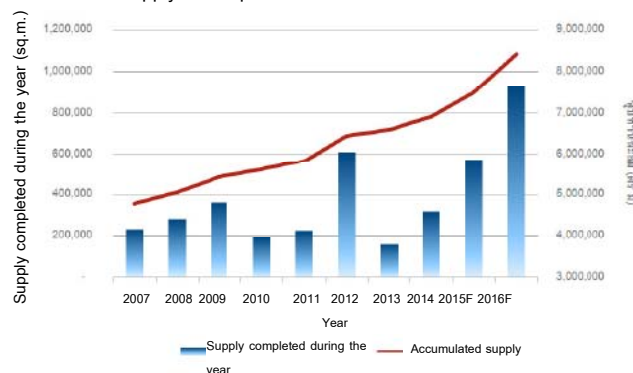
More than 165,000 square meters of retail space were added to the market in quarter 3 of 2015. One project opened was "Central Plaza Westgate", occupying an area of approximately 132,000 square meters. Such opening resulted in the increase in retail space in Bangkok and metropolitan area to 7,200,000 square meters. Moreover, more than 300,000 square meters of retail space were scheduled to open in the last quarter of 2015, i.e. Central Festival Eastville and Zpell @ Future Park.

Shopping centers accounted for most of the retail space, which totaled approximately 4,300,000 square meters, followed by community malls, whose retail space would increase to 1,150,000 square meters by the end of this year, and super store malls or hypermarkets, occupying the area of 820,000 square meters.

Table illustrating accumulated supply in quarter 3 of 2015

Supply

Accumulated supply as at quarter 3 of 2015



Source: Research Department, Colliers International Thailand

Note: F = Forecasted retail space scheduled
to complete in 2015 - 2016

Demand

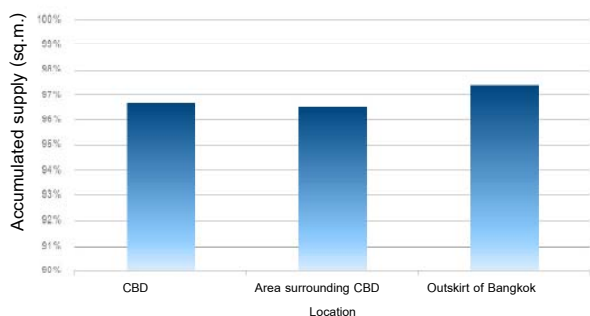
In quarter 3 of 2015, retail occupancy rate in all areas was similar to that in the prior quarter, which was more than 90%. Average occupancy rate in all areas did not decrease in spite of a continuous decline in domestic purchasing power in 2015. Rental space of certain mega projects in the central area was still available, partly possibly due to a major renovation in many shopping centers.

More retail projects had been developed in the outskirts of Bangkok and around the country, major cities and tourist attraction area in particular, as there was more interest towards Thai retail market from new tenants, both Thai and foreign brands, due to their intention to cover more of the purchasing power.

Table illustrating retail occupancy rate classified by location in quarter 3 of 2015

Demand

Retail occupancy rate classified by location as at quarter 3 of 2015



Source: Research Department, Colliers International Thailand

Rental Rate

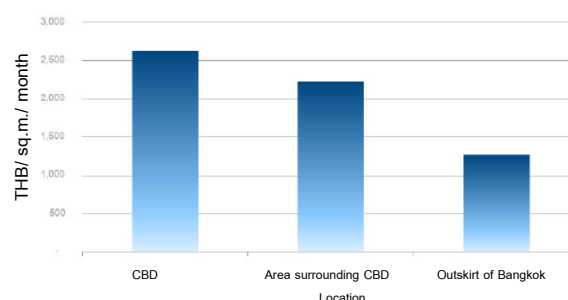
Average rental rate in all areas of Bangkok and surrounding area was still similar to that in the prior quarter. Retail market in Thailand still tends to grow in the future. Therefore, Thai and foreign brands try to open new shops or increase the number of branches to support purchasing power in the future. The CBD area commanded the highest rental rate of greater than THB 4,000 per square meter per month for the shopping

centers in the CBD or next to the BTS. Rental rate in the outskirt of Bangkok would start from approximately THB 800 per square meter per month. Additionally, several shopping center projects were scheduled to open in Bangkok and the suburb area, resulting in the increase in average rental rate.

Table illustrating the average rental rate classified by location in quarter 3 of 2015

Rental Rate

Average rental rate classified by location as at quarter 3 of 2015



Source: Research Department, Colliers International Thailand Note:

Average rental rate was calculated from rental on the 1st floor of the project

Retail Business Outlook

Although there was a positive signal on confidence index and retail index in quarter 3 of 2015, it was a very slight increase from that in the 1st half of 2015 which did not have much impact on the retail business. However, it was expected to improve in the last quarter of 2015. Retail store developers in Thailand planned to renovate their projects after more than 10 years of operation. They also added more new brands and divided shops into zone to increase an attractiveness of the projects. Projects both in Bangkok and surrounding areas as well as those in the upcountry, major cities and tourist attraction area in particular, were expanded. Community malls will continue to expand albeit a small growth. This was because many projects failed recently, especially for those projects which could not retain their popularity in a long run.

ASEAN Economic Community and Retail Business in Thailand

1 January 2016 was considered an official effective date of the opening of the ASEAN Economic Community (AEC). Member countries, i.e. Thailand, Malaysia, Indonesia, the Philippines, Singapore, Brunei, Cambodia, Laos, Myanmar and Vietnam, would cooperate to increase the economic growth, improve society, improve culture amongst the member countries and maintain peace and security of the region. This would also provide an opportunity for the peaceful relief of dispute between the member countries.

After the opening of ASEAN Economic Community, customer base will expand from not only 65.1 million of Thailand population but to 626.6 million⁽¹⁾ of the ASEAN population of 10 countries altogether. With this market size, many countries want to share the market in ASEAN. This thus provides an opportunity for domestic retail operators who expect to become advantageous after the AEC.

The change towards the AEC caused more awareness to Thai retail operators, especially those around the border, e.g. Cambodian, Lao and Malaysian who travel more to Thailand and increase their spending. In 2014, Thailand border trade totaled THB 987,572.22 million or the increase of 6.85% from the prior year. Malaysia was the major market with the highest trade with Thailand, accounting for 51% of total Thailand border trade value, followed by Myanmar (22%), Laos (15%) and Cambodia (12%), respectively⁽²⁾.

Note

2015 Population Reference Bureau
Border Trade Journal, 1st Issue January – March 2015,
Department of Foreign Trade, Ministry of Commerce

Moreover, the number of young generation and working age population increased and the society was evolved towards urbanization. Customers' behavior changed and provided an opportunity for Thai retail operators from the development of retail business attributable to the potential increase of purchasing power of the population and tourists. This should encourage the growth of retail business accordingly.

Although the AEC would expand customer base, it would also increase the competition especially in retail business which was considered vital to the country's economic system and was one of the indices which reflects wealth of the population and the country's security. Therefore, Thai retail operators must speed up their study the effect of AEC both in terms of opportunities and challenges to Thai retail operators in order to compete for market share whereby ASEAN retail market was valued at not more than USD 320 million or approximately six times Thailand's retail market. Also, the number of middle and higher income population was expected to increase to 300 million in 2015. It was thus considered one of service businesses which attract investors.

This was both an important opportunity and challenge for Thai retail operators. One apparent opportunity was the expanded market as a result of the increased purchasing power of Thai population, ASEAN population and foreign visitors, especially those visiting Thailand. It would help expand retail business accordingly. Factors supporting the expansion of retail business are:

The change in behavior of ASEAN consumers which became more diversified, especially the increase in population's income and urbanization. The change in purchasing behavior of the consumers correlated with the income of ASEAN population which was expected to rise accordingly.

An expansion of urbanization was another factor which encouraged the growth of retail business. This provided

another opportunity for Thai retail operators to expand their investment towards ASEAN market.

The expansion of tourism industry in ASEAN was also a factor encouraging the growth of retail business as shopping was one of the activities preferred by foreign visitors.

However, the expansion of retail business in ASEAN also provokes many challenges as follows:

1. Studying and understanding the need and behavior of consumers in each ASEAN country.
2. Studying suitable location, e.g. shopping center, community, etc. Selecting location was a major factor for retail business.
3. Studying business pattern as the opportunity in each ASEA country differs depending upon the behavior and income level of the consumers.

4. Selecting skilled and knowledgeable local operator as business partner or network.

5. Studying rules and regulations, conditions or restrictions related to retail business.

In Thailand, the operators must also speed up their improvement by focusing on quality improvement, customer service as well as providing new kind of services, creating recognizable brand, maintaining the existing customer base and securing new customer base, to be prepared for the competition from foreign retail operators. Foreign operators may have the edge over local operators in terms of capital and expertise in modern trade. Local operators, however, had an advantage from their understanding in consumers' behavior and need which was the core in maintaining customer base.

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 centers 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.

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.

Note

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

Risk of Dependence on Anchors of the Neighborhood Shopping Centers

Anchors in the neighborhood shopping centers will draw co-tenants 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 center, 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). The Company then earns revenue continuously. 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 PrachaUthit Project where the Company has 30-year 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.

For Bang Bon and PrachaUthit project, Jusco Supermarket (Now renamed to MaxValu), an existing anchor tenant, had already extended the lease agreement for another 15 years.

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 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.

Remaining land lease term From 31 Dec 2015	Gross Leasable Area (sq.m.)	%
Less than 5 years	43,407	11%
5 - 10 Years	21,610	5%
More than 10 years	159,642	39%
Land Ownership	183,904	45%
Total Leasable Area	408,563	100%

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.

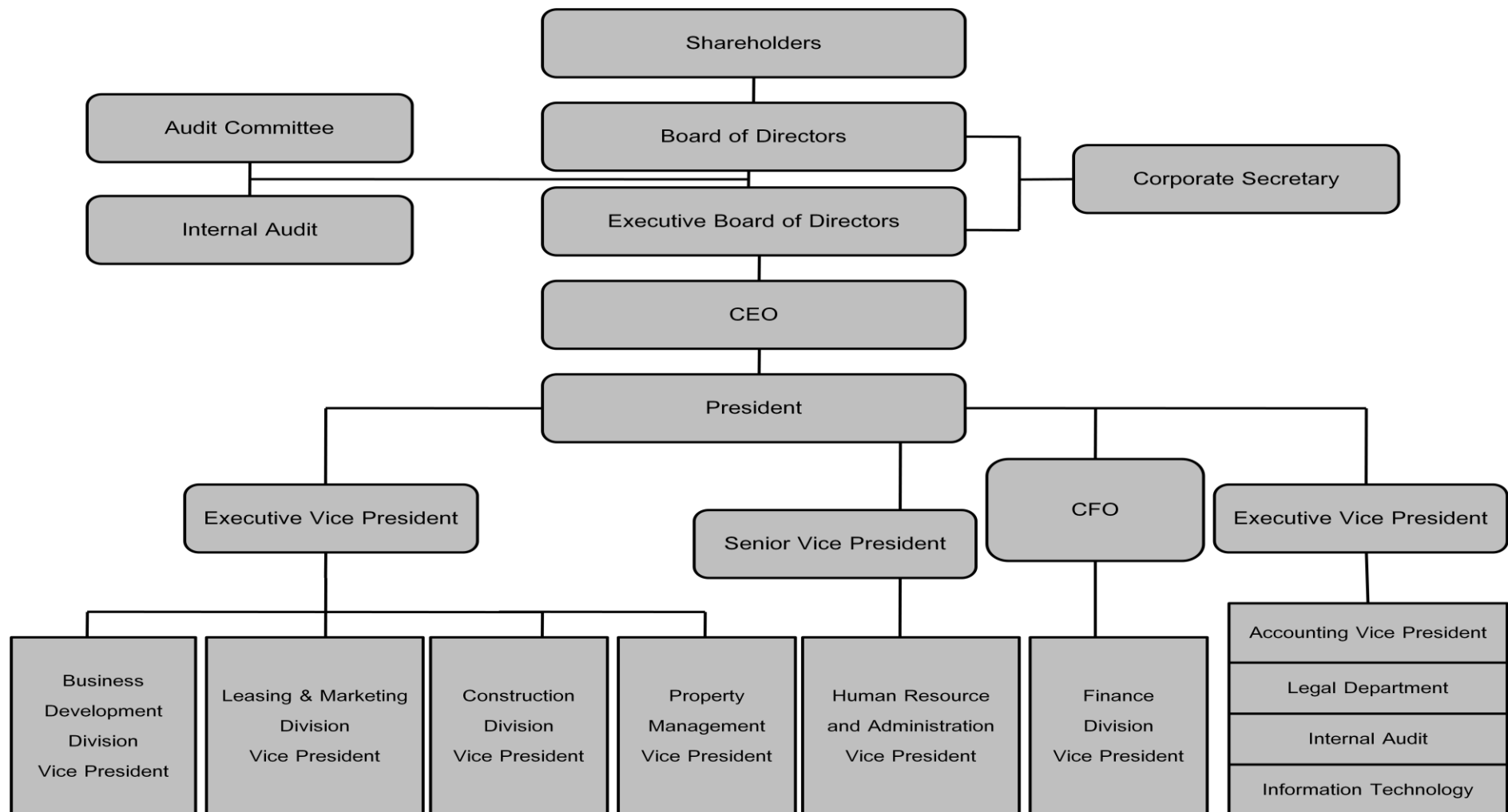
Risk of the delay from receiving the rent of all projects

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 financial ratio according to Covenants of Debenture

Refer to Covenants of Debenture between Issuer and Debenture holder, the Company must maintain Interest Bearing Debt to Equity Ratio not exceed 1.5 : 1 as at the end of each financial year. As of 31 December 2015, the Company had Interest Bearing Debt to Equity Ratio equal to 0.22 Therefore; the Risk of maintaining financial ratio is less.

Organization Chart



Shareholding Structure and Management

Shareholders

The top 10 major shareholders as listed in the shareholders' registration as at 30 December 2015 are as follows:

	Name of Shareholders ¹	Number of Shares	Percentage
1	Major Cineplex Group Public Company Limited ²	422,807,383	23.80
2	LUCKY SECURITIES, INC	143,661,366	8.09
3	Mr. Nopporn Witoonchart	109,357,561	6.16
4	Mr. Pongkit Suttapong	102,345,154	5.76
5	MORGAN STANLEY & CO. INTERNATIONAL PLC ³	52,000,000	2.93
6	Ms. Artitaya Jantaraprapa	42,308,886	2.38
7	K 20 Select LTF	37,506,120	2.11
8	Mrs. Gasinee Witoonchart	32,354,522	1.82
9	Mrs. Supan Witoonchart	27,402,217	1.54
10	Ms. Thanjira Pojkasemsin	26,092,352	1.47
Total		995,835,561	56.05
No. of ordinary shares		1,776,607,541	100.00

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.6 are related as aunt and nephew and shareholder no.3 and no.7 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 Ms. Thitapat Issarapornpat as directors of the company.

