



SIAM FUTURE DEVELOPMENT PUBLIC CO., LTD.

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Message from the Board of Directors

Following a continuous opening of shopping centers in major community areas in Bangkok since Year 2003, the shopping center space managed by the Company has increased to 96,837 square meters in Year 2005 from 36,972 square meters and 63,379 square meters in Year 2003 and Year 2004, respectively. Together with the project area totaling 131,964 square meters currently under construction which will be opened in 2006, such growth demonstrated a tremendous expansion during the past 3 years. This success was attributable to trust and confidence in the Company in managing open shopping center which well brought about an acceptance from tenants and customers of the Company's shopping centers, particularly Thong Lor 15 or J-Avenue shopping center which has successfully gained acceptance and become perceived as another meeting point of the new generation.

In Year 2005, the Company opened 2 large-scale shopping center projects called Power Center, namely Phetchakasem Power Center on Petchakasem Soi 65 and Ekkamai Power Center on Ekkamai Soi 6 – 8. Additionally, the Company will open another large-scale shopping center called Esplanade Ratchadapisek project at the end of Year 2006. This shopping center project will focus on a combination of entertainment and cultural arts which will be different from other shopping centers in Ratchadapisek area.

Over the last financial year, Baht 475.3 million of revenue, a decrease of 25.3% from Year 2004, were generated. Net income of Baht 107.5 million was recorded in Year 2005, 48.8% lower than that of the previous year. Such decline in revenue resulted from a drop in location procurement fee as the Company was in a process of completing various projects and, therefore, delaying sourcing new projects.

In Year 2005 and the following years the Company continues to commit to a continual development of the Company and its shopping centers through total quality management philosophy throughout the organization according to the good corporate governance which will provide a sustainable benefit to the shareholders.

The Board of Directors believes that with its commitment in ethics and good corporate governance in doing business and transparent professional management approach, the Company will be able to grow steadily and will provide a beneficial return in a long run.

The Board of Directors would like to convey an appreciation to supporters, shareholders, suppliers, customers, financial advisors, financial institutions and staffs for their utmost support which brought a grateful success to the Company over the past years and will carry on throughout the future.

(Mr. Oranop Jantaraprapa)

Chairman



Audit Committee Report

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

1. Ms. Nantiya Montriwat Chairman of the Audit Committee
2. Mr. Dusit Nontanakorn Member of the Audit Committee
3. Ms. Sabaithip Suntaros Member of the Audit Committee

During the Year 2005 the Audit Committee has convened 6 meetings and performed its duties assigned by the Board of Directors pursuant to the principles of good corporate governance guideline of the Stock Exchange of Thailand. Major tasks included a review of financial statement to ensure its compliance with accounting standard and the review of internal control system to ensure that the Company's operation is transparently conducted in an efficient and effective manner as well as in compliance with the Company's regulations and other related laws and regulations. Its tasks also included a monitoring of the operation to ensure that there is no conflict of interest as well as proposing the appointment of the Company's auditor.

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

The Audit Committee has considered and agrees to appoint Mr. Kajornkiet Aroonpirodkul, Certified Public Accountant (Thailand) No. 3445, Ms. Nattaporn Phan-Udom, Certified Public Accountant (Thailand) No. 3430, and Mr. Boonmee Ngotngamwong, Certified Public Accountant (Thailand) No. 3673, under the name of PricewaterhouseCoopers ABAS Limited as the Company's auditors and to have one of these persons conduct the audit and provide opinion on the Year 2006 financial statements of the Company.

(Ms. Nantiya Montriwat)

Chairman of the Audit Committee



General Information

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

Presently the company owns altogether 24 operating projects increasing from last year 3 new projects as follows:

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

Additionally, we have 4 underconstruction projects which will open within 2006-2007 as follows:

1. Lifestyle Center: The Avenue Chaeng Watthana, Phahonyothin, and Pattaya
2. Lifestyle & Entertainment Center: Esplanade Ratchada

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

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



Company Profile

Siam Future Development Public Company Limited

Registration No. : 40854500691

Registration Date: August 13, 2002

Address: 7/5 Moo 1 Ramkhamhaeng Road, Saphansoong,
Bangkok, Thailand 10240.

Tel.: 0-2729-4969

Fax: 0-2729-4968

Website: <http://www.siamfuture.com>

Registered Capital: 500 Million Baht with 500 Million ordinary shares, par value of Baht 1 each.

Issued and Paid-up Capital: 424.12 Million Baht with 424.12 Million ordinary shares, par value of Baht 1 each.

Vision

To be Number one mid size mall developer and a leader of new concept and innovation in Thailand.

Membership of International Organization

Member of International Council of Shopping Center (ICSC)

Other Reference Persons

1. Securities Registrar: Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building,
4th , 7th Floors Rachadapisek Road,
Klongtoey, Bangkok 10110
Tel.: 0-2359-1200-01
Fax: 0-2359-1259
2. External Auditors: Mr. Somchai Kurujitkosol, Certified Public Accountant No. 3277
S.K. Accountant Services Company Limited
128/151 Phayathai Plaza Building
14th Floor Phayathai Road, Thung Phayathai
Ratchatewee, Bangkok ,Thailand 10400
Tel : 0-2214-6464, 0-2214-6465-70
Fax: 0-2215-4772, 0-2214-6065
3. Bond Representative: TMB Bank public Company Limited
393 TMB Bank public Company Limited, Silom Soi 7
Bangrak, Bangkok, Thailand 10500
Tel : 0-2230-6295 Fax : 0-2230-6093



Major Accomplishments of the Company

1994	<ul style="list-style-type: none">⦿ Siam Future Development Public Company Limited was established with a purpose to conduct an open shopping center development and management services.	2003	<ul style="list-style-type: none">⦿ The 5th and 6th neighborhood shopping centers were opened in Thong Lor and Thung Mahamek with Tops Supermarket as the anchor tenant.⦿ Registered capital was increased to Baht 500 million. Major Cineplex Group Public Company Limited became one of the shareholders with 25% shareholding.⦿ The Company was granted an approval from the SET to transfer its listing from the MAI to the SET on 12 December 2003 and became effective on 1 January 2004.
1995	<ul style="list-style-type: none">⦿ The Company's first neighborhood shopping center was opened in Bang Bon with JUSCO as the anchor tenant.	2004	<ul style="list-style-type: none">⦿ Acquired The Family Center Chaeng Watthana and Piyarom Park⦿ Set up 3 subsidiaries - Petch Kasem Power Center Co., Ltd., Ekkamai Lifestyle Center Co., Ltd. and Siam Future Property Co., Ltd.⦿ Ladprao Soi 120 Convenience Center was opened.⦿ SF Major Cineplex Cha Choeng Sao, the 1st Power Center, was opened with Major Cineplex as an anchor tenant.⦿ J Avenue Thonglor 15, the 1st Lifestyle Center, was opened with Villa Market as an anchor tenant.
1996	<ul style="list-style-type: none">⦿ The 2nd and 3rd neighborhood shopping centers were opened in as the Pracha Uthit and Sukhapiban 3 with JUSCO and Tops Supermarket anchor tenants, respectively.		
1997	<ul style="list-style-type: none">⦿ Registered capital was increased to Baht 20 million.⦿ The 4th neighborhood shopping center was opened on Sukhumvit 71 with JUSCO as the anchor tenant.		
2000	<ul style="list-style-type: none">⦿ 14 branches of B-Quik were opened in Bang Bon, PrachaUthit, Sukhapiban3, Sukhumvit71, Ram Indra K.M. 2, Wang Hin, Ratchadaphisek-Huay Kwang, Ratchadaphisek, Rama III, Sathorn, Pattanakarn, Bang Kae, Phaholyothin K.M. 27, Meng Jai and Tapra.		
2002	<ul style="list-style-type: none">⦿ The Company's status was transformed to a public company and the registered capital increased to Baht 150 million, Baht 71 million of which being paid-up capital at par value of Baht 1 per share⦿ The Company was listed on the MAI on 17 December 2002.	2005	<ul style="list-style-type: none">⦿ Issued the Baht 1 Billion 5-year Debenture with Credit rating of BBB+⦿ Wanghin Lotus Express was opened.⦿ Petchkasem Power Center and Ekkmai Power Center were opened.



Financial Highlights

Siam Future Development Public Company Limited
For the fiscal year ended 31 December

Thousand Baht	2005	2004	Change	
			2005/2004	2004/2003
Total Assets	3,166,121	1,663,046	90.4%	90.6%
Total Liabilities	2,269,376	802,991	182.6%	84.9%
Registered Capital	500,000	500,000	0.0%	0.0%
Shareholders' Equity	896,745	860,055	4.3%	96.2%
Total Revenues	475,298	636,153	-25.3%	277.0%
Recurring Income**	338,658	213,153	58.9%	50.9%
Gross Profit	227,636	483,033	-52.9%	479.7%
Net Profit	107,556	210,373	-48.9%	488.2%
Book Value per share (Baht)	2.11	2.13		
Dividend per share (Baht)	0.10 ¹	0.30		
Profit Margin	22.63%	33.07%		
Return on Equity (ROE)	11.99%	24.46%		
Return on Asset (ROA)	3.40%	12.65%		
Interest Bearing Debt to Equity Ratio	1.50	0.01		
Gross Leasable Area (sq.m.)	96,837	63,379	52.8%	71.4%

Note

* The Company Only

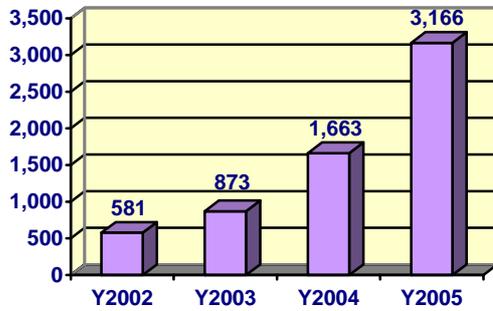
** Recurring Income consists of Rental Income, Service Income, Utilities Income, and Other Income.

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



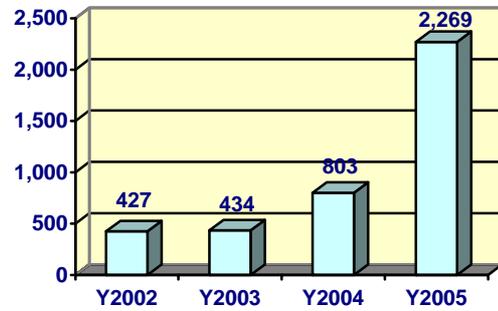
Total Assets

Million Baht



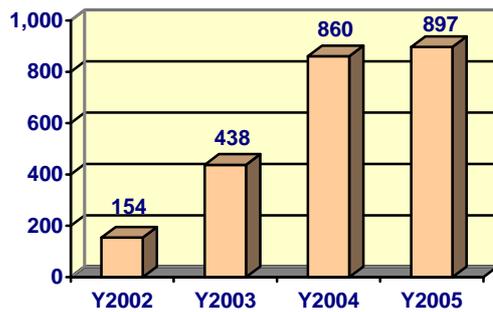
Total Liabilities

Million Baht



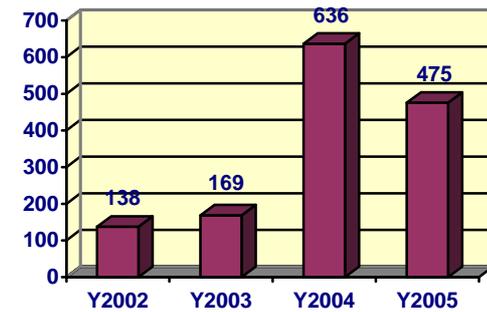
Shareholders' Equity

Million Baht



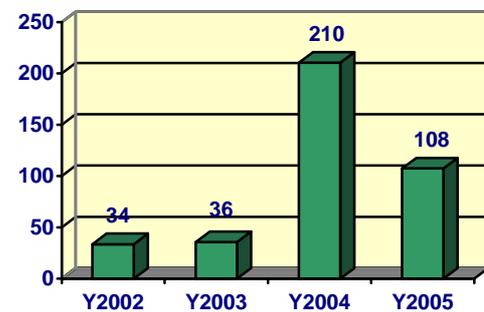
Total Revenues

Million Baht



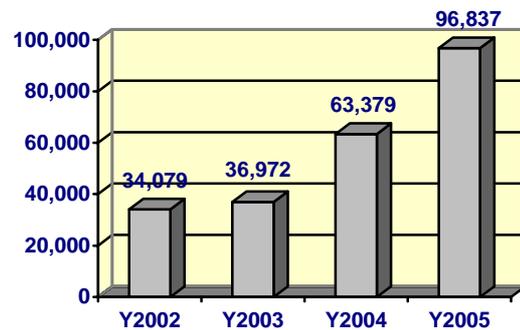
Net Profit

Million Baht



Gross Leasable Area

sq.m.





Explanation and Analysis on the Financial Status

Financial Status

Total Assets

As at 31 December 2005 the Company's total assets stood at Baht 3,166.1 million, an increase of Baht 1,503.1 million or 90.3% from Year 2004 figure. The increment of the Company's total assets consisted of Baht 23.8 million increase in accounts receivable, being rental & service receivables and rental deposit receivable of Petchakasem Power Center. It also comprised Baht 1,495.7 million increase in net land, building and equipment, Baht 388.7 million of which being derived from new projects having commenced operation such as Petchakasem Power Center project and Ekamai Power Center project and Baht 1,188.4 million from the projects under construction, i.e. The Esplanade Ratchadapisek project, La Villa Phaholyothin project and The Avenue Pattaya project. In addition, goodwill rose by Baht 46.8 million since an investment cost of the shares in subsidiary company was greater than the book value. Deposit for land lease and service also rose by Baht 10.1 million as a result of the increase in rental deposit for bowling equipment at Piyarom Place project and rental deposit of La Villa Phaholyothin project.

