



รายงานประจำปี 2549
ANNUAL REPORT 2006
SIAM FUTURE DEVELOPMENT PUBLIC COMPANY LIMITED

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





SIAM FUTURE DEVELOPMENT PUBLIC CO., LTD.

Esplanade Ratchadapisek 99 Ratchadapisek Road, Din Dang, Bangkok, Thailand 10326.

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Message from the Board of Directors

The Company's leaping growth since the year 2003 has proved to be a gratifying achievement to the Company, especially upon our receipt of *The Innovation Design and Development of a New Project Award* for J-Avenue Thong Lor 15 shopping center from the International Council of Shopping Centers (ICSC) International Design and Development Awards 2006. Such award illustrated recognition from international institutions which, in turn, enhances trust, credibility and acceptance from tenants and customers procuring services from the Company's shopping centers. At present, total area of shopping centers under management of the company amounted to 188,514 square meters, an increase of 53% and 94% comparing with total area of 63,379 square meters and 96,837 square meters in year 2004 and 2005, respectively. Such figure excludes total area of 22,646 square meters of projects under construction which will be opened in the year 2007.

The shopping centers officially opened in the year 2006 are La Villa Phaholyothin shopping center, The Avenue Chaengwattana shopping center and Esplanade Ratchadaphisek shopping center with an emphasis on providing a combination of art and entertainment. These centers have become a meeting place of the new generation attributable to the innovation and differentiation of an open-air shopping center. Additionally, in the year 2007, the company's The Avenue Pattaya project will be opened and it is expected to be the new meeting place of tourist-attractive province of Thailand.

In the year 2006, the Company's revenue stood at Baht 1,674.4 million, a growth of 264% compared with 2005's revenue. Net profit of the year stood at Baht 404.9 million or the increase of 279% from the year 2005. Such increasing revenue resulted from a realization of income from financial lease totaling Baht 1,195.8 million, mainly from Esplanade project.

For the year 2007 going forward, the Company will focus on a total quality management throughout the organization, improvement of internal operational management system, communication and management to reduce task redundancy to facilitate a rapid growth of the Company. Together with a persistent compliance with the principles of good corporate governance, the company will be able to continually develop shopping centers similar to what it had achieved in the past.

The Board of Directors believes that with its commitment in transparency, ethics and good corporate governance in doing business, together with quality professional management approach, the Company will be able to provide a beneficial return in a long run and a sustainable profit to the shareholders.

The Board of Directors would like to convey an appreciation to supporters, shareholders, suppliers, customers, financial advisors, financial institutions and staffs for their continuous 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. Mrs. Nantiya Montriwat Chairman of the Audit Committee
2. Mr. Dusit Nontanakorn Member of the Audit Committee
3. Mrs. Sabaithip Soontaros Member of the Audit Committee

During the year 2006 the Audit Committee has convened 7 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. The Company has grown rapidly in Year 2006. The Audit Committee, therefore, has focused on the internal control in order for the Company's operation to be carried out efficiently and effectively. The Audit Committee has provided its opinions and recommendations emphasizing on an operational system to bring about accurate and complete information for decision making as well as the improvement of other operational systems to reduce the processing time and document redundancy.

In addition, the Audit Committee has continued to perform other tasks such as review of financial statements to ensure that they are in compliance with the accounting principles, and monitoring of the Company's operation to ensure that operation is transparently conducted 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 disclosure is complete and sufficient.

The Audit Committee has considered and agreed to appoint Mr. Mr. Kajornkiet Aroonpirodkul, C.P.A number 3445, Ms. Nattaporn Phan-Udom, C.P.A. number 3430, and Mr. Boonmee Ngotngamwong, C.P.A. number 3673, under the name of PricewaterhouseCoopers ABAS Company Limited as the Company's auditor and to have one of these persons conduct the audit and provide opinion on the year 2007 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 26 operating projects increasing from last year 2 new projects as follows:

Type of shopping center	Number of shopping centers	Name of Shopping Centers
Neighborhood shopping center	7	Bangbon, Pracha-Utis, Sukhapiban 3, Sukhumvit 71 (Klong Ton), Thonglor, and Thungmahamek, 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.
Power Center	3	SF Major Cineplex Cha Choeng Sao Petchkasem Power Center and Ekkamai Power Center
Urban Entertainment Center	1	Esplanade Ratchadapisek
Lifestyle Center	3	J Avenue Thonglor 15, The Avenue Chaeng Watthana, and La Villa Phonyothin

Additionally, we have 1 underconstruction project which will open within 2007, Lifestyle Center: The Avenue Pattaya.