3. These shareholders such as LUCKY SECURITIES, INC and MORGAN STANLEY & CO. INTERNATIONAL PLC do not have any influence over the Company's strategies or operational management.

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 12 directors as at 31 December 2015 are as follows:

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

Authorized director

Directors authorized to sign on behalf of the Company are Mr. Oranop Jantaraprapa, Mr. Pongkit Suttapong, Mr. Nopporn Witoonchart, Mr. Somnuk Pojkasemsin, and Mr. Kittinanth Sumruatruamphol. 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 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

transactions. The Board of Directors may engage an strategies, business management, appointment of directors, matters affecting the stakeholders, accessing financial & other business information, operational policies as well as annual budget.

6. Authorization of Board of Directors

The Board of Directors has an authorization to perform all duties in compliance with the law, articles of association. Defines visions, strategies, operation plans, annual budget, salary and bonus, organization chart, human resource, borrowing from financial institution, bad debt, recruit transfer terminate employee of assistant manager level.

2. Executive Committee

The Executive Committee comprises 5 Directors as follows:

	First Name – Last Name		Position
1.	Mr. Nopporn	Witoonchart	Chairman of Executive Board
2.	Mr. Vicha	Poonvoralluck	Executive Director
3.	Mr. Somnuk	Pojkasemsin	Executive Director
4.	Mr. Kittinanth	Sumruatruamphol	Executive Director
5.	Ms. Thitapat	Isarapornpat	Executive Director

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.	Mrs. Nantiya	Montriwat	Chairman of the Audit Committee
2.	Mrs. Sabaithip	Suntaros*	Member of the Audit Committee
3.	Mr. Dej	Bulsuk	Member of the Audit Committee

* Mrs. Sabaithip Suntaros is a Member of Audit Committee who has knowledge and experience in Review of Financial Statement.

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 is as follows:

	First Name – Last Name	Position
1.	Mr. Nopporn Witoonchart	Acting Chief Executive Officer
2.	Mr. Somnuk Pojkasemsin	President
3.	Mr. Kittinanth Sumruatruamphol	Chief Financial Officer
4.	Ms. Pornnipa Rujipairoj	Executive Vice President
5.	Mr. Thongchai Tantisathit	Executive Vice President

Company's secretary: Ms.Pornnipa Rujipairoj, who is also in the position of Executive Vice President since May 8th 2008.

Board of Directors' Meeting

In 2013- 2015, the Company set up the Board of Directors' Meetings as shown below the number of meetings of each director.

Board of Directors	2013 (Totally 5 meetings)	2014 (Totally 5 meetings)	2015 (Totally 4 meeting)
Mr. Oranop Jantaraprapa	5	5	4
Mr. Pongkit Suttapong	4	4	4
Mr. Nopporn Witoonchart	5	5	4
Mr. Somnuk Pojkasemsin	5	5	4
Mr. Kittinanth Sumruatruamphol	5	5	4
Mr. Vicha Poolvaraluck	4	5	4
Mr. Verawat Ongvasith	5	5	4
Mr. Vichate Tantiwanich	1	-	-
Ms. Thitapat Isarapornpat *	4	5	4
Mr. Chai Jroongtanapibarn	5	5	4
Ms. Nantia Montriwat	5	5	4
Mr. Dej Bulsuk	5	5	3
Ms. Sabaithip Suntaros	5	5	4
Ms. Pornnipa Rujipairoj**	-	-	1
Ms. Jitthada Paoin**	-	-	1
Ms. Panravee Pongpan**	-	-	1

* The Board of Directors' Meeting has approved a resolution to appoint Ms. ThitapatIsarapornpatas a Director since March 27th, 2013.

** The Board of Directors' Meeting has approved a resolution to appoint Ms. Pornnipa Rujipairoj, Ms.Jitthada Paoin and Ms.Panravee Pongpan as directors since April 22th, 2015 and to resign from director position of company, being effective from Aug 4, 2015.

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.

Audit Fee

In 2015 audit fee out of the company has been paid for audit firm that the auditor work for amounted to Baht 763,000.

Non-Audit Fee

-None-

BOARD OF DIRECTORS

1. Mr.Oranop Jantaraprapa • Age 68 years • Shareholding 0.29%

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 • 1990 – 1993: President, the International Engineering Plc, Telecommunication • 1980 – 1990: Siam Cement Group <ul style="list-style-type: none"> Vice President of Operation Division, Construction & Supply Machine President, SCT Computer Co., Ltd., Computer President, Pan Supplies Co., Ltd (Siam Cement Group), Construction Material & Decoration Manager of Accounting department, Manager of Trading department, Manager of Finance department, Siam Cement Trading Co., Ltd. International Trading

2. Mr. Pongkit Suttapong • Age 55 years • Shareholding 6.76%

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 (PorPorRor. 9), King Prajadhipok's Institute, year 2005 • The Joint State-Private Class #19, National Defense College, (WorPorOr. 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 51 years • Shareholding 6.18%

Position	Director • Chairman of Executive Board • Acting 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 # 70) in 2005, Thai Institute of Directors Association (IOD) • Capital Market Academy (CMA#8) 2009 • Top Executive Program in Commerce and Trade (TEPCoT # 3), Commerce Academy 2010 • Top Executive Program in Urban Green Development (Mahanakorn #1), Urban Green Development Institute Bangkok 2011 • Diploma, National Defence College, The Joint State – Private Sector Course Class 55 , National Defence college of Thailand • Top Executive Program in Industry and Investment Business Development, Institute of Business and Development (IBID1) • Top Executive Program in Energy Literacy for the world – Class 6, Thailand Energy Academy 2015
Experience	<ul style="list-style-type: none"> • 1994 – Present: Director, Chairman of Executive Board, Siam Future Development Plc., Shopping Center Developer • 1994 – Present: Managing Director, Siang Somboon Co., Ltd., Real Estate • 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 58 years • Shareholding 0.20%

Position	Director • Executive Director • President • 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, The 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. Kittinanth Sumruatruamphol • Age 53 years • Shareholding 0%

Position	Director • Executive Director • Chief Financial Officer • Authorized Director
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. • Director Accreditation Program (DAP) in 2004, Thai Institute of Directors Association (IOD)
Experience	<ul style="list-style-type: none"> • 2009 – Present: Director, Executive Director, and 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

6. Mr. Vicha Poolvaraluck • Age 52 years • Shareholding 0%

Position	Director • Executive Director
Education	<ul style="list-style-type: none"> • MBA, United States International University of San Diego, USA. • B.A. (Accounting), Chulalongkorn University
Experience	<ul style="list-style-type: none"> • 2003–Present: Director, Siam Future Development Plc., Shopping Center Developer • 2012–Present: Chairman of Executive Committee, Major Care Foundation • 1998 – Present: Director, Chairman of Executive Board, Major Cineplex Group Plc., Cinema and Bowling

7. Mr. Verawat Ongvasith • Age 45 years • Shareholding 0.03%

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 • 2011 – Present: Chairman of Executive Board, Oak tree Co.,Ltd.,and Sofitel So Bangkok Co.,Ltd., Hotel • 2011 – Present: Chairman of Executive Board, Veranda Resort and Spa Co.,Ltd., Hotel • 2011 – Present: Chairman of Executive Board, Veranda Beach Pattaya Co.,Ltd., Hotel

8. Ms.Thitaphat Issarapornpat • Age 47 years • Shareholding 0%

Position	Director • Executive Director
Education	<ul style="list-style-type: none"> • MBA, Chulalongkorn University • Bachelor of Accounting, Ramkamhaeng University • Director Certification Program (DCP 148/2554)
Experience	<ul style="list-style-type: none"> • 2013 – Present: Director, Siam Future Development Plc, Shopping Center Developer • 2013 – Present: Chief Finance Officer, Major Cineplex Group Plc., Cinema and Bowling • 2012 – Present: Director, K Arena Co., Ltd. • 2012 – Present: Director, Thai Ticket Major Co., Ltd. • 2012 – Present: Director, M Pictures Entertainment Plc. • 2013 – Present: Director, M Pictures Co., Ltd. • 2013 – Present: Director, MVD Co., Ltd. • 2013 – Present: Director, M Thirty Nine Co., Ltd. • 2011 – Present: Director, Talent 1 Co., Ltd. • 2011 – Present: Director, EGV Entertainment Plc. • 2009 – 2013: Finance & Accounting Director, Major Cineplex Group Plc. • 1991 – 2009: Accounting Manager, Wiik & Hoeglund Plc. • 2015 – Present: Director, Major Bowl Group Co.,Ltd.

9. Mr. Chai Jroongtanapibarn • Age 61 years • Shareholding 0%

Position	Independent 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: Independent 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, Audit Committee and Risk Management Director, Siam Food Plc., Exporting of Canned fruits • 2006 – Present: Independent Director, Audit Committee and Chairman of Risk Management Director, Oishi Plc., Softdrink & Restaurants • 2014 – 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

10. Mrs. Nantiya Montriwat • Age 67 years • Shareholding 0.29%

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 and Independent Director, Siam Future Development Plc, Shopping Center Developer • 2008 – Present: Director, Thai Samut Asset Co., Ltd. • 2007 – Present: Chairman, Muang Thai Management Co., Ltd. • 2007 – 2015: Director, Muang Thai Real Estate Pcl. • 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 Insurance Co., Ltd.

11. Mr. Dej Bulsuk • Age 65 years • Shareholding 0.15%

Position	Member of the Audit Committee and Independent 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: Member of the Audit Committee and Independent Director, Siam Future Development Plc., Shopping Center Developer • 2011 – Present: Independent Director, Patum Rice Mill and Grannary PCL. • 2004 – Present: Chairman of Executive Board, CCC Business Development Co., Ltd. • 2004 – Present: Member of the Audit Committee and Independent Director, The Erawan Group PCL. • 2001 – Present: Member of the Audit Committee and Independent Director, AEON Thana Sinsap (Thailand) PCL. • 2011 – 2015: Chairman of Nomination and Remuneration Committee, GMM Grammy PCL. • 2002 – 2015: Member of the Audit Committee and Independent Director, GMM Grammy PCL. • 2002 – 2013: Member of the Audit Committee and Independent Director, Jay Mart PCL. • 2006 – 2009: Advisor Director, President Bakery PCL. • 2002 – 2009: Member of the Audit Committee and Independent Director, GMM Media PCL. • 2004 – 2006: Honorary Chairman, McThai Co., Ltd. (McDonald's Thailand), Fast Food • 2001 - 2006: Chairman, Ronald McDonald's House Charities • 1984 – 2004: Founder and President, McThai Co., Ltd. (McDonald's Thailand), Fast Food

12. Mrs. Sabaitip Suntaros • Age 68 years • Shareholding 0.07%

Position	Member of Audit Committee and Independent Director
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"> • 2003 – Present: Member of Audit Committee and Independent Director, Siam Future Development Plc, Shopping Center Developer • 2009 – Present: Independent Director, HuaSengHeng Gold Future Co., Ltd., Trading Gold Future • 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:

- No relationship among each director.
- Shareholding includes spouse and not sui juris(legal age) children's shareholding as listed in the shareholders' registration at 30 December 2015.

Management

1. Mr. Somnuk Pojkasemsin • Age 58 years

Please see the Details in Board of Directors.

2. Mr. Kittinanth Sumruatruamphol • Age 53 years

Please see the Details in Board of Directors.

3. Ms. Pornnipa Rujipairoj • Age 52 years

Position	Company's secretary • Executive Vice President
Education	<ul style="list-style-type: none"> • MBA, Thammasat university • MBA, Bangkok University • B.B.A., Chulalongkorn University • Politics and Governance in Democratic Systems for Executives Class (PorPorRor # 17), King Prajadhipok's Institute
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 Assistance, Deloitte ToucheTomutsu (Thailand) Co., Ltd., Ltd., Audit Firm

4. Mr. Thongchai Tantisathit • Age 44 years

Position	Executive Vice President
Education	• B.A. Business Economics University of California, Los Angeles, USA
Experience	<ul style="list-style-type: none"> • 2014 – Present: Executive Vice President, Siam Future Development Plc., Shopping Center Developer • 2011 – 2013: Vice President Business Development, Central Retail Corporation Co., Ltd. Shopping Center Developer • 1997 – 2000: Company Operate Service Station (COSS), Mobil oil (Thailand) Plc • 1996 - 1997: Manager, General Administration, Metro Chrysler Co., Ltd.

Report on Compliance with Principles of Good Corporate Governance

The Board of the Directors of the Company was aware of the roles, duties and responsibilities according to the code of best practices for the directors of listed company in order for the transparency of the operation and to increase the credibility to be in accordance with international standard as well as sustainable growth of the Company. The Board of the Directors, therefore, adopted self-assessment form on the compliance with good corporate governance principles as a tool to develop the Company's corporate governance system to be in compliance with the good corporate governance principles set out by the Stock Exchange of Thailand. The Company set out an approach and operational methods which could be divided into five sections as follows:

Section 1 Shareholders' Rights

The Company was aware of the rights of the shareholders. Sufficiency and timeliness of the information used in decision making and disclosure of information of the Company was in compliance with the regulations of related entities

Opportunity for the shareholders to consider the information prior to the date of the shareholders'

- In order for all shareholders to receive clear and sufficient information with enough time to study in advance before the date of the shareholders' meeting, the Company had clearly disclosed the information regarding the date, time, venue and meeting agenda through SET Portal of the Stock Exchange of Thailand and on its website approximately two months prior to the date of the shareholders' meeting.
- In delivering the document for the shareholders' meeting, the Company assigned Thailand Securities Depository Company Limited, its share registrar, to deliver an invitation letter for the 2015 Annual General Meeting of the

Shareholders 14 days prior to the meeting. The Company also disclosed the information supplementary to the meeting agenda both in Thai and English on its website prior to the delivery of the document so that the shareholders had sufficient time to consider the meeting agenda and supplementary information. The information was similar to the paper document that the Company delivered to the shareholders, which consisted of:

1. Invitation letter for the 2015 Annual General Meeting of the Shareholders
2. Attachment 1: Minutes of the 2014 Annual General Meeting of the Shareholders
3. Attachment 2: 2014 Annual Report
4. Attachment 3: Details on the provisioning of legal reserve for the 2014 operating results and dividend payment
5. Attachment 4: Details on the reduction of registered capital
6. Attachment 5: Details on the increase of registered capital and the allotment for dividend payment according to Agenda 3
7. Attachment 6: Details on an amendment of the Memorandum of Association to be consistent with the capital reduction and increase
8. Attachment 7: Details on the re-election of the directors whose terms expired and to consider an appointment of the new directors
9. Attachment 8: Details on directors' remuneration
10. Attachment 9: Details on the appointment of auditors for the year 2015 and the determination of audit fee
11. Profile of Independent Director for principals
12. Proxy Form A
13. Proxy Form B
14. Proxy Form C
15. Evidence for proving the rights to attend the shareholders' meeting

16. Articles of Association regarding the meeting of the shareholders

17. Map for the meeting venue

- The delivery of document to the shareholders was in compliance with the regulations of the Stock Exchange of Thailand. The Company's information was also disclosed through the SET Portal
- To facilitate those shareholders who could not attend the meeting in person, the Company provided an opportunity to give a proxy to an independent director or other persons to attend the meeting on their behalf using the proxy form delivered together with the meeting invitation letter. The Company had attached the document or evidence required to be provided prior to the meeting as well as profile of the independent director assigned as proxy by the Company. The shareholders could download the proxy form, both in Thai and English versions, through the Company's website.

