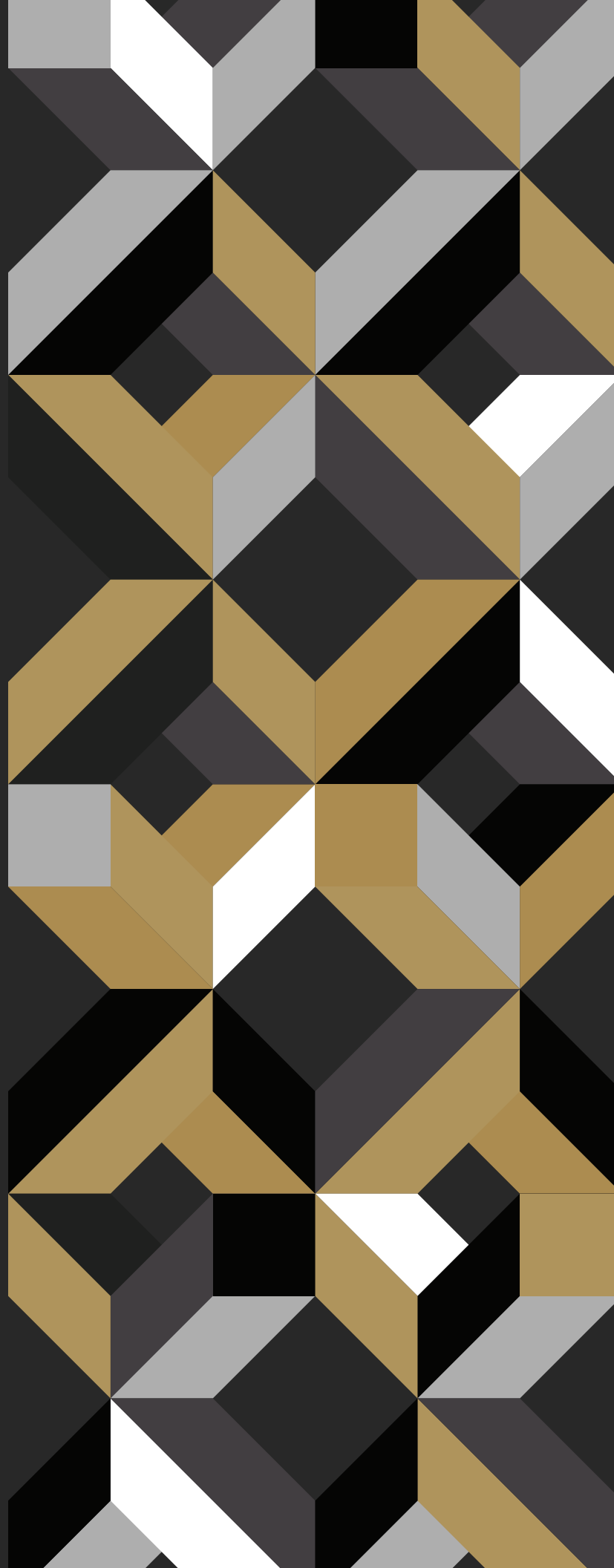


2021

SIAM FUTURE DEVELOPMENT
PUBLIC COMPANY LIMITED

ANNUAL REPORT



Message from the Board of Directors

Since 2020 until this very day, virtually all sectors of business in Thailand and worldwide have been ravaged by the Covid-19 pandemic, causing the global economy to come to a halt while the public has cautiously been extra careful and avoided travel outside residences and several organizations have required Work from Homes to ensure social distancing. Nevertheless, we are witnessing relaxed measures initiated since the fourth quarter of 2021, when authorities in Thailand began easing measures, partly resulting from rising vaccination rates. We now see people engaging in activities outside their homes to gradually improve their spending. This abnormality is another challenge facing the business of Siam Future Development Plc, as it must coordinate collaboration with all stakeholders to overcome the crisis.

Equally important, 2021 marked a milestone year for Siam Future Development, since Central World Co., Ltd., a subsidiary of Central Pattana Plc, a party under Section 258 of the Securities and Exchange Act B.E. 2535 of Central World, has acquired 96.89% of our issued and subscribed common shares. Central World wished to package a proposal to acquire all our remaining securities to revoke our securities from SET's registration as a public company limited. On February 10, 2022, our EGM No. 1/2565 approved the withdrawal of Siam Future Development from the ranks of SET-listed companies. Both Central World and Siam Future Development are in the process of implementing such resolution.

As far as our overall operations in 2021 are concerned, our total rent and service revenue fell 18% from last year as a result of our assistance to tenants through rent and service rebates, notably those affected by the sluggish economy, and the public sector's announced lockdown measure in July - August 2021, with the exception of certain businesses like supermarkets, convenience stores, and drugstores. Our share of profit from consortia in 2021 also slid from last year, mainly due to Covid-19, rebates given to tenants, and the public sector's measures. To offset the losses in rents and services and the reduced share of profit, we have efficiently managed the cost of rent and services together with expenditure and cost of funds, thus ensuring that such items would follow the same direction as our revenue.

As of year-end 2021 we had a total of 19 projects, with a total leasable area of 376,617 sqm. We intend to focus on developing and remodeling our shops, with creativity incorporated in the improvement of current projects to meet individual areas' customers' needs. In the fourth quarter of 2021, we launched the Market Place Krunghthep Kreetha Project, a community mall under the "Urban Friendly" concept located on Si Nakharin - Rom

Klao Road with a total leasable area of 5,038 sqm. In 2022 we plan to launch the Marche 55 Project on the former Market Place Thong Lo, with a total leasable area of about 9,700 sqm.

However, we are still facing the Covid-19 situation, whose end cannot yet be projected, coupled with such uncertain economic situations that pose business risks today. Our deliberation of investment or business expansion hinges on prudent management skills, with primary regard for the interests of all stakeholders to enable us to proceed with sustainable business operations, thus creating long-term returns for our shareholders.

On behalf of the Board of Directors, I wish to express my heartfelt gratitude to all shareholders and stakeholders for their unwavering trust and support to Siam Future Development's business. I wish to assure you that the Board, management, and all other employees will continue to dedicate their best to corporate development for sustainable success. All the while, we will strive for business under corporate governance, transparency, and fraud-free operations.

- Mr. Prin Chirathivat -

Mr. Prin Chirathivat

Chairman

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Part 1
Business and Operating Performance

1. Business Structure and Operating Performance

1.1 Business Policy and Business Overview

Siam Future Development Public Company Limited, “the Company” is a shopping mall developer company with the vision of “Unlike other developers, we create a place for people first then for business.”

The Company has a goal to be a leading company in developing and managing community mall developers in Thailand, so the Company set a plan to expand 10,000 – 20,000 square meters of gross leasable area (GLA) per year in order to develop various shopping centers to increase variety of services to retailer and customer are as follows:

- Neighborhood center is an open-air shopping center which has supermarket as an anchor tenant, day-to-day product and specialty stores for another 15-20 tenants.
- Stand-alone retail store is a one-shop retail store in an area close to the main road. The stand-alone retail store is available for 1 tenant such as 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 hypermarket and cinema, etc.
- Lifestyle center is an open-air shopping center which has up-scale supermarket as an anchor tenant, day-to-day product and various stores such as cafe, restaurant, bakery shop, beauty shop, school and open space.
- Entertainment center is a combination of entertainment complex and retailers catered to consumers desiring for amusement experiences and leisure spending.
- 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.

1.2 Nature of Business

General Information

Siam Future Development PLC. was founded by Mr. Phongkit Suthapong and Mr. Nopporn Vithoonchart on 29 August 1994 to develop and manage open-air shopping centers with a registered capital of 10 million baht. The Company was registered at the Stock Exchange of Thailand (SET) on 17 December, 2002. According to a notice to SET on 20 October 2021, Central Pattana PLC. (CPN) has direct and indirect ownership of 96.24 percent of the Company's 2,131,920,931 issued and paid-up ordinary shares. According to the notice to SET on 28 December 2021, the Company will delist its shares from the Stock Exchange of Thailand and prepare a tender offer for the delisting of shares from SET.

Business Expansion

In 1995, the Company opened Market Place Bangbon as its first neighborhood center with Jusco Supermarket as the anchor tenant. (Currently, the anchor tenant is Eco Ring which is the second-hand retail shop from Japan. The store was opened in December 2019 and was well-suited with the target market around that area.)

In 1996, the Company opened the second and third neighborhood centers which are Market Place PrachaUtiti and Market Place Sukhapiban 3. At present, Maxvalu and Tops Market are the anchor tenants, respectively.

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. At present B-Quik remained 1 branch on the stand-alone retail store format.

In 2002, the Company also opened a new neighborhood shopping center in soi Thong Lo. Tops Market under the name "Market Place" was the anchor tenant. Currently, this project was under developed to the mixed-use project named Marche' 55.

In 2003 the Company opened a new neighborhood shopping center in Thungmahamek with Tops Market as the anchor tenant. Currently, the Company renovated to Market Place Nanglinchee.

In 2004, the Company opened five new shopping centers 1) the Family Center Chaengwattana 2) Ladprao Soi 120 Convenience Center currently land lease agreement was expired 3) Major Cineplex Cha Choeng Sao currently land lease agreement was expired 4) Lifestyle Center "J Avenue Thonglor 15" 5) Piyarom Place Sukhumvit 101/1 which had already expired.

In 2005, the Company opened three new shopping centers as follows 1) Wanghin Convenience Center, land

lease was expired 2) Petchkasem Power Center with Big C Supermarket, Major Cineplex, Makro Food Service and Amulet Market as the anchor tenants 3) Ekkamai Power Center with Big C Supermarket and Index Living Mall as the anchor tenants.

In 2006, the Company opened three new shopping centers as follows 1) the Avenue Chaeng watthana 2) La Villa Ari 3) Esplanade Ratchadapisek with Major Cineplex, Ratchadalai Theatre, Tops Supermarket, We Fitness Society and Art in Paradise as the anchor tenants.

In 2007, the Company opened two new shopping centers as follows: 1.) The Pattaya Avenue with Major Cineplex, Villa Market and Fitness7 as anchor tenants 2.) Kao Yai Market Village with Tesco Lotus as an anchor tenant. In 2009, the Company disposed Kao Yai Market Village to Tesco Lotus.

In 2008, there are two 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 market as an anchor tenant.

In 2009, the Company opened a new shopping center, Nawamin City Avenue Lifestyle center, located on Kaset-Nawamin Road and Villa market as an anchor tenant.

In 2010, the Company sold 30-year leaseholds rights of 11,109 sq.m. short-term lease of the Ratchayothin Avenue to Major Cineplex Lifestyle Property Fund (MJLF).

In 2011, the Company opened two new shopping centers 1) Festival Walk Nawamin Art Village, an expansion of Nawamin City Avenue, on Kaset-Nawamin. 2) the first IKEA store in Thailand, one of the anchor tenants of Megabangna which is the joint venture between the Company and IKANO Pte with the occupied area of 40,000 sq.m.

In 2012, the Company opened one super regional mall. Megabangna, 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. Megabangna is anchored by IKEA, Major Cineplex, Big C, Homepro, and Central with gross leasable area of 180,000 sq.m.

In 2013, the Company provided project management service for Bangkok University's community mall named "Imagine Village" which was opened in April 2013. The management contract has expired in 2015.

In 2016, the Company has started the construction of the additional section and extended the parking building in front of Megabangna to increase the diversification of shops in the mall areas and add more parking spaces for customer's convenience.

In 2017, the Company renewed the land lease agreement of Market Place Sukapiban 3 for another 20 years. Moreover, the Market Place Nanglinchee phase 1 and Mega Food-walk which is the extension phase of Megabangna with 2,700 sq.m. of Tops Market and more than 30 restaurants were opened

In 2018, the Company renovated J Avenue Thonglo by upgrading partial area to Indoor Food Hall providing new customers' experience. Also in Market Place Sukapiban 3, the Company expanded building area, added new glass house, added parking space and enhance traffic flow. Construction in Market Place Nanglinchee completed and fully operated in December 2019.

In 2019, the Company opened one new project Market Place Dusit in February 2020 which had Tops Market as an anchor tenant.

In 2020, the Company renovated Market Place Nawamin (Sukaphiban 1) by replacing Big C to Tops Market as an anchor tenant as well as providing new tenants to improve customers' experience.

In 2021, the Company opened new shopping center which is Market Place Krungthep Kretha project. It is a community mall located on Sri Nakarind-Romklao Road with 5,000 sqm. of leasable area.

On 31 December 2021, the Company has a total of 19 projects in operation, with gross leasable area of 364,883 sqm. (excl. IKEA which belongs to the Company's joint venture) and occupancy rate of 95 percent. It has one projects under construction namely Marche' 55 project which to be opened in 2022. It is a mixed-use project comprising of shopping center and office space, and located in the same location as Marketplace Thonglor (now closed) and has approximately 11,000 sqm. leasable area.

Assets under management

As of December 31, 2021

	Shopping	Anchor Tenants	Shopping Mall Format	Leasable Area (sqm)	Occupancy Rate (%)
1	Market Place Bangbon	Eco Ring	Neighborhood Center	7,169	92
2	Market Place Sukaphiban 3	Tops Market	Neighborhood Center	7,135	72
3	Market Place Pracha Utit	MaxValu Supermarket	Neighborhood Center	6,124	87
4	Market Place Thonglo	Tops Market	Neighborhood Center	3,363	70
5	J Avenue (Thonglo 15)	Villa Market, WE Fitness Society	Lifestyle Center	8,255	84
6	Market Place Nawamin	Tops Market	Neighborhood Center	3,975	90
7	Petchkasem Power Center	Big C, Major Cineplex, Makro Food Service, Amulet Market	Power Center	46,260	95
8	Ekkamai Power Center	Big C, Index Living Mall	Power Center	14,854	100
9	Esplanade Ratchadapisek	Major Cineplex, Blu-O, Ratchadalai Theatre, WE Fitness Society, Tops Market	Entertainment Center	42,016	90
10	LaVilla Ari	Villa Market	Lifestyle Center	5,581	99
11	The Avenue Rachayothin	Villa Market	Lifestyle Center	3,178	100
12	Pattaya Avenue	Major Cineplex, Villa Market, Fitness7	Lifestyle Center	22,547	68
13	Nawamin City Avenue 1	Villa Market, Bosch	Lifestyle Center	8,676	87
14	Nawamin City Avenue 2	Villa Market, Bosch	Lifestyle Center	7,824	79
15	Meng Jai (B-Quik)	B-Quik	Stand-Alone Retail Store	466	100
16	Market Place Nanglinchee	Tops Market, HomePro	Neighborhood Center	11,395	89
17	Market Place Dusit	Tops Market, Jetts Fitness	Neighborhood Center	5,818	74
18	Market Place Krungthep Kreetha	Tops Market	Neighborhood Center	5,038	91
19	Mega Bangna	IKEA, Major Cineplex, Major Bowl, Sub-Zero Ice Skate, Big C, HomePro, Central	Super Regional Mall	160,942 (excl. IKEA)	99
	Total			376,617	91

Funding

The Company launched business in 1994 with the registered capital of Baht 10 mn.

In 1997, the Company increased its registered capital from Baht 10 mn to 20 mn to support further expansion

In 2002, the Company was first listed on the MAI with an increase in registered capital from Baht 20 - 150 mn and the total paid-up capital of Baht 71 mn.

In 2003, the Company increased its registered capital to Baht 500 mn via additional share allocation totaling 24 mn shares to Major Cineplex Group Public Company Limited at a price of Baht 3.99 per share, and 142.50 mn 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 December 12, 2003.

In 2005, the Company issued the 5-year Amortizing Debenture in the amount of 1,000,000 units with par of Baht 1,000 each, total value of Baht 1 bn 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 Baht 424.12 mn to Baht 533.95 mn by right offering to existing shareholders at the ratio 5 current shares to 1 newly issued share at the price Baht 5 per share. As of 31 December 2006, the Company had the paid-up capital of Baht 508.94 mn from right offering.

In 2007, the Company issued the 3-year Bullet Debenture in the amount of 940,000 units with par of Baht 1,000 each, total value of Baht 940 mn which was redeemed 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 of Baht 1.20 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 mn and paid-up capital of Baht 1,026.30 mn. Moreover, the Company issued 3.5-year debenture of 500,000 units at par value Baht 1,000 each. The total amount of debenture was Baht 500 mn which was redeemed on 15 March 2013.

In 2010, the Company issued 3-4 year debenture of Baht 1,200 mn which was redeemed on 2013 for Baht 700 mn and on 2104 for Baht 500 mn.

In 2012, the Company had a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share operating result in the total of 130 mn shares. The Company had the registered capital of Baht 1,169.86 mn.

In 2013 the Company issued 3-4 year debenture of Baht 1,450 mn which was redeemed on 2016 for Baht 750 mn and on 2019 for Baht 700 mn, beside the Company had a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share for the total amount of 146.16 mn shares. The Company had the registered capital of Baht 1,316.02 mn.

In 2014, the Company had a stock dividend to shareholders at the ratio of 8 existing shares to 1 new share for the total amount of 164.50 mn shares. The Company had the registered capital of Baht 1,480.52 mn.

In 2015, the Company issued 5-year debenture of Baht 500 mn which will be redeemed on 2020, besides the Company had a stock dividend to shareholders at the ratio of 5 existing shares to 1 new share for the total amount of 296.09 mn shares. The Company had the registered capital of Baht 1,776.62 mn.

In 2016, at Extraordinary General Meeting 1/2016 approved the partial tender offer from Major Cineplex Group Public Company Limited. The tender offer period has started from 21 December 2016 to 26 January 2019. The Company obtained Notification of Receipt of the copy of the report on the result of the tender offered by Major Cineplex Group Public Company Limited on 2 February 2019. The total number of securities held by Major Cineplex Group Public Company Limited is 447.57 mn shares or 25.19% of the total issued and paid-up capital.

In 2017, the Company issued 5-year debenture of Baht 500 mn which will be redeemed in November 2022.

In 2019, the Company had a stock dividend to shareholders at the ratio of 5 existing shares to 1 new share operating result in the total of 355.31 mn shares. The Company had the registered capital of Baht 2,131.93 mn.

In 2021 Central World Company Limited, a subsidiary of Central Pattana PLC. bought shares from the Company's major shareholders including 1) Major Cineplex Group PLC.; 2) Mr. Annop Chandprabha's group; 3) Mr. Phongkit Suthaphong's group; 4) Mr. Nopporn Vitoonchart's group; and 5) Mr. Somnuek Phojkasemsin's group. According to the notice to the Stock Exchange of Thailand (SET) on August 30, 2021, Central World Co., Ltd. bought a total of 1,111,781,388 shares at Baht 12 per share, or 52.15% of total shares sold by the Company. Central World Co., Ltd. has subsequently made a mandatory tender offer of 932,550,343 shares, priced at Baht 12 per unit (or 43.74% of the Company's total shares sold), according to a notice sent to SET on 20 October, 2021, making Central World Co., Ltd. a holder of 2,051,767,629 shares or 96.24% of the Company's total shares sold.

Nature of Business

Product or services offered can be categorized as follows.

- Long-term leasing and short-term rental: Generally, 30–50% of total area is Gross Leasable Area (GLA), which the Company leases long term for 10–30 years. The remaining area is rented out for a shorter period from 1 to 3 years (most is rented out for 3 years). Each type of contract includes a leasing fee, payment period, future price adjustments, as well as detailed conditions for the lease. In order to match revenue streams with future expenses throughout the entire contract period, the Company's contract period with its anchor tenants will be matched with the land lease contract period with the landowner.

By creating long-term lease agreements instead of directly acquiring the land, the Company is able to reduce its cost of land ownership. Long-term lease agreements with tenants create a stable long-term income for the Company; and with upfront lease payment and service fees the Company is able to manage its cashflow efficiently and reduce the amount of loans with financial institutions. The Company also manages its risk by not entering into a land lease agreement with the landowner until it has finalized agreement with its anchor tenants. This allows the Company to effectively manage cash inflow from leasing fees against cash outflow from land-leasing fees for any future project.

With regard to contract negotiation with tenants, long-term/anchor tenants are requested to pay an upfront lease payment and service fees as well as a security deposit worth 12 months of lease payment and service fees. Other retail tenants pay 6 months' worth of security deposit. The Company is then able to secure cash for expenses incurred during project initiation phase such as project design fees, construction fees, fees for planning permission by government agencies, and land leasing fees. Consequently, the Company will have a smaller net investment sum compared to total investment, allowing it to have better liquidity and require less loans from financial institutions.

- Management of Property and Common Area: The management of the retail real-estate project and its common areas is detailed in the Service Agreement, which is prepared alongside the main lease agreement and has the same contract period. Management of the project and its common areas includes cleaning common areas, maintaining garden areas, providing security and traffic control, maintaining buildings/lighting/other equipment, subsidizing water and electricity and bills for common areas, trash removal, wastewater management systems, and providing regular promotional campaigns.
- Utility services include electricity, water, and telephone provision for all tenants. The Company charges tenants a higher fee than the Metropolitan Electricity Authority, Metropolitan Waterworks

Authority, TOT PLC. and True Corporation PLC. Proceeds from utility services to tenants are used for common area utility expenses.

The Market and Competitive Landscape

Marketing Policy for Key Products or Services

The Company has divided its customers into two separate categories:

- 1) Anchor tenants including supermarkets, hypermarkets, cinemas are tenants with the ability to attract other retail tenants and customers to the shopping center. The Company therefore facilitates anchor tenants and attentively monitors their sales to ensure smooth business operations.
- 2) Other retail tenants are a group of over 700 stand-alone retail stores that the Company frequently monitors and analyses in order to design an appropriate tenant mix and source new stores that will add to the variety and novelty of the shopping center.

Revenue from Lease Payment and Service Fees from Anchor Tenants and Other Retail Tenants (2018 to 2021)

Type of Tenant	2018		2019		2020		2021	
	mn Baht	%	mn Baht	%	mn Baht	%	mn Baht	%
Anchor Tenants	179.08	22.33	199.53	22.6	173.31	26.96	146.66	26.67
Other Retail Tenants	623.06	77.67	683.18	77.4	469.46	73.04	403.33	73.33
Total	802.14	100	882.71	100	642.77	100	549.99	100.00

The Company has been meeting its tenants and customers to obtain feedback for further improvements that will better satisfy their needs. The Company consistently organizes marketing activities to support sales growth of retailers by initiating novel and creative activities for a positive customer experience.

Industry Overview and Competition under the 2021 Economic Condition

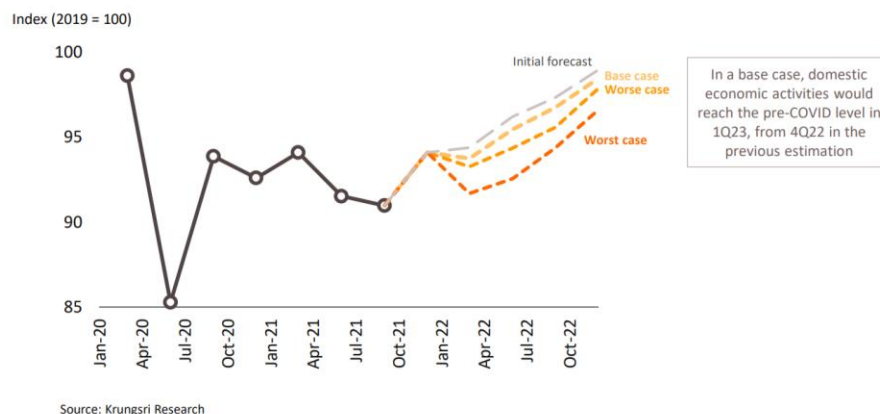
The spread of COVID-19 from early 2020 to the present has resulted in a world-wide economic crisis, and Thailand has suffered from a reduction of foreign tourists. Thailand's tourism industry accounts for 13% of its Gross National Product (GDP) (data before the spread of COVID-19), the highest among ASEAN countries.

Data from the Office of the National Economic and Social Development Council (NESDC) indicates that in the Third Quarter 2021 the Thai economy has contracted by 0.3%, compared to a 7.6% growth during the Second Quarter 2021 (a 1.1% decline from the Second Quarter 2021 when seasonally adjusted). The first 9 months of year 2021 shows Thailand's economy growing by 1.3%, and it is expected that there will be an overall expansion of 1.2% by the end of year 2021. This is a slow improvement from the 6.1% decline in 2020. At the same time, inflation is at 1.2% and current account deficit is 2.5% of GDP.

Source The Office of the National Economic and Social Development Council (NESDC)

The spread of the Omicron variant in several countries during the Fourth Quarter 2021 resulted in the highest number of new infections since the beginning of the pandemic, but death rates remained low and hospitalized cases did not rise significantly. However, several countries have maintained strict measures in order to contain the virus. Thailand has also suspended the Thailand Pass registration for Test and Go and re-applied the 14-day Alternative State Quarantine (ASQ) in response to the situation.