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

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

¹ additional details concerning accounting policy on long-term lease can be found in item 2.6 of the notes to financial statements on page 49



Company Profile

Siam Future Development Public Company Limited

Registration No. : 40854500691

Registration Date: August 13, 2002

Address: Esplanade Ratchadapisek 99 Ratchadapisek Road, Din Dang
Bangkok, Thailand 10326.

Tel.: 0-2660-9000 Fax: 0-2660-9010

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

Registered Capital: 533.95 Million Baht with 533.95 Million ordinary shares, par value of Baht 1 each.

Issued and Paid-up Capital: 508.94 Million Baht with 508.94 Million ordinary shares, par value of Baht 1 each.

Vision

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

Membership of International Organization

Member of International Council of Shopping Center (ICSC)

Awards

J Avenue Thonglor 15 won *The Innovative Design and Development of a New Project* from International Council of Shopping Centers (ICSC) International Design and Development Awards 2006.

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. Kajornkiet Aroonpirodkul, Certified Public Accountant No. 3445
PricewaterhouseCoopers ABAS Limited
15th Floor Bangkok City Tower
179/74-80 south Sathorn Road, Bangkok ,Thailand 10120
Tel : 0-2344-1000, 0-2286-9999 Fax: 0-2286-5050
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.	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 Ekkamai Power Center were opened.
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.	2006	<ul style="list-style-type: none">☉ Right Offering to Existing Shareholders in the amount of 533.95 Million Baht at the ratio of 5 current shares to 1 newly issued share.☉ 2 New Lifestyle Centers, The Avenue Chaeng Watthana and La Villa Phahonyothin, were opened.☉ J Avenue Thonglor 15 won <i>The Innovative Design and Development of a New Project</i> from International Council of Shopping Centers (ICSC) International Design and Development Awards 2006☉ Esplanade Ratchadapisek, an urban entertainment center, was opened.
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, Pattanakam, 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.		



Financial Highlights

Siam Future Development Public Company Limited

For the fiscal year ended 31 December

Million Baht	2006	2005	Change	
			06/05	05/04
Total Assets	5,032.88	3,170.69	58.7%	90.7%
Total Liabilities	3,307.90	2,269.38	45.8%	182.6%
Registered Capital	533.95	500.00	6.8%	0.0%
Shareholders' Equity	1,724.98	901.32	91.4%	4.8%
Total Revenues	1,674.48	458.95	264.8%	-27.9%
Gross Profit	781.25	227.64	243.2%	-52.9%
Net Profit	404.96	106.68	279.6%	-49.3%
Book Value per share (Baht)	3.39	2.13		
Dividend per share (Baht)	0.35 ¹	0.10		
Profit Margin	24.18%	23.24%		
Return on Equity (ROE)	23.48%	11.84%		
Return on Asset (ROA)	8.05%	3.36%		
Interest Bearing Debt to Equity Ratio	1.08	1.50		
Gross Leasable Area (sq.m.)	188,514	96,837	94.7%	52.8%