Process on the Date of Shareholders' Meeting

1. Facilitation for the shareholders to use their rights

- On the date of shareholders' meeting, the Company facilitated the shareholders and their proxies in the registration for meeting attendance by using barcode system in the registration and vote counting. The barcode specified the registration number of each shareholder. Such system helped speed up the registration process. Ballots were also distributed to those shareholders who attended the meeting in person prior to the meeting. Additionally, the Company arranged the document checkpoint for proxy and prepared duty stamp to be attached with the proxy form. Staff had been arranged to facilitate the registration. The registration was also open at least two hours prior to the meeting.
- On the meeting date, prior to the meeting time, the master of ceremonies would explain details of the meeting rules, voting process and vote counting method as provided in the meeting invitation letter to the

shareholders again which could be summarized as follows:

- (1) The number of votes of each shareholder equaled the number of shares held by such shareholder. One share equaled one vote.
 - (2) Ballot with more than one mark, ballot with conflicting votes, ballot with deleting mark without endorsement, or ballot with marks more than entitled votes would be considered voided ballot. The shareholders who would like to change their votes would cross out the existing mark and affix their signatures. Votes which differ from the aforementioned would be considered invalid.
 - (3) In case of foreign shareholders who appointed custodians to be share depository and custodians, their votes would be separated whether in approval, disapproval or abstention on each agenda item, with the number of votes separated equivalent to the number of shares they held.
 - (4) To ensure efficiency and promptness of each agenda, in casting the vote on the agenda under consideration, the Company would ask if there were any shareholders or proxies who disapproved or abstained from voting. Any agenda without shareholders who disapproved or abstained from voting would be considered unanimously approved by the meeting. Should there be any shareholders who disapproved or abstained from voting, the Company would collect only disapproving or abstaining ballots, and deducted the number of disapproving and abstaining votes from the total number of votes. The remaining votes would be considered as votes of approval. Shareholders who had voted to approve each agenda item would be asked to keep their ballots and return them to the Company's staff after the meeting had been adjourned to be used as evidence of the meeting.
- The Company allowed the shareholders to join the meeting after the Chairman opened the meeting. These shareholders were entitled to vote on the agenda under consideration which had not been voted. They would be

counted as meeting quorum from the attended agenda and afterwards. Therefore, the number of votes in each agenda might not be equal.

2. Opportunity for the shareholders to provide opinion

- Prior to the voting, the Company provided the shareholders an equal opportunity to provide opinions, suggestion or raise questions on the matters related to the agenda so that the shareholders could receive sufficient information and details of each agenda. The shareholders were requested to avoid repeated questions or opinions to provide the opportunity for other shareholders to use their rights and to ensure the meeting was held within appropriate period.

- Should the shareholders have questions not related to the agenda under consideration, they were open to raise questions or provide suggestions in other agenda at the end of the meeting so that the meeting could be continually conducted according to the order of the agenda.

Disclosure of the Resolutions of the Shareholders' Meeting and the Preparation of Meeting Minutes

- The Company disclosed the meeting resolutions through the SET Portal of the Stock Exchange of Thailand so that public could be informed of the voting results of each agenda.
- The Company thoroughly recorded the minutes of the shareholders' meeting which comprised important information, i.e. names of the directors who attended the meeting, voting results of each agenda, questions and answers, suggestions and opinions of the shareholders presented in the meeting, and submitted the minutes of the annual general meeting of the shareholders to the Stock Exchange of Thailand and the Ministry of Commerce within the period required by law within 14 days from the meeting date.
- The Company recorded images and voices of the shareholders' meeting which provided details of material substances of the Q&A during the meeting as well as

voting results of each agenda on the Company's website after the meeting. As such, the shareholders who could not attend the meeting could be informed of the details and could use them as reference afterwards.

Section 2 Equitable Treatment of Shareholders

The Company was aware of the care, protection of interest of all shareholders, be it major shareholders, minor shareholders, individual shareholders, institutional investors, Thai investors or foreign investors. All shareholders were treated and entitled equally for the maximum benefits of shareholders. As such, the following policy to facilitate the shareholders was set out:

Provision of Opportunity for the Shareholders to Propose the Meeting Agenda and Nominate Candidates for the Company's Directors in Advance

The Company provided the opportunity for the shareholders to propose the meeting agenda and nominate candidates for the Company's directors in advance. Such rules were disclosed on the SET Portal of the Stock Exchange of Thailand and on the Company's website (www.siamfuture.com). For the 2015 Annual General Meeting of the Shareholders, the Company provides the opportunity for the shareholders to propose the meeting agenda and nominate candidates for the Company's directors from 12 November 2014 to 31 December 2014. Form of meeting agenda proposal and form of nomination for the Company's directors and support evidence could be submitted to the Investor Relation. Rules were as follows:

The Company provided the rights to one or several shareholders who held at least 5% of the total issued shares of the Company as at the date of meeting agenda proposal to propose the meeting agenda and nominate candidates for the Company's directors in advance. The Company's Board of Directors would screen out whether to include the proposal as the meeting agenda according

to the Company's rules and disclose in the meeting invitation letter as the agenda proposed by the shareholders.

However, during such period, no shareholders proposed the meeting agenda and nominated candidates for the Company's directors in advance.

Provision of the Opportunity for the Shareholders Who Could Not Attend the Meeting in Person to Assign Proxy to Attend the Meeting and Vote on Their Behalf

The Company provided the rights to the shareholders who could not attend the meeting in person to assign an independent director who had no interest in the agenda under consideration or other persons as their proxy to attend the meeting and vote on their behalf by using the proxy form provided by the Department of Business Development, the Ministry of Commerce. The proxy form was submitted together with the meeting invitation letter 14 days before the meeting date. It was also published on the Company's website.

Prevention of the Use of Insider Information

The Company gave importance to the use of its insider information, information which had not been disclosed to public, or information which might have an impact on the Company's share price. As such, the following guidelines were set out for the management and staff:

- The Company supervised the use of insider information by requiring the management and staff to keep the information of the Company and customers confidential.

The information which might be obtained by virtue of position was not to be used for their own benefit or not to be used to damage the Company and its customers.

- The directors and management were required to report the change in their ownership in the Company's securities according to the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- The regulations were set to prevent the Company's management from trading the Company's securities one

month prior to the disclosure of the Company's financial statements to public.

- The Company consistently reviewed the securities trading of related parties and prohibited staff related to the preparation of the financial statements from disclosing the financial statements to other persons not relating to the preparation of the financial statements from the closing date of the financial statements to the disclosing date of such financial statements.

Interest of the Directors

To prevent any potential conflict of interest, the Company set out policy and conduct of the potential conflict of interest transactions and related party transactions as follows:

- Require the directors and high-level management to report their and related party's interest when first taking the position of directors or high-level management.
- The Company's Board of Directors has the power to consider the investment or the transaction with related benefits. However, the directors with related benefits or with interest are not entitled to cast their vote in the meeting.

Section 3 Roles of Stakeholders

The Company gave importance to the rights of all groups of stakeholders by considering to protect their rights and to fairly treat all related parties. Approaches to treatment of all groups of stakeholders were as follows:

1) Staff and family

The Company believed in value of each person and was aware that people were major valuable resources which would drive the Company to continue to succeed. Therefore, the Company was determined to take care of and nurture quality of life in all aspects for staff, be it remuneration and welfare, environment, health, safety, knowledge development, or staff activities, all of which could be summarized as follows:

- The Company appropriately remunerated and provided welfare to all staff by fairly considering their works which could be measured, both in terms of monthly remuneration, annual bonus, life insurance or provident fund, etc.
- The Company treated all staff fairly and equally, e.g. staff evaluation, keeping work profile confidential, staff's exercise of their rights, etc.
- The Company was determined to continually support and develop skills and knowledge of human resources through continual training arrangement and putting the management and staff at all levels to the seminars.
- The Company was aware of the rights of staff. It provided an opportunity for staff to submit a complaint directly to the human resources department if they were not treated fairly.
- The Company always took care of work environment for the safety, hygiene and efficiency of works.

2) Customers

In order for customers to be confident and optimally satisfied, the Company was focused on nurturing long-term relationship and cooperation with the customers by holding to the principles of honesty, belief and trust. Additionally, in response to the needs of new customers, the Company continually develops the potentials of shopping centers so that they were diversified, modern and be consistent with the consistent changes in economic and social situation.

Moreover, the Company gave first priority to the problems and needs of the customers. It had duty to maximize satisfaction of the customers through the care and responsibilities. Therefore, the Company set out a measure for all management and staff to comply as follows:

- (1) Adhere to the presentation and transfer of rental space with standard and which meets the need of the customers.
- (2) Adhere to the compliance with the terms and conditions of the contracts agreed with the customers.

(3) Quotation and commercial terms proposed to the customers within the same group must be equal or have similar rental rate.

(4) Give accurate information on type of the projects, location and position of the rental area to the customers to build confidence and fairness to the Company's customers.

(5) Be prepared to respond to the customers' questions, including consistent action on complaint, suggestion and monitoring of progress of issues informed by the customers.

However, the Company set out compensation standard for those customers damaged from violation. It supervised the customers according to the policy of customer's supervision. Project managers were appointed as a center of complaint submission if the customers had problems and need direct assistance.

3) Creditors

The Company was aware of the relationship with all related parties including creditors. It had the following guidelines to build confidence and fairness to the creditors:

- The Company had duties to create relationship and treat the creditors by holding to the principles of honesty, belief and trust.
- The Company had duties to be responsible for, to care and to strictly comply with the terms and conditions agreed with the creditors.
- Notify the creditors without hiding the truth if it cannot comply with any terms and conditions or upon an event of default so that solution is mutually and reasonably considered.
- Manage appropriate capital structure to support the operation of the Company and to build trust to the creditors.

4) Shareholders

The Company gave importance to equal rights of shareholders. It had duties to protect and respect the fundamental rights of the shareholders as required by law and the Company's Articles of Association, i.e. rights to trade or transfer shares, rights to share profit of the Company, rights to receive sufficient information of the Company, rights to attend the shareholders' meeting to appoint or remove the directors, appointment of the auditors, determination or amendment of the Articles of Association or the Memorandum of Association, capital increase or reduction, approval of extraordinary transactions, etc. The Company had duties to promote and support the shareholders in exercising their rights in the Annual General Meeting of the Shareholders as disclosed in Section 1 Rights of the Shareholders and Section 2 Fair Treatment to the Shareholders.

Presently, the Company proceeded to protect and supervise the fundamental rights of the shareholders, both rights in receiving the information and rights to attend the shareholders' meeting, as well as supporting the exercise of other rights according to the law. In addition, it assessed and monitored the action to prevent damages from violation of the shareholders both within and outside the organization by assessing with the department which supervised the rights of the shareholders. External assessment was in form of AGM Checklist annually assessed by the Office of the Securities and Exchange Commission, Thai Investors Association and Thai Listed Companies Association.

5) Business partners

The Company had duties to strictly comply with the commercial terms and agreement made with business partners. It gave an equal opportunity for all business partners to propose their services. The management and staff would treat business partners honestly and equally. Any consideration and decision was made based on quality and other conditions with the first priority to the Company's short and long term benefit. Additionally,

related management and staff were required to keep information of the business partners confidential and prohibited from requesting or receiving any assets or benefits from the business partners, and prohibited from disclosing the information or proposal of one or several business partners to others whether directly or indirectly.

6) Competitors

The Company treated competitors fairly according to the framework of moral trade competition under the law and ethics. It also did not take advantage of the competitors using illegal action or by discrediting the competitors using negative accusation without true information.

7) Analysts, investors and financial institutions

The Company gave an opportunity for the analysts, investors and financial institutions to be informed of its business information and outlook of the operation results as deemed appropriate and in compliance with the law and good corporate governance on the information disclosure. Contact channel for the request of information was through the Investor Relation (IR) at tel.02-660-9464-5, 02-660-9474, or in form of face-to-face meeting, or through the Company's website (www.siamfuture.com).

Section 4 Disclosure and Transparency

The Company set out policy on the corporate governance by giving high importance to equal treatment of all parties, be it shareholders, the Company's stakeholders or any related parties. It arranged to have sufficient information disclosed, be transparent and could be checked. Throughout the year of 2015, the Company had accurately, completely, timely and transparently disclosed both financial and non-financial information according to the regulations specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand through the SET Portal of the Stock Exchange of Thailand and through the Company's website. The Company had never been preceded by the Office of the Securities and Exchange Commission or the Stock

Exchange of Thailand from the violation of the regulations, and had strictly complied with the deadline for information disclosure. It also assessed and controlled potential unavoidable risks by having sufficient control and internal audit. Moreover, the Company set out policy of operation to comply with the law and normal commercial ethics.

The Company had not set up specific unit for investor relation. However, it had assigned related persons to answer the questions and communicate with the investors and analysts from various institutions as deemed appropriate. The Company had accurately, completely and promptly disclosed both financial and non-financial information through various electronic channel and media of the Stock Exchange of Thailand and the Company's website. The investors could request additional information of the Company with Investor Relation at tel. 02-6609464-5, 02-660-9474 or at website <http://www.siamfuture.com>. At present the Company disclosed Thai and English information on the website. In 2015, the Company attended various meetings for the CFO to present the operating results and future investment plan to the investors and analysts. The Company had attended two conferences organized by the securities companies, one Opportunity Day event organized by the Stock Exchange of Thailand, one offshore road show, and continual company visits and conference calls with the investors.

The Company's Board of Directors was responsible for the Company's financial statements and financial information as disclosed in the Annual Report that such financial statements were prepared in accordance with Thai Financial Reporting Standards by consistently adopting and complying with appropriate accounting policy using cautious discretion and best forecast in the preparation. Material information was also sufficiently disclosed in the notes to the financial statements. The Board of Directors arranged to maintain efficient internal control system to reasonably ensure that accounting records were accurate, complete and sufficient to preserve assets, and

to reasonably build confidence in the reliability of the Company's financial statements.

Remuneration policy for the Company's directors and management was apparent and transparent. Remuneration of the Board of Directors would be determined by the shareholders in a fixed amount annually. The Company's Board of Directors had a policy in determining the directors' remuneration at appropriate level to be sufficient to attract and maintain capable directors.

Section 5 Responsibilities of the Board of Directors

1. Policy on the Good Corporate Governance

1.1 The Company's Board of Directors intended to supervise the business based on the good corporate governance principles. It was aware of the benefit and importance of the good corporate governance which supported efficient, transparent, and checkable operation. As a result, the Company's competition capability was increased while value was added to the shareholders in a long run.