Increasing concerns surrounding the spread of COVID-19 and stringent government measures is expected to hamper Thailand's economic recovery in 2022. Krungsri Research estimated that strict disease control measures, business dissolutions, a reduction in travel, and general concern from the public are among the factors that contribute to economic decline. In particular, international travel measures have severely affected the tourism industry, which in the base scenario is expected to recover slower by 7.1% compared to the pre-Omicron period. In worse and worst-case scenarios, the tourism industry expected to decline by 21.7% and 26.8%, respectively. At the same time, Thailand's domestic economic activities in 2022 is expected to decline in base, worse, and worst-case scenarios by 0.9%, 2.0% and 3.2%, respectively. Therefore, Thailand's combined economic activity under three scenarios will show a decline of 0.6%, 1.4%, and 3.0%, respectively. Thailand's economy would likely return to its pre-COVID-19 state in First Quarter 2023, compared to Fourth Quarter 2022 in the previous estimation.



Source: Macroeconomy Analysis, Krungsri Research

Retail Business Overview

Currently, Thailand's retail industry revenue has declined by 2.0% compared to year 2020. However, the retail sector's overall revenue for 2021 is expected to improve, especially for Fast-moving Consumer Goods (FMCG), as better vaccination coverage and an absence of a new outbreak restores consumer confidence in Fourth Quarter 2021. The Government's 50-50 scheme Phase III and additional measures under the Baht 500 bn executive loans decree are also positive contributing factors.

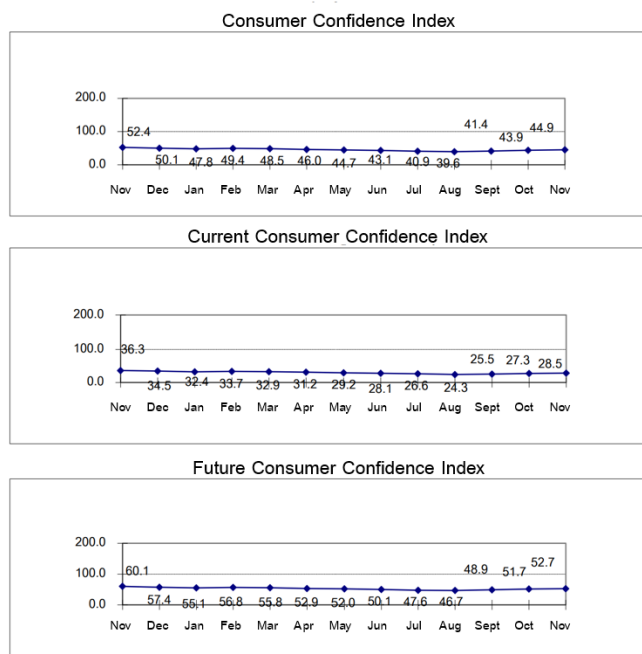
E-commerce is expected to maintain its growth, especially in the second half of 2021, due to numerous promotional campaigns from platform operators such as 11.11 and 12.12. However, there is intense competition coming from new players within the market while consumer spending power remains low. Online Modern Trade players who focus on non-food items especially department stores, electrical appliance retailers, construction material retailers, and home décor retailers are unlikely to show continual recovery.

Even with the attempts to speed up vaccination and restore consumer confidence, businesses may expect increasing costs amidst weak consumer spending power, as well as intense competition from many market players. This makes it difficult for businesses to transfer costs to their consumers. Therefore, it is crucial that businesses maintain a reasonable cashflow by way of marketing promotions and taking advantage of government relief measures.

Whether the revenue of the retail industry will recover during late 2021 to 2022 depends on the effectiveness of COVID-19 containment efforts and the return of foreign tourists. Nevertheless, the challenge remains with a more intense market competition and weak consumer spending power brought by a higher cost of living.

Data: Kasikorn Research

Consumer Confidence Index (CCI), November 2020 – November 2021



According to a Consumer Confidence Survey conducted in November 2021, the consumer confidence index (CCI) has adjusted upward for 3 consecutive months and is at the highest in the past 7 months in November. This improvement in the CCI is a result of more relaxed lock-down measures from the Center for COVID-19 Situation Administration (CCA) in preparation of the opening of Thailand's borders from November 1, 2021, onwards. Foreign nationals from low-risk countries will be able to enter Thailand without quarantining. In addition, the number of maximum and strict control zones (red), strict control zones (orange), high surveillance zones (yellow), and tourism pilot zones (blue) have been reduced. The government is fixing diesel prices at maximum Baht 30 per liter and removing curfews to stimulate economic activities and allow business operations to return to near-normal.

In addition, an injection of over Baht 100 bn from public organizations may help to improve employment towards the end of 2021. Consequently, consumer confidence has adjusted upward markedly and will likely grow in the future. However, the survey sample group was concerned that the country-wide spread of COVID-19 and the emergence of the Omicron variant in other countries will have adverse effects on Thailand's economic recovery.

Data: Consumer Confidence Index Nov 2020 - Nov 2021, UTCC Center for Economic and Business Forecasting

The Supply of Retail Space

The supply of retail space in year 2021 is expected to plateau or show a slight reduction from year 2020 as a result of slow economic recovery. Increasing household debt may cause a loss in spending power as consumers become more cautious of their spending. The postponed plan to open Thailand's borders is unfavorable to the tourism industry and severely affects Thailand's economy recovery.

Most of Thailand's retail space¹ is within the Bangkok Metropolitan Region (BMR), as well as in provincial cities². Currently, there are 6 mn sqm. of retail space within the Bangkok Metropolitan Region; most are in the form of shopping malls (including rental space). Retail spaces are divided into enclosed malls, community malls, and supporting retail space. Retail real-estate developers operate their core businesses by investing the development of project area and facilities and receive lease payment as their main income.

Figure 1: Total Supply of Retail Space in BMR

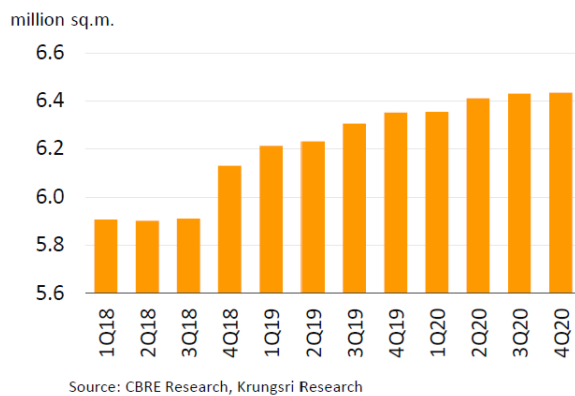
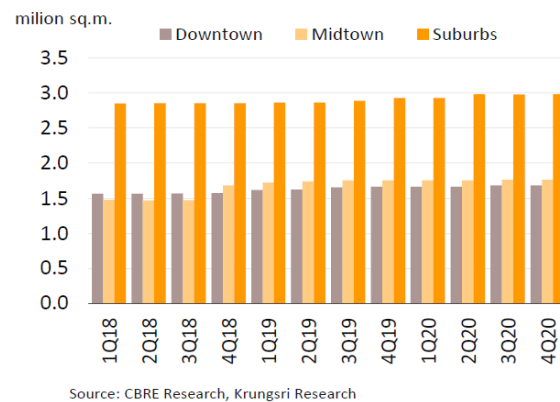


Figure 2: Total Supply in BMR by Location



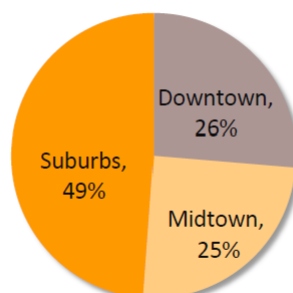
1. Retail space refers to three types of shopping malls: enclosed malls, community malls, and supporting retail space.

2. Provincial cities refers to areas within provinces outside of the Bangkok Metropolitan Region (BMF) that are regional tourist destinations namely Chiangmai, Nakhon Sawan, Phitsanulok, Kon Kaen, Nakhon Ratchasima, Choburi, Rayong, Phetchaburi.

49% percent of retail space in the Bangkok Metropolitan Region is located in the suburbs. Several large department stores and community malls were developed between years 2008 and 2020 in response to a rapidly growing number of residences from low land prices, development of the extended BTS lines, and regulations limiting the construction of large retail buildings in some areas of Bangkok. Recently, retail real estate players downtown (Silom, Sathorn, Rachadamri, and the beginning of Sukhumvit Road) have modified their buildings into a more modern and premium design instead of expanding the spaces to attract customers with high spending

power, especially foreign tourists. Meanwhile, retail spaces in midtown areas are built to accommodate middle income earners.

Figure 3: Total Supply in BMR by Location, (2020)



Source: CBRE Research, Krungsri Research

Source: Krungsri Research, Krungsri Bank

Future Trends in Retail Space Market and Retail Real-Estate Industry

The future of the retail industry is contingent on Thailand's overall economic situation. In year 2022, the economy is expected to show a significant recovery by 3.5-4.5% compared to a slow expansion in year 2021. Events that bring about this recovery are 1) an increase in demand accompanying improvements in the pandemic situation and wider vaccination coverage; 2) tendency for the tourism industry to recover as a result of more relaxed lock-down measures; 3) improvements in exports and industrial production accompanying improvements in global commercial economic activities; and 4) driving forces from the public sector including increased government expenditure under the Royal Loan Decree. It is expected that exports values in US dollars will increase by 4.9%, consumption will increase by 4.3%, private sector investments by 4.2%, inflation rates to average at 0.9-1.9%, and current account to be at a surplus of 1.0% of GDP. On the other hand, risk factors and limitations that may cause Thailand's economic recovery to be slower than expected in year 2022 are 1) uncertainties surrounding COVID-19 mutations; 2) household and business sectors' financial conditions; 3) ongoing limitations in international logistics and production chains; and 4) risks from fluctuating global economic and financial conditions amidst inflation threats.

Source: Office of the National Economic and Social Development Council (NESDC)

The changing business landscape post-COVID-19 as a result of consumers' increasing preference for E-commerce has triggered businesses to adjust their strategies in order to draw customers back into department stores. Consequently, retail spaces have been modified to provide new functionalities and create a more varied

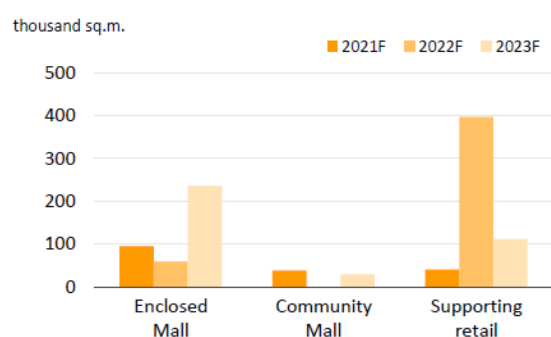
shopping experience. For example, indoor and outdoor areas are strategically connected, recreational and pet-friendly zones are added. Retail real-estate operators have also adjusted lease agreements for more flexibility for existing tenants as follows.

- **More flexible rental terms and shorter rental periods:** adoption of the Partnership Rent or consignment (percentage of sales) with a minimum guarantee instead of fixed rate rent, shorter leasing period, price tiering by type of business or activity such as kitchen and dining areas. (Source: CBRE Research)
- **Smaller rental space:** an increasing preference towards e-commerce has resulted in 20-40% reduction demand for retail space compared to pre-COVID-19 period (source: CBRE Research). Tenants are likely to focus more on online distribution channels and may seek to cancel or reduce their rental space, leaving only areas that still have high experiential value for customers or can accommodate after-sales services.

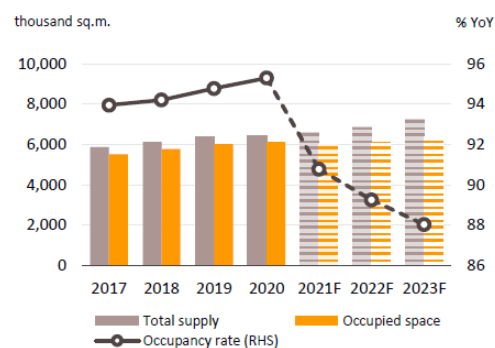
Moreover, increased competition coupled with a short supply of land in downtown Bangkok have caused operators to focus their investments on the suburbs and provinces with reasonable purchasing power to expand the Thai local customer base and also replace revenue lost from foreign tourists.

Source: Krungsri Research, Krungsri Bank

Demand-Supply Forecast for Retail Space Market in Bangkok Metropolitan Region, 2021–2023



Source: CBRE Research, Krungsri Research



Source: CBRE Research, forecast by Krungsri Research

Source: Krungsri Research, Krungsri Bank

The retail real estate industry is likely to gradually recover with the help of economic stimulation measures and slightly improved spending power. However, the spread of COVID-19 still threatens economic growth, while the lack of tourists, especially in downtown areas, is likely to intensify competition among exiting players and limit profitability.

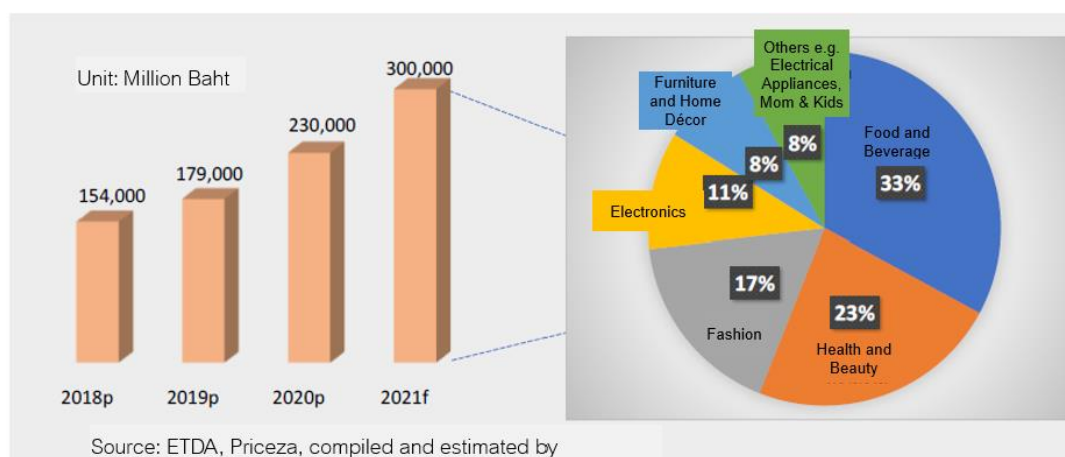
Retail Real Estate Business in the Bangkok Metropolitan Region (excluding community malls): A slight revenue growth can be expected amidst slow demand recovery. Real estate operators continually invest into renovation of existing projects and development of new projects to prepare for future demand. High investment costs lead to high barriers to entry, thus incumbents who have financial and locational advantage will still hold a large share of the market. Operators within downtown Bangkok will focus on modernizing their retail space in order to accommodate a more varied lifestyle for customers, therefore rental fees may be slightly higher.

Community malls in the Bangkok Metropolitan Region: Revenues are likely to remain the same while supply will increase because community malls require less retail space and capital investment. In addition, land for community malls is relatively easier to find, especially in the suburbs. Therefore, new investors are attracted to the market, which intensifies competition. On the other hand, demand will only marginally improve because middle-to-low income targets take longer to recover economically. As a result, it may be difficult to adjust rental fees.

The Retail Sector in the Digital Era

B2C E-commerce has experience accelerated growth in the past 2 years. According to Kasikorn Research, B2C E-commerce market value specific to products will be at Baht 300,000 mn, having grown by 30% in 2021 compared to 2020. Factors contributing to this growth include the spread of COVID-19 which affects a shift in consumption behavior, increased number of online consumers, increased product variety, and adaptability of business within the supply chain to facilitate consumers such as improvements in last-mile delivery and payment gateways. It is expected that essential goods such as Food and Beverage will become more popular during the pandemic at 33 percent of total B2C E-commerce market value, with Health and Beauty at 23%, and Non-food items such as Furniture and Home Décor, personal items (e.g. shampoo, toothpaste and soap) at 44%.

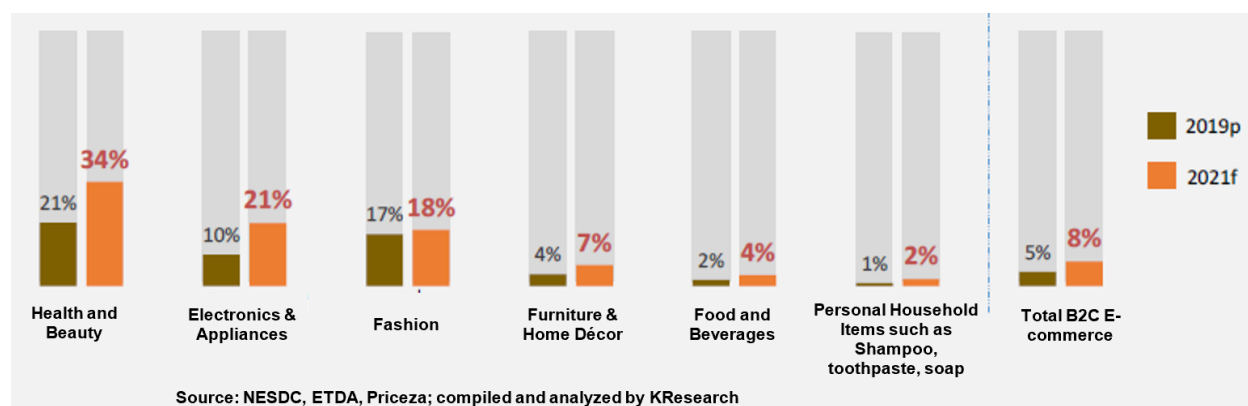
B2C E-commerce Market Value Forecast by Category



The spread of COVID-19 has improved B2C E-commerce growth but has also induced income instability and caused consumers to become more cautious of their spending. The growth of the E-commerce industry may be derived from a shift in exchange of goods from physical stores to online platforms rather than an overall increase in consumer spending. Food and personal items is likely to grow at minimum 30% year-on-year, and it is possible that once the situation returns to normal, a portion of consumers will return to traditional channels of exchange, especially for Food and Beverage. The anticipated shift back to traditional platforms (physical stores) is not likely to equate to that of pre-COVID-19 periods since consumers have already adjusted to online shopping. Therefore, retail businesses should carefully plan and adapt to changing situations. Omni-channel or online-to-offline business involving Big Data will become more prominent, helping operators attain better insight to their businesses.

Since the ratio of online to total market value by category generally does not exceed 35%, there is still an opportunity for growth for online channels. Food and Beverage as well as personal items still holds a very small portion of the market and is expected to grow faster than Fashion, Health and Beauty categories, albeit limited by lower purchasing power overall. However, the readiness of sellers must be considered along with consumer behaviors. For instance, the spread of COVID-19 has affected the last-mile delivery business, disrupting delivery of goods in some geographical areas and resulting in sellers' inability to satisfy increasing demands. This is especially true for the Food and Beverage category where delivery costs are relatively high. Poor customer experience may induce a sustained loss of loyalty even after the situation resolves. Moreover, consumer confidence in product quality, payment gateways, service and delivery is still an issue. Solving bottlenecks in the supply chain such as investing in improved food delivery service or new distribution centers will allow online platforms to achieve higher growth.

Percentage of Online Sales Value to Total Market Value by Category



The introduction of new technologies and changing consumer behaviors is likely to change the retail competitive landscape in the future. It is still difficult to determine who the market leader will be since all players are facing similar challenges: 1) E-commerce players such as E-marketplaces still face a loss of 30-40% annually (from years 2018–2021) despite year-on-year revenue growth. 2) Online modern trade platforms seem to have a better advantage since consumers are buying more of food and consumer goods, yet they also face competition from suppliers coming online. 3) Social commerce mostly consists of SMEs players and depending on their adaptability only some will succeed. Moreover, if consumer behavior shifts from the present and sellers are able to introduce new technologies or formats to operate their business, it would be difficult to determine who will become the main player or if any new entries will become dominant. The determinant of success would ultimately be positive customer experience.

All in all, the ability retail businesses to adapt to consumer behavior is crucial under constantly changing circumstances. The best adaptors who constantly explore new ways to increase revenues such as investing in cross-border e-commerce, logistics and payment gateways will be the most successful players.

Source: Krungsri Research Current Issue No. 3268

Sourcing Products or Services

1) Sourcing Real Estate

Location is considered the most crucial factor for developing and managing shopping centers. The Company has many means of sourcing land including land acquisition companies, real estate brokers, recommendations from retailers. Recently, the Company has received increasing recommendations from retailers who wish to expand their businesses quickly, allowing the company to launch more shopping centers at greater speed.

The Company has secured long-term lease agreements from all of its projects' landowners, with each project having single or multiple owners. The Company engages in either direct negotiations with the landowners or through an agent as it sees fit.

By engaging in long-term lease agreements instead of directly acquiring land, the Company is able to reduce its business cost. However, the Company may feel the need to buy land if it faces the need to increase the number of shopping centers and appropriate locations are not available. Nevertheless, the main priority is to engage in long-term lease agreements over buying land.

Details of the lease agreements contain important information about each project, as shown in Attachment 4 "Assets under Management and Asset Appraisal".

Pre-Opening Procedures

The Company must be in operation prior to the project launch in order to source quality real estate, conduct feasibility study, negotiate contracts with landowners/anchor tenants, finalize short-term and long-term lease agreements with tenants, plan and design the project, request permission from related government agencies, level the land, construct building exteriors and common areas, and install utility systems.

A period of 9-12 months is required from securing lease agreements with the landowner and anchor tenants to completing construction. The amount of time required for anchor tenants and other retail tenants to decorate their stores is 1-3 months. Durations vary according to the size of the project.

- a) Sourcing quality land for the successful development and management of shopping centers is a gradual and arduous process since the location must be able to promote a viable business, and there may not be enough appropriate locations available in some areas.

The process of evaluating the viability of land requires careful consideration of the following.

- Demand and supply data including population, number of households, average per capita income, average household income, and other activities related to the project. The Company utilizes the MapInfo Professional software to construct and edit maps, query and analyze geographical and demographic data.
- General land condition such as land dimensions, accessibility, which is retrieved via on-site surveys.
- Land valuation from the Department of Lands.

- b) Once quality land is sourced, the Company engages in a feasibility study to assess business and financial viability of the land by using land valuation from the Department of Lands and forming a hypothesis based on other available information.
- c) During the contract negotiation stage, the Company will mitigate risks from competition by engaging in a Memorandum of Understanding (MOU) with the landowner.
- d) Negotiating and finalizing lease agreements with anchor tenants: After the land lease agreement has been finalized with the landowner, the Company negotiates a lease agreement with its anchor tenants by attaching the initial project design to the main agreement since anchor tenants are vital to attracting other retail tenants. The Company also prepares an MOU for anchor tenants to sign prior to the lease agreement in order to avoid unwanted disclosures.
- e) Acquiring tenants and finalizing leasing agreements: Currently, there is high demand for retail real estate and the Company is constantly approached by retailers. The Company implements a strict selection process to ensure tenants are not in competition with each other, do not engage in unlawful business that will negatively affect the project or other tenants, have good financial status, and will contribute to a good tenant mix.
- f) Detailed project design and registering to related government agencies: Once the lease agreements are complete, the Company will execute a detailed project plan including structural design and systems, and proceed to apply for a building construction permit.
- g) The Company employs a consultant to oversee the construction of each project to ensure its efficiency. The Company also distributes a “Shop Decoration Guide” to retail tenants where they will be required submit shop designs back to the Company for approval. The time period for handing over rental property to anchor and retail tenants and decorating is 1–3 months, depending on the size of the property.

2) Environmental Impact

The Company works in conjunction with the construction consultant to ensure contractors operate within the confinements of environmental laws. The Municipal office also monitors the project so that there are no negative effects to the environment. The Company also creates a standardized wastewater treatment system for each community mall.