Total Liabilities

As at 31 December 2005, the Company's total liabilities stood at Baht 2,269.4 million, increasing by Baht 1,466.4 million or 182.6% from Year 2004 figure. In order to respond to funding requirement for a significant expansion during the Year 2005, the Company issued 5-year debentures amounting to Baht 1,000 million. The fund received from the debenture issuance was used in the development of The Esplanade Ratchadapisek project, Petchakasem Power Center project and Ekkamai Power Center project. Out of the total amount of debenture issued, Baht 125 million was shown as Current Portion of Long Term Debt while the remaining amount was shown under the Debenture item. In addition, the Company has made short-term and long-term borrowing from financial institutions to be used as additional working capital for the construction amounting to Baht 358.5 million. Construction payable, accrued interest and retention payable also increased by Baht 157.7 million, Baht 11.5 million and Baht 40.5 million, respectively, while the corporate income tax payable decreased by Baht 86.3 million following the drop in the Company's profit.

Shareholders' Equity

The Company's total shareholders' equity stood at Baht 896.7 million, the increase of Baht 36.2 million from Year 2004 figure attributable to a conversion of warrants into ordinary shares totaling Baht 20.5 million and the increase in Year 2005 net profit of Baht 107.5 million. In Year 2005, the Company made dividend payment at Baht 0.30 per share or Baht 126.6 million in total. Accordingly, as at 31 December 2005 total retained earnings of the Company amounted to Baht 202.2 million.

Operating Performance

In relation to the operating performance for the year ended 31 December 2005, the Company's net profit amounted to Baht 107.5 million, declining by Baht 102.8 million or 48.8% from Baht 210.3 million net profit of



Year 2004. Such decrease resulted from the drop in location procurement fee as the Company had signed more contracts to open new projects in Year 2004 than those in Year 2005.

Income

The Company's total revenues for Year 2005 amounted to Baht 475.3 million, declining by Baht 160.8 million or 25.3% from the Year 2004 figure. Such total revenues comprised Baht 338.7 million of rental, service and utility income, increasing by Baht 125.5 million from Year 2004 due to additional incomes from a commencement of new projects' operation, i.e. Petchakasem Power Center project and Ekamai Power Center project. Despite such increase, the location procurement fee collected from tenants in new projects under construction, i.e. Esplanade Ratchadapisek project, La Villa Phaholyothin project and The Avenue Pattaya project declined by Baht 286.4 million or 67.7% from Baht 423.0 million in Year 2004 to Baht 136.6 million.

Expenses

In Year 2005 total rental and service expenses amounted to Baht 247.6 million, accounting for 52.1% of total revenues. The amount depicted the increase of 61.7% or Baht 94.5 million from that of Year 2004 due to Baht 10.3 million amortization of land usage fee of The Esplanade Ratchadapisek project which has not commenced the operation as well as additional expenses incurred from the commencement of the operation of 2 new projects.

As a result of the increase in rental, service and utility income and rental and service expenses, the Year 2005 gross profit amounted to Baht 227.6 million or 47.9% of total revenues, decreasing by Baht 255.4 million or 52.8% from that of Year 2004.

Selling and administrative expenses totaled Baht 69.2 million or 14.5% of total revenues, the increase of Baht 12.7 million or 22.5% from the same period of Year 2004 due to the increase in the number of staff in order to support the Company's expansion.

Cash Flow

The Company's statements of cash flow as at 31 December 2005 indicated ending cash balance of Baht 0.02 million, the net decrease of Baht 89.8 million from Year 2004 balance mainly due to an acquisition of fixed assets. However, net cash flow from operating activities and financing activities of the Company during the period were positive, amounting to Baht 111.0 million and Baht 1,219.8 million, respectively, while Baht 1,420.6 million of cash was spent in the investing activities.

Out of the total cash flow provided from operating activities, Baht 158.7 million were derived from operating performance of the Company while Baht 47.7 million were spent in business operation being the payment of accounts payable and corporate income tax. Cash flow provided from financing activities was derived from Baht 1,000 million of 5-year debenture issuance for the development cost of The Esplanade Ratchadapisek project, Petchakasem Power Center project and Ekkamai Power Center project together with Baht 200.0 million derived from long-term loan from financial institution.

Cash flow used in investing activities was for project investment being expenses for leasehold rights of the new projects, including leasehold rights and buildings of the projects commencing operation this year.



Nature of Business

Chronology and Major Development

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

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

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

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

In 2000 the Company successfully developed and provided the business premises for B-Quik Service Company Limited, an auto service company under the name of "B-Quik" under its 14 branches. The Company developed 2 branches as convenience centers and 8 branches as stand-alone retail stores. B-Quik's remaining 4 branches were established on the Company's existing neighborhood shopping centers. In 2002, the Company was first listed on the MAI board with an increase in registered capital from Baht 20 million to 150 million and total paid-up capital of Baht 71 million. The Company also opened its fifth neighborhood shopping center in Soi Thong Lor. Tops Supermarket under the name "Market Place" was the anchor tenant.

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

In August 2003 the Company entered into a long-term lease agreement with an owner of the land on Thong Lor Soi 15 to be developed as its seventh neighborhood shopping center. In September and October 2003 the Company increased its registered capital to Baht 500 million via additional share allocation totaling 24 million shares to Major Cineplex Group Public Company Limited at a price of Baht 3.99 per share, and 142,499,935 shares to the existing shareholders at a proportion of 1:1.5 of existing shares : new shares at a price of Baht 1 per share.

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

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

Note:

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

² Stand-alone retail store is a one-shop retail store in an area of around ½ rai close to the main road. The stand-alone retail store is available for 1 tenant, e.g. auto service center, convenience store or retail shop.



In March 2004, the Company set up 3 subsidiaries i.e. Petch Kasem Power Center Company Limited and Ekkamai Lifestyle Center Company Limited to operate Petch Kasem Power Center¹ and Ekkamai Power Center respectively. Another subsidiary is Siam Future Property Company Limited to operate Esplanade Ratchadapisek. In Addition, the Company opened 5 new shopping centers ie. The Family Center Chaeng Watthana, Ladprao Soi 120 Convenience Center, SF Major Cineplex Cha Choeng Sao, Lifestyle Center² “J Avenue Thonglor 15”, and Piyarom Place Sukhumvit 101/1.

In 2005, the Company opened 3 new shopping centers as follows:

1. In January, Wanghin Convenience Center with Tesco Lotus Express as an anchor tenant
2. In June, Petchkasem Power Center with Big C Supermarket, Index Living Mall, HomeWork, and Major Cineplex as anchor tenants
3. In November, Ekkamai Power Center with Big C Supermarket and Index Living Mall as anchor tenants

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

Revenue Structure

2002-2005 Rental and Service Income from anchor tenants and co-tenants of the Company

Tenants	2002		2003		2004		2005	
	Million Baht	%						
1. Anchor Tenants	31.77	45.31%	51.75	51.08%	52.57	34.64%	71.68	30.92%
2. Co-Tenants	38.35	54.69%	49.56	48.92%	99.20	65.36%	160.12	69.08%
Total	70.12	100.00%	101.31	100.00%	151.77	100.00%	231.80	100.00%

Remarks: Anchor Tenants are showed in the Details of the 24 present operating projects (Rental Area and Occupancy Rate)

Table in page 21-22.

Note:

¹ Power center is a large scale shopping center with more than 2 anchor tenants and specialty stores such as furniture shop, construction equipment and material, etc.

² Lifestyle center is an open shopping center which has supermarket as an anchor tenant, day-to-day product and specialty stores such as theatre, bowling, restaurant, bakery shop, beauty shop, music school.



Details of the 24 present operating projects (Rental Area and Occupancy Rate)

	Shopping Center	Anchor Tenant	Type of Shopping Center	Land Size (Rai-Ngan-Sq.wah)	Gross Building Area (Sq.m.)	Gross Leasable Area (Sq.m.)	Occupancy Rate (%)
1	Bangbom	Jusco Supermarket	Neighborhood Center	6 - 0 - 0	8,759	7,100	89.00
2	Pracha Utit	Jusco Supermarket	Neighborhood Center	6 - 3 - 10	7,116	6,170	92.00
3	Sukaphiban 3	Tops Supermarket	Neighborhood Center	9 - 1 - 71	6,794	6,335	93.60
4	Sukhumvit 71		Neighborhood Center	0 - 3 - 80	2,468	1,418	100.00
5	Thonglor 4	Tops Supermarket	Neighborhood Center	3 - 0 - 60	4,029	3,015	99.47
6	Thungmahamek	Tops Supermarket	Neighborhood Center	2 - 0 - 85	3,521	2,893	100.00
7	Family Center Chaeng Watthana	Lemon Farm	Neighborhood Center	5 - 3 - 19.40	11,328	5,989	86.00
8	Piyarom Place	Tops Supermarket	Neighborhood Center	8 - 0 - 77	12,654	7,912	83.50
9	Cha Choeng Sao	Major Cineplex	Community Center	4 - 1 - 78.4	9,554	8,238	98.00
10	J Avenue (Thonglor 15)	Villa Market	Lifestyle Center	4 - 2 - 8	13,901	7,315	100.00
11	Ramintra K.M. 2	B-Quik	Convenience Center	1 - 0 - 0	780	780	100.00
12	Wanghin	B-Quik	Convenience Center	0 - 1 - 71	612	535	100.00
13	Ladprao 120		Convenience Center	0 - 2 - 34	643	643	94.00
14	Wanghin 2	Tesco Lotus Express	Convenience Center	1 - 2 - 61.5	987	984	70.70
15	Bangkae	B-Quik	Stand-Alone Retail Store	0 - 1 - 33	364	364	100.00
16	Meng Jai	B-Quik	Stand-Alone Retail Store	0 - 1 - 99	466	466	100.00



	Shopping Center	Anchor Tenant	Type of Shopping Center	Land Size (Rai-Ngan-Sq.wah)	Gross Building Area (Sq.m.)	Gross Leasable Area (Sq.m.)	Occupancy Rate (%)
17	Phahonyothin K.M.27	B-Quik	Stand-Alone Retail Store	0 – 1 – 70	433	433	100.00
18	Ratchda-Hauy Kwang	B-Quik	Stand-Alone Retail Store	0 – 0 – 99	314	314	100.00
19	Ta Pra	B-Quik	Stand-Alone Retail Store	0 – 1 – 43	355	355	100.00
20	Sathorn	B-Quik	Stand-Alone Retail Store	0 – 1 – 14	314	314	100.00
21	Srinakarin	B-Quik	Stand-Alone Retail Store	0 – 0 – 80	318	318	100.00
22	Ratchada-Rama III	B-Quik	Stand-Alone Retail Store	0 – 1 – 27	343	343	100.00
23	Petchkasem	Big C, Index, HomeWork, Major	Power Center	52 – 2 - 74	21,497	19,728	100.00
24	Ekkamai	Big C, Index,	Power Center	7 – 3 - 73	31,151	14,876	93.20
	Total			118 - 1 - 67.3	138,701	96,837	94.48

Remarks: As at December 31, 2005.

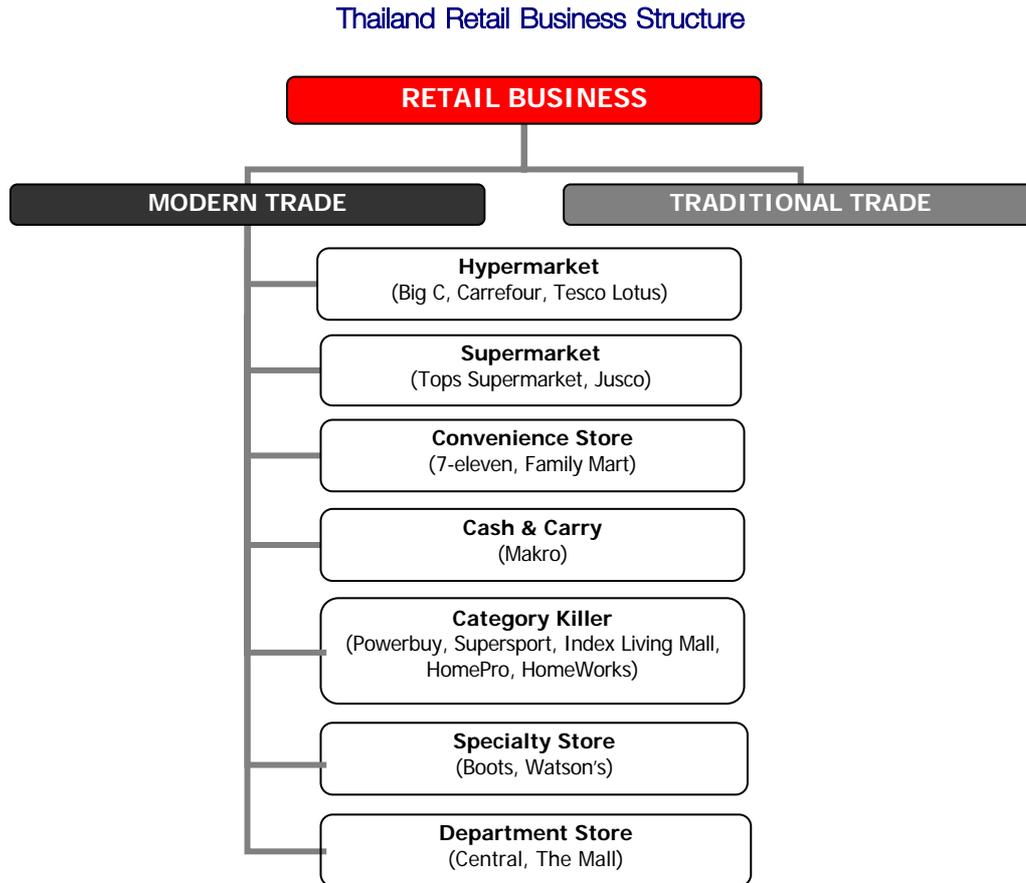
No. 15-22, leasable area are occupied by B-Quik, automotive service workshop, only.

* Only the operating rentable are as at the end of 2005. Petchkasem Power Center is a large project with gross leasable are of 45,229 sq.m. and gross building area of 50,548 sq.m.