1.2 Consideration of the shareholders' rights and provision of rights to the shareholders in various matters, e.g. rights to propose the agenda for the shareholders' meeting in advance, rights to nominate candidates for directors position in advance, etc. It also did not perform any action which violated or derogated the rights of the shareholders.

1.3 Fair and equal treatment to the shareholders, investors, stakeholders and related parties

1.4 Disclosure of accurate and sufficient information to all shareholders, investors, stakeholders and related parties equally within the determined deadline through appropriate channels so that the shareholders and related parties could access the information conveniently, e.g. through the Company's website, etc.

1.5 Conduct of duties and responsibilities of the Company's Board of Directors in supervising and managing the business with honesty, ethics, cautiousness and care in order to achieve the Company's target and to maximize benefits with transparency under the internal audit and control system.

2. Structure of the Board of Directors

2.1 The Company's Board of Directors consisted of three executive directors, five non-executive directors and four independent directors. The independent directors accounted for 33% of total Board of Directors, allowing for efficient check and balance. The number of the remaining directors was according to the investment of each group of shareholders.

2.2 The Company clearly determined tenor of the directors.

2.3 The Board of Directors considered the appropriateness of the qualification of the "Independent Director" in order for the Company's independent directors to be genuinely independent according to the special nature of the Company.

2.4 The Board of Directors had not determined the number of the companies in which each director could have a position, to suit the nature or characteristics of the Company. However, each director had complied with appropriate code of conduct.

2.5 The Board of Directors had not clearly determined the policy and guidelines for the CEO and high-level management to have a director position in other companies.

2.6 Chairman of the Board of Directors and CEO are not the same persons with different responsibilities. Duties and power of the Chairman and the CEO had been clearly determined.

2.7 Presently the Chairman of the Board of Directors was not an independent director.

2.8 In 2008 the Company appointed Secretary to provide advice on legal, accounting and regulations which the Board of Directors must be aware of, and to supervise the activities of the Board of Directors as well as coordinating to have the resolution of the Board of Directors complied.

3. Sub-Committee

3.1 Apart from the Audit Committee required by the regulations of the Stock Exchange of Thailand, the Company had not set up other sub-committees for good corporate governance, i.e. Compensation Committee, Nomination Committee and Corporate Governance Committee. At present, the Company's Board of Directors acted as Compensation Committee and Audit Committee also acted as the Corporate Governance Committee.

3.2. For the transparency and independency, majority of the sub-committee members were independent directors while the Chairman of the sub-committee was independent director.

3.3 Chairman of the Board of Directors was not the Chairman or the member of the sub-committee in order for the genuine independency of the sub-committee.

4. Roles, Duties and Responsibilities of the Board of Directors

4.1 The Company's Board of Directors participated in approving the vision, mission, strategy, target, business plan and budget of the Company. It also clearly determined the roles and duties of the Executive Committee and the management, and supervised the management to efficiently and effectively operate according the determined plan and budget.

4.2 The Board of Directors arranged to have the policy on corporate governance written and approved such policy, which would be reviewed consistently at least once a year.

4.3 The Company's mission specified that the Board of Directors, management and staff shall perform their duties with honest, ethics and morality, and shall be responsible

which would result in transparent and checkable operation.

4.4 The Board of Directors had determined the conflict of interest with care. The approach in considering transaction with potential conflict of interest should be clear and for the benefit of the Company and shareholders as a whole. Person with interest should not participate in the decision making. The Board of Directors had supervised to ensure the compliance with the regulations concerning the process and accurate and thorough disclosure of information of the transaction with potential conflict of interest.

4.5 The company gave importance to the good internal control system for the transparency of the operation. It also maximized the effectiveness of the operation. However, as the Company was considered relatively small in terms of the number of staff while the management structure was not complicated, which was considered one of the Company's advantages, the internal control and audit could be easily conducted through the review of order of authorization power, review of the document path, and clear separation of duties. Additionally, the utilization of the Company's assets had been controlled to ensure maximum benefit from the utilization. Check and balance was appropriately in place. In 2008, the Company engaged an internal audit company to increase the efficiency of the Company's internal control system.

4.6 The Company also arranged for risk management to minimize potential damage by seeking opinion from independent financial expert when it was required to enter into any transaction which may be exposed to the risk, e.g. registration of the long-term lease of land with high value compared with the Company's total assets, or upon an offering of ordinary shares for private placement.

5. Meeting of the Board of Directors

5.1 The Company scheduled the meeting of the Board of Directors in advance and notified each directors of such schedule to allow the directors to be able to arrange their time for the meeting.

5.2 Normally the meeting would be held regularly every three months. The meeting date was set in advance while there may be additional meetings as deemed necessary. The Secretary of the Board of Directors would prepare the document, meeting invitation letter and meeting agenda seven days prior to the meeting so that the Board of Directors had enough time to study the information prior to the meeting. However, the meeting of the Company's Executive Committee was held every month while every report on the operating results was also submitted to other directors.

5.3 Chairman of the Board of Directors and the CEO had jointly considered the selection of the agenda for the meeting of the Board of Directors to ensure that the significant matters had been included. Each director was free to propose the matters for the meeting agenda.

5.4 In 2015, four meetings of the Board of Directors were held. Each meeting took approximately 2 – 3 hours. The Secretary had recorded and prepared the minutes of each meeting in writing, and had kept the minutes of the meeting certified by the Board of Directors for audit.

5.5 The Board of Directors would support the CEO to invite the high-level management to attend the meeting of the Board of Directors to provide additional details of the information as they were directly involved in the situation, and to provide the opportunity to be acquainted with the high-level management for succession plan.

5.6 The Board of Directors could request additional necessary information from the CEO, the Company's Secretary, or other assigned management within the scope of determined policy.

5.7 Non-Executive Board of Directors could arrange their meetings as deemed necessary to discuss problems under consideration without the management. Results of the meeting would be informed to the CEO.

6. Self-Assessment of the Board of Directors

The Board of Directors would arrange for self-assessment in order for them to jointly consider the results of the work and problems for improvement afterwards. Criteria would be set for systematic comparison of the results.

7. Remuneration

7.1 Directors' remuneration was set to be comparable with normal practice of the industry based on experiences, obligation, accountability and responsibility as well as benefits expected from each director. Directors with additional roles and responsibilities, e.g. as a member of sub-committee, would receive additional remuneration as deemed appropriate.

7.2 Remuneration of the CEO and the high-level management was in compliance with the principles and policy determined by the Board of Directors within the limit approved by the shareholders' meeting and for the maximum benefit of the Company. Level of the remuneration as salary, bonus and long-term incentives should be consistent with the Company's achievement and performance of each management. In 2015, remuneration of the Company's Board of Directors and management comprised salary, meeting attendance fee and provident fund which amounted to THB 24.81 million in total, whereby

1. 15 members of the Board of Directors received meeting attendance fee of THB 6.27 million in total.

2. 5 members of Executive Committee and management received remuneration of THB 15.10 million in total.

3. Other remuneration, i.e. provident fund, equaled THB 3.44 million.

All non-executive directors or Compensation Committee would assess the CEO annually to be used in considering the remuneration of the CEO. However, criteria, including financial results, achievement in long-term strategic objectives, development of the management, etc., would be set with the CEO in advance.

8. Development of the directors and management

8.1 The Board of Directors supported and facilitated the training and education to persons related with the Company's corporate governance system, e.g. directors, Audit Committee, management, the Company's Secretary, etc., for the continual improvement of the operation. They had attended the trainings with the Thai Institute of Directors (IOD).

8.2 For every change of the directors, the Company would provide useful document and information on the duties of new directors, including an introduction of the nature of business and the Company business approach, to new directors.

8.3 The Board of Directors would determine concrete development and succession plan in writing afterwards. The CEO and high-level management had prepared the successor if they were not able to perform their duties.

8.4 In developing the management, the Company arranged its management to attend academic seminars and meetings organized by the International Council of Shopping Centers (ICSC) and MAPIC, which were international organizations with objectives to educate shopping centers information, news and statistics related to the shopping centers and retail business around the world, as well as to connect persons related to the shopping centers.

Corporate Social Responsibility: CSR

Overall Policy on Social Responsibility

The Company's core business is developing and managing open-air shopping center. Its vision is "Unlike other developers, we create a place for people first then business".

In the prior year, the Company had acted upon the principles of good corporate governance, professional and quality management as well as ethical and governance transparency for the benefit of all stakeholders. The Company emphasized on continuous improvement of the existing projects to maintain the existing customer base so that it will be able to steadily develop the shopping centers to gain sustainable profit and return to the shareholders in a long run. The Company is thus cautious in considering new projects to ensure the feasibility of the investment. The Company's approaches towards the social and environmental responsibility are:

Fair Business Operation

The Company puts an emphasis on promoting free, honest and fair trade competition in compliance with the law and business ethics. It avoids the practice that may cause conflict of interest by abiding by rules of equal competition based on fair return to both parties. The Company sets out a policy on fair business operation as follows:

- No request or acceptance of assets or other benefits outside of the commercial terms
- Keep confidential the information of business partners by not using it wrongfully for the benefit of itself or related persons whether directly or indirectly
- Strictly comply with the commercial terms and conditions, and not exploiting customers' information for the benefit of itself or related persons

- Focus on shopping center development, nurturing good relationship with business partners to enhance potential and efficiency of doing business together in a long run. Also treat the business partners with honesty and equality.

Responsibility to the Consumers

The Company had continually developed the shopping centers to gain confidence from customers. It also endeavored to differentiate itself from other operators to respond to diversified needs of the customers. The Company increased channels of access to the customers. Its customers and tenants were well taken care of. Security guards were provided throughout the shopping centers. Surveillance cameras were also installed to safeguard the customers. Additionally, the Company was a member of the International Council of Shopping Centers (ICSC). The customers can then be assured that the Company's shopping centers were of international standard.

Environmental Management

The Company pays attention and is aware of a negative impact on the environment. Therefore, prior to commencing the project, it will consider an effect on community, public utility, safety, traffic, transportation and strict compliance with property rules, regulations and law. The Company also sets out guidelines to minimize impact of the construction to the environment, e.g. use quality materials, use energy-saving light bulbs, use tarpaulin to cover construction to avoid dust, etc. Additionally, it pays attention to the increase of green area for the beauty of the projects to satisfy the customers, to support the importance of the environment and to be used as recreational areas for residents in the surrounding areas. For example, The Avenue Ratchayothin project was awarded ASA Green 2009

Award from the Association of Siamese Architects, under the Royal Patronage. Such award was selected by the Academic Committee of Building and Environment Technology.

Fair Treatment to the Labor

The Company continually pays attention to staff safety and welfare, as well as staff development so that the employees' skills and knowledge match operational guidelines, e.g. organized Service Excellence training for staff, developed staff potentials for career path advancement and staff ethics for accurate and regulated operation, etc.

Respect of Human Rights

The Company sets out a policy and process to relieve and solve an impact of its operation on human rights. It promptly assigns channel to communicate with public or customers should concern arises. Moreover, apart from law, the Company also gives importance to equality by

treating staff, public, business partners or customers fairly without discriminating any person because of the similarity or difference in look, race, religion, age, gender or education. It also does not support any director, management or staff to violate human rights.

Stakeholders

The Company gives importance to the stakeholders and therefore sets out rules to determine groups of stakeholders who are directly and indirectly affected by any process of its operation, e.g. tasks of the staff in every unit, construction process, sale and purchase process, or after-sale process, both within and outside the organization.

As in the operation the Company needs to contact a number of stakeholders, it sets out an approach of conduct and strategy for supervising stakeholders in the following table

Stakeholders	Approaches and Supervision Strategy
Customers	Develop quality and diversified shopping centers to satisfy the needs of customers
Staff	Improve knowledge, treat fairly on human rights basis, and care for safety
Suppliers	Treat on the basis of moral business competition
Business partners	Pay appropriate remuneration, develop labor potentials and quality
Community	Operate business fairly without causing trouble to surrounding community
Shareholders	Operate business according to good corporate governance, disclose the information transparently
Investors	Treat investors fairly, provide assistance and advice
Creditors	Comply with the conditions of the agreement honestly
Governmental entities	Cooperate with governmental entities morally
Mass media	Disclose the information transparently, correctly and promptly
Competitors	Treat competitors fairly under moral business competition basis

Operation and Report Preparation

Report preparation was based on report pattern and method of the Stock Exchange of Thailand which consists of 10 principles at present. Scope of the report covers the operating results of the Company only, and exclude the subsidiaries and joint ventures.

Approaches in determining contents and substance of the report are derived from several methods in the gathering and review of main issues in the operation of the Company, e.g. survey of opinion from people within the Company who contact stakeholders outside of the organization, survey of opinion of the stakeholders within the organization, meetings to select main issues of the organization, to ensure that the contents of the report are accurate and genuinely in line with the stakeholders.

In prioritizing an importance to the business, the Company gives first priority to the issue concerning responsibility to the consumers as they are directly and indirectly affected from the Company's operation. Secondly, it gives importance to environmental management by considering to minimize the impact to environment, to increase green area, etc.

Business Operation with Impact to the Social Responsibility

Throughout the operation of shopping centers, the Company is aware of the importance of its impact to communities residing around the shopping centers. Each time prior to the construction of any shopping centers, the Company carefully sets out a plan to avoid any negative impact to the society. For example, during the construction, the Company used tarpaulin to cover the construction area to keep dust within limited area, build

garbage rooms according to hygienic standard, build waste water treatment system for the whole shopping centers before releasing it to the drainage system, and change all lightbulbs from LED to fluorescent bulbs to save energy, etc.

After Process Activities for the Benefit of Society and Environment

- Build parking lots for hired motorcycles in front of four shopping centers (Esplanade Ratchadapisek, Petchakasem Power Center, Market Place Bangbon and The Avenue Pattaya shopping centers) for orderliness and attractiveness in front of the shopping centers and surrounding communities, and to facilitate customers of the shopping centers.

- "Mega Bangna" shopping centers, in cooperation with Prudential Life Assurance, organized the first international half-marathon event in Sunday morning of 1 November under the name of "Mega Bangna and Prudential International Half-Marathon 2015" at Mega Bangna shopping center. The route was along Bangna-trad Road. All proceeds from ticket sale went to Samitivej New Life Fund to give a new life to underprivileged children patients by bone marrow transplantation. It is planned to be held regularly in the following year.

Additional Approaches on Anti-Corruption

The Company sets out a policy on operational transparency and anti-corruption within the organization by setting up audit process, determining organization structure according to the good corporate governance principles, cultivating ethical consciousness to the staff and managing human resources transparently.

SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2015

AUDITOR'S REPORT

To the Shareholders of Siam Future Development Public Company Limited

I have audited the accompanying consolidated and company financial statements of Siam Future Development Public Company Limited and its subsidiaries and of Siam Future Development Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company income statements, statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Siam Future Development Public Company Limited and its subsidiaries and of Siam Future Development Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Sakuna Yamsakul

Certified Public Accountant (Thailand) No. 4906

PricewaterhouseCoopers ABAS Ltd.