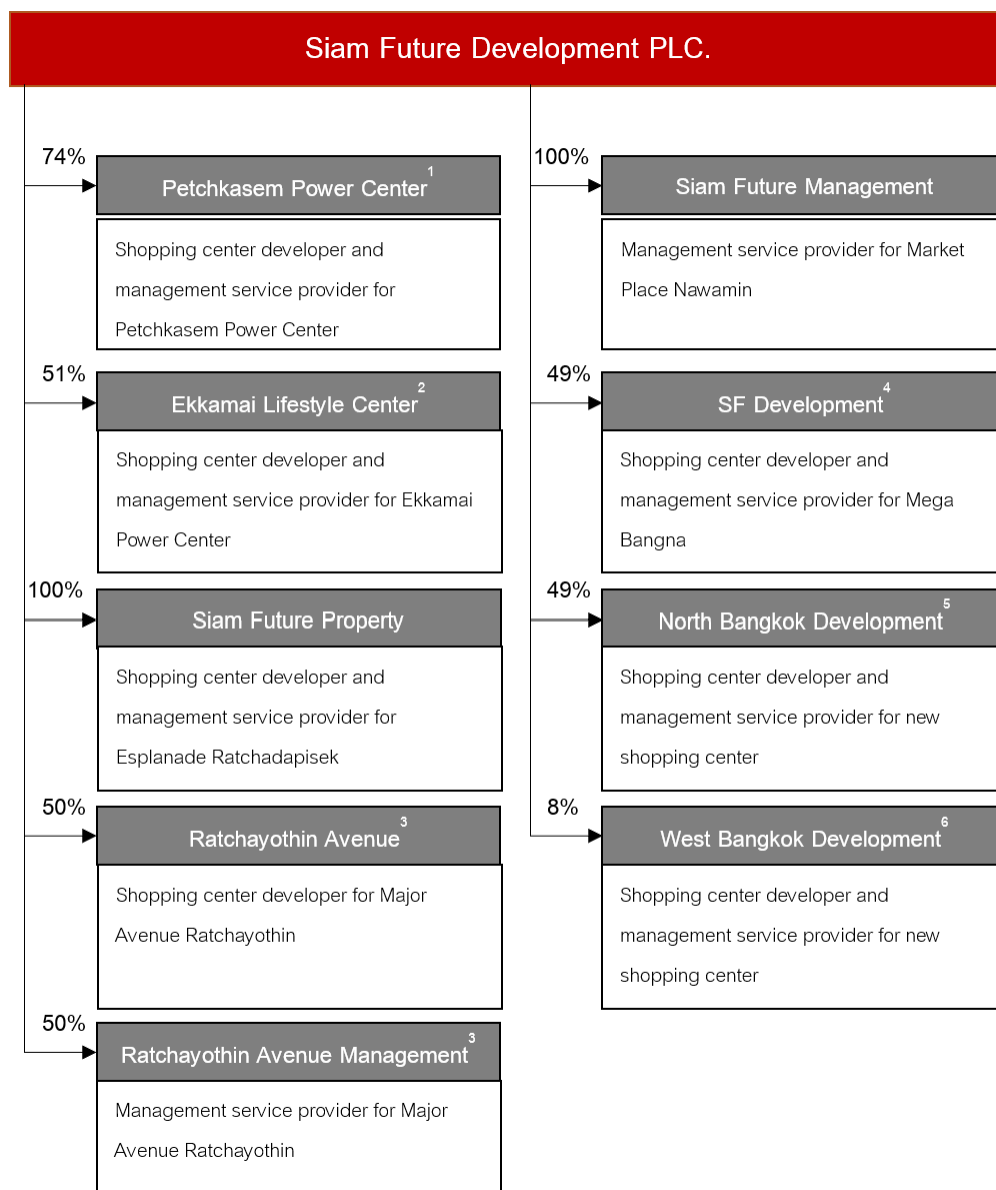
The Company has prepared measures for mitigating any negative environmental impacts that may take place from management of the project and its utility services. This includes measures for air quality, wastewater treatment, and waste disposal.

Future Project

As of December 31, 2021, the Company has currently one project under construction:

Project Name	Leasable Area (sqm)	Open
1. Marche' 55 (Market Place Thonglo)	Apx. 10,000	4Q22

1.3 Investment Structure



¹ Connect Consultant Co., Ltd. holds 26.0%

² Connect Consultant Co., Ltd. holds 49.0%

³ Major Cineplex Group PLC. holds 50.0%

⁴ IKANO PTE LTD holds 49.0% and S.P.S. Global Trade Co., Ltd holds 2%

⁵ IKANO PTE LTD holds 49.0% and Thai Vanasiri Co., Ltd holds 2%

⁶ SF Development Co., Ltd. holds 83.2%, IKANO PTE LTD holds 8.2% and S.P.S. Global Trade Co., Ltd holds 0.4%

Remark Shareholding and voting rights are the same proportion.

Revenue Structure

The Company has four business units including:

1. Rental and service income, common area maintainance (CAM) and utilities service such as electricity bill, water bill, telephone bill and gas bill.
2. Other income such as installment of electricity metor and water metor.
3. Investment income and interest income from long-term tenants

	% Shareholding	2019		2020		2021	
		mn Baht	%	mn Baht	%	mn Baht	%
1. Rental and Service Income							
Siam Future Development Plc.		833.00	30.04	638.79	35.28	538.28	32.67
Petchkasem Power Center	74	129.52	4.67	109.95	6.07	91.45	5.55
Ekkamai Lifestyle Center	51	89.60	3.23	69.66	3.85	65.95	4.00
Siam Future Property	100	430.37	15.52	274.44	15.16	203.09	12.33
Siam Future Management	100	13.86	0.50	1.28	0.07	0.01	0.00
Ratchayothin Avenue	50	(0.01)	0.00	4.66	0.26	4.45	0.27
Ratchayothin Avenue Management	50	3.07	0.11	2.98	0.16	3.19	0.19
Total Rental and Service Income		1,499.41	54.08	1,101.76	60.86	906.42	55.02
2. Finance and interest income							
Siam Future Development Plc.		13.39	0.48	11.57	0.64	10.10	0.61
Petchkasem Power Center	74	1.13	0.04	1.14	0.06	1.01	0.06
Ekkamai Lifestyle Center	51	0.03	0.00	0.02	0.00	0.01	0.00
Siam Future Property	100	(2.75)	(0.10)	0.19	0.01	0.03	0.00
Siam Future Management	100	(1.06)	(0.04)	0.03	0.00	0.00	0.00
Ratchayothin Avenue	50	5.60	0.20	5.52	0.30	5.31	0.32
Ratchayothin Avenue Management	50	0.75	0.03	0.74	0.04	0.73	0.04
Total Finance and interest income		17.08	0.62	19.21	1.06	17.18	1.04
3. Other Income							
Siam Future Development Plc.		19.38	0.70	14.93	0.82	37.39	2.27
Petchkasem Power Center	74	1.57	0.06	0.41	0.02	0.67	0.04
Ekkamai Lifestyle Center	51	0.58	0.02	0.21	0.01	0.41	0.02
Siam Future Property	100	5.66	0.20	4.32	0.24	1.23	0.07
Siam Future Management	100	0.34	0.01	0.12	0.01	0.00	0.00
Ratchayothin Avenue	50	5.95	0.21	0.05	0.00	0.05	0.00
Ratchayothin Avenue Management	50	0.42	0.02	0.00	0.00	0.00	0.00
Total Other Income		33.90	1.22	20.04	1.11	39.75	2.41
4. Share of profit from joint ventures	49	1,222.32	44.08	669.42	36.98	684.07	41.52
Total Revenue		2,772.70	100.00	1,810.42	100.00	167.41	100

Summary of Associate Companies with Ownership of 10% or More

Company	Register Number	Business	Address	Number of Common Share	Registered Capital (Baht)	Ownership (%)
1. Petchkasem Power Center Ltd.	0105547046760	Develops and operates Petchkasem Power Center	99 Ratchadapisek Rd. Dindang, Bangkok 10400 Tel: 0-2660-9000 Fax: 0-2660-9010, 20, 30	100,000	1,000,000	74
2. Ekkamai Lifestyle Center Ltd.	0105547046778	Develops and operates Ekkamai Lifestyle Center		100,000	1,000,000	51
3. Siam Future Property Ltd.	0105547052662	Develops and operates Esplanade Ratchadapisek		20,000,000	200,000,000	100
4. Ratchayothin Avenue Ltd.	0105550006391	Develops and operates The Avenue		13,500,000	135,000,000	50
5. Ratchayothin Avenue Management Ltd.	0105548143602	Ratchayothin		10,000	1,000,000	50
6. Siam Future Management Ltd.	0105550066636	Develops and operates Market Place Nawamin		10,000	100,000	100
7. North Bangkok Development Ltd.	0105553037173	Develops and operates shopping mall with IKANO Pte.		78,000,000	780,000,000	49
8. West Bangkok Development Ltd.	0105553029863			153,792,000	1,537,920,000	8
9. SF Development Ltd.	0105551061280	Develops and operates Mega Bangna (JV with IKANO Pte.)	38, 38/1, 38/2 38/3, 39 M.6, Bangna-Trad Rd., Bangkaew, Bang Phli, Samutprakarn 10540 Tel: 0-2105-1000 Fax: 0-2105-1100-1	300,000,000	3,000,000,000	49

1.4 Authorized and Paid-up Share Capital

As of December 31, 2021, the Company has authorized share at Baht 2,131,929,050 with paid-up share at Baht 2,131,920,931, with 2,131,920,931 common shares at par value of Baht 1 per share.

Major Shareholder

Top 10 major shareholders as of December 31, 2021

Major Shareholders		No. of Share	Share (%)
1	Central World Co., Ltd.	1,964,178,429	92.1%
2	Central Pattana Public Company Limited	87,589,200	4.1%
3	Cpn Korat Co., Ltd.	13,781,300	0.6%
4	Mr. Suraphan Phatanapitoon	6,130,241	0.3%
5	Thai NVDR Company Limited	4,678,612	0.2%
6	Miss Sukulaya Uahwatanasakul	3,227,400	0.2%
7	Mr. Surin Napapruekchart	2,652,000	0.1%
8	Mr. Somchai Pongsuriyanan	2,210,000	0.1%
9	Mr. SUTANET NA RANONG	1,647,700	0.1%
10	The Bank Of New York Mellon	1,526,302	0.1%
Top 10 major shareholders		2,100,703,455	98.5%
Total share outstanding		2,131,920,931	100.0%

Remark: (1) Information for Extraordinary General Meeting of Shareholders No. 1/2022 as of February 10, 2022.

Major Shareholders who, by behavior, have a significant influence on the Company's management or operating policies

Central Pattana PLC. (Central Pattana) has direct and indirect ownership of the Company (100 percent ownership) is considered as a major shareholder, who, by behavior, has a significant influence on the Company's management or operating policies. Six out of twelve members of the Board of Directors are representatives from Central Pattana.

1.5 The Issuance of Other Securities

On December 31, 2021, outstanding debentures comprising of 458,000 units with face value of Baht 1,000 per unit, unsubordinated and unsecured, totalling Baht 458 mn, bearing interest of 4.10% per annum and mature on November 15, 2022.

1.6 Dividend Policy

The policy of the Company is to pay dividends not less than approximately 40% of its operating net profit from separate financial statement after the deduction of retained loss (if any), under the condition that the dividend payment will not impact the normal operation and with sufficient capital for investment purpose.

For the dividend policy of the subsidiary companies that the Company holds shares more than 50%, it will depend on the availabilities of the liquidity within the subsidiary companies and the Company.

This will allow the Company to pay dividend according to the stated policy. The subsidiary companies are to pay dividends not less than approximately 60% of its operating net profit from separate financial statement after the deduction of retained loss (if any).

2. Risk Management

Operation Risks

1) 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.

2) 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 km, 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.

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

3) 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 Sukhapiban 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 Market is the anchor at Sukhapiban 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.

4) Risk of Finding Tenants

The Company may have risk in finding tenants in some shopping centers such as PrachaUtiti Project where the Company has 30-year contracts with landlords but has only 20-year contracts with tenants, respectively. Therefore, in the 20th year, the Company has to find other anchors to rent the spaces for another 10 years. 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. At present, PrachaUtiti project, Jusco Supermarket (Now renamed to MaxValu), an existing anchor tenant, had already extended the lease agreement for another 10 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.

5) 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.

6) 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 years long-term rental agreements for most projects. However, the Company intends to extend the contracts as appropriate.

Remaining Land Lease Term (from December 31, 2021)	Gross Leasable Area (sqm.)	Percentage (%)
Less than 5 years	29,639	6.04%
5 - 10 Years	0	-
More than 10 years	291,682	59.47%
Land Ownership	169,144	34.49%
Total Leasable Area	490,466	100.00%

7) Risk of Dependence on Limited Number 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.

8) 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.

9) 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 2021, the Company had Interest Bearing Debt to Equity Ratio equal to 0.22 Therefore; the Risk of maintaining financial ratio is less.

3. Sustainable Development

Corporate Social Responsibilities: CSR

Overall Policy on Social Responsibility

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

1) 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:

- Free to propose goods/service from business partner. The Company will consider and procure on quality comparison basis with concerning on both short-term and long-term benefit.
- 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.
- Strictly prohibit any operation to infringe intellectual property. As well as promote management and staff to use goods and service with copyright. And do not support goods and service with infringement copyright.

The Board of Director focus on disclosure with correct, clear and cover information to investors and related person through Setlink of Stock Exchange of Thailand or the Company's website (www.siamfuture.com "Investors Relation").

2) 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.

3) Fair Treatment to the Labor

The Company pays attention not only to business target but also staff safety and welfare. The Company concerns on staff remuneration, staff skill development complying with the Company operation as well as retirement plan.

- 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.
- The Company gave rights for staff to take sick leave for 30 days per year, personal leave for seven days per years and after one year of working in the Company staff will get annual leave for 10 days per year.
- Good health of staff was one of concern of the Company, so the Company supported annual health check-up as well as medical expenses to all level of staff. During year 2021, there was no accident from operation.
- The Company was determined to continually support and develop skills and knowledge of human resources. Not only training from human resource department but also proposed training from each department to fill up more potential in each profession.
- The Company treated all staff fairly and equally such as staff evaluation, keeping work profile confidential, staff's exercise of their rights, etc.
- The Company was aware of the rights of staff. It provided an opportunity for staff to submit a complaint or ask directly to management by a comment box provided by human resources department if they were not fairly treated.
- The Company always took care of work environment for the safety, hygiene and efficiency of works.
- To ensure safety in each project, the Company provided yearly fire drill and emergency evacuation training for staff of projects and staff of tenants.

4) 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 and gain all group of customers. The Company has policy to take care of tenants in each shopping center and customers visiting in center with honest, reliable and trust each other to create relationship and long-term collaboration between shopping center, tenants and customers. Here are norms of the Company operation.

- Develop and manage shopping centers with concerning of standard, safety and meet customer need in each community.
- Concentrate on safety, cleanliness and convenience to tenants and customers in shopping centers.
- Provide CCTV to record incident to ensure safety in shopping center.
- Quotation and commercial terms proposed to the customers within the same group must be equal or have similar rental rate.
- Adhere to the compliance with the terms and conditions of the contracts agreed with the customers.
- Be prepared to respond to the customers' questions, including consistent action on complaint, suggestion and monitoring of progress of issues informed by the customers through the Company's staff or website.
- Manage shopping centers with the international standard related to International Council of Shopping Centers (ICSC)

Under COVID-19 situation, the Company concerned on the safety of both tenants and customers in the shopping centers. So, the Company set some procedures as follow.

- Setting up temperature checkpoints at every entry, provision of alcohol gels, registration to the shopping center via QR code and visitor forms.
- Regular sanitation of all contact surfaces especially in heavily used areas such as escalator handles, elevator buttons, lavatories.
- Every staff and customers have to wear a mask before entering shopping center.
- Complying with social distancing policy by preparing seating in common area and seats in food tenants away at least 1 meter
- Sanitize all shopping center by spraying disinfectant before and after opening everyday

5) Environment and Social Responsibility

The Company pays attention and is aware of a negative impact on the environment. Therefore, the Company focus on the mixture of business development and sustainable environment treatment by encourage management and staff to realize the impact on environment with detail as follow.

- Comply with rules, regulations and laws related to real estate industry.
- To develop community, the Company concentrates on green area. Design of shopping center will be adapted to save old big tree in leased land or maximize green area in the center for example in J Avenue Project (Thonglo) had a big Rain Tree on the land plot so the design of building was adjusted to save this tree.
- Prioritizing wastewater treatment system to produce an effluent that is suitable for discharge to the central drainage system. The Company implements a policy requiring all shops within the department store to treat their wastewater prior to discharging, then treating wastewater once more before discharging into the central drainage system.
- During construction, the Company builds temporary fence and/or fabric to cover construction area to prevent dust in surrounded community.
- Alternative energy program (Solar cell) was installed to generate electricity consumed in shopping center by solar. Energy saving light bulbs was also installed to lower energy consumption.
- Develop new green area in shopping center to serve nearby community for example in the Company had developed Mega Park in Megabangna by building activity area for kids, jogging routes and garden on land size around seven rais (11,200 sqm.) with free of charge. This park opened since January 2020.
- Campaign to separate waste before dispose in both shopping centers and office.

6) 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 such as 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	Fair remuneration and benefit, improve knowledge, treat fairly on human rights basis, and care for safety
Suppliers	Treat on the basis of moral business competition through independent procurement system
Business partners	Pay appropriate remuneration, develop labor potentials and quality for future collaboration
Community	Operate business fairly without causing trouble to surrounded 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, professionally manage capital by create cash flow projection to prevent default
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

Business Operation with Impact to the Social Responsibility

In the meantime of developing, constructing and managing shopping centers, the Company is aware of the importance of its impact to communities residing around the shopping centers. Here are operation plans to manage this impact.

- The Company designed shopping centers to secure green area in community.
- Prepare appropriate parking area as well as entrance-exit in shopping centers.
- Thorough and concise construction planning in order to minimize construction period
- During construction, the Company builds temporary fence and/or fabric to cover construction area to prevent dust in surrounded community.
- Prepare waste water treatment system in shopping center before drains waste water to public system.
- Prepare an area or build garbage room with standard.
- Control noise volume for surrounded community by not providing area for noisy tenant during night time.

After Process Activities for the Benefit of Social and Environment

During 2021 the Company had activities below.

- The spread of Corona Virus 2019 (COVID-19) has resulted in reduction of blood donations and a nation-wide deficit of donated blood. Therefore, the Thai Red Cross Society has launched the “mobile donation units” project to better facilitate donors and avoid unnecessary contact from overcrowding. The Company has offered space within the Ekkamai Power Center to support this project.

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 with detail as follow.

- Instill honesty awareness and attitude to staff by complying with rules and regulations
- The Company had internal control process by allowing to be audited and appropriate checked and balanced, which has an objective to prevent corruption.
- Forbidden director, management and staff do anything to request or accept benefit that might cause a negative impact to the Company rightful benefit
- Forbidden director, management and staff offer benefit to third party to intend them to illegally do their work

On 11th Mar 2016 the Company had subscribed to be a member in ‘Partnership Against Corruption for Thailand (PACT Network)’, which aims to emphasize on anti-corruption. This network originated from Thaipat Institute and many partners which have the same objective to anti-corrupt in Thailand. In 2015, there was more than 100 companies subscribed as members in PACT Network. They would receive recommendation and evaluation their progress on anti-corruption procedure from PACT Network, which related to developed practice based on international practice from United Nations Global Compact and Transparency International. The Company is ready to develop policy to be a part of ‘Thailand’s Private Sector Collective Action Coalition Against Corruption: CAC’

4. Management Discussion and Analysis

Summary of Independent Auditor's Report

Auditor (Miss Nuntika Limviriyalers) PricewaterhouseCoopers ABAS Ltd. Has opinion to the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Siam Future Development Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

Summary of Statements of Financial Position and Cash Flows Statement (2019-2020)

Statements of Financial Position (audited) Unit: Thousand Baht	Consolidated financial statements					
	December 31, 2019	%	December 31, 2020	%	December 31, 2021	%
Assets						
<u>Current assets</u>						
Cash and cash equivalents	53,252	0	88,983	0	111,503	0
Short-term Investments	15,000	0	-	-	-	-
Trade and other receivables	189,786	1	111,249	0	117,606	0
Finance lease receivables due within one year	20,865	0	20,993	0	22,201	0
Amounts due from related parties	14,741	0	27,269	0	31,931	0
Short-term loans to related parties	12,800	0	12,800	0	-	-
Other current assets	45,145	0	55,797	0	16,816	0
Total current assets	351,589	2	317,091	1	300,058	1
<u>Non-current assets</u>						
Restricted cash	621	0	627	0	-	-
Finance lease receivables	432,236	2	406,234	2	372,595	1
Investments in joint ventures	8,653,783	40	9,948,517	41	10,435,605	40
Prepaid rent, net	768	0	702	0	636	0
Building and equipment, net	62,994	0	58,741	0	44,552	0
Intangible assets, net	33,490	0	31,237	0	27,275	0
Investment property	11,745,296	55	13,693,207	56	14,953,109	57
Right-of-use	-	-	18,782	0	14,465	0
Deposits for leasehold land	48,458	0	50,084	0	49,927	0
Other non-current assets	40,702	0	37,732	0	33,079	0
Total non-current assets	21,018,349	98	24,245,863	99	25,931,242	99
Total assets	21,369,938	100	24,562,954	100	26,231,299	100

Statements of Financial Position (audited)	Consolidated financial statements					
	December 31, 2019	%	December 31, 2020	%	December 31, 2021	%
Unit: Thousand Baht						
<u>Current liabilities</u>						
<u>Short-term borrowings</u>						
Short-term borrowings from financial institutions	379,765	2	910,000	4	1,060,000	4
Trade and other payables	203,544	1	255,758	1	227,656	1
Current portion of unearned rental and service income	48,267	-	33,566	-	31,493	0
Current portion of long-term borrowings	806,478	4	446,070	2	947,362	4
Liabilities on land leases - current portion	160,293	1	180,532	1	198,406	1
Amounts due to related parties	9,501	-	6,105	-	0	-
Corporate income tax payable	9,976	-	3,375	-	3,712	0
Other current liabilities	233,182	1	277,760	1	131,511	1
Total current liabilities	1,851,006	9	2,113,166	9	2,600,139	10
<u>Non-current liabilities</u>						
Unearned rental and service income	527,542	2	520,235	2	625,304	2
Long-term borrowings	1,202,337	6	1,684,947	7	1,685,860	6
Deposits received from customers	533,637	2	523,760	2	509,894	2
Deferred tax liabilities	1,167,638	5	1,321,767	5	1,480,528	6
Liabilities on land leases	1,573,774	7	2,166,935	9	2,177,206	8
Employee benefit obligations	53,108	-	59,113	-	33,292	0
Total non-current liabilities	5,058,037	24	6,276,757	26	6,512,085	25
Total liabilities	6,909,043	32	8,389,923	34	9,112,224	35
<u>Equity</u>						
<u>Share capital</u> <u>Authorised share capital</u>	<u>2,131,929</u>		<u>2,131,929</u>		<u>2,131,929</u>	
Issued and paid-up share capital	2,131,921	10	2,131,921	9	2,131,921	8
Share premium	634,029	3	634,029	3	634,029	2
Non-controlling interests	1,107,696	5	1,237,304	5	1,270,040	5
Retained earnings	10,587,695	50	12,170,223	50	13,083,532	50
Other components of equity	-446	-	-446	-	-445,902	-
Total equity	14,460,895	68	16,173,031	66	17,119,076	65
Total liabilities and equity	21,369,938	100	24,562,954	100	26,231,299	100

Statements of Cash Flows Unit: Thousand Baht	Consolidated financial statements (end)		
	December 31, 2019 (audited)	December 31, 2020 (audited)	December 31, 2021 (audited)
<u>Cash flows from operating activities</u>			
Cash generated from operations	650,897	638,992	414,909
Interest paid	-93,437	-90,359	-94,818
Income tax paid	-55,251	-43,981	-37,475
Income tax received	-	-	60,834
Net cash generated from operating activities	502,209	504,652	343,450
<u>Cash flows from investing activities</u>			
Purchases of intangible assets	-5,360	-1,771	-91
Dividends received	196,980	196,980	196,980
Interest received	1,082	588	1,372
Proceeds from disposal of equipment and investment properties	58,808	-	4,109
Purchases of building, equipment and investment property	-419,674	-652,553	-514,507
Repayments received from short-term loans to subsidiaries and related parties	1,700	-	12,800
Net cash used in investing activities	-166,464	-456,756	-299,337
<u>Cash flows from financing activities</u>			
Proceeds from long-term borrowings from financial institutions	496,083	600,000	887,666
Proceeds from short-term loans from financial institutions	624,948	1,865,235	2,605,000
Redemption of debentures	-	-500,000	-42,000
Repayments to long-term borrowings from financial institutions	-163,500	-227,830	-494,070
Payment for debenture issuance cost	-1,841	-896	-21.05
Repayments to short-term loans from financial institutions	-1,105,000	-1,085,000	-2,305,000
Repayments to short-term loans from subsidiaries	-6,505	-	-
Repayments to land leases	-	-194,652	-246,784
Dividends paid	-177,658	-469,022	-426,384
Net cash generated from (used in) financing activities	-333,473	-12,165	-21,593
Net increase (decrease) in cash and cash equivalents	2,272	35,731	22,520
Cash and cash equivalents, at beginning of the year	50,981	53,252	88,983
Cash and cash equivalents, at end of the year	53,252	88,983	111,503

Key Financial Ratio

Key Financial Ratio	December 31, 2019	December 31, 2020	December 31, 2021
<u>Liquidity Ratio</u>			
Current Ratio (Times)	0.19	0.15	0.12
Quick Ratio (Times)	0.15	0.1	0.10
Operating Cash Flow to Current Liabilities Ratio (Times)	0.28	0.25	0.15
Account Receivable Turnover Ratio (Times)	9.6	7.32	7.92
Average Collection Period (Day)	37.52	49.18	45.45
Inventory Turnover Ratio (Times)	N.A.	N.A.	N.A.
Average Inventory Period (Day)	N.A.	N.A.	N.A.
Account Payable Turnover Ratio (Times)	2.39	1.87	1.44
Repayment Period (Day)	150.74	192.4	249.33
Cash Cycle (Day)	-113.23	-143.22	-203.88
<u>Profitability Ratio</u>			
Gross Profit Margin ¹	59.61%	62.34%	63.77%
Operating Profit Margin	66.89%	92.80%	98.94%
Other Margin	1.02%	0.75%	2.41%
Cash from Operating to EBIT	22.62%	20.41%	21.07%
Net Profit Margin	61.22%	78.19%	80.87%
Return on Equity ²	16.35%	14.73%	8.65%
<u>Operating Efficiency Ratio</u>			
Return on Asset ³	9.97%	9.07%	5.25%
Return on Property Investment ⁴	17.67%	16.38%	9.30%
Asset Turnover (Times)	16.29%	11.60%	6.49%
<u>Financial Policy Ratio</u>			
Liabilities to Equity Ratio (times)	0.48	0.52	0.53
Debt to Equity Ratio (Times)	0.17	0.19	0.22
Interest Coverage Ratio (Times)	6.97	8.49	6.30
Dividend Payout Ratio ⁵	10.74%	23.09%	20.47%
Debt Service Coverage Ratio ⁶	0.32	0.25	0.11

Remark:

- In 2010, the company used accounting standard no. 40 concerning investment property as it is the standard which is directly related to the company. This results in a rise in company's financial position and performance.
- ¹ Gross profit margin = (rental and service income + financial income and earned interest + other incomes deduct cost of rental and service) / (rental and service income + financial income and earned interest + other incomes)
- ² Return on equity = net profit / (average equity of majority of shareholders of present year and previous year)

- ³ Return on asset = profit before financial cost and income tax / (average total assets of present year and previous year)
- ⁴ Return on property investment = net profit / (average property investment of present year and previous year)
- ⁵ For 2020, it is proposed for the shareholders' meeting to approve dividend payment in cash at the rate of 0.20 baht per share at the General Meeting of Shareholders on 24 March 2021.
In 2021, it is proposed for the shareholders' meeting to approve no dividend payment at the General Meeting of Shareholders on 30 March 2022
- ⁶ Debt service coverage ratio = cash inflow from operation / (Debt payment + interest payment from operation and investment + investment expenditure + asset purchase + paid dividend)

Overview of Performance in 2021

The impacts of the COVID-19 pandemic situation on the Thai economy and retail industry, as well as confidence in using the service of shopping centers are still evident in 2021. The Company thus issued measures to build confidence of customers who use the service of shopping malls by always investing in materials and equipment to maintain cleanliness and prescribing steps to maintain sanitary hygiene.