Market and Competition

Industry Overview

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



Source: Institute of Thailand retails business

In Year 2005 the retail business was highly competitive due to the economic recovery following the implementation of various measures initiated by the government to stimulate the economic expansion of the country, thereby increasing the level of business expansion and purchasing power of the consumers. Business operators, accordingly, tried to identify strategies that best attract the customers. Due to such competition, the domestic retail business has expanded from Year 2004. The factors which support economic expansion are continual expansion of private consumption and investment. Although, there has been a lot of risk factors i.e. bird flu spread, the price increase in crude oil in the world market, and violence of the 3 provinces in the south, as a results of slow consumption, higher cost for real estate following by oil price increase, and high interest. Therefore, the confidence and household consumption is affected. The opening of Suvarnabhumi Airport will help increase the opportunities for business expansion in the east side of Bangkok.



There is an intense competition in retail business which comprises of 4 major groups i.e. Discount Store, Department Store, Convenience Store, and Supermarket. The most competitive and having major role of retail business is Discount Store. The most frequently used by consumers is Convenience Store, especially 7-eleven with the strengths of convenience and many branches located near communities. The minor role is Supermarket which consumers tend to use less because the discount store seizes the market share.

Industry Outlook

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

Industry Competition

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

Shopping center development and management business requires intensive operational experience and fundamental knowledge. For example, *A)* selecting the right land plot suits to business which needs to take into consideration the location, entrance and exit, land size, zoning, traffic condition and direction in the neighboring area, number of population in the area and passer by, population expansion tendency, numerous related laws and regulations, utility system, number of competitors in the area, etc. *B)* business feasibility study, e.g. level of land rental, level of rental and service fee chargeable from customers, land development cost, cost of building construction, exterior design, electricity, water and telephone system installation, investment and cash management and return on investment *C)* business trend, e.g. appropriate concept of open shopping center which meets the requirement of tenants and consumers and appropriate tenant mix *D)* relationship with tenants in which the tenants must be confident and entrusted that their business in the Company's shopping center area will be successful, i.e. the shopping center developer and management provider should not do the business that compete with tenants, project concept should not be changed and any future construction which would be detrimental to all tenants should not be made throughout the long-term lease of 10 – 30 years, and *E)* knowledge and experience in common area maintenance (CAM) of the shopping center to ensure that the project is run smoothly and in an orderly manner.

The fact that intensive experience and fundamental knowledge in the shopping center development and management business is required as mentioned above could be one of the major barriers of entry resulting in only a small number of direct competitors in the industry and at the same time making it difficult for the new entrants to operate business successfully or to establish trust with tenants within a short period of time.



Number of Competitors

Competitors of the Company can be classified into direct competitor and indirect competitor where project size, form of shopping center, target group and other characteristics of each type of competitors are different as follows:

Direct competitors of the Company are those shopping center developer and management providers which can be categorized into 2 groups which are:

1. Open Shopping Center Developer and Management Provider: Presently, there are not many operators of open shopping center development and management business, most of which are small size operators such as land owners which there are not many of them in this business. In the past, direct competitors operating open shopping center were Siam Premier Group and First Pacific Group. These two groups, however, have not opened new open shopping center for many years.
2. Close Shopping Center Developer and Management Provider: Well-known operators of close shopping center development and management business with continuous business expansion, such as Central Group and The Mall Group, remain emphasized on the development and management of close shopping centers as indicated in the table on the next page. All shopping centers opened in the past 3 – 5 years by Central Group and The Mall Group are close shopping centers, e.g. Central Rama 2 and Central Rama 3 and The Emporium and Siam Paragon of The Mall Group. Other direct competitors in close shopping center business have not expanded their business significantly as some of them are renovating the existing shopping centers while some are under debt restructuring negotiation with their creditors. In conclusion, the close shopping center business operators with business expansion potential are not interested in entering the open shopping center business as they have expertise in close shopping center business while the project size of open shopping center may be considered too small for them.

Additionally, major customer groups of open shopping center differ from those of close shopping center. Major customer groups of open shopping center require convenience and swiftness, do not spend much time per visit but visit repeatedly due to convenient parking space, easy access to shops and shopping centers' locations on the way back to their residence. On the contrary, it requires relatively much time to shop in close shopping centers, making it difficult to find parking space as the customers will occupy the parking space for a long time according to time spent in the shopping center. The customers tend to visit close shopping center less frequently compared with those of open shopping center.

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

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



Risk Factors

Risk of land acquisition for new projects

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

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

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

Risk of Business Competition

Risk of business competition mostly incurred from the indirect competitors, which are retailers who want to develop and manage the shopping centers themselves. Those retailers would compete with the Company in land acquisition and customers and tenants' attraction. The Company also faces risk of lower number of consumers which are tenants' customers if there are other new shopping centers opened in the nearby areas. This will affect the businesses of tenants, which in turn has an affect 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 shopping centers² are only 1-2 kilometers, thus, the company is not significantly affected from the opening of new shopping centers in the same area.

However, in order to reduce the effect of competition and to maintain the occupancy rate and rental and service fees, the company has done promotions occasionally and rolled over the tenants on the magnet areas to attract more tenants and consumers to the shopping centers. Presently, there are new shopping centers opens nearby the Company's Bang-Bon project and Pracha-Uthit project. However, the occupancy rates in both of the Company shopping centers are still higher than 90% all the time.

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

Note

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



Risk of Dependence on Anchors of the Neighborhood Shopping Centers

Anchors¹ in the neighborhood shopping centers will draw co-tenants² to Company's projects. Therefore, the Company would incur risk if the anchors terminate the contracts or close their businesses, in which may cause the co-tenants to terminate contracts with the Company. This results in the lower revenue of the firm. However, the Company has requested the down payments of rental and service fees from all anchors and some co-tenants on the contract date, so the risk would be much lower. In case that the anchors terminate the contracts because of their internal policy such as when Seiyu Supermarket ("Seiyu") from Japan, the previous anchor of Sukhapibal 3 neighborhood shopping center³, had policy to close its foreign stores, Seiyu then found another anchor (with approval from the Company) to re-rent the spaces (at present, Tops Supermarket is the anchor at Sukhapibal 3 neighborhood shopping center). The Company then earns revenue continuously. In developing and managing 14 branches of B-Quik Auto Service Center, the Company has signed the long-term rental contracts with every land lord on the condition that the Company can terminate the rental contracts if B-Quik terminates the business with the Company. Therefore, the Company is not accountable for the rental expenses with income from B-Quik. Moreover, if any tenants close the businesses and do not pay rental and service fees, the Company can repossess the spaces and re-rent to other anchors without refunding of prepaid rental and services fees. Currently, the Company believes that there will be no problem in finding new tenants especially the anchors because of the continuous expansion in retail business. The Company also frequently receives rental demand from potential tenants.

Risk of Finding Tenants

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

Another risk is the risk in finding tenants to meet 100% 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.

Note :

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

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

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

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



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

Risk of an Increasing cost of Land for the New Projects

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

Risk of Discontinuity on Projects

As the Company rents lands from landlords for the shopping center operation, the Company incurs risk if the rental agreements are not extended after they are expired. However, the Company has long-term rental agreements for every current projects and the remaining life of the contracts exceed 10 years(except Ramindra KM.2 project, Bangkae project, and Pattanakarn project where there are remaining 7 years 11 months, 7 years 1 month, 6 years 2 months, and 3 years 1 month contract life respectively.) However, the Company intends to extend the contracts as appropriate.

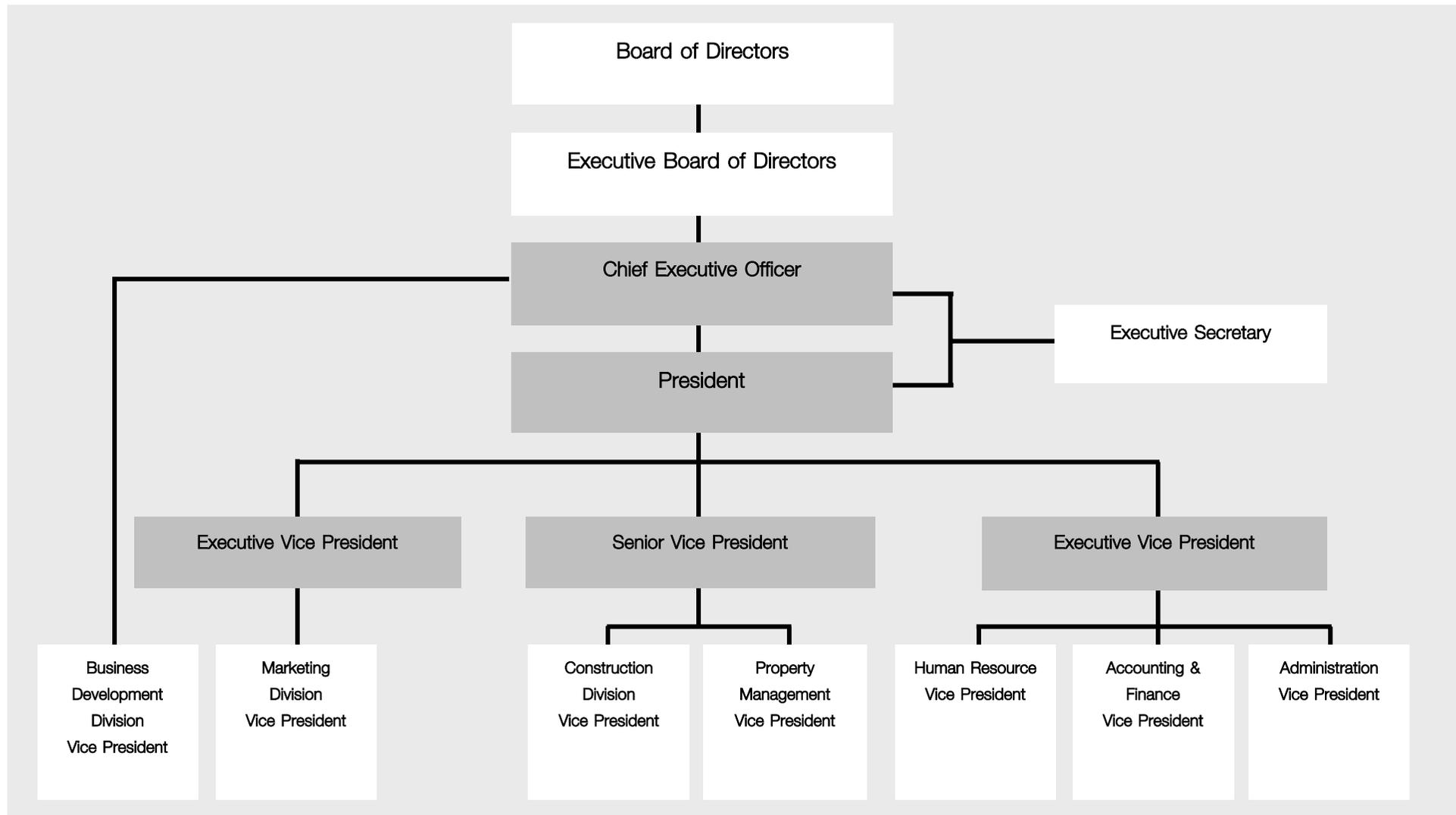
Risk of Dependence on Limited Numbers of Experienced Personnel

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



Organization Chart

Siam Future Development PLC





Shareholding Structure and Management

Shareholders

The top 10 major shareholders as listed in the shareholders' registration as at 10 March 2005 are as follows:

	Name of Shareholders	Number of Shares	Percentage
1.	Major Cineplex Group Public Company Limited	106,660,312	25.15%
2.	Thai NVDR Company Limited	41,403,177	9.76%
3.	Mr. Pongkit Suttapong	36,670,562	8.65%
4.	Mr. Nopporn Witoonchart	26,421,271	6.23%
5.	SOMERS (U.K.) LIMITED	24,872,596	5.86%
6.	Miss Artitaya Jantaraprapa	21,002,475	4.95%
7.	Mrs. Kasinee Witoonchart	17,641,762	4.16%
8.	Mr. Akarim Jantaraprapa	11,500,365	2.71%
9.	Mrs. Supan Witoonchart	9,520,399	2.24%
10.	Mrs. Junnipa Sathirapanya	9,503,699	2.24%
	Total	305,196,618	71.96%

Management Structure

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

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

1. Board of Directors

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



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

Authorized director

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

Authority and Responsibility of the Company's Board of Directors

1. Duty of the Board of Directors

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

2. Review and approval of the appropriate policy

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



3. Governing of the Executive Board of Directors

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

4. Establishment of an internal audit and control

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

5. Independence of non-executive Directors' duty

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

2. Executive Board of Directors

The Executive Board of Directors comprises 6 Directors as follows:

	First Name – Last Name	Position
1.	Mr. Oranop Jantarapapa	Chairman of Executive Board
2.	Mr. Nopporn Vitoonchart	Executive Director
3.	Mr. Somnuk Pojkasemsin	Executive Director
4.	Mr. Vicha Poonvorluck	Executive Director
5.	Mr. Pookittat Sakulsuparat	Executive Director
6.	Mr. Brian Hall	Executive Director

Authority and Responsibility of the Executive Board of Directors

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



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

3. The Audit Committee

The Audit Committee comprises 3 members as follows:

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

Authority and Responsibility of the Audit Committee

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

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



Management

Management of the Company are as follows:

	First Name – Last Name	Position
1.	Mr. Nopporn Witoonchart	Chief Executive Officer
2.	Mr. Somnuk Pojkasemsin	President
3.	Ms. Pomtipa Rujipairote	Executive Vice President
4.	Ms. Krisana Udornpitayaphumipicharn	Executive Vice President
5.	Mr. Jirarote Rueng-Udomtreechai	Vice President, Construction Division
6.	Ms. Sumontha Meksingwee	Vice President, Accounting and Finance Division
7.	Ms. Kanokrat Songsiri	Vice President, Property Management Division

Board of Directors Meeting

In 2005, the Company set up 6 Board of Directors Meetings as follows:

Board of Directors	No. 1/2005 (9 Feb 05)	No. 2/2005 (15 Mar 05)	No. 3/2005 (12 May 05)	No. 4/2005 (9 Aug 05)	No. 5/2005 (10 Nov 05)	No. 6/2005 (15 Dec 05)
Mr. Oranop Jantaraprapa	✓	✓	✓	✓	✓	✓
Mr. Pongkit Suttapong	✓	✓	✓	✓	✓	✓
Mr. Nopporn Witoonchart	✓	✓	✓	✓	✓	✓
Mr. Somnuk Pojkasemsin	✓	✓	✓	✓	✓	✓
Mr. Vicha Poolvaraluck	✓	✓	✓	✓	✓	✓
Mr. Verawat Ongvasith	✓	✓	✓	✓	✓	✓
Mr. Chai Jarungtanapibal	✓	✓	✓	✓		✓
Mr. Dej Bulkul	✓	✓	✓	✓		✓
Ms. Nantiya Montriwat	✓	✓	✓	✓	✓	
Mr. Dusit Nontanakorn	✓	✓	✓	✓	✓	✓
Ms. Sabaithip Suntaros	✓	✓	✓	✓	✓	✓



BOARD OF DIRECTORS

Name / Position	Age (Yrs)	Education	Experience		
			Duration	Position	Company / Type of Business
1. Mr.Oranop Jantaraprapa Chairman Chairman of Executive Board Director and Authorized director	58	MBA East Texas State University	2002 - Present	Chairman	Siam Future Development Plc. Shopping Center Developer
		B.A. (Accounting) Chulalongkorn University	1996 - 1998	Executive Vice President	Thai Telephone & Telecommunication Plc. Telecommunication
		The role of Chairman Certification (RCM) in 2004, Thai Institute of Directors Association (IOD)	1990 – 1993	President	International Engineering Plc. Telecommunication
			1983 - 1990	Vice President, Operation Division	The Siam Cement Group Cement
				President	SCT Computer Co., Ltd. (Siam Cement Group) Computer
				President	Pan Supplies Co., Ltd (Siam Cement Group) Construction & Supply Machine
				Manager, Accounting department Manager, Trading department Manager, Finance department	Siam Cement Trading Co., Ltd (Siam Cement Group) International Trading
				2. Mr.Pongkit Suttapong Vice Chairman, Director and Authorized director	45
B.E. (Industrial Engineering) Khon-Kaen University	2003 - Present	Directors Executive Director	SC Asset Corporation Plc. Real Estate Developer		
	1994 - Present	Chairman of Board of Directors	Thonglor Pet Hospital		
	1993 - 1994	Director & General Manager	The International Engineering Public Co., Ltd.		
	1990 - 1993	Senior Vice President	Telecommunication		



Name / Position	Age (Yrs)	Education	Experience		
			Duration	Position	Company / Type of Business
			1986 - 1989	Mobile Phone Department Manager	
			1992 - 1994	Director	Shinawatra Telewitz Co., Ltd Commerce & Service
			1991 - 1994	Director	Micronetic Co., Ltd. Telecommunication
			1989 - 1990	Regional Marketing Manager (South East Asia) Nokia Mobile Phone	Nokia (SEA) PTE. LTD, Singapore Office Mobile Phone
3. Mr.Nopporn Witoonchart	41	B.E.(Computer Engineering), King Mongkut's Institute of Technology	1994 - Present	Chief Executive Officer Director	Siam Future Development Plc. Shopping Center Developer
Chief Executive Officer Director Authorized director			1994 - Present	General Manager	Sieng Somboon Co., Ltd. Shopping Center Developer
		Director Certification Program (DCP) in 2005, Thai Institute of Directors Association (IOD)	1990 - Present	Executive Director	Witoon Holding Co., Ltd. Real Estate
			1987 - 1990	Engineer	SCT Computer Co., Ltd. (Siam Cement Group) Computer
4. Mr.Somnuk Pojkasemsin	48	M.S. (Accounting) Thammasat University	2002 - Present	President Director	Siam Future Development Plc. Shopping Center Developer
President Director Authorized Director			2001 - 2002	Corporate Services Group Director	Motivation Asia (Thailand) Ltd. Marketing Service
		B.A. (Accounting) Chulalongkorn University	1995 - 1999	Senior Vice President Internal Affair	International Engineering Public Co., Ltd. (IEC) Telecommunication
		Director Accreditation Program (DAP) in 2005, Thai Institute of Directors Association (IOD)	1991 - 1995	Vice President Finance & Administrative Division	
			1988 - 1991	Finance Manager	Bangkok Weaving Mill Co., Ltd



Name / Position	Age (Yrs)	Education	Experience		
			Duration	Position	Company / Type of Business
					Weaving
			1985 – 1988	Cost Accountant	Laem-Thong Corporation Agricultural Industry
			1980 - 1985	Senior Auditor	SGV-Na Thalang & Co., Ltd Audit Firm
5.Mr.Dej Bunsuk Director	55	B.A. (Accounting) Thammasat University	2004 - Present	Director	Siam Future Development Plc. Shopping Center Developer
		Director Accreditation Program (DAP) in 2004, Thai Institute of Directors Association (IOD)	2004 - Present	Honorary Chairman	McThai Co., Ltd. (McDonald's Thailand) Fast Food
			1984 - 2004	President	.
			1983 - 1984	Managing Director	Voradej Ltd., Part.
6. Mr. Vicha Poolvaraluck Director	42	MBA - Marketing USIU OF SANDIEGO, USA.	2003 - Present	Director	Siam Future Development Plc. Shopping Center Developer
		B.A. (Accounting) Chulalongkorn University	1998 - Present	Chairman President	Major Cineplex Group Plc. Cinema and Bowling
			2003 - Present	Director	California Fitness Center Co., Ltd. Fitness Center
7. Mr. Verawat Ongvasith Director	35	MBA Boston University, USA.	2003 - Present	Director	Siam Future Development Plc. Shopping Center Developer
		B.A. (Accounting) Chulalongkorn University	1998- Present	Director Vice Chief Executive Officer	Major Cineplex Group Plc. Cinema and Bowling
				Director	Ratchayotin Realty Co.,Ltd Property Developer
		Director Accreditation Program (DAP) in 2004, Thai Institute of		Director	Ratchayotin Cinema Co.,Ltd Cinema



Name / Position	Age (Yrs)	Education	Experience		
			Duration	Position	Company / Type of Business
		Directors Association (IOD)	2003 - Present	Director	California Fitness Center Co.,Ltd Fitness Center
8. Mr. Chai Jarungtanapibal Director	51	M.S. (Accounting) Thammasat University	2003 - Present	Director	Siam Future Development Plc. Shopping Center Developer
		B.A. (Accounting) Chulalongkorn University	2003 - Present	Chairman of the Audit Committee	Major Cineplex Group Plc. Cinema and Bowling
		Director Certification Program (DCP) in 2003 and Audit Committee	2003 - Present	Independent Director	Team Precision Co.,Ltd Electronic Circuit
		Program (ACP) in 2005, Thai Institute of Directors Association (IOD)	1982 - 1997	Executive Director Chief Finance Officer	Minor Group Hotel, Food & Beverage
9. Mrs. Nantiya Montriwat Chairman of the Audit Committee	57	M.S.(Mathematical Insurance) University of Manitoba Canada	2004 - Present	Chairman of the Audit Committee	Siam Future Development Plc. Shopping Center Developer
		Bachelor of Statistic Chulalongkorn University	2004 - Present	President Consultant	Muang Thai Insurance Co., Ltd. Insurance
			2000 - 2003	Senior Vice President	
			1999 - Present	Director	
		Director Certification Program (DCP) in 2006 , Thai Institute of Directors Association (IOD)	1999 - 2004	Director	Muang Thai Holding Co., Ltd.
			1994 - Present	Director	Phatara Complex Co., Ltd.
10. Mr.Dusit Nontanakom Member of Audit Committee	58	Executive Program Harvard University	2002 - Present	Member of Audit Committee	Siam Future Development Plc. Shopping Center Developer
		Executive Program Stanford University	2005 - Present	Consultant	The Siam Cement Group
		MBA (Marketing), University of California, in Los Angeles (UCLA)	1999 - 2005	President	Siam Cement Trading Co., Ltd (Siam Cement Group)
			1995	Senior Vice President	The Siam Cement Group Ceramic Industry



Name / Position	Age (Yrs)	Education	Experience		
			Duration	Position	Company / Type of Business
		M.S.(Civil Engineering) Ohio State University	1991 - 1995	President	Siam Gardian Glass Co., Ltd Glass Industry
		Bachelor in Science of Civil Engineering Youngstown State University, Ohio	1987 - 1991	President	Siam Cement Trading Co., Ltd (Siam Cement Group) Building & Decoration materials
			1982 - 1987	Director, Distribution Division	
			1981 - 1982	Director, Public Relation Division	
			1979 - 1981	Chief of Marketing Division	
Director Certification Program (DCP) in 2002 and Audit Committee Program (ACP) in 2005, Thai Institute of Directors Association (IOD)	1977 - 1979	Chief of Construction, Sales and Public			
11. Ms. Sabaithip Suntaros Member of Audit Committee	58	B.A. (Accounting) Chulalongkorn University Director Accreditation Program (DAP) and Audit Committee Program (ACP) in 2005, Thai Institute of Directors Association (IOD)	2003 - Present	Member of Audit Committee	Siam Future Development Plc. Shopping Center Developer
			2002 - Present	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.



Management

Name / Position	Age (Yrs)	Education	Experiences		
			Period	Position	Company / Type of Business
1. Mr. Nopporn Witoonchart Chief Executive Officer, Director and Authorized Director	41		Please see the Details in Board of Directors.		
2. Mr. Somnuk Pojkasemsin President, Director and Authorized Director	48		Please see the Details in Board of Directors.		
3. Ms Pomtipa Rujipairote Executive Vice President	43	MBA Bangkok University	2004 - Present	Executive Vice President	Siam Future Development PLC. Shopping Center Development
		B.B.A. Chulalongkorn university	1991 - 2004	Senior Vice President	International Engineering Public Co., Ltd. (IEC) Telecommunication
			1988 - 1991	Senior Auditor	Deloitte Touche Tomutsu (Thailand) Co.,Ltd. Audit Firm
4. Ms. Krisana Udornpitayaphumipicharn Executive Vice President	46	MBA National Institute of Development Administration (NIDA)	2005 - Present	Executive Vice President	Siam Future Development PLC. Shopping Center Development
			2003 - 2005	Managing Director	Celebrate Wealth Co., Ltd. (Saha Group)
			2002 - 2003	Vice President - Leasing	Central Pattana PLC Shopping Center Development
		B.A. The University of the Thai Chamber of Commerce	1997 - 2002	General Manager – Sales & Marketing	Pacific Asset Co., Ltd.
5. Mr. Jirarote Rueng-Udomtreechai Vice President, Construction Division	51	B.A. (Civil Engineering) Chulalongkorn University	2004 - Present	Vice President, Construction Division	Siam Future Development PLC. Shopping Center Development
			2003 - 2004	Civil Engineering Consultant	South East Asia Technology Co., Ltd. Construction



Name / Position	Age (Yrs)	Education	Experiences		
			Period	Position	Company / Type of Business
			1993 - 2004	Engineer	C.M.S. Engineering and Management Co., Ltd.
			1989 - 1992	Engineer	Asano Engineering Co., Ltd.
6. Ms. Sumontha Meksingwee	37	MBA	2539 - Present	Vice President, Accounting and Finance Division	Siam Future Development PLC. Shopping Center Development
Vice President, Accounting and Finance Division		Ramkamhaeng university			
		Certificate of Auditing Chulalongkorn University	2533 - 2539	Senior Auditor	Deloitte Touche Tomutsu (Thailand) Co.,Ltd. Audit Firm
		Bachelor of Accounting The University of the Thai Chamber of Commerce			
7. Ms. Kanokrat Songsiri	40	Bachelor of Economic Ramkamhaeng university	2004 - Present	Vice President, Property Management Division	Siam Future Development PLC. Shopping Center Development
Vice President, Property Management Division			1987 - 2004	Assistant Vice President General Administration Division	International Engineering Public Co., Ltd. (IEC) Telecommunication



Selection of the Directors and Executives

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

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

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

In 2005, the Company selected Ms. Krisana Udompitayaphumipicharn in the position of Executive Vice President.



Report on Compliance with Principles of Good Corporate Governance

The Board of Directors recognizes the role, duty and responsibility in compliance with the Code of Best Practices for a listed company to ensure the transparency and to increase credibility and sustainable prosperity of the Company. The Company is in compliance with principles of good corporate governance by determining approach, policy and operational method which suits the nature of the organization characteristics with material contexts as follows:

1. Policy on corporate governance

The Company sets a policy regarding corporate governance and provides a great effort in treating all parties equitably, whether shareholders, stakeholders or other persons related to the Company, by disclosing sufficient information in a transparent and provable manner. The Company establishes an evaluation and risk control policy to control operational risk which may not be avoidable. It sets a sufficient control and internal audit, and policy on business conduct to be in accordance with the laws and business ethics.

2. Shareholders' right

The Company recognizes the importance of the right of shareholders and sufficient and prompt information necessary for decision making. Report of the news and information of the Company is provided in accordance with the regulations of related agencies. For example, in an invitation to the shareholders' meeting, the Company delivers invitation letter for shareholders' meeting together with annual report, supporting information required for the meeting agenda and opinion of the Board of Directors prior to the meeting date as abided by the laws. The shareholders are entitled to vote and appoint a proxy to attend the meeting on their behalf. The document containing such information is provided to the shareholders in accordance with the SET regulations. The Company's news is also reported via electronic system through the SET.

3. Stakeholders' right

The Company recognizes the importance of the rights of all groups of stakeholders by continually considering a protection of the rights and fair treatment among all groups of stakeholders, e.g. fair treatment to business counterparts, arrangement to provide to the staff and management remuneration in accordance with the scope of work, strict compliance with related laws and regulations.

4. Shareholders' meeting

The Company's Directors recognize the importance of participation in all shareholders' meeting. In 2005, one annual general shareholders' meeting were held. All Directors participated in these meetings. The Chairman of the meeting provided an equal opportunity for the shareholders to raise their inquiries and express their opinion and suggestions. The Company replied and provided complete information as requested by the shareholders.