Bangkok

16 February 2016

Statements of Financial Position

As at 31 December 2015

(Baht)

	Notes	Consolidated		Company	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	5	33,499,626	27,584,147	2,438,824	5,422,142
Short-term investments	6	568,021,531	237,294,593	568,021,531	237,294,593
Trade and other receivables	7, 30	225,879,401	126,343,329	460,717,603	74,624,829
Finance lease receivables due within one year	8	26,473,760	24,395,959	19,794,788	17,804,013
Amounts due from related parties	30	1,338,689	128,708,526	429,853,671	433,886,229
Short-term loans to related parties	30	23,000,000	25,000,000	79,055,728	248,645,592
Other current assets	9	5,965,526	13,644,329	5,054,544	11,698,331
Total current assets		884,178,533	582,970,883	1,564,936,689	1,029,375,729
Non-current assets					
Restricted cash		598,537	590,931	-	-
Finance lease receivables	8	635,586,880	667,079,800	424,559,093	448,419,414
Investments in subsidiaries	10	-	-	257,925,000	257,925,000
Investments in joint ventures	10	4,123,933,565	3,507,718,854	1,978,580,800	1,847,300,000
Prepaid rent, net		1,033,551	1,099,712	-	-
Investment property	11	8,575,028,273	7,518,365,407	3,767,252,182	3,882,493,859
Building and equipment, net	12	45,398,848	50,450,839	19,923,451	26,553,254
Intangible assets, net	13	16,897,613	20,177,565	12,460,113	15,740,065
Deposits for leasehold land		86,915,335	52,086,344	86,915,335	52,086,344
Other non-current assets		52,511,113	59,608,542	46,088,055	52,526,427
Total non-current assets		13,537,903,715	11,877,177,994	6,593,704,029	6,583,044,363
Total assets		14,422,082,248	12,460,148,877	8,158,640,718	7,612,420,092

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

Statements of Financial Position

As at 31 December 2015

(Baht)

	Notes	Consolidated		Company	
		2015	2014	2015	2014
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institution	14	-	498,816,867	-	498,816,867
Trade and other payables	15	149,377,293	148,007,113	96,602,293	93,242,582
Amounts due to related parties	30	30,971,552	37,982,286	18,242,249	19,296,103
Short-term loan from a subsidiary	30	-	-	275,000,000	172,200,000
Current portion of unearned rental and service income	18, 30	92,293,394	52,692,029	22,470,004	28,049,360
Current portion of long-term borrowings	16	749,013,606	-	749,013,606	-
Finance lease liabilities on land leases					
current portion		54,952,329	48,176,533	53,207,892	47,279,693
Corporate income tax payable		12,795,089	9,941,249	-	-
Other current liabilities	17	198,887,659	163,183,980	117,480,059	98,735,732
Total current liabilities		1,288,290,922	958,800,057	1,332,016,103	957,620,337
Non-current liabilities					
Unearned rental and service income	18, 30	364,820,001	430,773,397	57,654,319	63,329,508
Long-term borrowings	16	1,198,796,677	1,447,670,407	1,198,796,677	1,447,670,407
Deposits received from customers		493,953,717	472,423,376	287,383,841	273,933,362
Deferred tax liabilities	19	902,493,190	666,046,621	372,038,154	368,083,809
Finance lease liabilities on land leases		1,234,598,105	1,307,584,958	709,864,226	774,746,443
Employee benefit obligations	20	33,126,182	30,462,986	33,126,182	30,462,986
Total non-current liabilities		4,227,787,872	4,354,961,745	2,658,863,399	2,958,226,515
Total liabilities		5,516,078,794	5,313,761,802	3,990,879,502	3,915,846,852

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

Siam Future Development Public Company Limited

Statements of Financial Position

As at 31 December 2015

(Baht)

		Consolidated		Company	
	Notes	2015	2014	2015	2014
Liabilities and equity					
Equity					
Share capital					
Authorised share capital	21	1,776,618,036	1,480,522,641	1,776,618,036	1,480,522,641
Issued and paid-up share capital	21	1,776,607,541	1,480,515,030	1,776,607,541	1,480,515,030
Share premium	21	634,028,511	634,028,511	634,028,511	634,028,511
Retained earnings					
Appropriated - legal reserve	22	148,056,690	131,626,690	148,056,690	131,626,690
Unappropriated		5,545,348,300	4,483,285,422	1,609,514,376	1,450,915,050
Other components of equity		(445,902)	(512,041)	(445,902)	(512,041)
Equity attributable to owners of the parent		8,103,595,140	6,728,943,612	4,167,761,216	3,696,573,240
Non-controlling interests		802,408,314	417,443,463	-	-
Total equity		8,906,003,454	7,146,387,075	4,167,761,216	3,696,573,240
Total liabilities and equity		14,422,082,248	12,460,148,877	8,158,640,718	7,612,420,092

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

Siam Future Development Public Company Limited
Income Statements

For the year ended 31 December 2015

(Baht)

	Notes	Consolidated		Company	
		2015	2014	2015	2014
Revenues					
Rental and service income	30	1,365,553,042	1,318,935,428	763,485,567	771,226,583
Revenue from finance lease contracts		-	21,668,780	-	21,668,780
Finance and interest income	30	27,197,527	26,906,828	28,293,200	38,094,128
Dividend income	10, 30	-	-	397,697,192	160,720,000
Other income		35,909,100	26,017,823	140,033,216	118,288,217
Share profit from joint venture	10	597,633,912	475,060,780	-	-
Total revenues		2,026,293,581	1,868,589,639	1,329,509,175	1,109,997,708

Expenses					
Cost of rental and service	30	537,518,408	550,280,761	305,732,661	320,910,571
Cost of finance lease contracts		-	13,190,000	-	13,190,000
Fair value adjustment on investment property, net	11	(930,011,891)	165,173,563	182,479,605	171,397,346
Selling expenses		36,946,763	30,713,507	32,278,634	26,270,637
Administrative expenses		171,844,414	174,157,890	154,496,581	151,427,192
Directors and managements' remuneration	30	21,707,926	20,667,136	21,707,926	20,667,136
Total expenses		(161,994,380)	954,182,857	696,695,407	703,862,882
Profit before finance costs and tax		2,188,287,961	914,406,782	632,813,768	406,134,826
Finance costs	24	(96,372,720)	(94,846,588)	(101,643,170)	(98,029,499)
Profit before tax		2,091,915,241	819,560,194	531,170,598	308,105,327
Income tax expenses	25	(299,119,197)	(87,297,443)	(26,805,765)	(46,266,010)
Profit for the year		1,792,796,044	732,262,751	504,364,833	261,839,317

Profit attributable to:

Owners of the parent		1,407,831,193	700,232,969	504,364,833	261,839,317
Non-controlling interests	10.2	384,964,851	32,029,782	-	-
		1,792,796,044	732,262,751	504,364,833	261,839,317

Earnings per share

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Basic earnings per share		0.79	0.39	0.28	0.15
Diluted earnings per share		0.79	0.39	0.28	0.15

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

Siam Future Development Public Company Limited

Statements of Comprehensive Income

For the year ended 31 December 2015

(Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Profit for the year	1,792,796,044	732,262,751	504,364,833	261,839,317
Other comprehensive income :				
Items that will not be reclassified to profit or loss				
Actuarial gains (losses) on defined employee benefit plans (Note 20)	(330,695)	2,560,203	(330,695)	2,560,203
Income tax relating to components of other comprehensive income for the year	66,139	(512,041)	66,139	(512,041)
Other comprehensive income for the year, net of tax	(264,556)	2,048,162	(264,556)	2,048,162
Total comprehensive income for the year	1,792,531,488	734,310,913	504,100,277	263,887,479
Total comprehensive income attributable to:				
Owners of the parent	1,407,566,637	702,281,131	504,100,277	263,887,479
Non-controlling interests	384,964,851	32,029,782	-	-
	1,792,531,488	734,310,913	504,100,277	263,887,479

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

Siam Future Development Public Company Limited
Statements of Changes in Shareholders' Equity

For the year ended 31 December 2015

(Baht)

Consolidated								
Attributable to owners of the parent					Other components of equity	Non-controlling interests	Total equity	
Notes	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings				
Opening balance 1 January 2015		1,480,515,030	634,028,511	131,626,690	4,483,285,422	(512,041)	417,443,463	7,146,387,075
Issuance of ordinary shares	21	296,092,511	-	-	-	-	-	296,092,511
Legal reserve appropriation	22	-	-	16,430,000	(16,430,000)	-	-	-
Dividends	27	-	-	-	(329,007,620)	-	-	(329,007,620)
Actuarial gains (losses)	20	-	-	-	(330,695)	-	-	(330,695)
Income tax relating to components of other comprehensive income for the year		-	-	-	-	66,139	-	66,139
Profit for the year		-	-	-	1,407,831,193	-	384,964,851	1,792,796,044
Closing balance 31 December 2015		1,776,607,541	634,028,511	148,056,690	5,545,348,300	(445,902)	802,408,314	8,906,003,454
Opening balance 1 January 2014		1,316,020,126	634,028,511	117,026,690	3,977,868,228	-	385,413,681	6,430,357,236
Issuance of ordinary shares	21	164,494,904	-	-	-	-	-	164,494,904
Legal reserve appropriation	22	-	-	14,600,000	(14,600,000)	-	-	-
Dividends	27	-	-	-	(182,775,978)	-	-	(182,775,978)
Actuarial gains (losses)	20	-	-	-	2,560,203	-	-	2,560,203
Income tax relating to components of other comprehensive income for the year		-	-	-	-	(512,041)	-	(512,041)
Profit for the year		-	-	-	700,232,969	-	32,029,782	732,262,751
Closing balance 31 December 2014		1,480,515,030	634,028,511	131,626,690	4,483,285,422	(512,041)	417,443,463	7,146,387,075

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

Siam Future Development Public Company Limited

Statements of Changes in Shareholders' Equity

For the year ended 31 December 2015

(Baht)

		Company					
	Notes	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings	Other components of equity	Total equity
Opening balance 1 January 2015		1,480,515,030	634,028,511	131,626,690	1,450,915,050	(512,041)	3,696,573,240
Issuance of ordinary shares	21	296,092,511	-	-	-	-	296,092,511
Legal reserve appropriation	22	-	-	16,430,000	(16,430,000)	-	-
Dividends	27	-	-	-	(329,004,812)	-	(329,004,812)
Actuarial gains (losses)	20	-	-	-	(330,695)	-	(330,695)
Income tax relating to components of other comprehensive income for the year		-	-	-	-	66,139	66,139
Profit for the year		-	-	-	504,364,833	-	504,364,833
Closing balance 31 December 2015		1,776,607,541	634,028,511	148,056,690	1,609,514,376	(445,902)	4,167,761,216
Opening balance 1 January 2014		1,316,020,126	634,028,511	117,026,690	1,383,891,508	-	3,450,966,835
Issuance of ordinary shares	21	164,494,904	-	-	-	-	164,494,904
Legal reserve appropriation	22	-	-	14,600,000	(14,600,000)	-	-
Dividends	27	-	-	-	(182,775,978)	-	(182,775,978)
Actuarial gains (losses)	20	-	-	-	2,560,203	-	2,560,203
Income tax relating to components of other comprehensive income for the year		-	-	-	-	(512,041)	(512,041)
Profit for the year		-	-	-	261,839,317	-	261,839,317
Closing balance 31 December 2014		1,480,515,030	634,028,511	131,626,690	1,450,915,050	(512,041)	3,696,573,240

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

Statements of Cash Flows

For the year ended 31 December 2015

(Baht)

	Notes	Consolidated		Company	
		2015	2014	2015	2014
Cash flows from operating activities					
Cash generated from operations	28	266,369,524	335,462,830	(81,844,006)	77,628,114
Interest paid		(91,917,927)	(99,019,193)	(95,684,887)	(99,537,556)
Income tax paid		(60,052,623)	(65,409,681)	(22,951,586)	(28,157,232)
Income tax received		4,477,895	5,316,429	4,477,895	1,509,877
Net cash generated from (used in) operating activities		118,876,869	176,350,385	(196,002,584)	(48,556,797)
Cash flows from investing activities					
Purchases of intangible assets		-	(1,026,656)	-	(1,026,656)
Purchases of building, equipment and investment property		(67,752,012)	(78,604,196)	(30,151,750)	(52,776,381)
Short-term loans made to subsidiary and related party	30	-	-	(22,600,000)	(1,300,000)
Short-term loans repayments received from subsidiaries and related party	30	2,000,000	-	192,189,864	105,550,000
Cash paid for interests in joint ventures	10	(131,280,800)	(34,300,000)	(131,280,800)	(34,300,000)
Proceeds from sale of equipment		2,339,449	-	2,339,449	-
Dividend received	10	112,700,000	160,720,000	112,700,000	160,720,000
Interest received		2,242,535	542,318	233,065	12,135,676
Net cash generated from (used in) investing activities		(79,750,828)	47,331,466	123,429,828	189,002,639
Cash flows from financing activities					
Proceeds from loans from subsidiary	30	-	-	110,800,000	88,500,000
Proceeds from long-term borrowings	16	498,518,606	-	498,518,606	-
Proceeds from short-term loans from financial institution		-	498,816,867	-	498,816,867
Repayments of short-term loans from financial institution	14	(498,816,867)	(200,000,000)	(498,816,867)	(200,000,000)
Repayments of short-term loans from subsidiary and related party	30	-	-	(8,000,000)	(10,000,000)
Repayments of long-term borrowings	16	-	(500,000,000)	-	(500,000,000)
Dividends paid	27	(32,912,301)	(18,281,074)	(32,912,301)	(18,281,074)
Net cash (used in) generated from financing activities		(33,210,562)	(219,464,207)	69,589,438	(140,964,207)
Net increase (decrease) in cash and cash equivalents		5,915,479	4,217,644	(2,983,318)	(518,365)
Cash and cash equivalents, opening balance		27,584,147	23,366,503	5,422,142	5,940,507
Cash and cash equivalents, closing balance		33,499,626	27,584,147	2,438,824	5,422,142

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

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2015

(Baht)

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2015 and 2014 are as follows:

	Notes	Consolidated		Company	
		2015	2014	2015	2014
Account payables arisen as a result of purchases of building, equipment and investment property		32,490,977	48,384,453	13,407,850	23,531,950
Account payables arisen as a result of purchases of intangible assets		1,698,737	1,698,737	1,698,737	1,698,737
Investment property decreased due to recognition as cost of finance lease contracts	11	-	13,190,000	-	13,190,000
Investment property decreased due to reversal of finance lease liabilities on land leases	11	-	48,110,390	-	48,110,390
Investment property increased due to reversal of finance lease contracts		5,554,481	815,384	3,493,083	-
Stock dividends	27	296,092,511	164,494,904	296,092,511	164,494,904
Transfer building and equipment to investment property	11, 12	220,000	-	220,000	-
Dividend receivables		-	-	287,997,192	-

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

Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2015

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 Company and its subsidiaries (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) Managing and provision of 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 2016.

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 Financial Reporting 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.