In addition, with respect to the renters, the Company has issued relief measure which provide rental discount to the stores that are affected by the spread of COVID-19 in order to alleviate the fixed expenditure to be at a manageable level to continue the business operation.

However, even though the spread of COVID-19 continues from the previous year to 2021, the Company invested in construction and improvement projects to increase the rising service potentials. Investment projects during the year are as follows:

1. Market Place Krungthep Kreta Project is a community mall located on Sri Nakarind-Romklao Road with 5,000 sqm of leasable area, and is opened in October 2021.
2. Marché 55 Project has a mixed-use project comprising of shopping center and office space, located in the same location as Market Place Thonglor (now closed) and has approximately 11,000 sqm of leaseable area. It is expected to be opened in 2022.

Dividends

2021	At the AGM of Shareholders, held on March 24, 2021, resolution of the shareholders approved for dividend payment for performance of 2021, in terms of cash, in the amount of Baht 0.20 / share, totalling Baht 426.38 mn, which was paid to the shareholders on April 19, 2021.
2020	At the AGM of Shareholders, held on March 25, 2020, resolution of the shareholders approved dividend payment for performance of 2020, in terms of cash, in the amount of Baht 0.22 / share, totaling Baht 469.02 mn, which was paid to the shareholders on April 16, 2020.

Summary of the Financial Results

Company operates business of developing and managing shopping centers. Currently, financial statements of the company presented at fair value and comparable to the cost method. Therefore, the company had provided cost method of income statement presented in No.36 Segment information of Notes to the Consolidated and Company Financial Statements:

Items	December 31, 2020	December 31, 2021	Change (%)
	Thousand Baht	Thousand Baht	
<u>Revenue</u>			
Rental and Service Income	1,101,755	906,416	-17.73%
Finance and Interest Income	19,207	17,179	-10.56%
Other Income	20,038	39,745	98.35%
Share profit from Joint Venture	425,522	330,292	-22.38%
Total Revenue	1,566,522	1,293,632	-17.42%
<u>Expenses</u>			
Cost of Rental and Service	850,165	806,971	-5.08%
Selling and Administrative Expenses	231,048	207,256	-10.30%
Total Expenses	1,081,213	1,014,227	-6.20%
Profit Before Finance Cost	485,309	279,405	-42.43%
Finance Cost	-88,398	-95,180	7.67%
Income Taxes	9,182	31,037	238.02%
Non-controlling Interests	-8,262	-7,506	-9.15%
Recurring Profit Attributable to Owners of the Parent	397,831	207,756	-47.78%
Profit from Fair Value Adjustment on Investment Property*			
Siam Future Development	587,527	770,677	31.17%
Joint Venture (Mega Bangna)	1,097,915	353,777	67.78%
Net Profit	2,083,273	1,332,210	-36.05%

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

Revenue

Rental and service income was Baht 906.41 mn, decreased by Baht 195.33 mn or 17.73% from last year, due to discount providing to tenants, who've got impact from COVID-19 outbreak.

Other income was Baht 39,74 mn, increased by 19.70 mn or 98.35% from last year, mainly due to the improvement from supporting program for rental and service business.

Share profit from joint venture was Baht 330.29 mn, decreased by Baht 95.23 mn or 22.38 from last year, due to continue supporting tenants for the rental discount, who've got impact from COVID-19 outbreak.

Expense

Cost of rental and service was Baht 806.97 mn, decreased by Baht 43.19 mn or 5.08%, and selling and administrative expenses was Baht 207.25 mn, decreased by Baht 23.79 mn or 10.30%. Due to cost management program which can help the Company to minimize impact from COVID-19 outbreak.

Finance cost was Baht 95.18 mn, decreased by Baht 6.78 mn or 7.67%.

Profit from adjusting investment property to fair value

Profit from adjusting investment property of the Company to fair value is Baht 770.67 mn, increased from the opening of Market Place Krungthep Keeta in October 2021.

Profit from adjusting investment property to fair value of Mega Bangna mall is Baht 353.77 mn. Even though in the short term the project's revenue may be affected by the COVID-19 situation, the company can still manage the project's costs and expenses effectively. It is predicted that the effect on cash flow will be limited. Furthermore, the project's performance trends will continue to grow in the long term, resulting in an increase in fair value.

Asset

Statements of Financial Position Unit: Thousand Baht	Consolidated financial statements	
	December 31, 2020 (audited)	December 31, 2021 (audited)
<u>Assets</u>		
<u>Current assets</u>		
Cash and cash equivalents	88,983	111,503
Short-term Investments	-	-
Trade and other receivables	111,249	117,606
Finance lease receivables due within one year	20,993	22,201
Amounts due from related parties	27,269	31,931
Short-term loans to related parties	12,800	-
Other current assets	55,797	16,816
Total current assets	317,091	300,058
<u>Non-current assets</u>		
Restricted cash	627	-
Finance lease receivables	406,234	372,595
Investments in joint ventures	9,948,517	10,435,605
Prepaid rent, net	702	636
Building and equipment, net	58,741	44,552
Intangible assets, net	31,237	27,275
Investment property	13,693,207	14,953,109
Right-of-use	18,782	14,465
Deposits for leasehold land	50,084	49,927
Other non-current assets	37,732	33,079
Total non-current assets	24,245,863	25,931,242
Total assets	24,562,954	26,231,299

As of December 31, 2021, the Company has total asset at Baht 26,231.29 mn, increased by Baht 1,668.34 mn or 6.79% from last year, due to investment in joint venture from Mega Bangna Project and investment property item.

Liabilities

Statements of Financial Position (audited) Unit: Thousand Baht	Consolidated financial statements	
	December 31, 2020	December 31, 2021
<u>Current liabilities</u>		
<u>Short-term borrowings</u>		
Short-term borrowings from financial institutions	910,000	1,060,000
Trade and other payables	255,758	227,656
Current portion of unearned rental and service income	33,566	31,493
Current portion of long-term borrowings	446,070	947,362
Liabilities on land leases - current portion	180,532	198,406
Amounts due to related parties	6,105	0
Corporate income tax payable	3,375	3,712
Other current liabilities	277,760	131,511
Total current liabilities	2,113,166	2,600,139
<u>Non-current liabilities</u>		
Unearned rental and service income	520,235	625,304
Long-term borrowings	1,684,947	1,685,860
Deposits received from customers	523,760	509,894
Deferred tax liabilities	1,321,767	1,480,528
Liabilities on land leases	2,166,935	2,177,206
Employee benefit obligations	59,113	33,292
Total non-current liabilities	6,276,757	6,512,085
Total liabilities	8,389,923	9,112,224

As of December 31, 2021, the Company has total liabilities at Baht 9,112.22 mn, increased by Baht 722.30 mn or 8.61% from last year. Due to the increasing in current portion of long-term borrowing item in year 2021 which was used to support Company expansion and operation.

As of December 31, 2021, the Company has interest-bearing debt at Baht 3,693.22 mn. The Company has liabilities to equity at 0.53 times and net debt to equity at 0.22 times which the Company was required to maintain debt to equity ratio of no more than 1.5 times according to the debenture covenant.

Equity

Statements of Financial Position (audited) Unit: Thousand Baht	Consolidated financial statements	
	December 31, 2020	December 31, 2021
Equity		
<u>Share capital</u> Authorised share capital	<u>2,131,929</u>	<u>2,131,929</u>
Issued and paid-up share capital	2,131,921	2,131,921
Share premium	634,029	634,029
Non-controlling interests	1,237,304	1,270,040
Retained earnings	12,170,223	13,083,532
Other components of equity	-446	-445.902
Equity	16,173,031	17,119,076

As of December 31, 2021, the Company has equity at Baht 17,119.07 mn, increased by Baht 946.04 mn or 5.85% from last year. Mainly from retained earning and share profit from Mega Bangna Project, deducted by Baht 426.38 mn of dividend payment for FY2020.

Cash Flow

Cash flow from operating in 2021 was Baht 297.30 mn, decreased Baht 207.35 mn from last year, due to tenants supporting program for the COVID-19 impact.

Cash flow from investment in 2021 was Baht 299.33 mn, increased by 157.41 mn from last year, due to the opening of Market Place Krungthep Kreetha and the construction of Mache 55 Project (Market Place Thong lo)

Cash flow form fiancning in 2021 was Baht 24.55 mn, increased by 36.72 mn from last year, mainly from the borrowing from financial institutions for working capital and future investment.

Source of Fund

As of December 31, 2021, the Company has interest-bearing debt at Baht 3,693.22 mn. and net debt to equity at 0.22 times which the Company was required to maintain debt to equity ratio of no more than 1.5 times according to the debenture covenant.

5. General Information and Other Information

Siam Future Development Public Company Limited

Registration No: 0107545000187
Registration Date: August 13, 2002
Address: 5-6 fl, 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
Nature of Business: Develop and Manage Shopping Center including
Neighborhood shopping center
Lifestyle center
Power center
Entertainment center
Super regional mall

Other Reference Persons

1. Securities Registrar:

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

2. External Auditors:

Mr. Kajornkiet Aroonpirodkul, Certified Public Accountant No. 3445
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

Legal Dispute

As of December 31, 2021, there was no litigation involving the Company which could have a material adverse impact on the assets of the Company or its subsidiaries.

Part 2
Corporate Governance

6. Corporate Governance Policy

Corporate Governance Policy

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' Right

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 SETLink of the Stock Exchange of Thailand and on its website approximately one-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 2021 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 2021 Annual General Meeting of the Shareholders
 2. Attachment 1: Minutes of the 2020 Annual General Meeting of the Shareholders
 3. Attachment 2: 2020 Annual Report and Financial Report as of December 31, 2021 (QR Code Format)

4. Attachment 3: Details on the provisioning of legal reserve for the 2020 operating results and dividend payment
 5. Attachment 4: Details on the re-election of the directors whose terms expired and to consider an appointment of the new directors
 6. Attachment 5: Details on directors' remuneration
 7. Attachment 6: Details on the appointment of auditors for the year 2021 and the determination of audit fee
 8. Profile of Independent Director for principals
 9. Proxy Form A
 10. Proxy Form B
 11. Proxy Form C
 12. Evidence for proving the rights to attend the shareholders' meeting
 13. Articles of Association regarding the meeting of the shareholders
 14. Company regulations related to shareholders' meeting
 15. Map for the meeting venue
 16. Measures and operating guidelines for shareholders during the General shareholders' meeting, 2021
- 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 SETLink of the Stock Exchange of Thailand.
 - 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.

- The company set a screening point before registration. The shareholders had to do a risk survey, measure temperature, clean their hands by gel sanitizer before register. All the time in the meeting, the shareholders had to wear a mask. Moreover, in the meeting place (cinema), the Company provided social distancing by prepare distancing seats for the audience. For the directors the Company provided social distancing seat as well. Lastly, for the shareholders who did not want to attend in the cinema, the Company prepares seats on the common area in front of the cinema with Live broadcast from the meeting room.
- 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) For agenda 4, re-electing directors that expired on their tenures, to comply with a good qualification of shareholders' meeting. The Company gives a right to vote for the director individually.
- 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

- The Chairman will offer an opportunity for shareholders to raise questions on topics related to the Meeting agenda prior to voting. Shareholders who wish to raise questions or provide feedback may state their full name to the committee before each question. Shareholders are advised to be concise and avoid repeated questions or feedback to allow other participants to express their opinions and ensure appropriate meeting duration.
- 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 the meeting minutes

- The Company disclosed the meeting resolutions through the SETLink of the Stock Exchange of Thailand.
- 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.

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 2022 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 4 January 2021 to 29 January 2021. 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 directors and 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 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 Role of Shareholders

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. and reconsidered these benefits complying with the Company both short-term and long-term performance.
- The Company gave rights for staff to take sick leave for 30 days per year, personal leave for 7 days per years and after one year of working in the Company staff will get annual leave for 10 days per year.
- Good health of staff was one of concern of the Company, so the Company supported annual health check up as well as medical expenses to all level of staff.
- The Company treated all staff fairly and equally such as 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. Not only training from human resource department but also proposed training from each department to fill up more potential in each profession.
- The Company was aware of the rights of staff. It provided an opportunity for staff to submit a complaint or ask directly to management by a comment box provided by human resources department if they were not fairly treated.
- The Company always took care of work environment for the safety, hygiene and efficiency of works.
- To ensure safety in office, the Company provided yearly fire drill and emergency evacuation training.

2) Customer

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:

- Develop and manage shopping centers with concerning of standard, safety and meet customer need in each community.
- Concentrate on safety, cleanliness and convenience to tenants and customers in shopping centers.
- Provide CCTV to record incident to ensure safety in shopping center.
- Adhere to the compliance with the terms and conditions of the contracts agreed with the customers
- Quotation and commercial terms proposed to the customers within the same group must be equal or have similar rental rate.
- 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.
- Be prepared to respond to the customers' questions, including consistent action on complaint, suggestion and monitoring of progress of issues informed by the customers.
- Manage shopping centers with the international standard related to International Council of Shopping Centers (ICSC)

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.

Under COVID-19 situation, the Company concerned on the safety of both tenants and customers in the shopping centers. So, the Company set some procedures as follow.

- Screening point before entering shopping center by providing temperature measure, hand gel sanitizer, registration area by QR code or registration sheet
- Often clean and wipe touching area such as escalator hand rail, elevator touch pad and toilets
- Every staff and customers have to wear a mask before entering shopping center
- Complying with social distancing policy by preparing seating in common area and seats in food tenants away at least one meter
- Spraying disinfectants twice daily before and after opening hours to boost customers' confidence.
Sanitize all shopping center by spraying disinfectant before and after opening everyday

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 had 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 email sajjapong@siamfuture.com, pakorn@siamfuture.com or through the Company's website (www.siamfuture.com).

The Company normally attended Opportunity Day set up by the Stock Exchange of Thailand (SET) every year to present important information and update project progress. Moreover, the Company usually attended meeting with fund manager or analyst both domestic and international to create good relationship.

Whistleblowing and Complaints

- In the case that employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, or code of business conduct, or lack of internal control, they can deliver alert or complaints directly to the Company's Internal Control Unit. Internal Control Unit of the Company will be a channel for staff, customers, suppliers, shareholders and other people that have transaction with the Company. They all can inform alert or complaint in case of suspicious to corruptive incident or conflict incident to the Board of Director. The Company will investigate and proceed the incident. Detail of channel to deliver alert or complaints are as follow.

Internal Control Unit

Siam Future Development Public Company Limited

6th Floor Esplanade Ratchdapisek

99 Ratchadapisek road, Din Deang, Bangkok 10400

Tel: 02-660-9473

E-mail: rattipoom@siamfuture.com

- The Company's Board of Directors have issued a whistleblower program where employees' personal information will be kept confidential. Moreover, the Company provides the opportunity for employees to make a direct inquiry or appeal on Management through an anonymous feedback box from Human Resources.
- After receiving the complaints or whistleblowing issues, the Internal Control Unit will collect data and evidence, summarize, and then propose its findings to the Audit Committee. If the finding is perceived to be harmful to the Company, the Audit Committee will propose to the Board of Directors for acknowledgement and further consideration.

Anti-Corruption or Corruption

- The Company attaches great importance to honesty and adherence to accuracy which is cultivated as one of the vital practices for every employee.
- The Company had internal control process by audited and appropriate check and balance, which has an objective to prevent corruption.
- The Company assigned its employee to attend the training session for Collective Action Coalition against Corruption (CAC) on August 9, 2019.
- In 2019, the Company became a member in Thaipat Institute in order to receive the guideline for anti-corruption handbook.

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 2020, 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 SetLink 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 assigned finance department to act as Investors Relation. Their responsible was to answer questions and communicate with 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 2020, 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 Opportunity Day and continual company visits and conference calls with the investors both domestic and international.

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 of 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 such as. rights to propose the agenda for the shareholders' meeting in advance, rights to nominate candidates for directors' positions 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 such as 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 for the Company and shareholders with no conflict of interest
- 1.6 Manage with transparency under the internal audit and control system.
- 1.7 Control and manage risk of the Company in an appropriate level to the operation.
- 1.8 Do the business with honesty under law and regulation as well as business ethic.

2. Structure of 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. Role, 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 such as 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 2021, nine 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 such 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 2021, remuneration of the Company's Board of Directors and management comprised salary, meeting attendance fee and provident fund which amounted to Baht 33.71 mn in total, whereby

1. 12 members of the Board of Directors received meeting attendance fee of Baht 5.98 mn in total.
2. 5 members of Executive Committee and management received remuneration of Baht 23.29 mn in total.
3. Other remuneration such as provident fund, equaled Baht 4.4 mn.

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.

Management and Supervision of Subsidiary and Associated Company Operations

The Company has exercised its voting rights to appoint directors for its subsidiary and associated companies where, according to the Company's regulations, candidate nomination and exercise of voting rights shall be approved by the Board of Directors. The appointed directors of the Company's subsidiary and associated companies are responsible for carrying out their duties for the highest benefit of the subsidiary or associated companies.

In addition, the Company's regulations indicate that appointed directors shall ensure the subsidiary company implement rules to ensure that the acquisition, disposition, or transfer of assets and other important transactions of the subsidiary be completely and accurately reported. Appointed directors shall also apply the same rules to the disclosure of information by the subsidiary, and shall administer viable data collection and accounting for the subsidiary by compiling data into a financial statement within the assigned timeframe.

Supervision of the Use of Insider Information

The Company has set a policy to regulate the use of insider information by executives for personal benefits or for the exchange of securities as follows.

- Inform executives from each business unit on their duty to report their holding of the Company's shares, and on penalties under the Securities and Exchange Act B.E. 2535 (1992)
- The Company shall release a circular informing directors and executives to acknowledge key insider information that may influence security prices and requesting directors and executives to cease the acquisition and disposition of the Company's assets for a period of 1 month prior to the insider information or financial statement being made public. Directors and executives shall also be forbidden to disclose such key insider information to other individuals.

Audit Fee

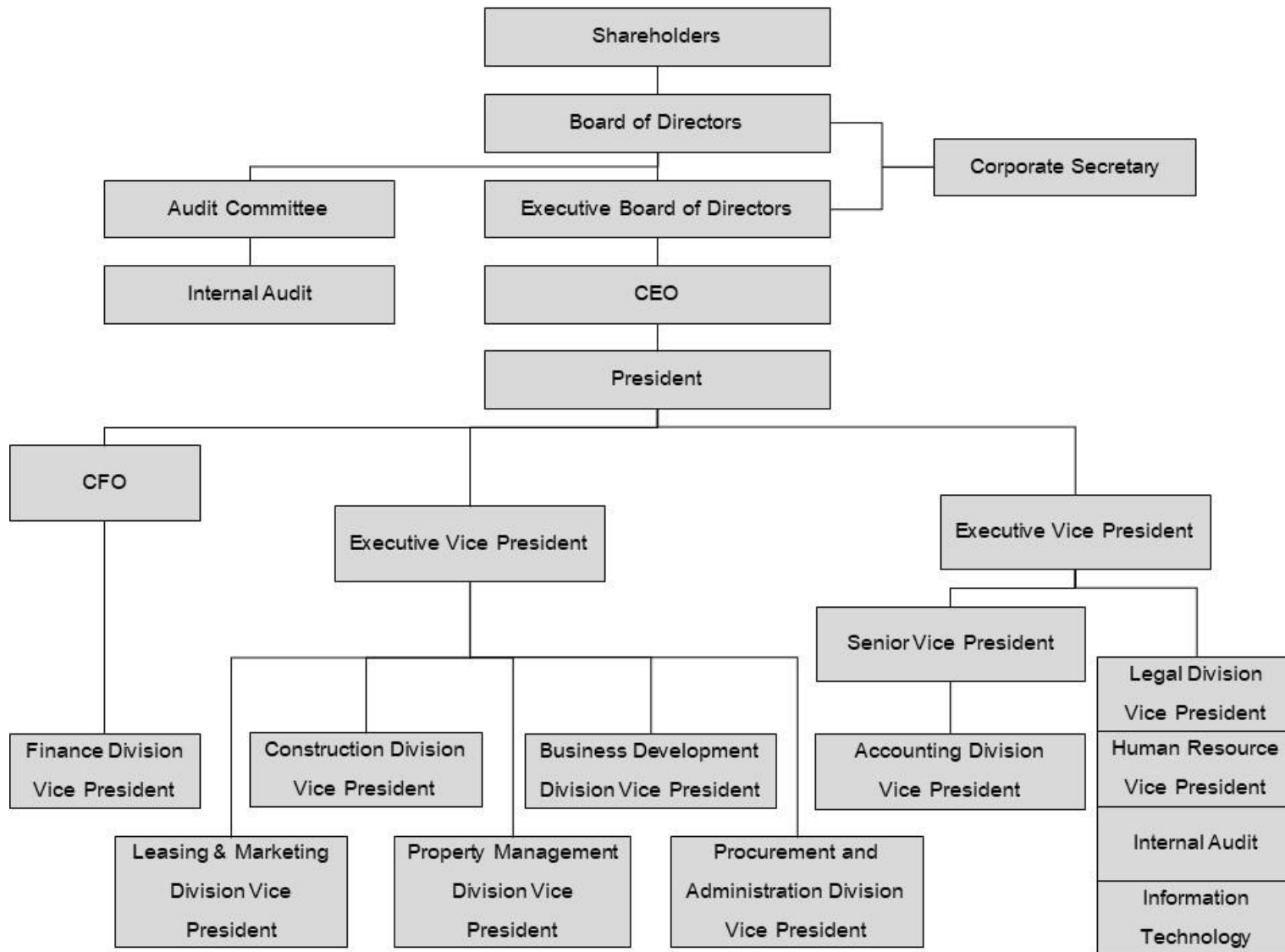
(1) Audit fee

In the past fiscal year, the Company has paid an audit fee by the amount of Baht 855,000 to the audit firm and individuals or organizations affiliated with the auditor.