5. Leadership and vision

The Board of Directors participates in providing approval in determining vision, duty, strategy, target, business plan and budget of the Company. The Board of Directors also clearly determines duty of the Executive Board of Directors and management, and supervises the management to effectively and efficiently perform in accordance with the set plan and budget.



6. Conflict of interest and use of internal information

To prevent the operation which might cause conflict of interest, the Company sets the policy on operation and transactions which might cause conflict of interest and connected transactions, and determines regulations prohibiting the management from using internal information for their personal interest as follows:

- It is the Board of Directors' authority to consider the connected investment or transaction. Directors who are connected to and/or have interest in such transaction are prohibited from voting on such matter in the meeting.
- The Company requires the Directors and management to report on a change in their holding of the Company's shares in compliance with the SEC regulations.
- The Company prohibits the management from trading the Company's shares for a period of 1 month prior to a release of the Company's financial statements to public.

In addition, the Company supervises the use of internal information by requiring the management and staff to keep the information regarding the Company and its customers confidential and prohibiting the use of such information available to them by authority for their personal interest or other purposes which might cause damage to the Company and its customers.

7. Business ethics

The Company' commitment requires the Board of Director, management and staff to conduct their duties with loyalty, fairness and responsibility which will ensure the transparency and provability of the operation.

8. Balance of power for non-executive Directors

In the Company's Board of Directors, 3 of them are executive Directors, 5 non-executive Director and 3 independent Directors. Independent Directors accounts for 27% of the Board of Directors which balance the power to ensure effectiveness of the management.

9. Segregation of positions

Chairman of the Board of Directors is a different person from Chairman of Audit Committee. These two positions have clearly separated duty and authority to provide confidence to the shareholders and stakeholders on the independence and appropriate balance of power.

10. Remuneration for Directors and management

The remuneration policy for Directors and management is clearly set. The shareholders will determine a fixed amount of Directors' remuneration annually. The Board of Directors establishes a policy regarding Directors' remuneration in an appropriate level which is sufficient to attract and retain the capable Directors. Remuneration for Directors and management for 2005 consists of salary and meeting allowance totaling Baht 28.27 million:



- 10.1 11 members of the company's Board of Directors received total meeting allowance of Baht 3.36 million.
- 10.2 11 Executive Directors and management received total remuneration of Baht 22.15 million.
- 10.3 No remuneration was paid in non-cash items.

11 Board of Directors' meeting

The Board of Directors' meeting is normally held every 3 months with a meeting date set in advance. Additional meeting may be called if required. The company's secretarial department will prepare the documents, meeting invitation letter together with meeting agenda at least 7 days prior to the meeting to allow sufficient timing for the Board of Directors to study on the information prior to attending the meeting. In 2005, 6 Board of Directors' meetings were held and each meeting took about 3 – 4 hours. The secretarial department had noted and prepared the minutes of all meetings in writing, and had kept the minutes certified by the Board of Directors to be examined by other parties.

12 Control and internal audit system

The company recognizes the importance of a good internal control system to ensure transparency and to develop the operational system which will maximize the operational efficiency. However, as the company is considered a moderate size company in term of the number of staff with a simple management structure which is considered one of the company's advantages. The internal control and internal audit can be conducted quite easily through the review of the hierarchy of approval and authority, flow of document and clear separation of the duty. In addition, the company arranges to have balance power and cross examination in an appropriate manner and appropriate control of use of the company's asset in the way that the company's benefit can be optimized.

The company also arranges to have a risk management to mitigate any damage which might be arisen by seeking opinion from an independent financial expert before entering into risk involved transactions, e.g. registration of the high-priced long-term lease of land comparing with the company's total assets, or offer of ordinary shares through private placement.

13 Directors' report

The Board of Directors is responsible for the company's financial statements and financial information provided in the annual report. They need to ensure that such financial statements are prepared in conformity with the Generally Accepted Accounting Principle of Thailand using the most appropriate accounting policy which is consistently applied, based on their conservative judgment and forecast. The Board of Directors needs to ensure that material information is sufficiently disclosed in the notes to financial statements. The Board of Directors establishes an efficient internal control system to reasonably ensure that the accounting records are correct, complete and sufficient to control assets and to reasonably create creditworthiness of the company's financial statements.

14 Relationship with the investors

The company has not established a specific unit to particularly deal with the investor relation issues as the level of such transactions is still modest. However the company assigns appropriate persons to, as appropriate, answer the inquiries and communicate with the investors and the analysts from various institutions. The company regularly discloses the information and news through electronic channel and other media of the SET and the company's web-site. The investors can obtain further information regarding the company at tel. (02) 729-4969 Ext. 502 or <http://www.siamfuture.com>.



(TRANSLATION)

AUDITOR'S REPORT

To the Shareholders and Board of Directors of SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED.

I have audited the accompanying consolidated and the Company balance sheets as of December 31, 2005, and the related consolidated and the Company statements of income, the related consolidated and the Company statement of changes in shareholder's equity, and the related consolidated and the Company cash flow statements for the years ended on the same dated of SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED and its subsidiaries, and of SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED, respectively. These financial statements are the responsibility of the company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The accompanying consolidated and the Company financial statements for the year ended on December 31, 2004, presented herein for comparison audited by another auditor, who gave an unqualified report there on dated February 8, 2005

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

In my opinion, the consolidated and the company financial statements referred to above present fairly, in all material respects, the consolidated and the Company's financial position as of December 31, 2005, the results consolidated and the Company operations and cash flow for the years then ended of SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED and its subsidiaries, and also the financial statement of SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED, respectively in accordance with generally accepted accounting principles.

S.K. ACCOUNTANT SERVICES CO.,LTD.

(Somchai Kurujitkosol)

Authorized Auditor No.3277

Bangkok,

February 16, 2006



BALANCE SHEETS

As of December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>
ASSETS				
CURRENT ASSETS				
Cash and Its Equivalents	25,701	89,778,937	25,701	21,527,659
Accounts Receivable (Note 6)	130,989,245	107,158,861	119,731,909	20,158,861
Short - Term Loans to Subsidiary Companies (Note 5.2)	-	-	469,399,418	-
Other Current Assets				
Prepaid Expenses	10,236,733	4,740,032	5,135,068	4,740,032
Accounts Receivable - Subsidiary Companies (Note 5.2)	-	-	1,295,945	3,832,790
Accounts Receivable-others	23,409,161	23,147,701	22,019,445	23,147,701
Accrued Interest - Subsidiary Companies (Note 5.2)	-	-	5,454,223	-
Others	16,984,363	1,692,082	9,648,890	1,681,534
TOTAL CURRENT ASSETS	181,645,203	226,517,613	632,710,599	75,088,577
NON-CURRENT ASSETS				
Fixed Deposits with Restrictions (Note 7)	2,170,000	8,212,400	740,000	8,212,400
Investments in Subsidiary Companies (Note 8)	-	-	353,243,472	176,308,201
Property, Plant and Equipment-Net (Note 9)	2,874,227,739	1,378,526,368	1,600,925,935	1,199,832,069
Other Non-Current Assets				
Goodwill-Net (Note 10)	46,816,000	-	-	-
Retentions for Leased Land	51,609,668	41,509,668	51,609,668	41,509,668
Others	9,652,142	8,279,547	8,548,742	8,160,547
TOTAL NON-CURRENT ASSETS	2,984,475,549	1,436,527,983	2,015,067,817	1,434,022,885
TOTAL ASSETS	3,166,120,752	1,663,045,596	2,647,778,416	1,509,111,462

The accompanying notes are an integral part of the financial statements.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As of December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank Overdraft and Short - Term Loans from Financial Institute (Note 11,12)	158,562,171	6,703,955	162,453,650	6,703,955
Accounts Payable and Note Payable	38,371,607	159,703,540	37,625,510	114,703,540
Short - Term Loans from Subsidiaries (Note 5.2)		-	-	120,000,000
Current Portion of Unearned Rental and Service Income	33,228,986	29,315,250	29,897,053	29,154,139
Current Portion of Under Financial Lease Agreements (Note 13)	2,971,950	3,492,206	1,773,822	3,492,206
Current Portion of Long - Term Liabilities (Note 14,15)	160,000,000	-	160,000,000	-
Other Current Liabilities				
Construction Payable	184,762,534	27,058,364	15,781,198	6,015,220
Accrued Interest Expenses	11,868,048	356,507	11,868,048	356,507
Corporate Income Tax Payable	20,917,942	107,185,463	20,917,942	4,973,545
Corporate Income Withholding Tax Payable	4,052,916	3,909,149	2,655,902	3,474,404
Accrued Expenses	31,403,938	26,091,299	27,824,555	23,523,396
Retentions Payable	40,836,558	361,699	13,608,947	-
Advance Received from Lessee	4,466,121	-	4,237,639	-
Others	8,105,169	2,166,166	3,951,845	2,316,636
TOTAL CURRENT LIABILITIES	699,547,940	366,343,598	492,596,111	314,713,548
NON-CURRENT LIABILITIES				
Long - Term Trade Accounts Payable -Net of Current Portion	-	36,000,000	-	36,000,000
Unearned Rental and Service Income - Net of Current Portion	400,327,899	279,287,043	254,166,951	264,948,154
Liabilities Under Financial Lease Agreements (Note 13)	3,363,691	1,682,288	268,539	1,682,288
Long - Term Loans (Note 14)	165,000,000	-	165,000,000	-
Debenture-Net (Note 15)	865,351,172	-	865,351,172	-
Deposits and Lease Retentions	135,784,858	119,677,978	112,908,090	117,291,292
TOTAL NON-CURRENT LIABILITIES	1,569,827,620	436,647,309	1,397,694,752	419,921,734
TOTAL LIABILITIES	2,269,375,560	802,990,907	1,890,290,863	734,635,282

The accompanying notes are an integral part of the financial statements.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As of December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital (Note 16)				
500,000,000 Ordinary Shares of Baht 1.00	500,000,000	500,000,000	500,000,000	500,000,000
Issued and Paid-up Share Capital				
424,117,769 Ordinary Shares @ Baht 1.00	424,117,769	-	424,117,769	-
403,621,687 Ordinary Shares @ Baht 1.00	-	403,621,687	-	403,621,687
Premiums on Share Capital	117,154,844	117,154,844	117,154,844	117,154,844
Share Subscription Receivable (Note 17)	-	18,426,478	-	18,426,478
Retained Earnings				
Appropriated				
Legal Reserve	13,997,879	13,997,879	13,997,879	13,997,879
Unappropriated	202,217,061	221,275,292	202,217,061	221,275,292
Minority Shareholders' Interest	139,257,639	85,578,509	-	-
TOTAL SHAREHOLDERS' EQUITY	896,745,192	860,054,689	757,487,553	774,476,180
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,166,120,752 #	1,663,045,596	2,647,778,416	1,509,111,462

The accompanying notes are an integral part of the financial statements.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF INCOME

For the Years Ended on December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>
REVENUES				
Rental income	134,492,397	95,256,998	128,967,360	95,256,998
Service income	97,310,629	56,516,133	91,613,295	56,516,133
Location procurement fees (Note 19)	136,640,800	423,000,000	136,640,800	45,000,000
Utility service income	71,356,423	39,916,868	62,066,908	39,916,868
Other income	35,498,223	21,462,872	43,531,034	25,065,050
Share of gain from investment accounted under equity method	-	-	-	176,083,201
TOTAL REVENUES	475,298,472	636,152,871	462,819,397	437,838,250
EXPENSES				
Cost of rental and services	247,662,240	153,119,415	229,372,654	153,119,415
Selling and administrative expenses	69,159,242	56,424,629	63,682,241	55,184,747
Directors' remuneration (Note 20)	3,360,000	3,980,000	3,360,000	3,980,000
Share of loss from investment accounted under equity method	-	-	3,164,729	-
TOTAL EXPENSES	320,181,482	213,524,044	299,579,624	212,284,162
EARNINGS BEFORE INTEREST EXPENSES AND INCOME TAX	155,116,990	422,628,827	163,239,773	225,554,088
INTEREST EXPENSES	(12,191,472)	(584,151)	(20,094,238)	(584,151)
EARNINGS BEFORE INCOME TAX	142,925,518	422,044,676	143,145,535	224,969,937
CORPORATE INCOME TAX (Note 21)	(36,005,170)	(126,168,584)	(35,589,316)	(14,597,354)
EARNINGS BEFORE MINORITY INTEREST	106,920,348	295,876,092	107,556,219	210,372,583
MINORITY INTEREST IN EARNINGS OF SUBSIDIARIES	635,871	(85,503,509)	-	-
NET PROFIT FOR THE COMPANY	107,556,219	210,372,583	107,556,219	210,372,583
EARNINGS PER SHARE				
Basic earnings per share (Note 22)	0.25	0.63	0.25	0.63
Diluted earnings per share (Note 22)	0.25	0.51	0.25	0.51

The accompanying notes are an integral part of the financial statements



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 For the Years Ended on December 31, 2005 and 2004
CONSOLIDATED

	Issued and fully paid share capital		Share subscription received in advance	Unrealized gain from changes in fair value of investments in available for sale securities	RETAINED EARNINGS		Minority Interest	Total	
	BAHT	BAHT			Appropriated				Unappropriated
					statutory reserve	BAHT			
Balance as of December 31, 2003	237,499,935	117,154,844	31,844,173	16,328	3,479,250	48,355,749	-	438,350,279	
Increase in share capital from the exercises of warrants (Note 16,17)	166,121,752	-	(166,121,752)	-	-	-	-	-	
Receipt of share subscription in advance (Note 16,17)	-	-	152,704,057	-	-	-	-	152,704,057	
Decrease in fair value of investment	-	-	-	(16,328)	-	-	-	(16,328)	
Net preofits	-	-	-	-	-	210,372,583	85,503,509	295,876,092	
Appropriated of legal Reserve	-	-	-	-	10,518,629	(10,518,629)	-	-	
Dividend payment (Note 18)	-	-	-	-	-	(26,934,411)	-	(26,934,411)	
Minority interest	-	-	-	-	-	-	75,000	75,000	
Balance as of December 31, 2004	403,621,687	117,154,844	18,426,478	-	13,997,879	221,275,292	85,578,509	860,054,689	
Balance as of December 31, 2004	403,621,687	117,154,844	18,426,478	-	13,997,879	221,275,292	85,578,509	860,054,689	
Increase in share capital from the exercises of warrants (Note 16,17)	20,496,082	-	(20,496,082)	-	-	-	-	-	
Receipt of share subscription in advance (Note 16,17)	-	-	2,069,604	-	-	-	-	2,069,604	
Net profits	-	-	-	-	-	107,556,219	-	107,556,219	
Appropriation to statutory reserve	-	-	-	-	-	-	-	-	
Dividend payment (Note 18)	-	-	-	-	-	(126,614,450)	-	(126,614,450)	
Minority interest	-	-	-	-	-	-	53,679,130	53,679,130	
Balance as of December 31, 2005	424,117,769	117,154,844	-	-	13,997,879	202,217,061	139,257,639	896,745,192	