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 financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of management judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

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.

2.2 New financial reporting standards and revised financial reporting standards and interpretations

1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group.

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

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 13	Fair value measurement

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. This standard has no impact to the Group.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no impact to the Group.

TAS 28 (revised 2014) provides the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group, except for disclosures which the Group has disclosed in Note 4.

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

There are 41 financial reporting standards with minor changes. The management assesses that they do not have an impact to the Group.

2) **New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:**

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

TAS 24(revised 2015)	Related party disclosures
TAS 40(revised 2015)	Investment property
TFRS 8 (revised 2015)	Operating segments

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

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

2.3 **Group accounting - Investment in subsidiaries and investments in joint ventures**

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 Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost less impairment.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's Principle Subsidiaries is set out in Note 10.

b) **Transactions and non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

d) Joint arrangements

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 investments in joint ventures. When the Group's share of losses in joint venture equals or exceeds its investments in joint ventures, 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 investments in joint ventures. Under the cost method, income from investments in joint ventures will be recorded when dividends are declared.

A list of the Group's joint venture is set out in Note 10.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

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 statement of financial position. The fair value of unit trust is based on net assets value of the fund on the last business day of the year. The change of investment valuation are recognised a net gain or loss in the statement of income.

An impairment review is carried out by the Group when there is a factor indicating that such investment might be impaired. If the carrying amount of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

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. When disposing of part of the Company's part is determined by the weighted average carrying amount of the total holding of the investment.

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.

2.7 Building and equipment

Building and equipment are initially recorded at cost and are subsequently stated at cost less accumulated depreciation as at the statement of financial position 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 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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

2.8 Investment property

Investment property comprises freehold properties that are held for rentals yields, or for capital appreciation or both, and that is not occupied by the companies in the Group. Investment property also includes property that is being constructed or developed for future use as investment property. It is carried at fair value based on valuations by independent valuers which will be revalued every three years. However, managements will review the fair value to reflect market conditions at the end of the reporting period. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted. Any gain or loss arising from a change in fair value is recognised in the statements of income.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Properties interest on land held under operating leases is classified and accounted as investment property and is accounted for as if it was a finance lease under "Finance lease liabilities on land leases". Financial cost incurred from such recording is presented by net from gain or loss arising from a change in fair value.

Borrowing costs to finance the construction of properties 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.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those that a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

2.9 Accounting for long-term leases

Where a Group 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 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 investment property in the statement of financial position. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.10 Intangible assets

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

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 are amortised using the straight line method over their useful lives 10 years.

2.11 Impairment of assets

Building 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Group operates and generate taxable income. Management periodically evaluates positions taken in tax returns. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, 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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 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.

2.14 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.

The Group provides for post employment benefits to employees under the labour laws applicable in Thailand. The Group has recorded the liabilities in respect of employee benefits which are the present value of the defined benefit obligations calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligations are determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. The costs associated with providing these benefits are charged to the statements of income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2.15 Borrowings

Borrowings are recognised initially at fair value of proceeds received. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds and the redemption value is recognised in the statements of income over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.16 Revenue and expenses 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 2.9 - Long-term 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.

Expenses are generally recognised on an accrual basis.

2.17 Financial instruments

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

The Group does not have policy to trade or speculate in any financial instruments.

The Group is party to derivative financial instruments, which are interest rate swap agreements. Such instruments are not recognised in the financial statements on inception.

Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 10.

2.18 Dividends

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

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as chief executive officer that makes strategic decisions.

2.20 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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 management estimates.

c) Building and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's building 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.

d) Employee benefits obligations

The present value of the employee benefits obligations depends on a number of assumptions. The assumptions used in determining the net cost for employee benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of the employee benefits obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value at estimated future cash outflows expected to be required to settle the employee benefits obligations. In determining the appropriate discount rate, the Group considers the interest rate of government bond that have terms to maturity approximating the terms at the related employee benefits liability.

Other key assumptions for the employee benefits obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

e) Investment property

The fair value of investment property is carried based on valuations by independent valuers. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted which are at the rates between 4.15% to 12% per annum.

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 Fair value

4.1 Fair value estimation

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

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

The following table presents the Group's assets that are measured at fair value at 31 December 2015.

(Thousand Baht)

Consolidated			
	Level 2	Level 3	Total
Assets			
Short-term investments - trading securities	568,022	-	568,022
Investment property	-	8,575,028	8,575,028
Total assets	568,022	8,575,028	9,143,050

(Thousand Baht)

Company			
	Level 2	Level 3	Total
Assets			
Short-term investments - trading securities	568,022	-	568,022
Investment property	-	3,767,252	3,767,252
Total assets	568,022	3,767,252	4,335,274

During the year, there was a transfer between Level 1 and Level 2 of financial assets which is short-term investment - trading securities since the securities are not quoted in active markets. There was no impact on the value of financial assets.

4.2 Valuation techniques used to derive Level 2 fair values

The fair value of trading securities - units trust that are not traded in an active market are classified as Level 2 fair value.

The Group determined fair value by using Net asset value per share which was quoted by the issuer - Asset Management Company at the last business day of financial position date.

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

The Group disclosed the movement of investment property which is reclassified as Level 3 in Note 11. During 2015, the Group engaged external valuer for revaluation due to the maturity of revaluation according to the Group's policy.

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

4.4 Group's valuation processes

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

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

The sensitivity analysis of the significant assumption for the fair value measurement of investment properties as at 31 December 2015 are as follows:

(Thousand Baht)

		Impact to fair value of investment properties	
		Consolidated	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1 %	Decrease 412,199	Increase 456,145

(Thousand Baht)

		Impact to fair value of investment properties	
		Company	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1 %	Decrease 211,526	Increase 234,935

5 Cash and cash equivalents

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Cash	171	175	105	109
Deposits at call with banks	33,329	27,409	2,334	5,313
	33,500	27,584	2,439	5,422

The interest rates of deposits at call with banks are ranging from 0.3% to 0.5% per annum (2014: 0.4% to 0.5% per annum).

6 Short-term investments

As of 31 December 2015 and 31 December 2014, the Company has investments in securities as follows:

(Thousand Baht)

	Consolidated and Company			
	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Short-term investments				
Trading securities	562,153	568,022	236,101	237,295

During the year ended 31 December 2015, the movement of investments in securities as follows:

(Thousand Baht)

Consolidated and Company	
	2015
Beginning balance, net	237,295
Additions	761,030
Disposals	(437,154)
Revaluation surplus of short-term investment fair value	6,851
Ending balance, net	568,022

7 Trade and other receivables

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Trade receivables	74,776	76,924	40,783	43,741
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade receivables, net	74,776	76,924	40,783	43,741
Prepayment	4,640	2,426	2,932	23
Advance payment	4,820	8,537	2,400	7,431
Property tax receivable	22,936	24,063	12,931	11,908
Dividend receivable	-	-	284,997	-
Other receivable	118,707	14,393	116,674	11,522
	225,879	126,343	460,717	74,625

Outstanding trade accounts receivable can be aged as follows:

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Current	65,288	68,624	38,024	39,074
Overdue 1 to 6 months	8,651	7,453	2,759	4,667
Overdue 7 to 12 months	812	74	-	-
Overdue over 12 months	25	773	-	-
	74,776	76,924	40,783	43,741
Less Allowance for doubtful accounts	-	-	-	-
	74,776	76,924	40,783	43,741

8 Finance lease receivables

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
The gross receivable in the lease contracts				
Due within 1 year	51,583	50,195	38,251	36,972
Due within 2 to 5 years	209,187	212,233	152,744	156,318
Due later than 5 years	687,373	744,071	440,788	481,878
	948,143	1,006,499	631,783	675,168
The present value of minimum lease payments receivable				
Due within 1 year	26,474	24,396	19,795	17,804
Due within 2 to 5 years	114,892	113,908	86,335	86,014
Due later than 5 years	520,695	553,172	338,224	362,405
	662,061	691,476	444,354	466,223
Less Allowance for doubtful accounts	-	-	-	-
	662,061	691,476	444,354	466,223
The unearned finance income	286,082	315,023	187,429	208,945

The unearned finance income is calculated based on the discount rate between 4.15% to 12% 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; and
- in case of the lessee cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee.

9 Other current assets

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Withholding tax deducted at sources	5,276	12,785	5,055	11,698
Value-added tax	690	859	-	-
	5,966	13,644	5,055	11,698

10 Investment in subsidiaries and investments in joint ventures

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

(Thousand Baht)

	Company	
	2015	2014
Investment in subsidiaries		
Opening book value	257,925	257,925
Addition (Disposal)	-	-
Closing book value	257,925	257,925

(Thousand Baht)

	Consolidated		Company	
For the years ended 31 December	2015	2014	2015	2014
Investments in joint ventures				
Opening book value	3,507,719	3,159,078	1,847,300	1,813,000
Acquisitions	131,281	34,300	131,281	34,300
Dividends received	(112,700)	(160,720)	-	-
Share profit from joint venture	597,634	475,061	-	-
Closing book value	4,123,934	3,507,719	1,978,581	1,847,300

At the Extra Ordinary Shareholder Meeting of a joint venture held on 11 March 2015, the shareholders approved the dividend payment at Baht 0.76 per share, totalling Baht 230 million. The dividend were paid to the Company and non-controlling interest on 9 April 2015. The Company recorded its portion of Baht 113 million in the income statement.

At the Extra Ordinary Shareholder Meeting of a joint venture held on 17 March 2014, the shareholders approved the dividend payment at Baht 0.76 per share, totalling Baht 228 million. The dividend were paid to the Company and non-controlling interest on 25 March 2014. The Company recorded its portion of Baht 112 million in the income statement.

At the Extra Ordinary Shareholder Meeting of a joint venture held on 17 September 2014, the shareholders approved the dividend payment at Baht 0.33 per share, totalling Baht 100 million. The dividend were paid to the Company and non-controlling interest on 25 September 2014. The Company recorded its portion of Baht 49 million in the income statement.

1) Investments in joint ventures

The details of investments in joint ventures as at 31 December are as follow:

	Nature of relationship	% Ownership interest	
		2015	2014
Joint venture			
SF Development Company Limited	Shareholder	49	49
North Bangkok Development Company Limited	Shareholder	49	49
West Bangkok Development Company Limited	Shareholder	49	-

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

There are no contingent liabilities relating to the Group's interest in the joint venture.

Summarised financial information for joint ventures

Set out below are the summarised financial information for SF Development Company Limited which is accounted for using the equity method.

Summarised statement of financial position

(Thousand Baht)

	As at 31 December	
	2015	2014
Cash and cash equivalents	299,095	515,951
Trade and other receivables	77,921	74,931
Other current assets	53,337	120,860
Prepaid rent	42	42
Investment property	14,630,092	13,573,098
Equipment, net	115,145	115,408
Other assets	37,699	38,686
Total assets	15,213,331	14,438,976
Trade and other payables	133,895	145,932
Other current liabilities	192,797	172,835
Finance lease liabilities on land leases	314,890	313,327
Long term loan from financial institution	4,990,000	5,540,000
Unearned rental	126,440	131,654
Deferred tax liabilities	974,483	772,631
Other liabilities	1,042,101	973,650
Total liabilities	7,774,606	8,050,029
Net assets	7,438,725	6,388,947

Summarised statement of comprehensive income

(Thousand Baht)

	For the years ended 31 December	
	2015	2014
Rental income	1,529,905	1,471,617
Gain on fair value adjustment on investment property, net	746,219	472,263
Interest income	4,476	9,557
Other income	538,793	514,829
Cost of rental and service	(573,290)	(588,651)
Depreciation and amortisation expenses	(22,172)	(16,215)
Selling and administrative expenses	(290,918)	(285,767)
Financial cost	(323,465)	(363,399)
Profit or loss from continuing operations	1,609,548	1,214,234
Income tax expenses	(329,770)	(244,385)
Post-tax profit from continuing operations	1,279,778	969,849
Other comprehensive income	-	-
Total comprehensive income	1,279,778	969,849
Dividends received from joint ventures	112,700	160,720

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint venture.

A joint venture had entered into interest rate swap contracts to alter the interest rate of long-term loans from financial institutions in Baht currency from floating rate to fixed rate.

The remaining terms of the outstanding interest rate swap contracts at 31 December were:

(Thousand Baht)

	2015	2014
Less than 1 year	162,692	101,231
Later than 1 year and not later than 3 years	-	362,461
Over 3 years	7,655,855	5,082,580
	7,818,547	5,546,272

Interest rate swap contracts are due for exchange of the differences in interest amount every three months.

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the group and the joint venture (and not the group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its investments in joint ventures.

(Thousand Baht)

	For the years ended 31 December	
	2015	2014
Summarised financial information		
Opening net assets 1 January	6,388,947	5,747,098
Profit (loss) during the year	1,279,778	969,849
Dividend paid	(230,000)	(328,000)
Other comprehensive income	-	-
Closing net assets	7,438,725	6,388,947
Investments in joint ventures (49%)		
Carrying value	3,644,975	3,130,584

Individually immaterial joint ventures

In addition to the investments in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

(Thousand Baht)

	2015	2014
Aggregate carrying amount of individually immaterial joint ventures		
	478,959	377,135
Aggregate amounts of the reporting entity's share of		
Profit (loss) from continuing activities	(29,457)	(165)
Total comprehensive income	(29,457)	(165)

2) Principal subsidiaries

The details of investments in subsidiaries as at 31 December are as follow:

	Nature of	% Ownership interest	
	relationship	2015	2014
Subsidiaries			
Petchkasem Power Center Company Limited	Shareholder	74	74
Ekkamai Lifestyle Center Company Limited	Shareholder	51	51
Siam Future Property Company Limited	Shareholder	100	100
Ratchayothin Avenue Company Limited	Shareholder	50	50
Ratchayothin Avenue Management Company Limited	Subsidiary of Ratchayothin Avenue Company Limited	50	50
Siam Future Management Company Limited	Shareholder	100	100

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

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company does not have any shareholdings in the preference shares of subsidiary undertaking included in the Group.