(2) Non-audit fee

The Company and its subsidiaries have not paid for other non-audit fees in the past year and will not be paying for non-audit services that have not been completed in the past fiscal year.

Organization Chart



7. Management Structure

As of December 31, 2021, the Company has three committees including the Board of Directors, the Executive Committee, and the Audit Committee (the Board of Directors also act on behalf of the Nomination and Remuneration Committee). Each committee's scope of responsibility is as follows.

Board of Director

The Board of Director consists of twelve board members including two Executive Directors, ten Non-Executive Directors, four Independent Directors (1:3 ratio to the total number of directors), and six Qualified Directors. Their names and positions as of December 31, 2021, are as follows.

First Name-Last Name	Position
1. Mr. Oranop Jantaraprapa	Chairman
2. Mr. Prin Chirathivat	Vice Chairman
3. Mrs. Nantiya Montriwat	Independent Director, Chairman of the Audit Committee
4. Mrs. Sabaithip Soontaros	Independent Director, Audit Committee
5. Mr. Woravit Chailimpamontri	Independent Director, Audit Committee
6. Mr. Pracha Phathayakorn	Independent Director, Audit Committee
7. Mr. Preecha Ekkunagul	Director
8. Miss Wallaya Chirathivat	Director
9. Mr. Suthipak Chirathivat	Director
10. Miss Naparat Sriwanvit	Director
11. Mr. Pandit Mongkolkul	Director
12. Mr. Nopporn Witoonchart	Director

Authorized Directors

The directors authorized to sign on behalf of the Company are Mr. Prin Chirathivat, Mr. Preecha Ekkunagul, Miss Wallaya Chirathivat, Mr. Suthipak Chirathivat, and Miss Naparat Sriwanvit. The 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 Committee.

3. Governing of the Executive Committee

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

4. Establishment of an internal audit and control

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

5. Independence of non-executive Directors' duty

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

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.

Executive Committee

The Executive Committee comprises of five directors as at December 31, 2021 are as follows:

First Name-Last Name	Position
1. Mr. Nopporn Witoonchart	Co-Chairman
2. Miss Wallaya Chirathivat	Co-Chairman
3. Miss Naparat Sriwanvit	Member
4. Mr. Chanavat Uahwatanasakul	Member
5. Miss Pirinee Pringsulaka	Member

Authority and Responsibility of the Executive Committee

(Minutes of the Board of Directors' Meeting 1/2002 as of August 26, 2002)

1. To command, plan, and operate businesses of the Company following policy determined by the Directors
2. To approve the new investment projects
3. To approve the expenses or payments beyond the authority of management which more than Baht 1,000,000/time
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 which suit the situation and norms, and 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

The Audit Committee

The Audit Committee comprises three members as at December 31, 2021 are as follows:

First Name-Last Name	Position
1. Mrs. Nantiya Montriwat	Chairman
2. Mrs. Sabaithip Soontaros	Member
3. Mr. Woravit Chailimpamontri	Member
4. Mr. Pracha Phathayakorn	Member

Profile and experience of Audit Committee is in Attachment 1 and Head of Internal Control Unit is in Attachment 3

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
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 comprises of five members as at December 31, 2021 are as follows:

First Name-Last Name	Position
1. Mr. Nopporn Witoonchart	Co-Chairman
2. Miss Wallaya Chirathivat	Co-Chairman
3. Mr. Kittinanth Sumruatruamphol	Chief Financial Officer
4. (in precess of recruiting)	Vice President
5. (in precess of recruiting)	Vice President

Chief Executive Officer

Authority and Responsibility of the Chief Executive Officer

(Minutes of the Board of Directors' Meeting 1/2002 as of August 26, 2002)

- To administer the operation of management team to be in line with the policies as authorized by the Board of Directors
- To operate businesses and approve the transactions as assigned by the Board of Directors e.g.
 - Sign on the land lease/sales agreements and rental/service agreements on behalf of the Company
 - Approve the expenses or payments of no more than Baht 1,000,000/time
 - Appoint the staff **Except** the Chief Executive Officer

Shall not approve any transactions that the Company's regulations, law enforcement, or any regulations from the Securities and Exchange Commission and the Stock Exchange of Thailand require the Chief Executive Officer to obtain the consent from the Board of Directors' meeting or the Shareholders' meeting

- For any investment and borrowing decisions, the Chief Executive Officer has to propose to be acknowledged and approved by the Board of Directors
- For the related transactions and the acquisition or disposal of assets of the Company, the Chief Executive Officer will conduct to be aligned with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand

President

Authority and Responsibility of the President

(Minutes of the Board of Directors' Meeting 1/2002 as of August 26, 2002)

The President has duties and responsibilities to be similar to the Chief Executive Officer's except the amount of expenses or payments to be approved by the President is less than the Chief Executive Officer.

Company Secretary

The Board of Directors of the Company has appointed Mr. Rattipoom Sutapakul as a company secretary, effective February 13, 2019 whose duties and responsibilities to advice about the legal and accounting related considerations and other regulations require the Board of Directors to acknowledge. Besides, the Company Secretary has to oversight the overall activities of the Board of Directors as well as facilitates the compliance of the resolutions of the Board of Directors.

Nomination and Appointment of the Board of Directors and Executive Directors

(1) Independent Directors

The committee has reviewed the Independent Directors' qualifications in order for the directors to be truly independent of management and free from any business or other relationship with the Company,

and in order for the directors to be appropriate for the size of the company's business and efficient operations.

Guidelines for Nomination of Independent Directors

- 1) Having qualifications according to the law governing public limited companies and other governing laws such as the Thai securities and Exchange Act.
- 2) Having knowledge and ability to perform duties for the Company; and possess integrity and high ethical standards.
- 3) Having the ability to apply direct discretion independent from management and other interest groups.
- 4) Having the ability to devote an appropriate amount of time and effort to the Company according to the duties assigned.

(2) Nomination of the Board of Directors and Executive Directors

The Company's Board of Directors acts as a Nomination Committee and qualifies candidates according to their knowledge, experience, and ability to attend committee meetings regularly. The Company grants individual investors the right to nominate individuals for the Board of Directors election 30 days prior to the Shareholders Meeting. The Shareholder Meeting shall appoint the Board of Directors using majority voting rules as follows.

- 1) Each shareholder shall be granted voting rights equivalent to one voting right per share.
- 2) Each shareholder shall exercise all voting rights according to (1). Such voting rights can be combined to vote for one person or several persons but cannot be divided to vote for one person over other persons.
- 3) Candidates who acquire the highest number of votes in descending order shall be elected as directors in accordance with the number of directors required at that time. If candidates elected in descending order has equal votes that exceeds the number of directors required, the Chairman of the Meeting shall have the casting vote.

Employee Compensation

The Company places high a priority to remuneration and welfare benefits of its employees. Remuneration is determined according to annual performance appraisals. Moreover, the Company determines its salary structure according to employment standards, adjusts its pay and other pecuniary benefits according to changing situations, and provides bonus payment based on overall company performance.

In 2021, the Company has a total of 82 employees and has made a total compensation of Baht 68,157,838 including salary, overtime payment, cost of living allowance, bonus payment, special allowance, social security allowance, and provident fund payment.

8. Corporate Governance Report

Board of Directors' Meeting

In 2019- 2021, the Company set up the Board of Directors' Meetings as shown below the number of meetings of each director.

Board of Director	Position	2019 (6 meetings)	2020 (4 meetings)	2021 (4 meetings)
Mr. Oranop Jantaraprapa	Chairman	3	4	9
Mr. Prin Chirathivat ⁽¹⁾	Vice Chairman	-	-	5
Ms. Nantiya Montriwat	Independent Director, Chairman of the Audit Committee	4	3	9
Ms. Sabaithip Suntaros	Independent Director, Audit Committee	4	4	9
Mr. Vorawit Chailimpamontri	Independent Director, Audit Committee	4	4	9
Mr. Pracha Phathayakorn ⁽¹⁾	Independent Director, Audit Committee	-	-	5
Mr. Preecha Ekkunagul ⁽¹⁾	Director	-	-	5
Miss Wallaya Chirathivat ⁽¹⁾	Director	-	-	5
Mr. Suthipak Chirathivat ⁽¹⁾	Director	-	-	5
Miss Naparat Sriwanvit ⁽¹⁾	Director	-	-	5
Mr. Pandit Mongkolkul ⁽²⁾	Director	-	-	4
Mr. Nopporn Witoonchart	Director	3	4	9

Remark: (1) Appointed to Board of Director on August 30, 2021

(2) Appointed to Board of Director on August 31, 2021

Remuneration of Director and Management

(1) Remuneration and Allowance

The Company consider of board of director's remuneration to their responsibilities, advises to management, and comparative to other companies in the sector.

Remuneration of Director

	Bord of Director's Remuneration (Meeting allowancw and rewards)	FY2019 (Baht)	FY2020 (Baht)	FY2021 (Baht)
1	Mr. Oranop Jantaraprapa	600,000	600,000	600,000
2	Mr. Pongkit Suttapong ⁽¹⁾	360,000	360,000	240,000
3	Mr. Nopporn Witoonchart	360,000	360,000	360,000
4	Mr. Somnuk Pojkasemsin ⁽²⁾	360,000	360,000	240,000
5	Mr. Kittinanth Sumruatruamphol ⁽¹⁾	360,000	360,000	240,000
6	Mr. Vicha Poolvaraluck ⁽¹⁾	480,000	480,000	320,000
7	Mr. Verawat Ongvasith ⁽¹⁾	480,000	480,000	320,000
8	Ms. Thitapat Issarapornpat ⁽¹⁾	480,000	480,000	320,000
9	Mr. Chai Jroongtanapibarn ⁽¹⁾	480,000	480,000	320,000
10	Mrs. Nantiya Montriwat	720,000	720,000	720,000
11	Mrs. Sabathip Soontaros	660,000	660,000	660,000
12	Mr. Woravit Chailimpamontri	660,000	660,000	660,000
13	Mr. Prin Chirathivat ⁽³⁾	-	-	160,000
14	Mr. Pracha Phathayakorn ⁽³⁾	-	-	220,000
15	Mr. Preecha Ekkunagul ⁽³⁾	-	-	120,000
16	Miss Wallaya Chirathivat ⁽³⁾	-	-	120,000
17	Mr. Suthipak Chirathivat ⁽³⁾	-	-	120,000
18	Miss Naparat Sriwanvit ⁽³⁾	-	-	120,000
19	Mr. Pandit Mongkolkul ⁽⁴⁾	-	-	120,000
	Total	6,000,000	6,000,000	5,980,000

Ramark: (1) Resigned from position since August 30, 2021

(2) Resigned from position since August 31, 2021

(3) Appointed to position since August 30, 2021

(4) Appointed to position since August 31, 2021

Remuneration of Executive and Management

	2019		2020		2021	
	No. of Management	Baht	No. of Management	Baht	No. of Management	Baht
Salary, Bonus and Meeting Allowance	5	24,800,400	5	26,239,200	5 ⁽¹⁾	23,289,200

(2) Other Compensation: Provident Fund

Other Compensation of Directors

	2019 (Baht)	2020 (Baht)	2021 (Baht)
Mr. Oranop Jantaraprapa	919,920	975,120	650,080
Mr. Pongkit Suttapong	300,000	300,000	200,000
Mr. Nopporn Witoonchart	957,720	1,015,200	1,015,200
Mr. Somnuk Pojkasemsin	766,920	813,000	542,000
Mr. Kittinanth Sumruatruamphol	268,560	284,688	284,688
รวม	3,213,120	3,388,008	2,691,968

Other Compensation of Executive and Management

	2019		2020		2021	
	No. of Management	Baht	No. of Management	Baht	No. of Management	Baht
Provident Fund	5	1,993,200	5	2,112,888	5 ⁽¹⁾	1,746,992

Remark: (1) two of five of Executive and Management since September 1, 2021

9. Internal Audit and Connected Transaction

9.1 Internal Audit

In 2021, the Board of directors, which consists of the independent directors and audit committee, overviewed the sufficiency and suitability of the Company's internal control in accordance with the annual sufficiency audit of internal control from the office of the Securities and Exchange Commission and Stock Exchange. They concluded that the Company has adequate internal control systems including the organization control and environment, risk management, management control, information and communication, and monitoring. Moreover, the internal auditor, Dharmniti Internal Audit Co., Ltd. has inspected the internal control systems and concluded that the Company has sufficient internal control, thus, they are in agreement with the Board of Directors, in which the details are as follows:

1. Organization Control and Environment

The Company has laid the clear operating goal which is reasonable and measureable along with vision, strategy, and budget planning which allow the business operation to comply with it. The authorization is also well set in order for every employee to acknowledge their own authorities, roles, and responsibilities. By doing so, they will be able to work on their best competency and efficiency.

Good governance is an important principle for the corporate sustainability and growth. All employee within the Company has to abide by the policies of good governance. The employment handbook includes the topic of Code of Conducts and Code of Best Practice at workplace. The major content is about to perform the job in best effort, be honest, and fair-minded. The management and employee shall not use the Company's confidential information to gain the benefits to oneself and they shall not act in any way to cause an impact to the Company's interests. There is a clear disciplinary action if the rules and regulations are violated.

In terms of financial transactions and procurement, the Company has determined the payment approval and procurement methods in writing. The rules, conditions, and authority to approve the payment as well as the methods to create procurement contract are clearly stated in order to prevent any fraud from the transactions.

2. Risk Management

The Company has established the standardized and effective risk management process in order to mitigate risks from internal or external factors that could impact the Company's operation. Thus, the Financial Committee was appointed to assist the Board of Directors to overview and manage the risks that might arise from financial and operating transactions. The process of overviewing and evaluating such risks is continuous so that the Company is assured about the risk mitigation and controlling in a manageable level. Moreover, all employees

have the responsibilities to manage their own risk within their scope of work and report the Board of Directors accordingly.

3. Management Control

To make sure that all the employee are able to work in the right direction consistently, the Company has set goals and year plan clearly along with the authorities and responsibilities of the employee. Moreover, for the transparency and flexibility in the operation, the Company has set the scope of authority and approval amount for all executives and managing level. There are segregation of duties that could lead to corrupt practices. For the related parties' transactions, such transaction should be treated as a normal practice and the responsible person should determine the appropriate and fair condition in the interests of shareholder and the Company in the same nature as the reasonable man should act with the general contractual party in the same situation with the trade bargaining power without influence of the status of the other contractual party as the person who may have conflict of interests (Arm's Length Basis) and without benefit transfer between the Company and the person or juristic person that may have conflict of interests. For other transactions, the type and size will be determined and oversight by the Company secretary and Internal Control Unit to be in accordance with the regulations of the Stock Exchange of Thailand. The reports of the related parties' transactions are to be acknowledged by the Audit Committee according to the related transaction policy. The transactions should be reviewed by the Internal Control Unit and auditor to be assured that the Company has complied with the rules and regulations.

4. Information and Communication

All the decisions should be made based on the accurate, adequate, and up-to-date information. Thus, in order for the Board of Directors to approve any issue, the management and involved person should provide accurate and sufficient information along with the analysis and recommendation. The Board of Directors should receive the meeting invitation and the attached document seven days prior to the meeting. The management and involved person should participate in the meeting to provide the comments and more details to the Board of Directors. The resolutions of the meeting will be recorded by the Company secretary. The communication of operating details, job related information, policies, and regulations are well provided to all employees. The storing of audit related document and information are managed to be completed for the transparency and sufficiency of information for the operation.

5. Monitoring

The Company regularly monitors business performance according to set targets. Weekly Development Committee meetings, monthly Management Committee and Executive Committee meetings, and quarterly Board of Director meetings are held to appraise the Company's performance, solve pending issues, and adjust action plans to accommodate changing circumstances. An internal

audit team is responsible for monitoring and reporting auditing results to the committee quarterly. Management executives will report directly to the committee if any fraudulent or unlawful activity is identified.

In addition to having policies and guidelines for internal management that abides to corporate governance codes and guidelines for public limited companies announced by the office of the Securities and Exchange Commission, the Company has communicated to its employees to ensure a profound appreciation of corporate governance and to ensure employees act accordingly. This will ultimately help promote an ethical company culture, allowing the Company to lead its retail real estate operations towards Thailand's leading standards.

The Audit Committee has approved the Company's annual audit plan, progress report, and process inspection and monitoring report. The committee proposed that Management adjusts business operations in accordance with the report findings, and provided suggestions for monitoring, evaluating, and managing risks involved with items concerned.

An Opinion of Audit Committee

The Audit Committee overviewed the sufficiency and suitability of the Company's internal control in accordance with the annual sufficiency audit of internal control from the office of the Securities and Exchange Commission and Stock Exchange and agreed with the Board of Directors.

Head of Internal Control Unit

Mr. Ratiipoom Sutepakul is the head of the Internal Control Unit with the sufficient experience and knowledge in internal audit, for more information please find from Attachment 3

9.2 Connected Transaction

Details of the related transactions that the Company entered to perform the transactions with person/juristic person that may have conflict of interests in the year of 2020 and 2021 as follows.

Person/Juristic Person that might have Conflict of Interests	Relationship	Detail of Transaction	Transaction Value (Thousand Baht)		Justification and Rationale for Related Transactions
			2020	2021	
Central Retail Corporation Public Company Limited group ("CRC")	Some common director	SF earns rental and service income as share percentage in which SF or its subsidiaries have made rental and service contracts with CRC.	-	31,700	The rental and service income was collected based on the normal market rate which is equivalent to the rate that SF received from other tenants.
Major Cineplex Group Public Company Limited ("Major")	Major shareholders	SF earns rental and service income as share percentage in which SF or its subsidiaries have made rental and service contracts with Major.	13,008	4,383	<ul style="list-style-type: none"> The rental and service income was collected based on the normal market rate which is equivalent to the rate that SF received from other tenants. The Audit Committee has considered the information of related transactions of the Company were the reasonable transactions according to the general trade condition or according to the appropriate and fair condition in the same nature as the reasonable man should act with the general contractual party in the same situation with the trade bargaining power and without benefit transfer between the Company and the person or juristic person that may have conflict of interests.
		Major provides management service for Ratchayothin Avenue in which the expense occurs monthly and the payment amount is stated in the contract.	12,611	7,830	

Information regarding related transactions for the year ended December 31, 2021 is disclosed in page 61 note no. 34 of the financial statement in which the Company's board of directors and board of auditors have reviewed the related transactions of the Company and found them to be reasonable.

Necessity and Reasonability of the Transactions

Rental rate calculated from the share of income received from CRC and Major is of normal criteria when compared to that received from other renters, and the auditor is of the opinion that the said transactions are generally normal trading transactions and are reasonable and have been approved according to the rules and regulations of the Company in all respects.

Approval Procedure of Related Transactions

According to the policy of the Company, the processes of performing the related transactions must be executed under the principle considered and approved by the Board of Directors and the meeting should involve the Audit Committee to mutually consider and approve the transaction. The Company shall comply with Securities and Exchange Law and regulation, announcement, order or requirement of the Stock Exchange of Thailand, and also comply with the requirement of disclosure for the connected transaction performing information. The person who may have conflict of interests or gain and loss in performing related transaction has no right to vote for resolution in performing the said related transaction.

Policy or Trend of Future Related Transaction Performance

The Company expects that the policy or trend of future related transaction performing will be similar to the past transactions.

The Company has implemented policies for current and future transactions by outlining terms and conditions that is in accordance with general commercial terms and market prices (which can be compared to prices incurred to third parties). Depending on the case, the Company shall assign the Audit Committee, the Company's auditor, or an independent expert to audit and comment on price suitability and appropriateness of the transaction. The Company's Board of Directors shall comply with Securities and Exchange Law and regulations, announcement, order, or requirement from the Stock Exchange of Thailand. The Board of Directors shall also comply to the requirements for disclosing transactions information and acquisition or disposition of the Company's key assets.

In an instance where a transaction between individuals may result in conflict of interest, the Company shall request the Audit Committee to comment on the appropriateness of such transaction. If the Audit

Committee is unable to offer an expert opinion, the Company shall assign other experts such as the auditor or independent experts to provide comments. Comments from the Audit Committee or individual experts will then be presented to the Board of Directors to facilitate their decision making on the case. The Company will subsequently disclose such transaction under notes to the financial statements in compliance with accounting standards set by the Federation of Accounting Professions.

Investor Protection Measure

- In the Company's regulation, it has stated clearly that the person who may have conflict of interests or gain and loss in performing related transaction has no right to vote for resolution in performing such related transaction.
- The Company shall disclose related transactions with the rationale for such related transaction to the shareholder in the Annual Report of the Company.

Part 3
Financial Report

Independent Auditor's Report

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

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Siam Future Development Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine a key audit matter: Valuation of investment property. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
Valuation of investment property	
Refer to note 13 to the financial statements regarding investment property.	My procedures in relation to the valuation of investment property included:
The fair value of the investment property at 18 locations was Baht 14,953.11 million, representing 57% of the total assets of the consolidated financial statements as at 31 December 2021. During the year, the Group has recognised a gain from fair value adjustment to the investment property of Baht 682 million in the consolidated profit or loss.	<ul style="list-style-type: none">- Evaluate the independent external valuer's competence, capabilities, independence and objectivity.- Assess the methodologies used and the appropriateness of the key assumptions based on my knowledge of the industry and the available evidences. This included assessing the market rent for property in a comparable location and condition, and assessing the discount rate by comparing it with the industry average.- Check, on a sample basis, the accuracy and relevance of the input data used by comparing it with the current rental contracts.
I focused on the valuation of investment property because of the complexity of the valuation model using income approach, which inherently required the judgements by Group management. The Group management engaged an independent external valuer to assess the fair value of the investment property.	
In determining the valuation, the valuer took into accounts of current information, such as current tenancy agreements and rental income earned by the assets, as well as certain assumptions that were agreed with the Group management.	I found that the key assumptions were supported by the available evidences and the valuation was within an acceptable range of reasonable estimates.
Key assumptions in the model included current market rental rates, availability and occupancy of retailing space of the Group and rental contracts on hands, and a discount rate based on the dividends yield of property funds operating in renting retail spaces adjusted by certain risk factors.	