The accompanying notes are an integral part of the financial statements.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended on December 31, 2005 and 2004
THE COMPANY ONLY

		Issued and		Share subscription received in advance	Unrealized gain from changes in fair value of investments in available for sale securities	RETAINED EARNINGS		Total
		fully paid				Appropriated		
		share capital	Share premium			statutory reserve	Unappropriated	
		BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT
Balance as of December 31, 2003		237,499,935	117,154,844	31,844,173	16,328	3,479,250	48,355,749	438,350,279
Increase in share capital from the exercises of warrants	(Note 16,17)	166,121,752	-	(166,121,752)	-	-	-	-
Receipt of share subscription in advance	(Note 16,17)	-	-	152,704,057	-	-	-	152,704,057
Decrease in fair value of investment		-	-	-	(16,328)	-	-	(16,328)
Net profits		-	-	-	-	-	210,372,583	210,372,583
Appropriated of legal Reserve		-	-	-	-	10,518,629	(10,518,629)	-
Dividend payment	(Note 18)	-	-	-	-	-	(26,934,411)	(26,934,411)
Balance as of December 31, 2004		403,621,687	117,154,844	18,426,478	-	13,997,879	221,275,292	774,476,180
Balance as of December 31, 2004		403,621,687	117,154,844	18,426,478	-	13,997,879	221,275,292	774,476,180
Increase in share capital from the exercises of warrants	(Note 16,17)	20,496,082	-	(20,496,082)	-	-	-	-
Receipt of share subscription in advance	(Note 16,17)	-	-	2,069,604	-	-	-	2,069,604
Net profits		-	-	-	-	-	107,556,219	107,556,219
Dividend payment	(Note 18)	-	-	-	-	-	(126,614,450)	(126,614,450)
Balance as of December 31, 2005		424,117,769	117,154,844	-	-	13,997,879	202,217,061	757,487,553

The accompanying notes are an integral part of the financial statements.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

For the Years Ended on December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	107,556,219	210,372,583	107,556,219	210,372,583
Adjustments to Net Profit (Loss) for Cash Provided (used) from Operations				
Depreciation	49,380,651	33,725,655	44,541,151	33,725,655
Amortisation of leaseholds	32,142,250	21,759,810	31,838,997	21,759,810
Share of Loss (Profit) from Investment Accounted under Equity Method	-	-	3,164,729	(176,083,201)
Gains on Sales of Securities	-	(124,234)	-	(124,234)
(Profit) Loss from Sales of Fixed Assets	(1,698)	6,696	(1,698)	6,696
Amortisation of Investment Premium (Discount)	-	(22,181)	-	(22,181)
Withholding Tax Written-off	-	2,465,780	-	2,465,780
Amortisation of Equipment Leaseholds	362,375	-	362,375	-
Realisation of Unearned Rental and Service Income	(31,862,754)	(27,487,785)	(31,862,754)	(27,487,785)
Amortisation of Goodwill	1,824,000	-	-	-
Minority Shareholders' Interest	(635,871)	85,503,509	-	-
Profit(Loss) from Operating Activities before Change in Operating Assets and Liabilities	158,765,172	326,199,833	155,599,019	64,613,123
(Increase) Decrease in Accounts Receivable	(23,830,384)	(97,643,660)	(99,573,048)	(10,643,660)
(Increase)Decrease in Accounts Receivable - Subsidiary Companies	-	-	2,536,845	(3,832,790)
(Increase) in Prepaid Expenses	(5,496,701)	(678,986)	(395,036)	(678,986)
(Increase) Decrease in Other Current Assets	(15,553,741)	(3,252,659)	(12,293,323)	(3,242,112)
Increase (Decrease) in Accounts Payable and Notes Payable	(157,331,934)	216,410,261	(113,078,030)	150,367,117
Increase (Decrease) in Accrued Corporate Income Tax	(86,267,521)	101,405,849	15,944,397	(806,069)
Increase (Decrease) in Other Current Liabilities	54,238,983	15,115,241	20,867,045	12,263,064
Increase (Decrease) in Deposits and Lease Retentions	29,715,827	47,001,997	9,225,745	44,253,612
Increase (Decrease) in Unearned Rental and Service Income	156,817,346	65,070,000	21,824,465	50,570,000

The accompanying notes are an integral part of the financial statements.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CASH FLOW STATEMENTS
For the Years Ended on December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>	<u>BAHT</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Cash Payment for Acquisition of Fixed Assets	(1,414,866,751)	(931,644,773)	(635,471,086)	(752,950,474)
Cash Received from Sale of Fixed Assets	1,700	27,800	1,700	27,800
Proceeds from Sales of Investment in Unit Trusts	-	13,374,234	-	13,374,234
(Increase)Decrease in Pledged Bank Deposits	6,042,400	16,139,000	7,472,400	16,139,000
(Increase)Decrease in Bank Deposits	-	100,000,000	-	100,000,000
(Increase) Decrease in Other Non - Current Assets	(11,834,970)	(21,167,713)	(10,850,570)	(21,048,713)
Cash Payment for Loans to Subsidiary Companies	-	-	(301,276,298)	-
Cash Payment for Investment in Subsidiary Companies	-	-	(180,100,000)	(225,000)
(Increase) Decrease in Treasury Bills	-	65,000,000	-	65,000,000
Net Cash Provided from (Used in) Investing Activities	(1,420,657,621)	(758,271,452)	(1,120,223,854)	(579,683,153)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Bank Overdraft and Short - Term Loans from Finance Institute	151,858,216	(38,602,288)	155,749,695	(38,602,288)
Cash Payment for Liabilities under Financial Lease Agreement	(3,492,205)	(3,231,482)	(3,492,205)	(3,231,482)
Cash Received from the Exercises of Warrants	2,069,604	152,704,057	2,069,604	152,704,057
Cash Received from Minority Shareholders from increasing capital in Subsidiary Companies	5,675,000	75,000	-	-
Cash Received from Loans from Subsidiary Companies	-	-	209,000,000	120,000,000
Cash Payment for Loans from Subsidiary Companies	-	-	(329,000,000)	-
Cash Received from Long-Term Loans	200,000,000	-	200,000,000	-
Cash Proceeds from Debenture	990,351,172	-	990,351,172	-
Dividend Paid	(126,614,449)	(26,934,411)	(126,614,449)	(26,934,411)
Net Cash Provided from (Used in) Financing Activities	1,219,847,338	84,010,876	1,098,063,817	203,935,876
Net Increase (Decrease) in Cash and Cash Equivalent Items	(89,753,236)	(4,632,700)	(21,501,958)	(72,883,978)
Cash and Cash Equivalent Items at the Beginning of the Period	89,778,937	94,411,637	21,527,659	94,411,637
Cash and Cash Equivalent Items at the Ending of the Period	25,701	89,778,937	25,701	21,527,659
Additional Disclosure :				
1. Cash Payment During The Period				
- Interest Paid	34,635,479	537,574	32,461,183	537,574
- Corporate Income Tax	129,344,117	24,768,488	19,644,918	15,409,923
2. For the year ended on December 31,2005 non-cash items which are not shown in cash flows as follows:				
- A Part of Vehicles is Liabilities under Financial Lease agreement	4,653,353	-	360,073	-
- A Part of Loans to Subsidiary Companies is Derived from Transfer of Construction in Progress of Trading Center to Subsidiaries.	-	-	168,123,121	-
- Transferred Retentions Payable to Other Current Liabilities	13,608,947	-	13,608,947	-
- A Part of Fixed Assets is incremental from the record of Construction Payable.	157,704,170	-	9,765,978	-

The accompanying notes are an integral part of the financial statements.



SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 And 2004

1. Basis of Financial Statements

- 1.1 The financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543 being those Thai Accounting Standards under the Accounting Professional Act B.E. 2547, and the financial statement in compliance with the notification of the Department of Commercial Registration, "Define the abbreviation component required in the financial statements B.E. 2544, and in accordance with the determination of the office of the Securities and Exchange committee on the subject of preparation and presentation of the financial reports.
- 1.2 In order to prepare the financial statements to comply with generally accepted accounting standards, the company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenue, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ the estimated amount.
- 1.3 The financial statements for the year ended on December 31, 2004, have been reclassified in order to facilities comparative analysis with those for financial statement ended on December 31, 2005.

	<u>Consolidated</u>	<u>The Company Only</u>
Property, Plant and Equipment decrease	(5,345,035)	(5,345,035)
Accounts Receivable decrease	(16,831,175)	(16,831,175)
Loan to Subsidiary Company decrease	-	(3,832,790)
Other Current Assets increase	9,764,176	13,596,965
Non Other Current Assets increase	5,345,035	5,345,035
Account Payable Trading decrease	(27,058,364)	(6,015,220)
Deposits and Lease Retentions decrease	(7,059,150)	(7,059,150)
Other Current Liabilities increase	27,050,513	6,007,370

2. General Information

The company was registered as a corporate entity under the Civil and Commercial code on August 13, 2545, company registration number 40854500691. The head office is located at 7/5 Moo 1 Ramkhamhaeng Road, Saphansoong, Bangkok .

The Company's principal activity is the rental of building space and provision of utilities services in four categories. These comprise (a) Short-term and Long-term rental of building space, with rental terms of 1-3 years and 10-30 years, respectively (b) Project and center area management services whereby the term of service is in accordance with the terms of rental mentioned above (c) Provision of utilities, which comprise electricity, water and telephones (d) Location procurement services, which are provided separately from the services in (a) to (c)



Additional information of the company and subsidiary companies in the consolidated financial statements and those of the company only is as follows;

Name of Companies	Registered Date	Registered Number	Type of Business	Employee Number		Employee Expenses	
				As of December 31, 2548	2547	For the Year Ended on December 31, 2548	2547
				Number	Number	Million Baht	Million Baht
Siam Future Development Co., Ltd.	13 August 2002	40854500691	Space rental building and utilities services	45	38	36.42	29.35
Petchkasem Power Center Co., Ltd.	31 March 2004	0108454708066	Space rental building and utilities services	-	-	-	-
Ekkamai Lifestyle Center Co., Ltd.	31 March 2004	0108454708073	Space rental building and utilities services	-	-	-	-
Siam Future Property Co., Ltd.	16 April 2004	0107554708027	Space rental building and utilities services	4	-	0.48	-

For the years ended on 31 December 2005, two subsidiaries company have used employees of related company, so have no employee expenses.

For the years ended on 31 December 2004, subsidiary company have not operated and used employees of related company, so have no employee expenses.

3. Significant Accounting Policies

3.1 The Company and subsidiaries are recognized revenue as follows:

3.1.1 Rental income is recognized over the period of the lease agreement.

3.1.2 Service income is recognized when the service has been rendered.

3.1.3 Revenue from location procurement fee is recognized when the service contract is signed.

3.1.4 Revenue from interest receivable is recognized in accordance with the period of time and computed from the accrued principle balance.

3.2 Other incomes and Expenses are recognized on an accrual basis.

3.3 Cash and Cash Equivalents include saving account, current account, fixed account not over 3 months and current investment in financial institution not over 3 months, with not obligations.

3.4 Allowance for doubtful debts, a policy to make an allowance for doubtful debts based on an estimate of debts which are unlikely to be collectable.



3.5 Unearned rental and service income is rental and service income received in advanced from customers under rental and service agreements. It is recognized as income over the terms of the agreement, which are between 10 and 30 years.

3.6 Investments in subsidiary companies are stated under the equity method. Investments in available – for – sale securities are determined at fair value. Gains or losses on changes in the value of investments are shown as a separate item under the shareholders' equity in the balance sheet. Investments in held – to – maturity securities are determined at cost after amortization. Premium and discounts on debt securities are amortized using the effective interest rate method and included in interest income.

3.7 Property, plant and equipment are stated at cost is calculated by reference to their costs on the straight – line method over their estimated useful lives, which are as follows

Leaseholds and leasehold improvements	Period of land lease 15-30 years
Building on leased land	Period of land lease 15-30 years
Office improvements	5 years
Office equipment	5 years
Leased equipment	Period of equipment lease 5 years
Computer and equipment	3 years
Vehicles	5 years

3.8 Cost of loan, interest expense incurred from loan carried to use in the construction of assets is combined as cost price of assets until such assets are ready to be used in accordance with the purpose or alternatively the construction is ceased.

3.9 Goodwill amortized on a straight line method for 20 years beginning at the date of acquisition.

3.10 Financial assets carried on the balance sheet include cash and bank balances, investments, accounts receivable, financial liabilities carried on the balance sheet include account payable, loans. Related accounting policies of financial assets and liabilities were disclosed in each related section.

3.11 The basic earning per share is computed by divided net profit for the year by the number of weighted average of common stocks issued during the year.

Diluted earning per share is computed by divided net profit for the year by aggregate amount of weighted average number of common stock issued during the year and the weighted average number of common stock which the Company may have to issue for conversion of the whole of warrants to common stocks.

3.12 The appropriation of retained earnings is attributable to the Public Company Act. 2535 (1992) which the company will appropriate reserve when it was approved by the company board of directors meeting which will be respectively reported to the shareholders meeting.