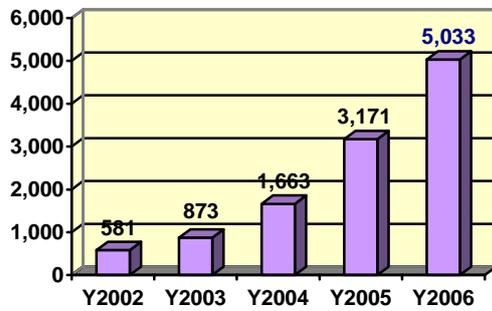
Note

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



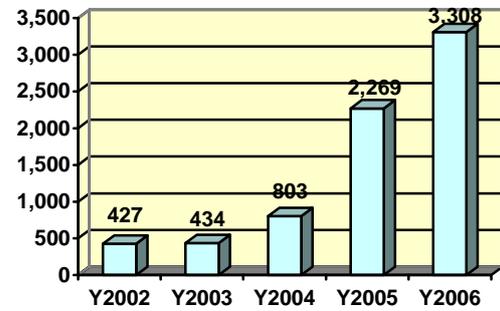
Total Assets

Million Baht



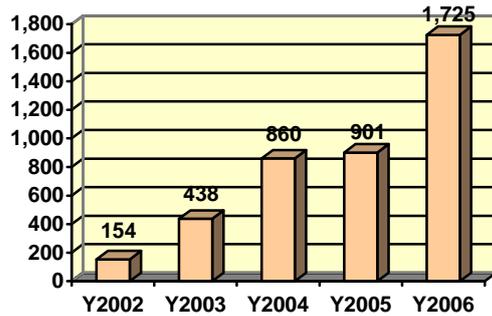
Total Liabilities

Million Baht



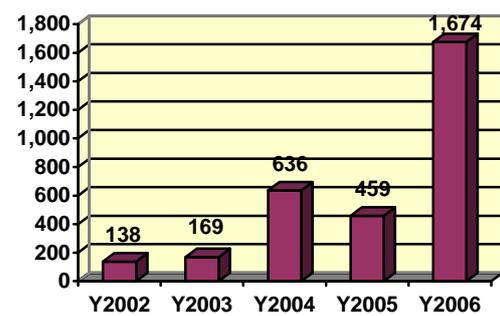
Shareholders' Equity

Million Baht



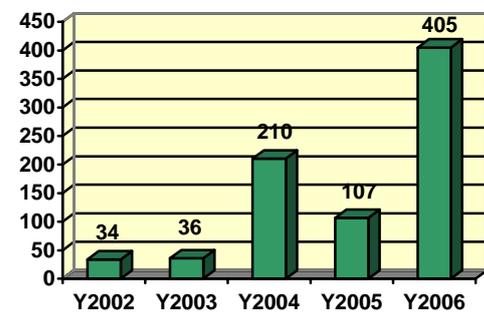
Total Revenues

Million Baht



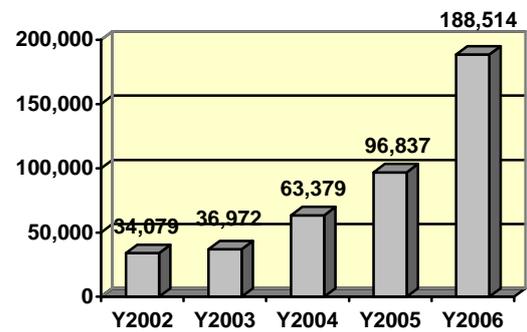
Net Profit

Million Baht



Gross Leasable Area

sq.m.





Explanation and Analysis on the Financial Status and Operating Performance

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

Realizing the transaction according to the financial lease method will affect the balance sheet of the Company. For example, on the asset side, financial lease receivables will increase and land, building and equipment will decrease while, on the liabilities side, the Company's land leasehold right payables will increase. In the profit & loss statement, the Company's revenue from financial lease will rise and the revenue will be realized on the hand-over date of rental space of the project. Interest income will be realized throughout the period of the lease agreement while the cost of financial lease will increase (additional details concerning accounting policy on long-term lease can be found in item 2.6 of the notes to financial statements on page 49).

Financial Status

Total Assets

As at 31 December 2006 the Company's total assets stood at Baht 5,032.88 million, an increase of Baht 1,862.19 million or 58.73% from year 2005 figure. The increment of the Company's total assets resulted from Baht 888.95 million increase in financial lease receivables from The Esplanade Ratchadapisek project, Petchakasem Avenue project (the expanded section of Petchakasem Power Center project), La Villa Phaholyothin project and The Avenue Chaengwattana project. Net land, building and equipment also rose by Baht 839.13 million as a result of opening of the projects in year 2006, i.e. The Esplanade Ratchadapisek project, La Villa Phaholyothin project, The Avenue Chaengwattana project and Petchakasem Avenue project (the expanded section of Petchakasem Power Center project) together with project under construction, i.e. The Avenue Pattaya project.