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Nuntika Limviriyalers

Certified Public Accountant (Thailand) No. 7358

Bangkok

February 15, 2022

Statements of Financial Position

As at December 31, 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	111,502,961	88,983,420	45,495,033	59,368,981
Trade and other receivables	9	117,606,212	111,248,601	73,501,713	83,283,739
Finance lease receivables due within one year	10	22,201,326	20,993,363	12,980,737	12,724,958
Amounts due from related parties	34 b)	31,931,123	27,268,911	1,062,837,462	983,597,632
Short-term loans to related parties	34 c)	-	12,800,000	-	-
Other current assets	11	16,815,934	55,796,787	11,690,515	53,118,778
Total current assets		300,057,556	317,091,082	1,206,505,460	1,192,094,088
Non-current assets					
Restricted cash		-	626,942	-	-
Finance lease receivables	10	372,594,652	406,233,689	224,711,149	248,464,062
Investments in subsidiaries	12	-	-	257,925,000	257,925,000
Investments in associate	12	-	-	126,380,790	126,380,790
Investments in joint ventures	12	10,435,605,284	9,948,516,742	1,852,200,000	1,852,200,000
Prepaid rent, net		635,721	702,064	-	-
Investment property	7, 13	14,953,109,215	13,693,206,786	7,470,463,416	6,444,378,782
Right-of-use		14,464,905	18,782,441	14,464,905	18,782,441
Building and equipment, net	14	44,551,512	58,741,019	23,124,448	32,749,428
Intangible assets, net	15	27,274,653	31,237,328	22,563,400	26,494,886
Deposits for leasehold land		49,927,116	50,084,316	49,813,116	49,933,116
Other non-current assets		33,078,776	37,732,060	29,131,893	33,454,325
Total non-current assets		25,931,241,834	24,245,863,387	10,070,778,117	9,090,762,830
Total assets		26,231,299,390	24,562,954,469	11,277,283,577	10,282,856,918

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Financial Position (Con't)

As at December 31, 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions	16	1,060,000,000	910,000,000	1,060,000,000	610,000,000
Trade and other payables	17	227,655,547	255,758,078	156,133,641	115,679,388
Amounts due to related parties	34 d)	-	6,105,078	16,945,699	26,253,455
Short-term borrowings from subsidiaries	34 e)	-	-	882,800,000	882,200,000
Current portion of unearned rental and service income	21	31,492,665	33,565,588	11,814,098	12,293,225
Current portion of long-term borrowings	18	947,362,203	446,070,000	872,362,202	446,070,000
Liabilities on land leases - current portion	20	198,406,225	180,532,354	151,278,056	142,047,411
Corporate income tax payable		3,711,900	3,374,614	-	-
Other current liabilities	19	131,510,816	277,760,281	60,581,115	155,169,028
Total current liabilities		2,600,139,356	2,113,165,993	3,211,914,811	2,389,712,507
Non-current liabilities					
Unearned rental and service income	21	625,304,309	520,234,567	396,977,431	274,206,356
Long-term borrowings	18	1,685,859,829	1,684,947,127	1,492,109,829	1,684,947,127
Deposits received from customers		509,893,766	523,760,352	315,798,464	318,737,265
Deferred tax liabilities	22	1,480,528,074	1,321,766,523	479,511,181	377,393,025
Liabilities on land leases	20	2,177,206,298	2,166,935,808	1,520,411,251	1,544,996,313
Employee benefit obligations	23	33,292,240	59,112,906	33,292,240	59,112,906
Total non-current liabilities		6,512,084,516	6,276,757,283	4,238,100,396	4,259,392,992
Total liabilities		9,112,223,872	8,389,923,276	7,450,015,207	6,649,105,499

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Financial Position (Con't)

As at December 31, 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	24				
Authorised share capital		2,131,929,050	2,131,929,050	2,131,929,050	2,131,929,050
Issued and paid-up share capital		2,131,920,931	2,131,920,931	2,131,920,931	2,131,920,931
Share premium		634,028,511	634,028,511	634,028,511	634,028,511
Retained earnings					
Appropriated - legal reserve	25	213,192,093	213,192,093	213,192,093	213,192,093
Unappropriated		12,870,339,537	11,957,031,310	848,572,737	655,055,786
Other components of equity		(445,902)	(445,902)	(445,902)	(445,902)
Equity attributable to owners					
of the parent		15,849,035,170	14,935,726,943	3,827,268,370	3,633,751,419
Non-controlling interests		1,270,040,348	1,237,304,250	-	-
Total equity		17,119,075,518	16,173,031,193	3,827,268,370	3,633,751,419
Total liabilities and equity		26,231,299,390	24,562,954,469	11,277,283,577	10,282,856,918

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Profit of Loss

For the year ended December 31, 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Revenues					
Rental and services income		906,415,934	1,101,755,437	538,280,084	639,354,221
Finance and interest income		17,179,033	19,207,022	10,097,319	12,180,312
Dividends income	34 a)	-	-	196,980,000	214,980,000
Other income		39,745,281	20,037,658	108,077,682	107,440,582
Share of profit from joint ventures	12	684,068,542	1,523,436,841	-	-
Total revenues		1,647,408,790	2,664,436,958	853,435,085	973,955,115
Expenses					
Cost of rental and services		348,987,711	429,702,808	210,806,265	233,651,658
(Gain) loss from adjustments on investment property, net	13	(538,718,592)	(469,039,036)	(361,978,605)	360,897,118
Selling expenses		28,670,720	39,556,278	26,252,020	33,951,835
Administrative expenses		178,585,014	191,491,853	161,946,587	174,395,845
Total expenses		17,524,853	191,711,903	37,026,267	802,896,456
Profit before finance costs and income tax		1,629,883,937	2,472,725,055	816,408,818	171,058,659
Finance costs	27	(96,589,780)	(90,064,106)	(103,742,094)	(94,560,700)
Profit before income tax		1,533,294,157	2,382,660,949	712,666,724	76,497,959
Income tax	28	(168,347,780)	(169,779,242)	(100,247,721)	29,590,195
Profit for the year		1,364,946,377	2,212,881,707	612,419,003	106,088,154
Profit attributable to:					
Owners of the parent		1,332,210,279	2,083,273,207	612,419,003	106,088,154
Non-controlling interests		32,736,098	129,608,500	-	-
		1,364,946,377	2,212,881,707	612,419,003	106,088,154
Earnings per share	29				
Basic earnings per share		0.62	0.98	0.29	0.05

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Profit of Loss (Con't)
For the year ended December 31, 2021

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Profit for the year		1,364,946,377	2,212,881,707	612,419,003	106,088,154
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Actuarial gains on defined employee					
benefit plans	23	9,352,167	-	9,352,167	-
Income tax relating to above-mentioned gains		(1,870,433)	-	(1,870,433)	-
Other comprehensive income					
for the year, net of tax		7,481,734	-	7,481,734	-
Total comprehensive income					
for the year		1,372,428,111	2,212,881,707	619,900,737	106,088,154
Total comprehensive income					
attributable to:					
Owners of the parent		1,339,692,013	2,083,273,207	619,900,737	106,088,154
Non-controlling interests		32,736,098	129,608,500	-	-
		1,372,428,111	2,212,881,707	619,900,737	106,088,154

The accompanying notes are an integral part of these consolidated and separate financial statements.

For the year ended December 31, 2021

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Changes in Equity (Con't)

For the year ended December 31, 2021

		Separate financial statements					
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated retained earnings	Other components of equity	Total equity
	Note	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance 1 January 2020		2,131,920,931	634,028,511	213,192,093	1,017,990,060	(445,902)	3,996,685,693
Cash dividends	30	-	-	-	(469,022,428)	-	(469,022,428)
Total comprehensive income for the year		-	-	-	106,088,154	-	106,088,154
Closing balance 31 December 2020		2,131,920,931	634,028,511	213,192,093	655,055,786	(445,902)	3,633,751,419
Opening balance 1 January 2021		2,131,920,931	634,028,511	213,192,093	655,055,786	(445,902)	3,633,751,419
Cash dividends	30	-	-	-	(426,383,786)	-	(426,383,786)
Total comprehensive income for the year		-	-	-	619,900,737	-	619,900,737
Closing balance 31 December 2021		2,131,920,931	634,028,511	213,192,093	848,572,737	(445,902)	3,827,268,370

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Cash Flows

For the year ended December 31, 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Cash generated from operations	31	414,909,330	638,992,290	254,604,026	397,009,651
Interest paid		(94,818,386)	(90,358,966)	(108,375,820)	(86,164,908)
Income tax paid		(37,474,818)	(43,980,674)	(20,829,130)	(19,055,398)
Income tax received		60,833,673	-	58,064,179	-
Net cash generated from operating activities		343,449,799	504,652,650	183,463,255	291,789,345
Cash flows from investing activities					
Purchases of intangible assets		(91,000)	(1,770,687)	(76,000)	(1,912,855)
Purchases of building, equipment and investment property		(514,507,348)	(652,552,823)	(504,705,222)	(335,915,534)
Short-term loans made to subsidiaries	34 c)	-	-	-	(100,600,000)
Repayments received from short-term loans					
to subsidiaries and related parties	34 c)	12,800,000	-	-	101,800,000
Proceeds from disposal of equipment and investment properties		4,108,690	-	4,108,690	-
Dividends received	12	196,980,000	196,980,000	214,980,000	196,980,000
Interest received		1,372,236	587,852	54,608	2,740,769
Net cash used in investing activities		(299,337,422)	(456,755,658)	(285,637,924)	(136,907,620)

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Cash Flows (Con't)
For the year ended December 31, 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Proceeds from short-term loans					
from financial institutions		2,605,000,000	1,865,234,885	2,605,000,000	1,565,234,885
Proceeds from long-term borrowings					
from financial institutions	18	887,666,000	600,000,000	587,666,000	600,000,000
Proceeds from borrowings from subsidiaries	34 e)	-	-	134,200,000	402,900,000
Repayments to short-term loans					
from financial institutions		(2,305,000,000)	(1,085,000,000)	(2,005,000,000)	(1,085,000,000)
Repayments to long-term borrowings					
from financial institutions	18	(494,070,000)	(227,830,000)	(462,820,000)	(227,830,000)
Redemption of debentures	18	(42,000,000)	(500,000,000)	(42,000,000)	(500,000,000)
Payment for debenture issuance cost	18	(21,050)	(896,050)	(21,050)	(896,050)
Repayments to short-term loans from subsidiaries	34 e)	-	-	(133,600,000)	(238,500,000)
Repayments to land leases		(246,784,000)	(194,652,190)	(168,740,443)	(167,425,086)
Dividends paid	30	(426,383,786)	(469,022,428)	(426,383,786)	(469,022,429)
Net cash generated from (used in) financing activities		(21,592,836)	(12,165,783)	88,300,721	(120,538,680)
Net increase (decrease) in cash and cash equivalents		22,519,541	35,731,209	(13,873,948)	34,343,045
Cash and cash equivalents, at beginning of the year		88,983,420	53,252,211	59,368,981	25,025,936
Cash and cash equivalents, at end of the year		111,502,961	88,983,420	45,495,033	59,368,981

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statements of Cash Flows (Con't)
For the year ended December 31, 2021

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Accounts payable arisen as a result of purchases of building, equipment and investment property	130,293,994	100,485,408	59,293,993	29,274,618
Investment property increases due to reversal of finance lease contracts	11,452,932	6,375,042	10,085,381	3,902,330
Increase in liabilities on land leases	74,062,884	879,604,334	74,062,884	485,052,316

The accompanying notes are an integral part of these consolidated and separate financial statements.

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 Ratchadapisek 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 operations of the Company and its subsidiaries (the Group) is the rental of building space and provision of utilities services in 4 categories as follows:

- (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 separate financial statements have been approved by the Board of Directors on 15 February 2022.

2 Significant events during the current year

The outbreak of Coronavirus Disease 2019 (“COVID-19”) has adversely affected operating results for the year ended 31 December 2021.

The Group partially provided discount of rental and service fees for some tenants from 1 January 2021 to 31 December 2021 amounting to Baht 306.68 million (2020: Baht 216.82 million).

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 6.

An English version of the consolidated and separate 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.

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have significant impacts to the Group

Amendment to TFRS 16, Leases amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce the lease payments due by 30 June 2022.

4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group

The Group have not early adopted the amended financial reporting standards before effective date and assesses the impact of the amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022, there is no impact of the amendment to the Group.

5 Accounting policies

5.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. 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. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognised in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in statement of income. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

5.2 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and 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.

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 profit or loss.

5.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdraft.

In the statements of financial position, bank overdraft is shown in current liabilities.

5.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

5.5 Financial assets

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in profit or loss.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity statement of income and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in profit or loss.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables other receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables other receivables.

The Group applies TFRS 9 general approach in measuring the impairment. For finance lease receivables, Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss.

5.6 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
Motor vehicles	5 years
Office equipment	5 years
Computer and computer equipment	3 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 statement of income.

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 statement of income 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 profit or loss.

5.7 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 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". Finance 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.

5.8 Intangible assets

Computer software

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.

5.9 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

5.10 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

Leases - where the 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 which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

5.11 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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 reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

5.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

5.13 Current and 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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.14 Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave, bonuses and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

5.15 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.16 Revenue recognition

Revenue from rentals and services are recognised over the period in accordance with the agreement and rental and services are rendered. Revenue from leases are recognised in accordance with the accounting policy for 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.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Expenses are generally recognised on an accrual basis.

5.17 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

5.18 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.

6 Critical accounting estimates, assumptions and judgements

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.

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 mostly at the rates of 11.00% per annum.

7 Fair value

7.1 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 2021.

		Consolidated financial statements
		Level 3 Baht'000
Assets		
Investment property		14,953,109
		Separate financial statements
		Level 3 Baht'000
Assets		
Investment property		7,470,463

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

The Group disclosed the changes in fair value of investment property which is classified as Level 3 measure in Note 13.

In 2021, the Group engaged an external valuer to assess the fair value of the investment property according to the policy.

7.3 Group's valuation processes

The Group's finance department including an independent valuer conduct the valuation 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 dividends yield rate of property funds listed in the Stock Exchange of Thailand that are, in the opinion of the management, 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 mostly at the rate of 11.00%. The discount rate of finance lease liabilities on land leases is ranging from 5.19% to 8.00% per annum. The independent valuer conducts the estimates of such information as part of the valuation of investment property.

The sensitivity analysis of the significant assumption for the fair value measurement of investment property as at 31 December 2021 are as follows:

Impact to fair value of investment property			
Consolidated financial statements			
Change in assumption		Increase in assumption Baht'000	Decrease in assumption Baht'000
Discount rate	1%	Decrease 807,675	Increase 904,770
Impact to fair value of investment property			
Separate financial statements			
Change in assumption		Increase in assumption Baht'000	Decrease in assumption Baht'000
Discount rate	1%	Decrease 421,308	Increase 473,554

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Cash on hand	251	231	193	160
Deposits at call with banks	111,252	88,752	45,302	59,209
	111,503	88,983	45,495	59,369

The interest rates of deposits at call with banks are ranging from 0.13% to 0.25% per annum (2020: 0.13% to 0.45% per annum).

9 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Trade receivables	105,862	75,345	62,841	49,382
<u>Less</u> Expected credit loss	-	-	-	-
Trade receivables, net	105,862	75,345	62,841	49,382
Prepayments	10,286	13,432	9,272	7,099
Property tax receivable	-	22,381	-	6,838
Other receivables	1,458	91	1,389	1,965
Dividends receivable	-	-	-	18,000
	117,606	111,249	73,502	83,284

Outstanding trade accounts receivable can be aged as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Current	32,562	42,843	13,205	24,996
Overdue 1 to 6 months	62,680	25,228	41,673	17,328
Overdue 7 to 12 months	7,791	2,576	5,685	2,576
Overdue over 12 months	2,829	4,698	2,278	4,482
	105,862	75,345	62,841	49,382
<u>Less</u> Expected credit loss	-	-	-	-
	105,862	75,345	62,841	49,382

The Group provided expected credit losses after deduction of deposits given by trade account receivable.

10 Finance lease receivables

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
The gross receivable in the lease contracts				
Due within 1 year	38,429	38,578	22,687	23,529
Due within 2 to 5 years	175,626	161,810	108,003	96,744
Due later than 5 years	299,250	370,363	172,598	223,674
	513,305	570,751	303,288	343,947
The present value of minimum lease payments receivable				
Due within 1 year	22,201	20,993	12,981	12,725
Due within 2 to 5 years	120,100	98,890	76,284	59,082
Due later than 5 years	252,495	307,344	148,427	189,382
	372,595	406,234	224,711	248,464
	394,796	427,227	237,692	261,189
<u>Less</u> Expected credit loss	-	-	-	-
	394,796	427,227	237,692	261,189
Unearned finance income	118,509	143,524	65,696	82,758

Unearned finance income is calculated based on the discount rates between 6.00% to 11.50% 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 cancels the lease, the lessor's losses associated with the cancellation are borne by the lessee.

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Withholding tax deducted at sources	16,251	54,058	11,154	51,386
Value-added tax	565	1,739	536	1,733
	16,816	55,797	11,690	53,119

12 Investments in subsidiaries, investments in associate and investments in joint ventures

There is no movement in investments in subsidiaries and investments in associate during 2021.

12.1 Investments in joint ventures

Movements of investments in joint ventures during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Investments in joint ventures				
Opening book value	9,948,517	8,622,060	1,852,200	1,852,200
Dividends received	(196,980)	(196,980)	-	-
Shares of profit from joint ventures	684,069	1,523,437	-	-
Closing book value	10,435,606	9,948,517	1,852,200	1,852,200

During 2021, shareholders of the joint venture approved a dividends payment at Baht 1.34 per share (2020: Baht 1.34 per share). The dividends were paid to the Company on 29 March 2021, amounting to Baht 196.98 million (2020: Baht 196.98 million).

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

Nature of investment in associates at 31 December are as follows:

	% Ownership interest		Consolidated financial statements		Separate financial statements	
			Investment at equity method		Investment at cost	
	2021 %	2020 %	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Joint ventures						
SF Development Company Limited	49	49	10,062,297,237	9,575,044,968	1,470,000,000	1,470,000,000
North Bangkok Development Company Limited	49	49	373,308,047	373,471,774	382,000,000	382,000,000

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

There is no contingent liability relating to the Group's interest in the joint ventures.

Summarised financial information for joint ventures

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

Summarised consolidated statement of financial position

As at 31 December

	2021	2020
	Baht'000	Baht'000
Cash and cash equivalents	280,133	167,701
Trade and other receivables	281,830	167,967
Other current assets	77,277	88,898
Prepaid rent	42	42
Investment property	27,895,667	27,162,963
Equipments, net	2,536,372	2,555,185
Intangible assets, net	11,504	9,839
Other assets	25,084	35,498
Total assets	31,107,909	30,188,093
Trade and other payables	271,904	532,413
Other current liabilities	271,715	293,777
Finance lease liabilities on land leases	318,444	320,463
Long-term loans from financial institutions	4,587,500	4,581,250
Unearned rental	143,251	132,627
Deferred tax liabilities	3,469,734	3,288,162
Employee benefit obligations	29,621	23,677
Other liabilities	1,380,305	1,372,793
Total liabilities	10,472,474	10,545,162
Net assets	20,635,435	19,642,931

Summarised consolidated statement of comprehensive income

For the year ended 31 December

	2021	2020
	Baht'000	Baht'000
Rental income	2,065,459	2,184,493
Gain on fair value adjustment on investment property, net	538,762	2,447,899
Interest income	1,063	1,219
Other income	55,190	128,025
Cost of rental and service	(475,072)	(415,286)
Selling and administrative expenses	(233,049)	(231,739)
Finance costs	(198,850)	(230,045)
Profit before income tax	1,753,503	3,884,566
Income tax	(358,999)	(776,917)
Net profit	1,394,504	3,107,649
Other comprehensive income	-	-
Total comprehensive income	1,394,504	3,107,649
Owners of the parent	1,396,392	3,109,314
Non-controlling interests	(1,888)	(1,665)
	1,394,504	3,107,649
Dividends received from joint ventures	196,980	196,980

The 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 are as follows:

	2021 Baht'000	2020 Baht'000
Less than 1 year but not later than 3 years	281,250	-
Over 3 years	-	406,250
	281,250	406,250

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

The information above reflects the entire financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture, and not only the Group's share of interests.

Reconciliation of summarised financial information

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

For the year ended 31 December

Summarised financial information

Opening net assets 1 January

Total comprehensive income for the year	19,642,931	17,002,023
Dividends paid	1,394,504	3,107,649
Net assets of West Bangkok Development Company Limited	(402,000)	(402,000)
Investment in West Bangkok Development Company Limited	1,280,000	1,215,259
	(1,280,000)	(1,280,000)

Closing net assets	20,635,435	19,642,931
<u>Less</u> Non-controlling interests	(100,135)	(102,025)

Closing net assets after deducting non-controlling interests

	20,535,300	19,540,906
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Investments in joint ventures (49%)

Carrying value	10,062,297	9,575,044
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Individually immaterial joint venture

In addition to the investment in joint venture disclosed above, the Group also has interests in individually immaterial joint ventures being North Bangkok Development Company Limited. That are accounted for using equity method.

	2021 Baht'000	2020 Baht'000
Aggregate carrying amount of individually immaterial joint ventures:		
North Bangkok Development Company Limited	373,308	373,472
	373,308	373,472
Aggregate amounts of the reporting entity's share of:		
loss from continuing activities		
North Bangkok Development Company Limited	(163)	(127)
	(163)	(127)

12.2 Investments in associate

The detail of investments in associate as at 31 December is as follows:

Associate	Nature of relationship	% Ownership interest	
		2021	2020
West Bangkok Development Company Limited	Shareholder	8.22	8.22

12.3 Principal subsidiaries

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

	Nature of relationship	% Ownership interest	
		2021	2020
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 engaged 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 undertakings included in the Group.

The details of investments in subsidiaries are as follows:

	Separate financial statements			
	% Ownership interest		Investment at cost	
	2021	2020	2021	2020
	%	%	Baht	Baht
Subsidiaries				
Petchkasem Power Center Company Limited	74	74	74,740,000	74,740,000
Ekkamai Lifestyle Center Company Limited	51	51	60,510,000	60,510,000
Siam Future Property Company Limited	100	100	55,075,000	55,075,000
Ratchayothin Avenue Company Limited	50	50	67,500,000	67,500,000
Siam Future Management Company Limited	100	100	100,000	100,000

Summarised financial information on subsidiary with material non-controlling interests

Set out below are the summarised financial information of Ratchayothin Avenue Company Limited of which its non-controlling interests are material (50%).

Summarised statement of financial position: Ratchayothin Avenue Company Limited

As at 31 December	2021 Baht'000	2020 Baht'000
Current		
Assets	12,552	35,601
Liabilities	(37,664)	(59,270)
Total current net assets	(25,112)	(23,669)
Non-current		
Assets	2,115,750	2,082,759
Liabilities	(482,780)	(485,393)
Total non-current net assets	1,632,970	1,597,366
Net assets	1,607,858	1,573,697

Summarised statement of comprehensive income: Ratchayothin Avenue Company Limited

For the year ended 31 December	2021 Baht'000	2020 Baht'000
Revenue	44,660	226,216
Expenses	(1,139)	(1,754)
Profit before income tax	43,521	224,462
Income tax	(9,361)	(45,549)
Net profit	34,160	178,913
Other comprehensive income	-	-
Total comprehensive income	34,160	178,913
Total comprehensive income allocated to non-controlling interests	17,080	89,456

Summarised statement of cash flows: Ratchayothin Avenue Company Limited

For the year ended 31 December	2021 Baht'000	2020 Baht'000
Cash flow from operating activities		
Cash generated from operations	2,167	11,129
Interest paid	(550)	(305)
Income tax paid	(6,113)	(6,565)
Net cash (used in) generated from operating activities	(4,496)	4,259
Net cash generated from investing activities	25,600	7
Net cash used in financing activities	(18,000)	(1,200)
Net increase in cash and cash equivalents	3,104	3,066
Cash and cash equivalents at beginning of the year	7,439	4,373
Cash and cash equivalents at end of the year	10,543	7,439

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

13 Investment property

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
For the year ended 31 December				
Investment property at 1 January	13,693,207	11,745,296	6,444,379	5,911,567
Additions during the year	618,727	1,575,269	612,192	798,411
Disposals during the year	(41,266)	(232,029)	(41,266)	-
(Gain) loss from fair value adjustment	682,441	604,671	455,158	(265,599)
Investment property at 31 December	14,953,109	13,693,207	7,470,463	6,444,379
	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Statements of income for the year ended 31 December				
Gain (loss) from fair value adjustment	682,441	604,671	455,158	(265,599)
Finance cost from recognising investment property	(143,722)	(135,632)	(93,179)	(95,298)
Gain (loss) from adjustment on investment property, net	538,719	469,039	361,979	(360,897)

Majority of rental income and expenditures presented in the statements of income were arisen from the investment property.

Fair value of investment property increases during 2021 mainly due to an opening of a new shopping mall together with revaluating a new discount rate for investment property from 11.50% down to 11.00% per annum in order to reflect the current assessment of time value of money and appropriate risk factors.

Other forward-looking information relating to COVID-19 is not taken into accounts when fair-valuing the investment properties as at 31 December 2021.