The total non-controlling interest for the year is Baht 384,964,851 of which Baht 327,014,593 is for Ratchayothin Avenue Company Limited and Baht 57,950,258 is subjected to the non-controlling interest in respect of other subsidiaries other than Ratchayothin Avenue Company Limited which are not material.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statement of financial position

(Baht)

	Ratchayothin Avenue Company Limited	
	As at 31 December	
	2015	2014
Current		
Assets	52,794,913	55,738,537
Liabilities	65,811,752	65,452,534
Total current net assets	(13,016,839)	(9,713,997)
Non-current		
Assets	1,396,348,759	586,676,049
Liabilities	393,923,300	241,582,620
Total non-current net assets	1,002,425,459	345,093,429
Net assets	989,408,620	335,379,432

Summarised statement of comprehensive income

(Baht)

Ratchayothin Avenue Company Limited		
For the years ended 31 December		
	2015	2014
Revenue	820,806,938	12,701,261
Expenses	(2,901,880)	(3,833,595)
Profit before income tax	817,905,058	8,867,666
Income tax expense	(163,875,871)	(2,598,625)
Post-tax profit from continuing operations	654,029,187	6,269,041
Other comprehensive income	-	-
Total comprehensive income	654,029,187	6,269,041
Total comprehensive income allocated to non-controlling interests	327,014,593	3,134,520

Summarised statement of cash flows

(Baht)

Ratchayothin Avenue Company Limited		
For the years ended 31 December		
	2015	2014
Cash flow from operating activities		
Cash generated from operations	5,993,381	6,270,677
Interest paid	(1,556,709)	(2,228,912)
Income tax paid	(6,984,586)	(6,795,378)
Net cash generated from operating activities	(2,547,914)	(2,753,613)
Net cash used in investing activities	6,403,169	(480,252)
Net cash used in financing activities	-	-
Net increase (decrease) in cash and cash equivalents	3,855,255	(3,233,865)
Cash and cash equivalents at beginning of year	1,683,261	4,917,126
Cash and cash equivalents at end of year	5,538,516	1,683,261

The information above is the amount before inter-company eliminations.

11 Investment property

(Thousand Baht)

For the years ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
Investment property at 1 January	7,518,365	7,610,586	3,882,494	4,036,128
Additions of investment property during the year	49,509	63,768	22,426	40,846
Decrease in investment property during the year	-	(48,110)	-	(48,110)
Disposals investment property according to finance lease agreement	-	(13,190)	-	(13,190)
Transfer from building and equipment	220	-	220	-
Write-off of investment property due to contract cancellation	(2,084)	-	(2,084)	-
Increases(decreases) in fair value adjustment	1,009,018	(94,689)	(135,804)	(133,180)
Investment property at 31 December	8,575,028	7,518,365	3,767,252	3,882,494

(Thousand Baht)

	Consolidated	Company
Statement of comprehensive income for the year ended 31 December 2015		
Increases(decreases) in fair value adjustment	1,009,018	(135,804)
Finance cost from recording investment property	(79,006)	(46,676)
Fair value adjustment on investment property, net	930,012	(182,480)

(Thousand Baht)

	Consolidated	Company
Statement of comprehensive income for the year ended 31 December 2014		
Decreases in fair value adjustment	(94,689)	(133,180)
Financial cost from recording investment property	(70,485)	(38,217)
Fair value adjustment on investment property, net	(165,174)	(171,397)

Rental income and expenditures presented in the income statement were arisen from investment property that generated rental income.

	Consolidated			
	Building and building improvement	Motor vehicles, Office equipment And Computer	Construction in process And project under development	Total
At 1 January 2014				
Cost	11,852	122,083	401	134,336
<u>Less</u> Accumulated depreciation	(3,350)	(102,497)	-	(105,847)
Net book value	8,502	19,586	401	28,489
For the year ended 31 December 2014				
Opening net book value	8,502	19,586	401	28,489
Additions	-	32,379	250	32,629
Write-off	-	-	(220)	(220)
Depreciation charge	(481)	(9,966)	-	(10,447)
Closing net book value	8,021	41,999	431	50,451
At 31 December 2014				
Cost	11,852	154,462	431	166,745
<u>Less</u> Accumulated depreciation	(3,831)	(112,463)	-	(116,294)
Net book value	8,021	41,999	431	50,451
For the year ended 31 December 2015				
Opening net book value	8,021	41,999	431	50,451
Additions	-	9,988	-	9,988
Write-off/ Disposal	-	(2,151)	(211)	(2,362)
Transfer in (out)	-	-	(220)	(220)
Depreciation charge	(482)	(11,976)	-	(12,458)
Closing net book value	7,539	37,860	-	45,399
At 31 December 2015				
Cost	11,852	160,881	-	172,733
<u>Less</u> Accumulated depreciation	(4,313)	(123,021)	-	(127,334)
Net book value	7,539	37,860	-	45,399

(Thousand Baht)

	Company		
	Motor vehicles, Office equipment And Computer	Construction in process And project under development	Total

At 1 January 2014

Cost	87,657	401	88,058
<u>Less</u> Accumulated depreciation	(76,141)	-	(76,141)
Net book value	11,516	401	11,917

For the year ended 31 December 2014

Opening net book value	11,516	401	11,917
Additions	21,088	250	21,338
Write-off	-	(220)	(220)
Depreciation charge	(6,482)	-	(6,482)
Closing net book value	26,122	431	26,553

At 31 December 2014

Cost	108,745	431	109,176
<u>Less</u> Accumulated depreciation	(82,623)	-	(82,623)
Net book value	26,122	431	26,553

For the year ended 31 December 2015

Opening net book value	26,122	431	26,553
Additions	3,179	-	3,179
Write-off/ Disposal	(2,151)	(211)	(2,362)
Transfer in (out)	-	(220)	(220)
Depreciation charge	(7,226)	-	(7,226)
Closing net book value	19,924	-	19,924

At 31 December 2015

Cost	108,356	-	108,356
<u>Less</u> Accumulated depreciation	(88,432)	-	(88,432)
Net book value	19,924	-	19,924

(Thousand Baht)

	Consolidated			Company
	Goodwill	Computer Software licenses	Total	Computer Software licenses
At 1 January 2014				
Cost	5,000	31,758	36,758	31,758
<u>Less</u> Accumulated amortisation	(563)	(13,824)	(14,387)	(13,824)
Net book value	4,437	17,934	22,371	17,934

For the year ended 31 December 2014

Opening net book value	4,437	17,934	22,371	17,934
Additions	-	1,027	1,027	1,027
Amortisation charge	-	(3,221)	(3,221)	(3,221)
Closing net book value	4,437	15,740	20,177	15,740

At 31 December 2014

Cost	5,000	32,784	37,784	32,784
<u>Less</u> Accumulated amortisation	(563)	(17,044)	(17,607)	(17,044)
Net book value	4,437	15,740	20,177	15,740

For the year ended 31 December 2015

Opening net book value	4,437	15,740	20,177	15,740
Additions	-	-	-	-
Amortisation charge	-	(3,280)	(3,280)	(3,280)
Closing net book value	4,437	12,460	16,897	12,460

At 31 December 2015

Cost	5,000	32,784	37,784	32,784
<u>Less</u> Accumulated amortisation	(563)	(20,324)	(20,887)	(20,324)
Net book	4,437	12,460	16,897	12,460

14 Bank overdraft and short-term borrowings from financial institution

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Short-term borrowings from financial institution	-	498,817	-	498,817

As at 29 July 2014, the Company issued discounted bills of exchange totalling Baht 491 million which has face value totalling Baht 500 million. It bears interest at the rate of 3.55% per annum and was matured in the first quarter of 2015. The Company has to maintain financial ratios and other criteria as stipulated in the offering documents.

15 Trade and other payables

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Trade payables	8,623	11,260	4,152	6,149
Accrued expenses	80,022	72,323	44,881	38,743
Retention payable	7,925	7,399	6,071	5,805
Accrued interest expense	15,267	10,812	15,267	10,812
Others	37,540	46,213	26,231	31,734
	149,377	148,007	96,602	93,243

16 Long-term borrowings

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Current portion of long-term borrowings				
Debentures	749,014	-	749,014	-
	749,014	-	749,014	-
Long-term borrowings				
Debentures	1,198,796	1,447,670	1,198,796	1,447,670
	1,198,796	1,447,670	1,198,796	1,447,670
Total borrowings	1,947,810	1,447,670	1,947,810	1,447,670

The movements in the long-term borrowings can be analysed as follows:

(Thousand Baht)

	Consolidated		Company	
For the years ended 31 December	2015	2014	2015	2014
Opening amount	1,447,670	1,946,115	1,447,670	1,946,115
Addition during the year	500,000	-	500,000	-
Debenture issuance cost	(1,481)	-	(1,481)	-
Repayment of bank borrowings and debenture	-	(500,000)	-	(500,000)
Amortisation of debenture issuance cost (Note 24)	1,621	1,555	1,621	1,555
Closing amount	1,947,810	1,447,670	1,947,810	1,447,670

As at 27 January 2015, the Company issued debentures 500,000 units of Baht 1,000 per unit, unsubordinated and unsecured, totalling Baht 500 million. The debentures bear interest of 5.00% per annum and were matured on 27 January 2020. The Company has to maintain financial ratios and other criteria as stipulated in the offering documents.

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

(Thousand Baht)

	Consolidated and Company	
	2015	2014
Total long-term borrowings:		
- at fixed rates	1,947,810	1,447,670

	Consolidated and Company	
	2015	2014
Weighted average effective interest rates per annum:		
- all long-term borrowings	4.83%	4.77%

The carrying amounts and fair values of long-term borrowings as at 31 December are as follows:

(Thousand Baht)

	Consolidated and Company			
	Carrying amount		Fair value	
	2015	2014	2015	2014
Total long-term borrowings	1,947,810	1,447,670	1,973,415	1,390,836

The fair value of bonds are measured by using discounted cash flow model based on yield curve which quoted by The Thai Bond Market Association and are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings:

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Within 1 year	749,014	-	749,014	-
Later than 1 year and not later than 2 years	699,673	749,130	699,673	749,130
Later than 2 years and not later than 5 years	499,123	698,540	499,123	698,540
	1,947,810	1,447,670	1,947,810	1,447,670

17 Other current liabilities

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Accrued property tax	190,171	157,639	110,316	94,042
Others	8,717	5,545	7,164	4,694
	198,888	163,184	117,480	98,736

18 Unearned rental and service income

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

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Within 1 year	92,293	52,692	22,470	28,049
Within 2 years and not later than 5 years	98,213	116,155	29,702	38,868
Later than 5 years	266,607	314,618	27,952	24,462
	364,820	430,773	57,654	63,330
	457,113	483,465	80,124	91,379

19 Deferred income taxes

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

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Opening balance of deferred tax liabilities	(666,047)	(631,494)	(368,084)	(343,533)
Charges to statement of comprehensive income	66	(512)	66	(512)
Charges to income statements (Note 25)	(236,512)	(34,041)	(4,020)	(24,039)
Closing balance of deferred tax liabilities	(902,493)	(666,047)	(372,038)	(368,084)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year are as follows:

(Thousand Baht)

Deferred tax assets	Consolidated			Total
	Deposit received from customers	Unearned service income	Other	
Opening balance 1 January 2014	13,675	20,287	8,161	42,123
Charges to statement of comprehensive income	-	-	(512)	(512)
Charges to income statements	1,705	2,232	(499)	3,438
Closing balance 31 December 2014	15,380	22,519	7,150	45,049
Opening balance 1 January 2015	15,380	22,519	7,150	45,049
Charges to statement of comprehensive income	-	-	66	66
Charges to income statements	1,718	1,450	469	3,637
Closing balance 31 December 2015	17,098	23,969	7,685	48,752

(Thousand Baht)

Deferred tax liabilities	Consolidated		Total
	Profit from finance lease contracts	Investment property	
Opening balance 1 January 2014	226,438	447,179	673,617
Charges to income statements	(17,342)	54,821	37,479
Closing balance 31 December 2014	209,096	502,000	711,096
Opening balance 1 January 2015	209,096	502,000	711,096
Charges to income statements	(20,906)	261,055	240,149
Closing balance 31 December 2015	188,190	763,055	951,245

(Thousand Baht)

Deferred tax assets	Company			Total
	Deposit received from customers	Unearned service income	Other	
Opening balance 1 January 2014	5,417	3,937	6,759	16,113
Charges to statement of comprehensive income	-	-	(512)	(512)
Charges to income statements	790	147	905	1,842
Closing balance 31 December 2014	6,207	4,084	7,152	17,443
Opening balance 1 January 2015	6,207	4,084	7,152	17,443
Charges to statement of comprehensive income	-	-	66	66
Charges to income statements	1,096	-345	467	1,218
Closing balance 31 December 2015	7,303	3,739	7,685	18,727

(Thousand Baht)

Deferred tax liabilities	Company		
	Profit from finance lease contracts	Investment property	Total
Opening balance 1 January 2014	64,462	295,184	359,646
Charges to income statements	(1,653)	27,534	25,881
Closing balance 31 December 2014	62,809	322,718	385,527
Opening balance 1 January 2015	62,809	322,718	385,527
Charges to income statements	(5,853)	11,091	5,238
Closing balance 31 December 2015	56,956	333,809	390,765

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 statements of financial position as at 31 December:

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Deferred tax assets	48,752	45,049	18,727	17,443
Deferred tax liabilities	(951,245)	(711,096)	(390,765)	(385,527)
Total deferred tax liabilities	(902,493)	(666,047)	(372,038)	(368,084)

20 Employee benefit obligations

The employee benefit obligations are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Movements of the employee benefit obligations during the year are as follows:

(Thousand Baht)

	Consolidated and Company	
	2015	2014
Beginning balance	30,463	28,332
Current service cost	3,989	3,810
Interest cost	689	881
Actuarial (gains) losses	331	(2,560)
Losses from benefit payment	659	-
Benefit payment	(3,005)	-
Closing balance	33,126	30,463

In 2015, the company recognised loss on settlement in income statements of 659,147 Baht. Since the company settled the benefit in excess of a present value of employee benefit obligations determined at payable date.

The amounts recognised in the income statements are as follows:

(Thousand Baht)

Consolidated and Company		
	2015	2014
Current service cost	3,989	3,810
Interest cost	689	881
Losses from benefit payment	659	-
Total	5,337	4,691

The principal actuarial assumptions used are as follows:

Consolidated and Company		
	2015	2014
Discount rates	2.25%	3.42%
Future salary increase rates	6%	6%
Retirement age	60 years old	60 years old
Pre-retirement mortality rate	100% of Thai Mortality Ordinary Table 2008	100% of Thai Mortality Ordinary Table 2008
Disability rate	5% of Thai Mortality Ordinary Table 2008	5% of Thai Mortality Ordinary Table 2008

Sensitivity analysis for each significant assumption disclosed

(Thousand Baht)

Impact to employee benefit obligations			
Consolidated and Company			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1 %	Decrease 1,554	Increase 1,780
Future salary increase rate	1 %	Increase 1,833	Decrease 1,642
Turnover rate	1 %	Decrease 1,636	Increase 478

Maturity profile of defined benefit obligation

(Thousand Baht)

	31 December 2015	31 December 2014
Duration of the defined benefit obligation	5.81 years	8.01 years

Maturity analysis of benefits expected to be paid

Benefits expected to be paid within 5 years	20,958	22,950
Benefits expected to be paid later than 5 years and not later than 15 years	37,302	30,774
Benefits expected to be paid later than 15 years and not later than 25 years	54,202	52,679
Benefits expected to be paid later than 25 years	61,411	69,460

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the employee benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

21 Share capital and share premium

(Thousand Baht)

	Ordinary share capital	Share premium	Total
Issued and paid-up share capital			
At 31 December 2013	1,316,020	634,029	1,950,049
Issue of shares	164,495	-	164,495
At 31 December 2014	1,480,515	634,029	2,114,544
Issue of shares	296,093	-	296,093
At 31 December 2015	1,776,608	634,029	2,410,637

As at 31 December 2015, total authorised number of the ordinary shares is 1,776,618,036 shares with a par value of Baht 1 per share (2014: 1,480,522,641 shares with a par value of Baht 1 per share). Total issued and paid-up share capital is 1,776,607,541 shares with the paid-up of Baht 1 per share (2014: 1,480,515,030 shares with a paid-up of Baht 1 per share).