4. Basis of Consolidated Financial Statement Preparation

4.1 In preparation of the interim consolidated financial statements, the company will only take its subsidiary companies which are under the main control of SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED. The Company currently holds shares in subsidiary Companies as follows:



Company Name	Shareholding Percentage		Goodwill (Negative Goodwill)	Country	Type of Business
	As of December 31,	As of December 31,			
	<u>2005</u>	<u>2004</u>	As of Purchased <u>'000 Baht</u>		
Petchkasem Power Center Co., Ltd.	74%	74%	19,240	Thailand	Space rental building and utilities services
Ekkamai Lifestyle Center Co., Ltd.	51%	51%	29,400	Thailand	Space rental building and utilities services
Siam Future Property Co., Ltd.	90%	100%	-	Thailand	Space rental building and utilities services

4.2 The accounting period ended of the above subsidiary companies are the same as the SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED.

4.3 The preparation of consolidated financial statement was eliminated significant inter-assets and liabilities and inter-transaction.

4.4 Accounting policy for the subsidiary companies will utilize the same policy as that of SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED.

5. Inter-Transactions

The Company had significant inter-transactions with its subsidiaries and related parties which have certain shareholders or directors in common with those of the Company as follows:

5.1 Inter — Income and Expenses

	Consolidated For the year Ended on December 31,	
	2005 Baht	2004 Baht
Major Cineplex Group Public Co., Ltd.		
Rental and service income	13,120,840	1,971,957
Utility service income	6,817,827	1,358,774
Location procurement fee	-	10,000,000
Vivat Construction Ltd.		
Value of Plaza Center Construction	159,710,393	-



	The Company Only	
	For the year	
	Ended on December 31,	
	2005	2004
	Baht	Baht
<u>Income</u>		
Management fee Income		
Petchkasem Power Center Co., Ltd.	750,000	2,250,000
Ekkamai Lifestyle Center Co., Ltd.	1,450,000	1,550,000
	The Company Only	
	For the year	
	Ended on December 31,	
	2005	2004
	Baht	Baht
Rental and Service Income		
Major Cineplex Group Public Co., Ltd.	13,120,840	1,971,957
Utility service income		
Major Cineplex Group Public Co., Ltd.	6,817,827	1,358,774
Location procurement fee		
Major Cineplex Group Public Co., Ltd.	-	10,000,000
Interest Income		
Petchkasem Power Center Co., Ltd.	4,084,873	-
Ekkamai Lifestyle Center Co., Ltd.	1,215,550	-
Siam Future Property Co., Ltd.	2,328,096	-
Transferred value of construction in progress of trading center		
Siam Future Property Co., Ltd.	168,123,121	-
<u>Expenses</u>		
Common Area Service Expense		
Major Cineplex Group Public Co., Ltd.	360,000	-
Interest Expenses		
Petchkasem Power Center Co., Ltd.	200,111	-
Ekkamai Lifestyle Center Co., Ltd.	74,137	-

Management Fee Revenue was received by the Company for providing management services for Project. The Management fee was set at a fixed rate as jointly agreed to contract with 1 year service rendered since contract date.

Rental and service incomes are charged in monthly fixed rate as jointly agreed to contract.

Utility service incomes are charged in monthly fixed rate as jointly agreed to contract.

Location procurement fee is charged as jointly agreed to contract.

Construction in progress of trading center is transferred in amount of cost price.

Value of Plaza Center Construction are charged as jointly agreed to contract.



5.2 Inter – Assets and Liabilities

	Consolidated		The Company Only	
	As of December 31, 2005	2004	As of December 31, 2005	2004
	Baht	Baht	Baht	Baht
Assets				
Short – term loans from subsidiaries				
Petchkasem Power Center Co., Ltd.	-	-	152,427,616	-
Ekkamai Lifestyle Center Co., Ltd.	-	-	73,000,000	-
Siam Future Property Co., Ltd.	-	-	243,971,802	-
Total	-	-	469,399,418	-
Accrued Income				
Petchkasem Power Center Co., Ltd.	-	-	372,850	2,257,902
Ekkamai Lifestyle Center Co., Ltd.	-	-	923,095	1,558,568
Siam Future Property Co., Ltd.	-	-	-	16,320
Total	-	-	1,295,945	3,832,790
Accrued Interest				
Petchkasem Power Center Co., Ltd.	-	-	2,307,257	-
Ekkamai Lifestyle Center Co., Ltd.	-	-	1,028,872	-
Siam Future Property Co., Ltd.	-	-	2,118,094	-
Total	-	-	5,454,223	-
Liabilities				
Deposits and Lease Retentions				
Major Cineplex Group Public Co., Ltd	5,000,000	-	5,000,000	-
Short – term loans from subsidiaries				
Petchkasem Power Center Co., Ltd.	-	-	-	90,000,000
Ekkamai Lifestyle Center Co., Ltd.	-	-	-	30,000,000
Total	-	-	-	120,000,000



For the year ended on December 31, 2005, there were movement transactions of there short term loan to subsidiary companies and the short term loan from subsidiary companies as follow:

	Balance		Balance	
	As of	In the period		As of
	<u>December 31, 2004</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2005</u>
<u>The Company Only</u>				
Short term loan to subsidiary companies				
Petchkasem Power Center Co., Ltd.	-	152,427,616	-	152,427,616
Ekkamai Lifestyle Center Co., Ltd.	-	73,000,000	-	73,000,000
Siam Future Property Co., Ltd.	-	243,971,802	-	243,971,802
Short term loan from subsidiary companies				
Petchkasem Power Center Co., Ltd.	90,000,000	60,000,000	(150,000,000)	-
Ekkamai Lifestyle Center Co., Ltd.	30,000,000	75,000,000	(105,000,000)	-

As of December 31, 2005, Short – term loans were loan in form of call promissory notes, interest rates of 5.75% - 7.00% per annum.

As of December 31, 2004, the whole amount of loans from subsidiary companies was short – term loans for use in project development and operating liquidity enhancing in form of call promissory notes, interest rate 0.75% - 1.00% per annum.

5.3 Type of Relationship with the Companies

Consist of :

<u>Name of company</u>	<u>Relationship</u>
Petchkasem Power Center Co., Ltd.	Subsidiary by shareholding
Ekkamai Lifestyle Center Co., Ltd.	Subsidiary by shareholding
Siam Future Property Co., Ltd	Subsidiary by shareholding
Major Cineplex Group Public Co., Ltd	Shareholder
Vivat Construction Ltd.	Managing Partner of Vivat Construction Ltd. is director



6. Accounts Receivable

Consists of :

	Consolidated		The Company Only	
	As of December 31,		As of December 31,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	Baht	Baht	Baht	Baht
Trade Accounts Receivable				
- Location procurement fees	108,837,134	87,000,000	108,837,134	-
- Rental and service	5,254,137	3,484,501	3,056,521	3,484,501
- Utility service	16,897,974	16,674,360	7,838,254	16,674,360
Total	<u>130,989,245</u>	<u>107,158,861</u>	<u>119,731,909</u>	<u>20,158,861</u>

Accounts receivable of service fee of location procurement is account receivable which incurred from revenue of services provided to procure location which have the potential to be used for modern trade retail store operations pursuant to notes 19 whereby account receivable of service fee of such procurement as of December 31, 2005, the Company will receive repayment in accordance with the term and covenant in the contract of service rendered within the period of 4-10 months commenced from the date the contract is performed while outstanding balance as of December 31, 2004, the Company has fully received in year 2005.

As of 31 December 2005 Account receivable are classified by aging as below:

	Consolidated	The Company Only
	As of 31 December 2005	As of 31 December 2005
	Baht	Baht
Within Credit Term	127,888,447	118,576,579
Over Credit Term		
- Over 1day to 30 days	1,763,738	389,208
- Over 31days to 60 days	753,529	182,591
- Over 61days to 90 days	127,316	127,316
- Over 90 days	456,215	456,215
Total	<u>130,989,245</u>	<u>119,731,909</u>

7. Fixed Deposits with Restrictions

These represent fixed deposits with banks which are pledged as collateral to secure the issuance of bank guarantees by those banks.



8. Investments in Subsidiary Companies

As of December 31, 2005 and 2004, Siam Future Development Public Company Limited had investment in its subsidiary companies as follows:

Name of Company	Issued and Paid		Percentage of Holding		Cost Method		Equity Method		Dividends	
	Up Shares									
	2005 '000 Baht	2004 '000 Baht	2005 %	2004 %	2005 '000 Baht	2004 '000 Baht	2005 '000 Baht	2004 '000 Baht	2005 '000 Baht	2004 '000 Baht
Petchkasem Power Center Co., Ltd.	1,000	100	74%	74%	74,740	74	211,744	137,462	-	-
Ekkamai Lifestyle Center Co., Ltd.	1,000	100	51%	51%	60,510	51	97,479	38,803	-	-
Siam Future Property Co.,Ltd	50,075	100	90%	100%	45,075	100	44,020	43	-	-
					<u>180,325</u>	<u>225</u>	<u>353,243</u>	<u>176,308</u>	<u>-</u>	<u>-</u>

8.1 As of April 1, 2005, the company holds additional investment in Petchkasem Power Center Company Limited and Ekkamai Lifestyle Center Company Limited. In accordance with the contract of shareholders of the project between the company and Connex Consultant Company Limited which minor shareholders of two companies. The term and covenant in accordance with the shareholders contract of the project is determined that two companies increased share registered capital by Baht 900,000 each company. The additional ordinary shares are issued by 90,000 shares, par value of Baht 10. The company agreed to purchase increase share by 66,600 shares and 45,900 shares in the price of Baht 1,121.11 and Baht 1,317.19 equivalent to Baht 74,666,000 and Baht 60,459,000 respectively. Connex Consultant Company Limited agreed to purchase additional shares that the remaining from two subsidiaries by 23,400 shares and 44,100 shares in the price of Baht 10 per share equivalent to Baht 234,000 and Baht 441,000 respectively. The above share amount has been repayable completely on the same date. Given, goodwill which is derived from the company's investing in two above subsidiaries, the company amortized such goodwill on a straight line method for 20 years beginning at the date of acquisition in accordance with Note 10.

8.2 In accordance with the resolution of the board of directors meeting no. 4/ 2005 which held on August 9, 2005 it is resolved that the Company incrementally invests in incremental share capital of Siam Future Property Co., Ltd. which is subsidiary from the former 10,000 shares to 18,000,000 shares in the par value of Baht 10 per share while it is shares subscription fee of incremental capital of 25%, equivalent to amount of Baht 44,975,000. After such shares increment, the proportion of investment in such subsidiaries is changed from 100% to 90% that the Company has completely repaid share subscription fee.



9. Property, Plant and Equipment-Net

Consists of:

	Consolidated			
	Balance	Purchase/	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31, 2004			December 31, 2005
	Baht	Baht	Baht	Baht
Cost:				
Leaseholds and leasehold improvements	808,149,495	22,944,596	-	831,094,091
Building on leased land	629,022,209	344,992,971	-	974,015,180
Office improvements	2,067,347	3,370,044	-	5,437,391
Office equipments	19,607,274	8,809,835	(75,991)	28,341,118
Computer and equipments	1,699,695	1,722,674	-	3,422,369
Vehicles	21,501,507	6,929,278	-	28,430,785
Construction in Progress	103,703,811	1,640,795,240	(452,340,364)	1,292,158,687
Total	<u>1,585,751,338</u>	<u>2,029,564,638</u>	<u>(452,416,355)</u>	<u>3,162,899,621</u>
Accumulated Depreciation:				
Leaseholds and leasehold improvements	(72,083,101)	(32,142,250)	-	(104,225,351)
Building on leased land	(110,265,413)	(39,954,435)	-	(150,219,848)
Office improvements	(969,897)	(662,911)	-	(1,632,808)
Office equipments	(12,440,693)	(3,216,236)	75,989	(15,580,940)
Computer and equipments	(611,420)	(669,327)	-	(1,280,747)
Vehicles	(10,854,446)	(4,877,742)	-	(15,732,188)
Total	<u>(207,224,970)</u>	<u>(81,522,901)</u>	<u>75,989</u>	<u>(288,671,882)</u>
Net	<u><u>1,378,526,368</u></u>			<u><u>2,874,227,739</u></u>

Depreciation as shown in income statements

for the year ended on December 31,

2005	81,522,901
2004	55,485,465



	The Company Only			
	Balance	Purchase/	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31, 2004			December 31, 2005
	Baht	Baht	Baht	Baht
Cost:				
Leaseholds and leasehold improvements	668,083,820	17,901,741	-	685,985,561
Building on leased land	629,022,209	33,930,694	-	662,952,903
Office improvements	2,067,347	3,370,044	-	5,437,391
Office equipments	19,607,273	7,845,248	(75,991)	27,376,530
Computer and equipments	1,699,695	1,439,550	-	3,139,245
Vehicles	21,501,507	523,656	-	22,025,163
Construction in Progress	65,075,189	599,802,577	(187,339,494)	477,538,272
Total	<u>1,407,057,040</u>	<u>664,813,510</u>	<u>(187,415,485)</u>	<u>1,884,455,065</u>
Accumulated Depreciation:				
Leaseholds and leasehold improvements	(72,083,101)	(31,838,997)	-	(103,922,098)
Building on leased land	(110,265,413)	(35,670,538)	-	(145,935,951)
Office improvements	(969,897)	(662,911)	-	(1,632,808)
Office equipments	(12,440,693)	(3,208,104)	75,989	(15,572,808)
Computer and equipments	(611,420)	(655,658)	-	(1,267,078)
Vehicles	(10,854,447)	(4,343,940)	-	(15,198,387)
Total	<u>(207,224,971)</u>	<u>(76,380,148)</u>	<u>75,989</u>	<u>(283,529,130)</u>
Net	<u><u>1,199,832,069</u></u>			<u><u>1,600,925,935</u></u>

**Depreciation as shown in income statements
for the year ended on December 31,**

2005	76,380,148
2004	55,485,465

The land lease agreements stipulate a significant condition obliging the Company to transfer the ownership of the premises on the leased land to the lessors when the agreements expire and to adjust the rental at the rates of 10%-50% per annum for the period of 3-5 years.