14 Building and equipment, net

	Consolidated financial statements		
	Building and building improvement Baht'000	Motor vehicles, office equipment, computer and computer equipment Baht'000	Total Baht'000
At 1 January 2020			
Cost	11,852	246,238	258,090
<u>Less</u> Accumulated depreciation	(6,245)	(188,851)	(195,096)
Net book amount	5,607	57,387	62,994
For the year ended 31 December 2020			
Opening net book amount	5,607	57,387	62,994
Additions	-	17,822	17,822
Depreciation charge	(278)	(21,797)	(22,075)
Closing net book amount	5,329	53,412	58,741
At 31 December 2020			
Cost	11,852	264,060	275,912
<u>Less</u> Accumulated depreciation	(6,523)	(210,648)	(217,171)
Net book amount	5,329	53,412	58,741
For the year ended 31 December 2021			
Opening net book amount	5,329	53,412	58,741
Additions	-	11,104	11,104
Disposal	-	(4,300)	(4,300)
Depreciation charge	(278)	(20,715)	(20,993)
Closing net book amount	5,051	39,501	44,552
At 31 December 2021			
Cost	11,852	270,864	282,716
<u>Less</u> Accumulated depreciation	(6,801)	(231,363)	(238,164)
Net book amount	5,051	39,501	44,552

	Separate financial statements
	Motor vehicles, office equipment, computer and computer equipment Baht'000
At 1 January 2020	
Cost	159,176
<u>Less</u> Accumulated depreciation	<u>(124,655)</u>
Net book amount	<u>34,521</u>
For the year ended 31 December 2020	
Opening net book amount	34,521
Additions	10,767
Depreciation charge	<u>(12,539)</u>
Closing net book amount	<u>32,749</u>
At 31 December 2020	
Cost	169,943
<u>Less</u> Accumulated depreciation	<u>(137,194)</u>
Net book amount	<u>32,749</u>
For the year ended 31 December 2021	
Opening net book amount	32,749
Additions	6,681
Disposals	(4,300)
Depreciation charge	<u>(12,005)</u>
Closing net book amount	<u>23,125</u>
At 31 December 2021	
Cost	172,324
<u>Less</u> Accumulated depreciation	<u>(149,199)</u>
Net book amount	<u>23,125</u>

15 Intangible assets, net

	Consolidated financial statements			Separate financial statements
	Goodwill Baht'000	Computer software licenses Baht'000	Total Baht'000	Computer software licenses Baht'000
At 1 January 2020				
Cost	5,000	66,968	71,968	66,343
<u>Less</u> Accumulated amortisation	(563)	(37,915)	(38,478)	(37,793)
Net book amount	4,437	29,053	33,490	28,550
For the year ended 31 December 2020				
Opening net book amount	4,437	29,053	33,490	28,550
Additions	-	1,770	1,770	1,913
Amortisation charge	-	(4,023)	(4,023)	(3,968)
Closing net book amount	4,437	26,800	31,237	26,495
At 31 December 2020				
Cost	5,000	68,738	73,738	68,256
<u>Less</u> Accumulated amortisation	(563)	(41,938)	(42,501)	(41,761)
Net book amount	4,437	26,800	31,237	26,495
For the year ended 31 December 2021				
Opening net book amount	4,437	26,800	31,237	26,495
Additions	-	91	91	76
Amortisation charge	-	(4,054)	(4,054)	(4,007)
Closing net book amount	4,437	22,837	27,274	22,564
At 31 December 2021				
Cost	5,000	68,829	73,829	68,332
<u>Less</u> Accumulated amortisation	(563)	(45,992)	(46,555)	(45,768)
Net book amount	4,437	22,837	27,274	22,564

16 Short-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Short-term borrowings from financial institutions	1,060,000	910,000	1,060,000	610,000

Short-term borrowings are in forms of promissory notes and bills of exchange denominated in Thai Baht, bearing interest at fixed rates ranging from 1.85% to 2.00% per annum and due for repayment in 2022.

17 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Trade payables	3,639	106,135	2,178	32,743
Accrued expenses	110,294	92,912	61,572	44,970
Retention payables	35,187	21,591	33,982	20,076
Accrued interest expense	6,651	6,919	6,630	6,898
Others	71,884	28,201	51,771	10,992
	227,655	255,758	156,133	115,679

18 Long-term borrowings

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Current portion of long-term borrowings				
Debentures	457,226	-	457,226	-
Loan from financial institutions	490,136	446,070	415,136	446,070
Total current borrowings	947,362	446,070	872,362	446,070
Non-current portion of long-term borrowings				
Debentures	-	498,617	-	498,617
Loan from financial institutions	1,685,860	1,186,330	1,492,110	1,186,330
Total non-current borrowings	1,685,860	1,684,947	1,492,110	1,684,947
Total borrowings	2,633,222	2,131,017	2,364,472	2,131,017

Maturity of long-term borrowings:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Within 1 year	947,362	446,070	872,362	446,070
Later than 1 year but not later than 2 years	594,320	823,753	519,320	823,753
Later than 2 years	1,091,540	861,194	972,790	861,194
	2,633,222	2,131,017	2,364,472	2,131,017

Debentures

The movements in the debentures can be analysed as follows:

	Consolidated and Separate financial statements	
	2021	2020
	Baht'000	Baht'000
At 1 January	498,617	998,585
Redemption	(42,000)	(500,000)
Debenture issuance costs	(21)	(896)
Amortisation of debenture issuance cost	630	928
At 31 December	457,226	498,617

As at 31 December 2021, outstanding debentures comprise:

- 458,000 units with face value of Baht 1,000 per unit, unsubordinated and unsecured, totalling Baht 458 million, bearing interest of 4.10% per annum and mature on 15 November 2022.

The Company has to maintain financial ratios and other criteria as stipulated in the offering documents.

Borrowings from financial institutions

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	1,632,400	1,010,230	1,632,400	1,010,230
Cash items:				
Additions	887,666	600,000	587,666	600,000
Repayments	(494,070)	(227,830)	(462,820)	(227,830)
Non-cash items:				
Reclassification from short-term borrowings	150,000	250,000	150,000	250,000
At 31 December	2,175,996	1,632,400	1,907,246	1,632,400

Long-term borrowings carry interest rates ranging from MLR - 2.00% to MLR - 2.60% per annum, and BIBOR (3M) + 1.60% to + 1.75% per annum.

The weighted average effective rate of interest on long-term borrowings was 2.78% per annum (2020: 3.17% per annum).

Fair value

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

	Consolidated financial statements			
	Carrying amount		Fair value	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Total long-term borrowings	2,633,222	2,131,017	2,415,969	2,015,522
	Separate financial statements			
	Carrying amount		Fair value	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Total long-term borrowings	2,364,472	2,131,017	2,168,904	2,015,522

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

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Accrued property tax	128,927	274,118	58,650	152,116
Others	2,584	3,642	1,931	3,053
	131,511	277,760	60,581	155,169

20 Liabilities on land leases

Liabilities on land leases are due for settlement as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Within 1 year	198,406	180,532	151,278	142,047
Within 2 years but not later than 5 years	596,371	625,934	434,146	463,743
Later than 5 years	1,580,835	1,541,002	1,086,265	1,081,253
	2,177,206	2,166,936	1,520,411	1,544,996
	2,375,612	2,347,468	1,671,689	1,687,043

21 Unearned rental and service income

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Within 1 year	31,493	33,566	11,814	12,293
Within 2 years but not later than 5 years	430,102	304,742	359,329	233,970
Later than 5 years	195,202	215,492	37,648	40,236
	625,304	520,234	396,977	274,206
	656,797	553,800	408,791	286,499

22 Deferred income taxes

The movements of the deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
At 1 January	(1,321,767)	(1,167,638)	(377,393)	(406,983)
Charges to statements of comprehensive income	(1,870)	-	(1,870)	-
Charges to statement of profit or loss (Note 28)	(156,891)	(154,129)	(100,248)	29,590
At 31 December	(1,480,528)	(1,321,767)	(479,511)	(377,393)

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The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets	Consolidated financial statements			
	Deposit received from customers Baht'000	Unearned service income Baht'000	Others Baht'000	Total Baht'000
At 1 January 2020	15,719	12,168	11,681	39,568
Charges to statement of profit or loss	618	(845)	17,021	16,794
At 31 December 2020	16,337	11,323	28,702	56,362
At 1 January 2021	16,337	11,323	28,702	56,362
Charges to statements of comprehensive income	-	-	(1,870)	(1,870)
Charges to statement of profit or loss	429	(745)	35,080	34,764
At 31 December 2021	16,766	10,578	61,912	89,256

Deferred tax liabilities	Consolidated financial statements		
	Profit from finance lease contracts Baht'000	Investment property Baht'000	Total Baht'000
At 1 January 2020	132,689	1,074,517	1,207,206
Charges to statement of profit or loss	(8,264)	179,187	170,923
At 31 December 2020	124,425	1,253,704	1,378,129
At 1 January 2021	124,425	1,253,704	1,378,129
Charges to statement of profit or loss	(8,986)	200,641	191,655
At 31 December 2021	115,439	1,454,345	1,569,784

Deferred tax assets	Separate financial statements			
	Deposit received from customers Baht'000	Unearned service income Baht'000	Others Baht'000	Total Baht'000
At 1 January 2020	7,796	2,515	11,681	21,992
Charges to statement of profit or loss	209	(90)	17,022	17,141
At 31 December 2020	8,005	2,425	28,703	39,133
At 1 January 2021	8,005	2,425	28,703	39,133
Charges to statements of comprehensive income	-	-	(1,870)	(1,870)
Charges to statement of profit or loss	9	(54)	31,914	31,869
At 31 December 2021	8,014	2,371	58,747	69,132

Deferred tax liabilities	Separated financial statements		
	Profit from finance lease contracts Baht'000	Investment property Baht'000	Total Baht'000
At 1 January 2020	36,965	392,010	428,975
Charges to statement of profit or loss	(2,798)	(9,651)	(12,449)
At 31 December 2020	34,167	382,359	416,526
At 1 January 2021	34,167	382,359	416,526
Charges to statement of profit or loss	(4,252)	136,369	132,117
At 31 December 2021	29,915	518,728	548,643

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 separate statements of financial position as at 31 December:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Deferred tax assets	89,256	56,362	69,132	39,133
Deferred tax liabilities	(1,569,784)	(1,378,129)	(548,643)	(416,526)
Total deferred tax liabilities	(1,480,528)	(1,321,767)	(479,511)	(377,393)

23 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.

	Consolidated and Separate financial statements	
	2021 Baht'000	2020 Baht'000
Statement of financial position		
Retirement benefit obligations	33,292	59,113
Statement of comprehensive income		
Expenses included in operating profit	3,807	6,005
Remeasurements gains recognised in other comprehensive income	(9,352)	-

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The movement in the defined benefit obligation over the year is as follows:

	Consolidated and Separate financial statements	
	2021	2020
	Baht'000	Baht'000
At 1 January	59,113	53,108
Current service cost	3,202	4,862
Past service cost	225	-
Interest cost	380	1,143
	62,920	59,113
Remeasurements:		
Loss from change in demographic assumptions	432	-
Gain from change in financial assumptions	(6,224)	-
Experience gains	(3,560)	-
	(9,352)	-
Payment from plans:		
Benefit payment	(20,276)	-
At 31 December	33,292	59,113

The principal actuarial assumptions used were as follows:

	Consolidated and Separate financial statements	
	2021	2020
Discount rates	1.28%	1.31%
Salary growth rate	2%	6%
Retirement age	60 years old	60 years old
Pre-retirement mortality rate	100% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2017
Disability rate	5% of Thai Mortality Ordinary Table 2017	5% of Thai Mortality Ordinary Table 2017

Sensitivity analysis for each significant used is as follows:

		Impact to employee benefit obligations			
		Consolidated and Separate financial statements			
	Change in assumption	Increase in assumption		Decrease in assumption	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
Discount rate	1%	Decrease 1,742	Decrease 2,546	Increase 1,955	Increase 2,890
Salary growth rate	1%	Increase 1,937	Increase 3,347	Decrease 1,757	Decrease 3,012
Turnover rate	1%	Decrease 1,851	Decrease 2,718	Increase 419	Increase 756

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 has been applied as when calculating the retirement benefits 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.

Expected maturity analysis of undiscounted defined benefit obligation:

	31 December 2021	31 December 2020
Duration of the defined benefit obligation	5.61 years	6.70 years
	31 December 2021 Baht'000	31 December 2020 Baht'000
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 5 years	26,403	49,845
Benefits expected to be paid later than 5 years and not later than 15 years	17,426	32,394
Benefits expected to be paid later than 15 years	47,709	153,026

24 Share capital and share premium

	Ordinary share capital Baht'000	Share premium Baht'000	Total Baht'000
Issued and paid-up share capital			
At 1 January 2020	2,131,921	634,029	2,765,950
Issue of shares	-	-	-
At 31 December 2020	2,131,921	634,029	2,765,950
Issue of shares	-	-	-
At 31 December 2021	2,131,921	634,029	2,765,950

As at 31 December 2021, total authorised number of the ordinary shares is 2,131,929,050 shares with a par value of Baht 1 each (2020: 2,131,929,050 shares with a par value of Baht 1 each). Total issued and paid-up share capital is 2,131,920,931 shares with the paid-up of Baht 1 each (2020: 2,131,920,931 shares with a paid-up of Baht 1 each).

25 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	213,192,093	213,192,093	213,192,093	213,192,093
Appropriation during the year	-	-	-	-
At 31 December	213,192,093	213,192,093	213,192,093	213,192,093

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory 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. This reserve is not available for dividend distribution.

26 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Depreciation and amortisation	29,364	30,497	20,330	20,905
Staff costs	114,964	125,021	114,964	125,021

27 Finance costs

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Interest expenses				
- Debentures	20,396	22,405	20,396	22,405
- Long-term borrowings from financial institutions	73,168	61,962	65,752	57,010
- Bank overdrafts	42	3	42	3
- Bill of exchange	-	2,264	-	2,264
- Debenture issuance cost	630	928	630	928
- Loans from related parties	-	-	14,633	9,449
- Others	2,353	2,502	2,289	2,502
Total finance costs	96,589	90,064	103,742	94,561

28 Income tax

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Current tax charge	11,457	15,650	-	-
Deferred tax:				
Origination and reversal of temporary differences (Note 22)	156,891	154,129	100,248	(29,590)
Total income tax	168,348	169,779	100,248	(29,590)

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Profit before income tax	1,533,294	2,382,661	712,667	76,498
Tax calculated at a tax rate of 20% for the Company and 15% to 20% for subsidiaries	306,659	477,502	142,533	15,300
Tax effect of:				
Income not subject to tax	(135,783)	(304,905)	(39,396)	(42,996)
Expenses not deductible for tax purpose	1,787	1,801	813	822
Additional deductible expenses	(1,455)	(2,506)	(873)	(1,421)
Others	(2,860)	(2,113)	(2,829)	(1,295)
Income tax	168,348	169,779	100,248	(29,590)

29 Earnings per share

Earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit attributable to equity holders of the parent (Baht'000)	1,332,210	2,083,273	612,419	106,088
Weighted average number of paid-up ordinary shares in issue ('000 shares)	2,131,921	2,131,921	2,131,921	2,131,921
Basic earnings per share (Baht)	0.62	0.98	0.29	0.05

30 Dividends

2021

At the Annual General Shareholders Meeting held on 24 March 2021, the shareholders approved dividends in respect of 2020, in form of cash dividends amounting to Baht 0.20 per share totaling Baht 426.38 million. The dividends were paid to the shareholders on 19 April 2021.

2020

At the Annual General Shareholders Meeting held on 25 March 2020, the shareholders approved dividends in respect of 2019, in form of cash dividends amounting to Baht 0.22 per share totaling Baht 469.02 million. The dividends were paid to the shareholders on 16 April 2020.

31 Cash flows from operating activities

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

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Profit before income tax		1,533,294	2,382,661	712,667	76,498
Adjustments for:					
Depreciation and amortisation	26	29,364	30,497	20,330	20,905
Amortisation of prepaid rent		66	66	-	-
Interest income		(17,179)	(19,207)	(10,096)	(12,180)
Interest expense	27	96,589	90,064	103,742	94,561
Dividends income		-	-	(196,980)	(214,980)
Realised unearned rental and service income		(25,681)	(27,040)	(7,488)	(8,053)
Employee benefit obligations	23	3,807	6,005	3,807	6,005
Gain (loss) from adjustment on investment property, net	13	(538,719)	(469,039)	(361,979)	360,897
Loss on disposal of building and equipment		192	-	192	-
Share of profit from joint venture	12	(684,069)	(1,523,437)	-	-
Write-off of withholding tax		3,372	3,303	2,996	2,700
Changes in operating assets and liabilities:					
- short-term investment		-	15,000	-	15,000
- trade and other receivables		(6,358)	78,537	(8,219)	76,473
- finance lease receivables		37,806	37,824	23,454	23,190
- amounts due from related parties		(5,056)	(12,239)	(79,240)	(71,973)
- other current assets		1,130	7,773	1,196	(1,733)
- deposits for leasehold land		157	(1,626)	120	(1,475)
- other non-current assets		4,653	2,970	4,323	2,432
- trade and other payables		39,357	543	43,108	(13,057)
- amounts due to related parties		(6,105)	(3,396)	(9,308)	2,411
- other current liabilities		(146,245)	44,578	(94,585)	24,821
- unearned rental and service income		128,677	5,031	129,779	10,735
- deposit received from customers		(13,867)	(9,876)	(2,939)	3,833
- employee benefit obligations	23	(20,276)	-	(20,276)	-
Cash generated from operations		414,909	638,992	254,604	397,010

32 Financial risk management

32.1 Financial risk

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.

32.1.1 Foreign exchange risk

The Group operates the rental of building space and provision of utilities services in Thailand. Therefore, its operation does not based on foreign exchange rate and does not use any forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk of transactions in foreign currency.

32.1.2 Fair value interest rate risk

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. The Group is exposed to interest rate risk on its deposits at financial institutions, loans to related parties, short-term loans and long-term loans. The Group's financial assets and financial liabilities mostly carry the floating or fixed interest rates which close to the current market rate. The Group assess that interest rate risk is not material.

32.1.3 Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables.

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.

Impairment of financial assets

The Group has financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Finance lease receivables
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments or cannot be contacted.

Impairment losses on trade receivables is presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For the impairment assessment on loans to related parties, the Group measured it at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

32.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations. Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, Central World Company Limited, the parent company, has confirmed its intention to continue providing financial support to enable the Group to meet all obligations as they fall due. Therefore, the preparation of financial statements is based on accounting principles applicable to going concern basis.

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity of financial liabilities	Consolidated financial statements				
	Within 1 year Baht'000	2 - 5 years Baht'000	Over 5 years Baht'000	Total Baht'000	Carrying value Baht'000
As at 31 December 2021					
Short-term borrowings					
from financial institutions	1,060,000	-	-	1,060,000	1,060,000
Trade and other payables	227,240	-	-	227,240	227,240
Land leases liabilities	213,468	812,395	4,626,120	5,651,983	2,375,613
Long-term borrowings					
from financial institutions	490,136	1,608,190	77,670	2,175,996	2,175,996
Debenture	458,000	-	-	458,000	457,226
Total	2,448,844	2,420,585	4,703,790	9,573,219	6,296,075
Maturity of financial liabilities	Separate financial statements				
	Within 1 year Baht'000	2 - 5 years Baht'000	Over 5 years Baht'000	Total Baht'000	Carrying value Baht'000
As at 31 December 2021					
Short-term borrowings					
from financial institutions	1,060,000	-	-	1,060,000	1,060,000
Trade and other payables	156,113	-	-	156,113	156,113
Land leases liabilities	168,290	594,773	3,561,652	4,324,715	1,671,689
Long-term borrowings					
from financial institutions	415,136	1,414,440	77,670	1,907,246	1,907,246
Debenture	458,000	-	-	458,000	457,226
Total	2,257,539	2,009,213	3,639,322	7,906,074	5,252,274

32.2 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Group considers their capital levels from debt to equity ratio on a regular basis.

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- Interest bearing Debt to Equity ratio must be not more than 1.5 :1
- Debt Service Coverage Ratio must be not more than 1

The Group has complied with these covenants throughout the reporting period.

33 Financial assets and financial liabilities

As at 31 December 2021, all financial assets and financial liabilities of the Group are measured based on amortised cost.

34 Related party transactions

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

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

As at 29 August 2021 Siam Future Development Public Company Limited is an associate of Major Cineplex Group Public Company Limited which owns 30.36% of the Company's shares (31 December 2020: 29.13%). Therefore, all subsidiaries and associates of Major Cineplex Group Public Company Limited are related parties.

On 30 August 2021 Central Pattana Public Company Limited ("CPN") Group has entered into share purchase agreement to purchase the Company's shares from Major Cineplex Group Public Company Limited and other shareholders. Accordingly, Siam Future Development Public Company Limited is a subsidiary of CPN. As of 31 December 2021 CPN owns 96.89% of the Company's shares. Therefore, all subsidiaries and associates of CPN are related parties. The Group enters into transactions with related parties in the normal course of business. Significant transactions for 31 December 2021 are summarised as follows:

a) Revenues and expense

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Rental and service income				
Subsidiaries	-	-	-	560
Major Cineplex Group				
Public Company Limited	19,862	56,881	9,443	24,920
Central Pattana Group	31,700	-	21,690	-
	51,562	56,881	31,133	25,480
Management fee income				
Subsidiaries	-	-	48,264	53,521
Joint ventures	3,681	3,232	3,681	3,232
	3,681	3,232	51,945	56,753
Interest income				
Subsidiaries	-	-	-	606
Major Cineplex Group				
Public Company Limited	163	289	-	-
	163	289	-	606
Dividends income				
Subsidiaries	-	-	-	18,000
Joint ventures	-	-	196,980	196,980
	-	-	196,980	214,980
Cost of rental and service				
Subsidiaries	-	-	2,573	2,573
Administrative expense				
Major Cineplex Group				
Public Company Limited	7,830	12,611	7,526	12,177
Interest expense				
Subsidiaries	-	-	14,633	9,449

b) Amounts due from related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Subsidiaries	-	-	1,032,628	963,352
Joint venture	12,928	14,774	12,928	14,774
Major Cineplex Group Public Company Limited	-	630	-	-
Central Pattana Group	19,003	11,865	17,282	5,472
	31,931	27,269	1,062,838	983,598

c) Short-term loans to related parties

Movements of short-term loans to related parties and subsidiaries during the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance	12,800	12,800	-	1,200
Additions	-	-	-	100,600
Repayments received	(12,800)	-	-	(101,800)
Ending balance	-	12,800	-	-

Short-term loans to Major Cineplex Group Public Company Limited are repayable upon demand, bearing interest at the rate of 2.25% per annum (2020: 2.25% per annum).

d) Amounts due to related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Subsidiaries	-	-	16,946	20,784
Major Cineplex Group Public Company Limited	-	6,105	-	5,469
	-	6,105	16,946	26,253

e) Short-term loans from a subsidiary

Movements of short-term loans from a subsidiary during the years are as follows:

	Separate financial statements	
	2021	2020
	Baht'000	Baht'000
Beginning balance	882,200	717,800
Additions	134,200	402,900
Repayments	(133,600)	(238,500)
Ending balance	882,800	882,200

Short-term loans from subsidiaries represented unsecured loans, denominated in Thai Baht, and are repayable on demand. The loans bear interest at the rate between 0.25% to 2.80% per annum (2020: 0.58% to 2.50% per annum).

f) Unearned rental and service income

As at 31 December of 2021, the unearned rental and service income of a subsidiary includes unearned income received from Central Pattana Group Public Company Limited amounting to Baht 47.7 million (2020: Baht 64 million).

g) 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:

	Consolidated and Separate financial statements	
	2021 Baht'000	2020 Baht'000
Short-term benefits	12,677	15,487
Post-employment benefits	2,335	2,220
	15,012	17,707

35 Commitments and contingencies

Bank guarantees

As at 31 December 2021, the Group has outstanding letters of guarantee amounting to Baht 54.06 million (2020: Baht 53.97 million) issued by banks in respect of normal business operations.

36 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 presents investment property using cost method and excluding the effects of TFRS 16.

Profit and loss based on cost method of investment property for the year ended 2021 and 2020 are as follows:

	Consolidated financial statements	
	2021 Baht'000	2020 Baht'000
Revenues		
Rental and service income	906,416	1,101,755
Finance and interest income	17,179	19,207
Other income	39,745	20,038
Share of profit from joint ventures	330,292	425,522
Total revenues	1,293,632	1,566,522
Expenses		
Cost of rental and service	806,971	850,165
Selling and administrative expenses	207,256	231,048
Total expenses	1,014,227	1,081,213
Profit before finance costs	279,405	485,309
Finance costs	(95,180)	(88,398)
Profit before income taxes	184,225	396,911
Income taxes	31,037	9,182
Profit for the year	215,262	406,093

	Consolidated financial statements	
	2021	2020
	Baht'000	Baht'000
Profit before adjustments regarding investment property-net attributable to:		
Owners of the parent	207,756	397,831
Non-controlling interests	7,506	8,262
	215,262	406,093
Adjustments regarding investment property, net	1,149,684	1,806,789
Profit for the year after adjustments regarding investment property	1,364,946	2,212,882
Profit after adjustments regarding investment property-net attributable to:		
Owners of the parent	1,332,210	2,083,273
Non-controlling interests	32,736	129,609
	1,364,946	2,212,882
Timing of revenue recognition - Rental and service income		
At a point in time	19,151	42,681
Overtime	887,265	1,059,074
Total rental and service income	906,416	1,101,755

37 Post statement of financial position event

At the Extraordinary General Meeting of Shareholders No.1/2022 held on 10 February 2022, the shareholders had passed a resolution to approve the delisting of the Company's shares from being listed securities in The Stock Exchange of Thailand.