Attributable to the recognition of revenue as financial lease, the Company's return on equity (ROE) stood at 23.48% while return on asset (ROA) increased to 8.05% from year 2005 due to the increase in the Company's net profit from financial lease revenue.

Total Liabilities

As at 31 December 2006, the Company's total liabilities stood at Baht 3,307.90 million, increasing by Baht 1,038.52 million or 45.76% from year 2005 figure. Such growth was due to 3 projects under construction in year 2006, i.e. La Villa Phaholyothin project, Esplanade Ratchadapisek project and The Avenue Pattaya project, which required the Company to increase the amount of overdraft and short-term loan from financial institution by Baht 614.08 million. Additionally, the



Company's deposit from customers rose by Baht 282.47 million from Esplanade Ratchadapisek project, The Avenue Pattaya project, The Avenue Chaengwattana project and La Villa Phaholyothin project. Accrued income tax increased by Baht 147.92 million as a result of gain from financial lease.

The Company's debt to equity ratio and interest bearing debt to equity ratio declined from the year 2005 figures to 1.92 and 1.08, respectively, attributable to the increase in shareholders' equity according to the growing retained earnings in year 2006 and capital increase in August 2006.

Shareholders' Equity

The Company's total shareholders' equity stood at Baht 1,724.98 million, the growth of Baht 823.66 million or 91.38% from year 2005 figure. Such an increase was a result of the Company's capital increase by way of right offering in August 2006 at a proportion of 5 existing shares to 1 new share at an offering price of Baht 5 per share, resulting in the increase of paid-up capital and premium on share capital by Baht 84.82 million and Baht 339.30 million, respectively. In addition, year 2006 net profit amounted to Baht 404.96 million while dividend for the year 2005 was paid in the amount of Baht 0.10 per share totaling Baht 42.41 million. Accordingly, as at 31 December 2006, the Company's retained earnings grew by Baht 362.55 million.

Operating Performance

In relation to the operating performance for the year ended 31 December 2006, the Company's net profit amounted to Baht 1,674.48 million, growing by Baht 1,215.53 million or 264.85% from figure of the same period of the previous year. Such increase consisted of rental and service income of Baht 452.51 million, the increase of Baht 12.71 million from the same period of the previous year as a result of the recognition of revenue of the projects opened at the end of year 2005, i.e. Petchakasem Power Center project and Ekamai Power Center project, together with the projects opened in year 2006, i.e. Esplanade Ratchadapisek project, La Villa Phaholyothin project, The Avenue Chaengwattana project and Petchakasem Avenue project (the expanded section of Petchakasem Power Center project). In year 2006, the Company realized income from financial lease in the amount of Baht 1,195.82 million resulting from the hand-over of rental space of The Avenue Chaengwattana project, Petchakasem Avenue project (the expanded section of Petchakasem Power Center project), La Villa Phaholyothin project and Esplanade Ratchadapisek project. Additionally, the Company realized other incomes in the amount of Baht 26.15 million, the increase of Baht 7.00 million or 36.55% from the same period of the previous year.

The Company's cost of rental and service amounted to Baht 377.92 million, the growth of Baht 146.60 million or 63.38% from the same period of the previous year. Cost of financial lease from The Avenue Chaengwattana project, La Villa Phaholyothin project, Petchakasem Avenue project (the expanded section of Petchakasem Power Center project) and Esplanade Ratchadapisek project stood at Baht 515.32 million. Accordingly, the Company's gross profit amounted to Baht 781.24 million, the increase from the same period of the previous year by Baht 553.61 million. Net profit totaling Baht 404.96 million was also greater than the figure of the same period of the previous year by Baht 298.28 million or 279.60% as in year 2006, the Company realized rental and service income and income from financial lease of the aforementioned 4 new shopping centers. With the rise in both total revenue and total cost, the Company's net profit increased from the same of the previous 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 $\frac{1}{2}$ 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+.

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

The Company opened 3 new shopping centers as follows: The Avenue Chaeng Watthana Lifestyle center, La Villa Phahonyothin Lifestyle center, and Esplanade Ratchadapisek Arte-tainment Center. Therefore, as of 31 December 2006, the Company had 188,514 sq.m. Gross Leasable Area increasing from 2005 by 95%.