As of 31 December 2005 and 2004, One leasehold right in Baht 25.0 millions and Baht 75.0 millions is pledge by the Company against the compliance with the leased contract by placement of leasehold right as collateral to one finance institute. Such finance institute avails the promissory note which the Company issued to account payable of one leasehold right fee. The Company has reflected and combined in the account payable in balance sheet



As of 31 December 2005, A part of leasehold right plus property on existing and contingent, the Company is taken to pledge against long term loan in accordance with note no. 14.

For the year ended on December 31, 2005 and 2004, the company recorded loan interest in respect of the project development as part of project cost in the consolidated financial statement in amount of Baht 34.64 millions and Baht 0.36 millions respectively and the company financial statement by amount of Baht 23.88 millions and 0.36 millions respectively.

10. Goodwill - Net

Consists of:

	Consolidated As of December 31, 2005 Baht
Goodwill from purchase investment	48,640,000
<u>Less Amortization of Goodwill</u>	<u>(1,824,000)</u>
Goodwill – Net	<u><u>46,816,000</u></u>

As of December 31, 2005, the whole amounts of Goodwill from purchase investment two subsidiaries in the shareholding agreements as in Note 8.1.

11. Credit and Obligations

Bank overdrafts, short-term loans in form of promissory notes and long term loan are secured by the transfer of part of the Company's leasehold rights and construction.

12. Bank Overdrafts and Short-Term Loans from Financial Institute

Consists of:

	Consolidated		The Company Only	
	As of December 31,		As of December 31,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	Baht	Baht	Baht	Baht
Bank Overdrafts	33,562,171	6,703,955	37,453,650	6,703,955
Short – Term Loans	125,000,000	-	125,000,000	-
Total	<u><u>158,562,171</u></u>	<u><u>6,703,955</u></u>	<u><u>162,453,650</u></u>	<u><u>6,703,955</u></u>

As of December 31, 2005, a whole amount of short – term loans were loan from financial institute in form of promissory note for the company's project development, interest 4.7.5 – 6.80% per annum, which have to complete all repayment within March 2, 2006

**13. Liabilities under Financial Lease Agreements - Net**

Consists of:

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Liabilities Under Financial Lease Agreements	6,407,077	5,486,622	2,113,797	5,486,622
<u>Less</u> Deferred Interest Expense Under Financial Lease Agreement	(71,436)	(312,128)	(71,436)	(312,128)
	<u>6,335,641</u>	<u>5,174,494</u>	<u>2,042,361</u>	<u>5,174,494</u>
<u>Less</u> Current Portion of Liabilities Under Financial Lease Agreements	(3,023,756)	(3,769,056)	(1,825,628)	(3,769,056)
Deferred Interest Expense Under Financial Lease Agreement	51,806	276,850	51,806	276,850
Liabilities Under Financial Lease Agreements-Net	<u>3,363,691</u>	<u>1,682,288</u>	<u>268,539</u>	<u>1,682,288</u>

14. Long-Term Loans - Net

Consists of:

	Consolidated and The Company Only	
	As of December 31, 2005	
	Baht	
Long - Term Loan	200,000,000	
<u>Less</u> Current Portion of Long-Term Loan	<u>(35,000,000)</u>	
Long - Term Loan - Net	<u>165,000,000</u>	

As of 31 December 2005, Long term loan from merchant bank carried the purpose so as for development of real estate project, carried interest rate of MLR-0.5% per annum, carried the term of principle repayment installment of Baht 5.0 million per month while the first installment is repayable in June 2006. It is determined that it is completely repayable within 5 years.

In the consolidated and the company only, the whole amount of Long-term loans constituting some leasehold right, building and property on existing and contingent pursuant to note no. 9 is pledged as collateral.



15. Debentures - Net

Consists of:

	Consolidated and The Company Only
	As of December 31, 2005
	Baht
Debentures	1,000,000,000
<u>Less</u> Current Portion of Debentures	(125,000,000)
Debenture issue Costs	(9,648,828)
Debentures – Net	<u>865,351,172</u>

As of April 20, 2005, the Company issue debentures in amount 1,000,000 Unit at par value 1,000 Baht per unit totaling 1,000 million, the whole amount were the Debentures are unsubordinated and unsecured, amortizing, having a Debenture holder's Representative and are in the form of the Name-Registered Certificate. The Debentures are to have 5 years and repay the 1st installment on October 20, 2006 the interest rate of 5.20 per annum throughout the term of the debentures by payable semi-annually.

16. Share Capital

During 2004, the fully paid up share capital of the Company in issue was increased by Baht 31,844,173 in December 2003, by Baht 7,215,388 in March 2004, by Baht 125,665,538 in June 2004 and by Baht 1,396,653 in September 2004 as a result of the exercise of warrants. On 8 October 2004, the Company registered the increase in its issued and fully paid share capital to Baht 403,621,687 consisting of 403,621,687 ordinary shares of Baht 1 each, with the Ministry of Commerce.

As of December 31, 2005, the capital offered and already paid up of the Company is increased from the right exercise in accordance with warrants to purchase ordinary shares in December, 2004, March, 2005, and June, 2005, September, 2005 and December, 2005, in amount of Baht 20,496,082. The Company has registered the share increment which is offered and fully paid up at the Ministry of Commerce; as a result, it results in the capital which is offered and fully paid up by amount of Baht 424,117,769 which is composed of ordinary shares in number of 424,117,769 shares in par value of Baht 1.

17. Warrants

On 13 December 2002, the Company issued 71,000,000 registered, transferable warrants with a term of three years from the issue date (13 December 2002) to its shareholders, without charge. The warrants can be exercised to subscribe to new ordinary shares in a ratio of 1 warrant per 1 ordinary share, at an exercise price of Baht 2 per share, with the exercise period being every 30th of March, June, September, and December (the first exercise date being 30 March 2003). However, during 2003-2004 the Company had adjusted exercise price and rate for purchase new common share in accordance with condition of right adjustment that indicate in prospectus for the Company's



common shares. However the new exercise price and rate was 1 warrant can convert into 2.62875 new common shares with exercise price Baht 1.00 per share which effective since March 10, 2004.

In March 2004, June 2004 and September 2004, respective totals of 2,744,800 warrants, 47,804,300 warrants and 531,300 warrants have been exercised to purchase a total of 134,277,579 new ordinary shares. After these exercises, a total of 7,796,926 warrants remained unexercised.

On 30 December 2004, a further 7,009,600 warrants were exercised. The Company presents the proceeds from the exercise of these warrants, amounting to Baht 18,426,478, as share subscription received in advance in the balance sheet, since the Company registered the increase in its issued and fully paid share capital on 11 January 2005. After these exercises, a total of 787,326 warrants remained unexercised.

In March, June and September 2005, a further total of 140,000 warrants, 104,300 warrants and 57,000 warrants have been exercised to purchase a total of 792,038 new ordinary shares totaling Baht 792,038. After these exercises, a total of 486,026 warrants remained unexercised.

On 13 December 2005, that is due for right exercise. There is right exercise in accordance with warrants to purchase additionally ordinary shares by number of 486,000 units while it is appropriated by new ordinary shares by number of 1,277,566 units in amount of Baht 1,277,566. Moreover, the Company has registered share increment which is issued and fully paid-up from such right exercise on December 26, 2005. After such right exercise, the Company remained unexercised warrants by number of 26 units while it is due for right exercise already.

18. Dividend

In accordance with the resolution of the shareholder's Meeting No.1/2548 held on March 15, 2005, it was unanimously resolved dividend payment from the operating of 2004 which offer at the rate of Baht 0.30 per share the common stock that have rights to received dividend were amount of 422,048,165 shares, totaling amount of Baht 126,614,449.50, and set dividend payment on March 25, 2005, and reserved net profit to legal reserve totaling Baht 10,518,629.15 on December 31, 2004.

In accordance with the resolution of the shareholder's Meeting No.1/2547 held on March 25, 2004, it was unanimously resolved dividend payment from the operating of 2003 which offer at the rate of Baht 0.10 per share the common stock that have rights to received dividend were amount of 269,344,110 shares, totaling amount of Baht 26,934,411.00, and set dividend payment on April 9, 2004.

19. Location Procurement Fees

The whole amount is revenue from services provided to procure location which have the potential to be used for modern trade retail store operations. The Company and subsidiaries recorded such service fee in accordance with the full contract price of the service stipulated in the relevant agreement that performed with those customers when the service has been completely is rendered.



20. Directors' remuneration

This director's remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Company Act, exclusive of salaries and related benefits payable to executive directors.

21. Corporate Income Tax

For the year ended on December 31, 2005 and 2004, the company calculated the income tax at the rate of 25% in accordance with the Decree no. 387, which amended the rate of the corporate income tax expense from 30% to 25% for the five consecutive accounting periods from the initial accounting period or after the date a public company is listed on the Stock Exchange of Thailand (as of April 3, 2002) in accordance with the law on Securities and Stock Market.

For the year ended on December 31, 2005, three subsidiary companies calculate by using progressive return tax rate which announced in the Royal decree of Revenue Rate Reduction (Version no. 394) B.E. 2545 with the news announcement of the Ministry of Finance version no. 86/2004 dated October 26, 2004, of accounting net profit after adding back adjusted transaction in accordance with the Revenue Code.

22. Reconciliation of Diluted Earnings Per Share

In the consolidated financial statements and the company only for the year ended on December 31, 2005 and 2004 The Company is calculated basic earnings per share by dividing the net profit (loss) by the weighted average number of ordinary shares as follows:

Date	Issued and Paid - up Share Capital (Share)	For the year ended on December 31, 2005	
		Date (Days)	The Weighted Average (Share)
Jan 1, 2005 – Jan 10, 2005	403,621,687	10	4,036,216,870
Jan 11, 2005 – April 3, 2005	422,048,165	83	35,029,997,695
April 4, 2005 – July 11, 2005	422,416,188	99	41,819,202,612
July 12, 2005 – December 25, 2005	422,690,365	167	70,589,290,955
December 26, 2005 – December 31, 2005	424,117,769	6	2,544,706,614
		365	154,019,414,746
Net Profit (Bath)			107,556,219
The Weighted Average Number of Ordinary Shares (shares)			421,970,999
Basic Earnings (Loss) Per Share (Baht)			0.25



	For the year ended on December 31,					
	Net profits		Weighted average Number of ordinary shares (after adjustment the result Of the right issue)		Earnings per share	
	2005	2004	2005	2004	2005	2004
	Baht	Baht	Share	Share	Baht	Baht
Basic earning per share						
Net earning	107,556,219	210,372,538	421,970,999	334,806,966	0.25	0.63
Effect of dilutive securities (2004 : 8,328,226 warrants)	-	-	-	76,490,874		
Diluted earning per share						
Net earning of ordinary shareholders Assuming the conversion of dilutive Securities	107,556,219	210,372,583	421,970,999	411,297,840	0.25	0.51

23. Financial Information by Segment

The operations of the Company and subsidiaries involve a single industry segment i.e. building rental and provision of utilities services, and are carried on only in Thailand. As a result, all the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

24. Financial Instruments

24.1 Risk Management

The company and its subsidiaries have no policy to deal in financial instruments for speculation or trade

24.2 Interest Rate Risk

Interest rate risk arises from the fluctuation of interest rates in the future which will affect operations and cash flow of the company, which the company had assets and liabilities instruments to hedge against this risk as follow :



	CONSOLIDATED		THE COMPANY ONLY		Interest Rate per annum	
	As of		As of		December 31,	December 31,
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004	2005	2004
	<u>Million Baht</u>	<u>Million Baht</u>				
Loans receivable for Subsidiary Company	-	-	469.71	-	5.75-7.00	-
Bank over draft	33.56	6.70	37.45	6.70	6.75	5.75-6.00
Short-Term Loans from Subsidiary Company	-	-	-	120.00	-	0.75-1.00
Short-Term Loans from Financial Institution	125.00	-	125.00	-	4.75-6.75	-
Long-Term Loans from Financial Institution	200.00	-	200.00	-	4.05-5.43	-
Debentures	1,000.00	-	1,000.00	-	5.20	-

24.3 Foreign Currency Risk

The Company is exposure to any risk from foreign exchange rate fluctuations because the company has no foreign currency transaction.

24.4 Credit Risk

The Company and its subsidiaries constitute risk from credit provision mainly relating to trading account receivable; however, the Company holds policy of hedging against risk while it is arranged for placement of guarantee of leasing and service by the rate of 6 times over leased fee and monthly service fee. As a result, the Company and its subsidiaries will not anticipate of any material damage received from debt collection from trading account receivable.

24.5 Fair Value

Because most of the cash financial assets and liabilities are of short term nature and bank overdraft, short term loans and long term loans have a interest at market rate, thus management of the company and its subsidiaries believe that the book value of such financial assets and liabilities does not differ significantly from the fair value.

25. Commitments and Contingent Liabilities

As at 31 December 2005 and 2004, the Company and its subsidiaries had the following commitments and contingent liabilities:-

25.1 Commitments to pay future rental charges totaling approximately Baht 1,711.42 million and Baht 1,891.0 million respectively, under long-term lease agreements which will be ended within 2005 - 2036.

25.2 Commitments of subsidiaries to pay future rental charges of approximately Baht 591.87 million and Baht 595.4 million respectively, under long-term lease agreements which will be ended in 2035.



- 25.3 Commitments under plaza center construction contracts that the Company and subsidiaries had to pay to contractors of approximately Baht 649.57 million and Baht 452.4 million, and the commitments for the Company only were approximately Baht 77.22 million and Baht 231.6 million.
- 25.4 Payment commitments of Baht 14.0 million and Baht 34.0 million under lease agreement for the leaseholds to land.
- 25.5 Bank guarantees totaling Baht 8.57 million and Baht 8.21 million which have been issued by the banks in respect of certain performance bonds as required in the normal course of business of the Company.
- 25.6 Contingent liabilities from undated cheque payment for rental retentions totaling Baht 2.0 million both years equally.

26. Provident Fund

The Company and its employees have participated in the registered Thai Munkong Provident Fund under the Provident Fund Act B.E. 2530. The fund is contributed to by both employees and the Company. This fund is managed by Krung Thai Asset Management Public Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund.

27. Approval of the Financial Statements

These financial statements have been approved by the company's directors.