Attachment 1

Information of Directors, Management, Controlling Person, Chief Financial Officer, Accounting Controller, Company Secretary

1. Mr. Oranop Jantaraprapa

Age 74 years

Position Chairman

Shareholding 1.15%

Education

- M.B.A., East Texas State University, U.S.A.
- B.A. (Accounting), Chulalongkorn University
- The Role of Chairman Program (RCP) Class 2004, Thai Institute of Directors Association (IOD)

Experience

2002 – Present Chairman, Siam Future Development Plc.

1980 – 1990

- Vice President of Operation Division, Siam Cement Group
- President, SCT Computer Co., Ltd., - Computer
- President, Pan Supplies Co., Ltd., - Construction Material and Decoration
- Manager of Accounting Department, Manager of Trading Department, Manager of Finance Department, Siam Cement Trading Co., Ltd. - International Trading

2. Mr. Prin Chirathivat

Age 59 years

Position Vice Chairman and Authorized Director

Shareholding 0.00%

Education

- MBA (Business Management), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- B.A. in Accounting, Skidmore College, U.S.A
- Advanced Audit Committee Program (AACP) Class 39/2021
- Corporate Governance for Capital Market Intermediaries (CGI) Class 20/2018
- Monitoring Fraud Risk Management (MFM) Class 1/2009
- Monitoring of the Quality of Financial Reporting (MFR) Class 7/2009
- Monitoring of the Quality of Financial Reporting (MFR) Class 7/2009
- Monitoring the Internal Audit Function (MIA) Class 1/2007
- Monitoring the System of Internal Control and Risk Management (MIR) Class 1/2007
- Director Accreditation Program (DAP) Class 35/2005
- Audit Committee Program (ACP) Class 6/2005
- Role of the Chairman Program (RCP) Class 11/2005
- Director Certification Program (DCP) Class 2/2000
- Psychology Workshop Class 73, Institute of Security Psychology
- Graduate Diploma in Management of Public Economy Class 4, King Prajadhipok's Institute
- Capital Market Academy Leadership Program Class 1
- The Programme for Senior Executives on Justice Administration Class 13
- The Joint State-Private Sectors Course Class 22, National Defense College

Experience

2021– Present Vice Chairman, Siam Future Development Plc.

2014 - Present Member of the Risk Policy Committee, Central Pattana Plc.

2007 - Present Advisory of the Nomination and Remuneration Committee, Central Pattana Plc.

2006 – Present Director, Robinson Plc.

2004 - Present Steering Support Committee, Chiangrai Rajabhat University

3. Mr. Nopporn Witoonchart

Age 57 years

Position Director and Co-Chairman

Shareholding 0.01%

Education

- B.E. (Computer Engineering), King Mongkut's Institute of Technology
- Director Certification Program (DCP) Class 2005, Thai Institute of Directors Association (IOD)
- Top Executive Program (CMA #8), Capital Market Academy 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
- Top Executive Program in Advance Insurance Leadership – Class #6, Thailand Energy Academy 2016
- Top Executive Program in Tourism – (Gortorsor #1), Tourism Authority of Thailand
- Business Revolution and Innovation Network (BRAIN #1), The Federation of Thai Industries
- Academy of Business Creativity (ABC #8), Sripatum University 2019

Experience

1994 – Present Director, Chairman of Executive Committee, Siam Future Development Plc.

1994 – Present Managing Director, Siang Somboon Co., Ltd.

1990 – Present Executive Director, Witoon Holding Co., Ltd.

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

4. Mr. Preecha Ekkunagul

Age 64 years

Position Director and Authorized Director

Shareholding 0.00%

Education

- M.Eng., Asian Institute of Technology
- B.Sc. in Chemical Engineering, Chulalongkorn University
- Director Certification Program (DCP) Class 62/2005
- Director Accreditation Program (DAP) Class 8/2004
- Capital Market Academy Leadership Program Class 7
- Advanced Management Program, Executive Course, Harvard Business School, Harvard University, U.S.A.

Experience

2021 – Present Director, Siam Future Development Plc.

2014 - Present Director, President & CEO, Member of the Risk Policy Committee, Central Pattana Plc.

5. Ms. Wallaya Chirathivat

Age 60 years

Position Director, Co-Chairman and Authorized Director

Shareholding 0.00%

Education

- MBA, University of Hartford, U.S.A.
- B.A .in Business Management, University of California, Los Angeles)UCLA(, U.S.A.
- Director Certification Program (DCP) Class 251/2018
- Business Revolution and Innovation Network (BRAIN) Class2 , The Federation of Thai Industries
- Advanced Management Program, Executive Course, Harvard Business School, Harvard University, U.S.A.
- PoompalungPandin Class 3, Chulalongkorn University
- The Joint State-Private Sectors Course Class 25, National Defense College
- Capital Market Academy Leadership Program Class 10

Experience

2021 – Present Director, Co-Chairman and Authorized Director, Siam Future Development Plc.

2018 - Present Deputy Chief Executive Officer, Central Pattana Plc.

2017 - Present Director, CPN REIT Management Co., Ltd.

2011 - 2018 Senior Executive Vice President, Business Development and Project Construction, Central Pattana Plc.

6. Mr. Suthipak Chirathivat

Age 60 years

Position Director and Authorized Director

Shareholding 0.00%

Education

- Executive MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Mini MBA, Faculty of Commerce and Accountancy, Chulalongkorn University
- Mini MBA)Property(, Faculty of Architecture, Chulalongkorn University
- B.A in Political Science, Ramkhamhaeng University
- Director Certification Program (DCP) Class 12/2011
- Advanced Management Program, Executive Course, Harvard Business School, USA
- The Joint State-Private Sectors Course Class 24, National Defense College
- Capital Market Academy Leadership Program Class 8
- The Executive Program in Energy Literacy for a Sustainable Future (TEA) Class 5
- Politics and Governance in Democratic Systems for Executives (PPR 19), King Prajadhipok's Institute
- Top Executive Program in Commerce and Trade (TEPCoT 10)
- Thammasat World Leadership Program (TWLP 1)
- Business Revolution and Innovation Network (BRAIN) Class 3, The Federation of Thai Industries

Experience

2021 – Present Director, Authorized Director, Siam Future Development Plc.

2021 – Present Director, Central Pattana Plc.

2015 - Present Senior Executive Vice President, Office of the President, Central Pattana Plc.

7. Ms. Naparat Sriwanvit

Age 49 years

Position Director and Authorized Director

Shareholding 0.00%

Education

- Certified Public Accountant (CPA), Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- M.A., Faculty of Commerce and Accountancy, Thammasat University
- B.A., Faculty of Commerce and Accountancy, Chulalongkorn University
- Director Certification Program (DCP) Class 276/2019
- Company Secretary Program (CSP) Class 2/2002
- Finance for Executives Program, INSEAD Business School, France
- Capital Market Academy Leadership Program Class 26

Experience

2021 – Present Director, Authorized Director, Siam Future Development Plc.

2018 - Present Chief Executive Officer (Acting) and Executive Director, Grand Canal Land Plc.

2017 - Present Director, CPN REIT Management Co., Ltd.

2015 - Present Senior Executive Vice President, Finance, Accounting and Risk Management, Central Pattana Plc.

8. Mr. Pandit Mongkolkul

Age 59 years

Position Director

Shareholding 0.00%

Education

- M.A., Finance and International Business, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- B.A., Faculty of Commerce and Accountancy, Chulalongkorn University
- Director Certification Program (DCP) Class 2003
- Capital Market Academy Leadership Program Class 2007
- Thai Professional Finance Academy (ThaiPFA) Class 2012

Experience

2021 – Present Director, Siam Future Development Plc.

2021 – Present Consultant of Nomination and Remuneration Committee, Grand Canal Land Plc.

2018 – Present Director, Rama 9 Square Co., Ltd., G Land Property Management Co., Ltd., Belle Development Co., Ltd., Belle Assets Co., Ltd., Rama 9 Square Hotel Co., Ltd., Sterling Equity Co., Ltd.

9. Mrs. Nantiya Montriwat

Age 73 years

Position Chairman of the Audit Committee and Independent Director

Shareholding 0.00%

Education

- M.A. (Actuarial Science), University of Manitoba, Canada
- B.A. (Statistics), Chulalongkorn University
- Director Certification Program (DCP) Class 2000, Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) Class 2005, Thai Institute of Directors Association (IOD)

Experience

2003 – Present Chairman of the Audit Committee and Independent Director, Siam Future Development Plc

2008 – Present Director, Thai Samut Asset Co., Ltd.

2007 – Present Chairman, Muang Thai Management Security Guard 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.

1999 – 2004 Director, Muang Thai Holding Co., Ltd.

10. Mrs. Sabaithip Suntaros

Age 74 years

Position Member of Audit Committee and Independent Director

Shareholding 0.00%

Education

- B.A. (Accounting), Chulalongkorn University
- Director Accreditation Program (DAP) Class 2005, Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) Class 2005, Thai Institute of Directors Association (IOD)

Experience

2003 – Present Member of Audit Committee and Independent Director, Siam Future Development Plc

2009 – 2016 Independent Director, Hua Seng Heng Gold Future Co., Ltd.

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.

11. Mr. Pracha Phathayakorn

Age 58 years

Position Member of Audit Committee and Independent Director

Shareholding 0.00%

Education

- M.A., Finance and International Business, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- B.A., Faculty of Commerce and Accountancy, Chulalongkorn University
- Director Accreditation Program (DAP) Class 2005, Thailand Institute of Director Association (IOD)
- Audit Committee Program (ACP) Class 2006, Thailand Institute of Director Association (IOD)
- Monitoring the Quality of Financial Reporting (MFR) Class 2007, Thailand Institute of Director Association (IOD)
- Monitoring the System of Internal Control and Risk Management (MIR) Class 2008, Thailand Institute of Director Association (IOD)
- Monitoring the Internal Audit Function (MIA) Class 2008, Thailand Institute of Director Association (IOD)
- Director Certification Program (DCP) Class 2009, Thailand Institute of Director Association (IOD)
- Investment Banking License, Association of Securities Companies

Experience

2021 – Present Member of Audit Committee and Independent Director, Siam Future Development Plc

2013 – Present Director, Artha Property Co., Ltd.

2011 – 2018 Director and Vice President, Samart Corporation Plc.

12. Mr. Woravit Chailimpamontri

Age 53 years

Position Member of Audit Committee and Independent Director

Shareholding 0.00%

Education

- M.B.A. in International Business, Schiller International University, London, England
- B.A. (Marketing), Bangkok University
- Director Certification Program (DCP) Class#100/2008 and Advanced Audit Committee Program (AACP) Class#28/2020, Thai Institute of Directors Association (IOD)
- Top Executive Program (CMA#8), Capital Market Academy 2009
- Top Executive Program in Commerce and Trade (TEPCoT#3), Commerce Academy 2010
- Top Executive Program in Politics and Governance in Democratic Systems (Class#14), King Prajadhipok's Institute 2011
- Certificate of Housing Finance Program at the Wharton School, University of Pennsylvania 2012
- The Programme for Senior Executives on Justice Administration (Class#16), National Justice Academy, Office of Judiciary 2013
- Top Executive Program in Energy Literacy for a Sustainable Future (Class#4), Thailand Energy Academy (TEA) in 2014
- Top Executive Program in Metropolitan Management and Development (Mahanakorn Class#4), Institute of Metropolitan Development, Navamindradhiraj University in 2015
- Public Order Management Program (Class#3), Police Education Bureau 2016
- Thailand Insurance Leadership Program (Class#6) Office of Insurance Commission (OIC) 2017

Experience

2021 – Present Member of the Audit Committee and Independent Director, SENA Development Plc.

2018 – Present Member of the Audit Committee and Independent Director, Siam Future Development Plc.

2018 – Present Director and Independent Director, 2S Metal PLC.

2017 – Present Director and Chairman of the Audit Committee and Independent Director, National Power Supply Plc.

2017 – Present Director and Executive Director, International Research Corporation Plc.

2015 – Present Director, Thailand-Cambodia Friendship Association

13. Mr. Kittinanth Sumruatruamphol

Age 59 years

Position Chief Financial Officer

Shareholding 0.00%

Education

- M.A., Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- B.A. Computer Science Boston University, Massachusetts, USA
- Director Accreditation Program (DAP) Class 2004, Thai Institute of Directors Association (IOD)

Experience

2009 – Present	Chief Financial Officer, Siam Future Development Plc.
2005 – 2008	Director of Research Hunters Investments
2004 – 2005	Consultant, Haad Thip Plc.
2003 – 2004	Chief Investment Officer, SCB Asset Management
2002 – 2003	Vice President, SCB Asset Management
1997 – 2002	Head of Thailand Research Thailand / Indonesia / Philippines Strategist Vice President / Senior Analyst, Salomon Smith Barney Company

Remark: There is no relative between each directors and their family

Company Secretary

Mr. Rattipoom Sutapakul

Age 39 years

Position: Assistant Vice President of Internal Audit Division and Company Secretary

Shareholding: 0%

Education

- Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Certified in Tax Law, Faculty of Law, Thammasat University
- Certified Professional Internal Audit of Thailand (CPIAT)
- Certified Internal Auditor (CIA)
- Certified in Control Self-Assessment (CCSA)
- Certified Information Systems Auditor (CISA)
- Internal Auditing Certificate Program (IACP)
- Certified Professional Internal Audit of Thailand Program (CPIAT) Class 12
- Internal Auditing Certificate Program (IACP) Class 11

Experience

2019 – Present Company Secretary, Siam Future Development Plc.

2009 – Present Assistant Vice President of Internal Audit, Siam Future Development Plc.

2007 – 2009 Senior Auditor, Deloitte Touche Tohmatsu Jaiyos Co.,Ltd.

2004 – 2007 Senior Auditor, KPMG Phoomchai Co.,Ltd.

Attachment 2

Directors in Subsidiaries Companies

	Petchkasem Power Center Ltd.	Ekkamai Lifestyle Center Ltd.	Siam Future Property Ltd.	Ratchayothin Avenue Ltd.	Ratchayothin Avenue Management Ltd.	Siam Future Management Ltd.	SF Development Ltd.	North Bangkok Development Ltd.	West Bangkok Development Ltd.
1. Mr. Prin Chirathivat	x / //	x / //	/ //	x / //	x / //	/ //			
2. Ms. Wallaya Chirathivat	/ //	/ //	x / //	/ //	/ //	x / //			
3. Mr. Chart Chirathivat	/ //	/ //	/ //			/ //			
4. Ms. Naparat Sriwanvit			/ //			/ //			
5. Mr. Visal Koonvisal	/ //	/ //							
6. Mr. Anon Koonvisal		/ //							
7. Mr. Channarong Sestapruks		/ //							
8. Mr. Vicha Poolvaraluk				/ //	/ //				
9. Mr. Thanakorn Puriwekin				/ //	/ //				
10. Mr. Chanavat Uahwatanasakul							x / //	x / //	x / //
11. Mr. Isareit Chirathivat							/ //	/ //	/ //
12. Mr. Kittinanth Sumruatruamphol							/ //	/ //	/ //
13. Mr. Sebastian Hylving								/ //	/ //
14. Mr. Christian Rojkjaer							/ //	/ //	/ //
15. Mr. Lee Hartigan							/ //	/ //	/ //
16. Mr. Adrian Mirea							/ //		

Remark X = Chairman / = Director // = Executive Director

Attachment 3

Information of Head of Internal Audit and Head of Corporate Governance of Company

Mr. Rattipoom Sutapakul

Age 39 years

Position: Assistant Vice President of Internal Audit Division

Shareholding: 0%

Education:

- Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Certified in Tax Law, Faculty of Law, Thammasat University
- Certified Professional Internal Audit of Thailand (CPIAT)
- Certified Internal Auditor (CIA)
- Certified in Control Self-Assessment (CCSA)
- Certified Information Systems Auditor (CISA)
- Internal Auditing Certificate Program (IACP)
- Certified Professional Internal Audit of Thailand Program (CPIAT) Class 12
- Internal Auditing Certificate Program (IACP) Class 11

Experience:

2019 – Present Company Secretary, Siam Future Development Plc.

2009 – Present Assistant Vice President of Internal Audit, Siam Future Development Plc.

2007 – 2009 Senior Auditor, Deloitte Touche Tohmatsu Jaiyos Co.,Ltd.

2004 – 2007 Senior Auditor, KPMG Phoomchai Co.,Ltd.

Duties and Responsibilities of Company Secretary:

1. Coordinating duties in procuring a meeting place for the Board of Directors and organizing the company's shareholders' meeting coordinate with the Managing Director to set the meeting agenda and prepare such meeting invitation letters and coordinate with all directors of the Company for meeting arrangements. Prepare documents for meeting agendas. Take notes of all meeting minutes. Coordinate relevant parties to clarify or provide information to the meeting on each agenda of the meeting.
2. Responsibilities to act according to the resolutions of the Board of Directors' meeting or the resolution of the shareholders' meeting regarding the change in the Company's registration.

3. The duty of giving advice to the Board of Directors in respect of compliance with rules and regulations, etc.
4. The duty of preparing the Company's annual report to propose to the shareholders' meeting on the meeting date.
5. Have duties as a share registrar for affiliated companies.
6. Serves as Investor Relations to provide information to investors and to advise executives on the disclosure of information to the public.

Attachment 4

Assets used in the business operation and details of the assets appraisal list

Important characteristics of the principle tangible assets of the company and subsidiary

Land

Company purchased land to be used in the development of two projects, which are The Avenue Ratchayothin project, and Mega Bangna project. In addition, most of the land in which the company's projects are located have long-term lease with the landowner. Building, constructed by the company on the leased land, will either become the property of the landowner or must be removed/demolished from the area after the lease contract has expired, depending on the case.

Leasehold and improvement fee of leasehold and building in the leased property

Principle assets used in the business operation of the company are long-term leasehold, investment in the development of leased land (leasehold improvement) and building in which the company built on the leased land, and the utilities system.

Since 2020, the company has changed the accounting record procedure from cost method to that of accounting standard number 40 regarding investment property. Real estate assets owned by the company for the purpose of rental income shall be displayed in fair value as appraised by an independent appraiser in order for the fair value to reflect the real market condition. The said fair value is calculated from estimation of cash flow throughout the lease term discounted to the present value as shown in the financial statement as "investment property."

Land and long-term land lease contract of the company recorded according to the cost method have important details as shown in the following table.

Table displaying assets: land, leasehold, and improvement fee of leasehold and building in the leased property of the company
(Cost Method) as of 31 December 2021

	Project	Types of ownerships	Period (Year–Month–Day)	Commencement Date of Lease Contract	Expiry Date of Lease Contract	Net Book Value (Baht)					Obligation
						Land	Leasehold and Improvement fee of leasehold	Building and Improvement part of leased building and utilities system	Decorations and Office Equipment	Total	
1	Market Place Bangbon ¹	LT lease	30 – 0 – 0	September 2, 1994	September 1, 2024	-	3,297,319	22,178,126	403,025	25,878,470	None
2	Market Place Sukaphiban 3 ²	LT lease	20 – 0 – 0	July 1, 2017	June 30, 2037	-	65,788,774	95,449,173	1,263,281	162,501,228	None
3	Market Place Pracha Utit ²	LT lease	30 – 0 – 0	November 24, 1994	November 23, 2514	-	3,350,901	5,231,902	361,749	8,944,552	None
4	Market Place Thonglor ¹	LT lease	32 – 0 – 0	December 28, 2017	December 27, 2049	-	561,110,401	516,226,184	931,020	1,078,267,606	None
5	J Avenue (Thonglor 15) ¹	LT lease	21 – 0 – 0	December 23, 2003	December 22, 2024	-	7,914,968	53,863,297	2,885,212	64,663,477	None
6	Market Palce Nawamin ¹	LT lease	30 – 0 – 0	August 16, 2007	August 15, 2037	-	289,033	104,190,698	1,109,110	105,588,841	Collateral in borrowing, long-term loan with credit limit of 450 million baht
7	Petchkasem Power Center ^{1,3}	LT lease	30 – 0 – 0	September 1, 2005	August 31, 2035	-	49,199,141	339,940,344	3,259,208	392,398,692	None
8	Ekkamai Power Center ^{1,3}	LT lease	30 – 0 – 0	September 1, 2005	August 31, 2035	-	2,116,432	157,789,977	3,091,931	162,998,340	None
9	Esplanade (Ratchadapisek) ^{2,3}	LT lease	27 – 6 – 0	February 4, 2004	March 11, 2040	-	448,880,108	726,472,045	10,289,411	1,185,641,564	None
10	La Villa (Aree) ¹	LT lease	30 – 0 – 0	March 1, 2006	April 2, 2036	-	61,711,415	91,425,071	1,858,304	154,994,790	Collateral in borrowing, long-term loan with credit limit of 350 million baht
11	The Avenue Ratchayothin ⁴	Free Hold		March 12, 2007		518,051,245		2,239,840		520,291,086	None
12	Pattaya Avenue ¹	LT lease	30 – 0 – 0	April 8, 2005	April 7, 2035	-	33,756,854	322,140,827	2,831,836	358,729,518	None
13	Nawamin City Avenue ¹	LT lease	30 – 0 – 0	August 15, 2008	August 14, 2038	-	135,258,489	186,387,878	2,353,763	324,000,132	None
14	Meng Jai ¹	LT lease	10 – 0 – 0	July 1, 2014	June 30, 2024	-	58,078			58,078	None
15	Market Place Nanglinchee ¹	LT lease	30 – 0 – 0	January 1, 2018	December 31, 2047	-	100,614,287	515,573,989	5,562,117	621,750,392	Collateral in borrowing, long-term loan with credit limit of 450 million baht
16	Market Place Dusit ^{1,2}	LT lease	30 – 0 – 0	January 10, 2019	January 9, 2049	-	35,442,515	234,733,013	3,029,781	273,205,309	None

	Project	Types of ownerships	Period (Year– Month– Day)	Commencement Date of Lease Contract	Expiry Date of Lease Contract	Net Book Value (Baht)					Obligation
						Land	Leasehold and Improvement fee of leasehold	Building and Improvement part of leased building and utilities system	Decorations and Office Equipment	Total	
17	Market Place Krungthep Kreeta ^{1,2}	LT lease	21 – 2 – 0	June 9, 2020	August 8, 2041	-	15,163,035	142,301,256	4,048,225	161,512,516	Collateral in borrowing, long-term loan with credit limit of 450 million baht
	Total					518,051,245	1,523,951,751	3,516,143,622	43,277,974	5,601,424,592	

Note:

- 1 Ownership of building and construction sites and/or component parts of the land will become the rights of the landlord
- 2 Company must remove/demolish and/or transport construction sites and/or other equipment out of the leased area when the lease contract expires
- 3 Subsidiaries such as Petchkasem Power Center Co., Ltd., Ekkamai Power Center Co., Ltd., Siam Future Property Co., Ltd., Ratchayothin Avenue Co., Ltd., and Ratchayothin Avenue Management Co., Ltd.
- 4 Ratchayothin Avenue Co., Ltd. sold building and utilities system to Major Cineplex Lifestyle Leasehold Property Fund (MJLF) on December 29, 2010.
- 5 Does not include net book value of Mega Bangna Shopping Mall because the company holds 49% share of the joint venture company.

Since 2020, the company has changed the accounting record procedure from cost method to that of accounting standard number 40 regarding investment property. Real estate assets owned by the company for the purpose of rental income shall be displayed in fair value as appraised by an independent appraiser in order for the fair value to reflect the real market condition. The said fair value is calculated from estimation of cash flow throughout the lease term discounted to the present value.

Main characteristics, conditions, main intangible assets in the business operation of the company and subsidiaries

Main intangible assets of the company are goodwill and rights to use computer program.

Investment policy of the subsidiaries and associated companies

The company does not show profit from investment according to Equity Method in the financial statement which ended on 31 December 2006 because the company changed the accounting recording method of subsidiaries and associated companies of separate financial statement from Equity method to Cost method in order to be in accordance with the accounting standard number 44 (Amendment in 2006) regarding financial statement and accounting for investment in subsidiaries, and number 45 (Amendment in 2006) regarding investment in associated companies, which is effective starting from 1 January 2007. Investment policy of subsidiaries will be mainly considered from economic condition and investment return. Investment projects must go through consideration of the company's board of directors' meeting and/or shareholders' meeting according to the scope of approval authorization as specified and limited only to the main business or business related to the main business of the company. By investing in the subsidiaries, the company holds more than 50% share of the subsidiaries, therefore the management policy of the subsidiaries will be according to the policy of the company, and the executives of the subsidiaries are the same committee as the company.

Attachment 5
Corporate Governance Policy and Practice and Code of Conduct

-In Process-

Attachment 6

Audit Committee Report

Dear Shareholders of Siam Future Development PLC.

The Audit Committee of Siam Future Development Public Company Limited consists of four independent directors. In 2021 there were four meetings 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.

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. Nantiya Montriwat)

Chairman of the Audit Committee



SIAM FUTURE DEVELOPMENT PLC.

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