22 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.

23 Expenses by nature

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

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Depreciation on building and equipment (Note 12)	12,458	10,447	7,226	6,482
Staff costs	118,241	121,261	118,241	121,261

24 Finance costs

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Interest expenses				
- Debentures	92,354	83,074	92,354	83,074
- Long-term borrowings bank	-	1,649	-	1,649
- Bank overdrafts	61	95	59	95
- Bill of exchange	1,183	7,408	1,183	7,408
- Debenture issuance cost (Note 16)	1,621	1,555	1,621	1,555
- Loan from related parties	-	-	5,272	3,183
- Others	1,154	1,066	1,154	1,065
Total finance costs	96,373	94,847	101,643	98,029

25 Income tax

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

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Current tax charge	62,607	53,256	22,786	22,227
Deferred tax:				
Origination and reversal of temporary Different	236,512	34,041	4,020	24,039
Total deferred tax (Note 19)	236,512	34,041	4,020	24,039
Total income tax expenses	299,119	87,297	26,806	46,266

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

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Profit before income tax	2,091,915	819,560	531,171	308,105
Tax calculated at a tax rate of 20% for the Company and 15% to 20% for subsidiaries	417,950	164,820	105,817	62,038
Tax effect of:				
Income not subject to tax	(119,527)	(95,012)	(79,539)	(32,144)
Expenses not deductible for tax purpose	696	6,657	528	5,540
Adjustment in respect of prior year	-	10,832	-	10,832
Tax charge	299,119	87,297	26,806	46,266

26 Earnings per share

Basic earnings per share is calculated by dividing the 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.

During 2015, the Company issued a stock dividend totalling 296,092,511 shares. The Company adjusted the number of ordinary shares outstanding before the event for the proportionate change in the number of ordinary shares outstanding as if the event had accrued at the beginning of the earliest period presented. The weighted average number of ordinary shares used in computing earnings per share for fiscal year 2014 has been changed as follows:

	2014	2014
	Number of share As restated	Number of share As previously reported
Basic earnings per share		
Weighted average number of ordinary shares	1,776,607,541	1,480,515,030
Diluted earnings per share		
Weighted average number of ordinary shares	1,776,607,541	1,480,515,030

	Consolidated		Company	
	2015	2014	2015	2014
Profit attributable to equity holders				
of the parent (Thousand Baht)	1,407,831	700,233	504,365	261,839
Weighted average number of paid-up				
ordinary shares in issue ('000 shares)	1,776,608	1,776,608	1,776,608	1,776,608
Basic earnings per share (Baht)	0.79	0.39	0.28	0.15

27 Dividends

At the Annual General Shareholders Meeting held on 22 April 2015, the shareholders approved a stock dividend to shareholders at the ratio of 5 existing shares to 1 new share and cash dividend payment amounting to Baht 0.022223 per share in respect of 2014 operating results totalling 296,092,511 shares and Baht 32.91 million, respectively. The dividends will be paid to the shareholders on 18 May 2015.

At the Annual General Shareholders Meeting held on 25 March 2014, the shareholders approved a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share and cash dividend payment amounting to Baht 0.01389 per share in respect of 2013 operating results totalling 164,494,904 shares and Baht 18.28 million, respectively. The dividends were paid to the shareholders on 21 April 2014.

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

(Baht)

		Consolidated		Company	
	Notes	2015	2014	2015	2014
Profit before income tax		2,091,915,241	819,560,194	531,170,598	308,105,327
Adjustments for:					
Depreciation and amortisation	12,13	15,737,740	13,667,764	10,506,346	9,702,676
Loss from sale of equipment		(187,965)	-	(187,965)	-
Amortisation of prepaid rent		66,160	66,161	-	-
Loss on write-off of project under Development	12	210,500	220,000	210,500	220,000
Interest income		(27,197,527)	(26,906,828)	(28,293,200)	(38,094,128)
Interest expense		96,372,720	94,846,588	101,643,170	98,029,499
Dividend income	10	-	-	(397,697,192)	(160,720,000)
Amortisation of debenture issuance costs	16	1,621,270	1,555,634	1,621,270	1,555,634
Realised unearned rental and service income		(41,711,978)	(46,417,255)	(20,851,539)	(24,963,543)
Investment property recognized as cost of finance lease	11	-	13,190,000	-	13,190,000
Employee benefit obligations	20	5,336,681	4,690,946	5,336,681	4,690,946
Fair value adjustment on investment property	11	(930,011,891)	(165,173,563)	(182,479,605)	(171,397,346)
Share profit from joint venture	10	(597,633,912)	(475,060,780)	-	-
Unrealised gain from revaluation of short-term investments	6	(6,851,438)	-	(6,851,438)	-
Write-off of withholding tax		2,431,456	2,587,263	1,432,196	1,172,515
Changes in operating assets and liabilities:					
- short-term investment		(323,875,500)	(188,228,962)	(323,875,500)	(188,228,962)
- trade and other receivables		(100,450,108)	3,264,520	(91,913,060)	(4,150,473)
- finance lease receivable		49,722,061	23,485,305	37,254,077	10,774,698
- amounts due from related parties		127,369,837	(850,001)	4,032,558	(74,683,230)
- other current assets		1,106,939	-	900,000	-
- deposits for leasehold land		(34,828,991)	5,154,377	(34,828,991)	5,154,377
- other non-current assets		7,097,430	6,235,599	6,438,372	6,010,912
- trade and other payables		4,898,345	21,385,844	1,935,258	16,318,900
- amounts due to related parties		896,977	(1,871,651)	4,536,418	(8,870,318)
- other current liabilities		35,666,166	-	18,744,327	-
- unearned rental and service income		15,359,947	8,333,739	9,596,994	2,375,354
- deposit received from customers		21,530,341	28,034,688	13,450,479	26,957,643
- finance lease liabilities on land leases		(145,216,797)	(136,653,878)	(105,629,790)	(98,317,059)
- employee benefit obligations	20	(3,004,180)	-	(3,004,180)	-
Cash flows from operations		266,369,524	335,462,830	(81,844,006)	77,628,114

29 Financial risk management

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 3 - 6 months rental and service fee from customers.
- To terminate rental contracts for tenants whose rental and service fees are overdue.

The Group has no significant concentrations of credit risks due to the large number of customer from which the income is charged in cash. The Group has policies in place to ensure that rental and services are made to customers with appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

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) Interest rate risk

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The borrowings and debentures interest rates of the Group are mainly fixed.

d) Fair values

The carrying amounts of the following significant financial assets and financial liabilities approximate to their fair values: cash and cash equivalent, finance lease receivables, amounts due from related parties, loans to subsidiaries, bank overdrafts and short-term loans from financial institutions, trade accounts payable, other accounts payable since financial instruments are predominantly subject to market interest rate. Information on the fair values of borrowings are included in Note 16.

30 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 or 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.

Siam Future Development Public Company Limited is an associate of Major Cineplex Group Public Company Limited which owns 23.86% of the Company's share (31 December 2014: 23.74%). Therefore, all subsidiaries and associates of Major Cineplex Group Public Company Limited are related parties.

The Group enters into transactions with related companies in the normal course of business. Significant transactions for the years ended 31 December 2015 and 2014 are summarised as follows:

a) Revenues and expense

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
For the years ended 31 December				
Rental and service income				
Subsidiaries	-	-	960	960
Group Major Cineplex Group Public Company Limited	88,478	73,527	32,902	27,714
Related parties	30,346	29,788	22,094	21,504
	118,824	103,315	55,956	50,178
Management fee income				
Subsidiaries	-	-	54,403	51,251
Joint ventures	9,226	8,658	9,226	8,658
	9,226	8,658	63,629	59,909
Interest income				
Subsidiaries	-	-	9,183	19,242
Major Cineplex Group Public Company Limited	723	775	-	-
	723	775	9,183	19,242
Dividend income				
Subsidiaries	-	-	284,997	-
Joint ventures	-	-	112,700	160,720
	-	-	397,697	160,720
Cost of rental and service				
Subsidiaries	-	-	2,627	2,627
Administrative expense				
Major Cineplex Group Public Company Limited	10,279	10,213	9,939	9,889
Interest expense				
Subsidiaries	-	-	5,272	3,183

Rental and service incomes were carried out 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 specified on the agreements.

Interest income is charged at the rates between 2.72% to 5.00% per annum (2014: 3.10% to 7.00% per annum).

b) Trade and other receivables

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Group Major Cineplex Group Public Company Limited	221	260	-	-
Subsidiaries	-	-	284,997	-
	221	260	284,997	-

At the Board of Director Meeting held on 1 December 2015, the Board of Director approved an interim dividend to shareholders at 14.23 Baht per share results totalling Baht 285 million. The dividend will be paid to the shareholders on 13 March 2016.

c) Amounts due from related parties

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Major Cineplex Group Public Company Limited	1,339	2,253	-	-
Subsidiaries	-	-	429,854	307,430
Joint venture	-	126,456	-	126,456
	1,339	128,709	429,854	433,886

d) Short-term loans to related parties

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

(Thousand Baht)

	Company	
	2015	2014
Beginning balance	248,645	352,895
Loans made during the year	22,600	1,300
Loans repayments during the year	(192,189)	(105,550)
Ending balance	79,056	248,645

As at 31 December 2015, short-term loans to subsidiaries represent loans repayable upon demand. The loans bear interest rate at 5.00% per annum (2014: 6.00% to 7.00% per annum).

Movement of short-term loan to a related company during the years are as follows:

(Thousand Baht)

	Consolidated	
	2015	2014
Beginning balance	25,000	25,000
Loan made during the year	-	-
Loans repayments during the year	(2,000)	-
Ending balance	23,000	25,000

Short-term loan to a related party represented loan to Major Cineplex Group Public Company Limited. The loan carried interest at the rate of 2.72% per annum.

e) **Amounts due to related parties**

(Thousand Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Major Cineplex Group Public Company Limited	30,972	37,982	9,104	14,287
Subsidiaries	-	-	9,138	5,009
	30,972	37,982	18,242	19,296

f) **Short-term loans from subsidiary**

(Thousand Baht)

	Company	
	2015	2014
Subsidiary	275,000	172,200

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

(Thousand Baht)

	Company	
	2015	2014
Beginning balance	172,200	93,700
Loan received during the year	110,800	88,500
Loan repaid during the year	(8,000)	(10,000)
Ending balance	275,000	172,200

As at 31 December 2015, short-term loans from subsidiary represent unsecured loans, denominated in Thai Baht, and are repayable on demand. The loans bear interest at the rates between 1.66% to 3.10% per annum (2014: 2.21% to 3.10% per annum).

g) **Unearned rental and service income**

As at 31 December of 2015, the unearned rental and service income of a subsidiary includes unearned income received from Major Cineplex Group Public Company Limited amounting to Baht 94 million (2014: Baht 100 million).

h) **Directors and management remuneration**

Directors and management remuneration comprises of the total salaries and other benefits, including directors' fee paid to directors which included as an expense in the income statements as follows:

(Thousand Baht)

	Consolidated and Company	
	2015	2014
Short-term benefits	19,458	18,586
Post-employment benefits	2,250	2,081
	21,708	20,667

31 Commitments and contingencies

Bank guarantees

As at 31 December 2015, the Group has outstanding letters of guarantee amounting to Baht 51 million (2014: Baht 52 million) issued by the Group's bankers in respect of normal business operations.

Rental commitment

Rental contracted for at the statement of financial position date but not recognised in the financial statements are as follows:

(Thousand Baht)

	Consolidated		Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Less than 1 year	3,257	3,995	1,607	2,345
Over than 1 year but not later than 5 years	2,222	5,479	1,122	2,729
	5,479	9,474	2,729	5,074

32 Segment information

The Group operates in only one business segment which is the development of shopping centers and lease out space in the centers. Currently, the business is only operated in Thailand. The internal reporting provided to the chief operating decision-maker presented investment property by using cost method whereas financial statements presented at fair value.

(Thousand Baht)

	Consolidated		
	Internal reporting	Investment properties Adjustment to be fair value	Financial Statement
For the year ended 31 December 2015			
Income			
Rental and service income	1,365,553		
Revenue from finance lease contracts	-		
Finance and interest income	27,198		
Other income	35,909		
Share profit from joint venture	200,867		
Total revenues	1,629,527	396,767¹	2,026,294
Expenses			
Cost of rental and service	909,006		
Cost of finance lease contracts	-		
Selling and administrative expenses	233,302		
Total expenses	1,142,308	(1,304,302)²	(161,994)
Profit before finance costs	487,219	1,701,069	2,188,288
Finance costs	(96,373)	-	(96,373)
Profit before income taxes	390,846	1,701,069	2,091,915
Income taxes	(38,065)	(261,054) ³	(299,119)
Profit for the year	352,781	1,440,015	1,792,796
Profit attributable to			
Owners of the parent	331,574	1,076,257	1,407,831
Non-controlling interests	21,207	363,758	384,965
	352,781	1,440,015	1,792,796
Fair value adjustment on investment property, net	1,440,015	(1,440,015)	-
Profit for the year after fair value adjustment on investment property	1,792,796	-	1,792,796

(Thousand Baht)

	Consolidated		
	Internal reporting	Investment properties Adjustment to be fair value	Financial Statement
For the year ended 31 December 2014			
Revenues			
Rental and service income	1,318,935		
Revenue from finance lease contracts	21,669		
Finance and interest income	26,907		
Other income	26,018		
Share profit from joint venture	191,375		
Total revenues	1,584,904	283,686¹	1,868,590
Expenses			
Cost of rental and service	936,309		
Cost of finance lease contracts	18,687		
Selling and administrative expenses	228,541		
Total expenses	1,183,537	(229,354)²	954,183
Profit before finance costs	401,367	537,040	914,407
Finance costs	(94,847)	-	(94,847)
Profit before income taxes	306,520	513,040	819,560
Income taxes	(32,893)	(54,404) ³	(87,297)
Profit for the year	273,627	458,636	732,263
Profit attributable to			
Owners of the parent	255,691	444,542	700,233
Non-controlling interests	17,936	14,094	32,030
	273,627	458,636	732,263
Fair value adjustment on investment property, net	458,636	(458,636)	-
Profit for the year after fair value adjustment on investment property	732,263	-	732,263

Additional explanation on adjustment

1. Adjustment relates to share of profit of joint venture due to the measurement of investment property from cost method to fair value method.
2. Adjustment relates to selling and administrative expenses which came from add back depreciation and adjustment of change in fair value of investment property.
3. Adjustment relates to income tax expense which came from deferred income tax expense of investment property at fair value.

33 Post statement of financial position event

At the Board of Directors meeting held on 16 February 2016, the board approved dividend payment in respect of 2015 operating results.

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