Revenue Structure

2003-2006 Rental and Service Income from anchor tenants and co-tenants of the Company

Tenants	2003		2004		2005		2006	
	Million Baht	%						
1. Anchor Tenants	51.75	51.08%	52.57	34.64%	71.68	30.92%	114.48	34.88%
2. Co-Tenants	49.56	48.92%	99.20	65.36%	160.13	69.08%	213.77	65.12%
Total	101.31	100.00%	151.77	100.00%	231.80	100.00%	328.24	100.00%

Remarks: Anchor Tenants are showed in the Details of the 26 present operating projects (Rental Area and Occupancy Rate) Table in page 12-13.

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.

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



Details of the 26 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	Bangborn	Jusco Supermarket	Neighborhood Center	6 - 0 - 0	8,759	7,100	89
2	Pracha Utit	Jusco Supermarket	Neighborhood Center	6 - 3 - 10	7,116	6,174	94
3	Sukaphiban 3	Tops Supermarket	Neighborhood Center	9 - 1 - 71	6,794	6,309	96
4	Sukhumvit 71	B-Quik	Neighborhood Center	0 - 3 - 80	2,468	1,418	100
5	Thonglor 4	Tops Supermarket	Neighborhood Center	3 - 0 - 60	4,029	3,015	99
6	Thungmahamek	Tops Supermarket	Neighborhood Center	2 - 0 - 85	3,521	2,877	100
7	Chaeng Watthana - Family Center Chaeng Watthana - The Avenue Chaeng Watthana (expansion)	Lemon Farm Major Cineplex	Lifestyle Center	5 - 3 - 19.40 10 - 0 - 89.5	11,328 28,876	9,018 14,137	77 98
8	Piyarom Place	Tops Supermarket	Neighborhood Center	8 - 0 - 77	12,654	7,857	84
9	Cha Choeng Sao	Major Cineplex	Community Center	4 - 1 - 78.4	9,554	8,739	99
10	J Avenue (Thonglor 15)	Villa Market	Lifestyle Center	5 - 0 - 8	14,471	7,782	100
11	Ramintra K.M. 2	B-Quik	Convenience Center	1 - 0 - 0	780	777	100
12	Wanghin	B-Quik	Convenience Center	0 - 1 - 71	612	535	100
13	Ladprao 120	-	Convenience Center	0 - 2 - 34	643	643	94
14	Wanghin 2	Tesco Lotus Express	Convenience Center	1 - 2 - 61.5	988	988	69



	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 (%)
15	Bangkae	B-Quik	Stand-Alone Retail Store	0 – 1 – 33	364	364	100
16	Meng Jai	B-Quik	Stand-Alone Retail Store	0 – 1 – 99	465	465	100
17	Phahonyothin K.M.27	B-Quik	Stand-Alone Retail Store	0 – 1 – 70	433	433	100
18	Ratchda-Hauy Kwang	B-Quik	Stand-Alone Retail Store	0 – 0 – 99	314	314	100
19	Ta Pra	B-Quik	Stand-Alone Retail Store	0 – 1 – 43	355	355	100
20	Sathorn	B-Quik	Stand-Alone Retail Store	0 – 1 – 14	314	314	100
21	Srinakarin	B-Quik	Stand-Alone Retail Store	0 – 0 – 80	318	318	100
22	Ratchada-Rama III	B-Quik	Stand-Alone Retail Store	0 – 1 – 27	343	343	100
23	Petchkasem Power Center	Big C, Index, HomeWork, Major Cineplex	Power Center	52 – 2 - 74	48,253	43,871	96
24	Ekkamai Power Center	Big C, Index	Power Center	7 – 3 - 73	31,151	14,894	97
25	La-Villa (Phahonyothin)	Villa Market, Fitness World	Lifestyle Center	3 – 3 – 40	10,445	5,309	100
26	Esplanade Ratchadapisek	Major Cineplex, Major Bowl, California Wow, Ratchadalai Playhouse, Tops Supermarket, Ice Skating Ring	Urban Entertainment Center	11 – 2 - 13	98,371	44,164	93
	SOJ (Total)			144 - 2 – 9.8	303,719	188,514	95

Remarks: As at December 31, 2006.

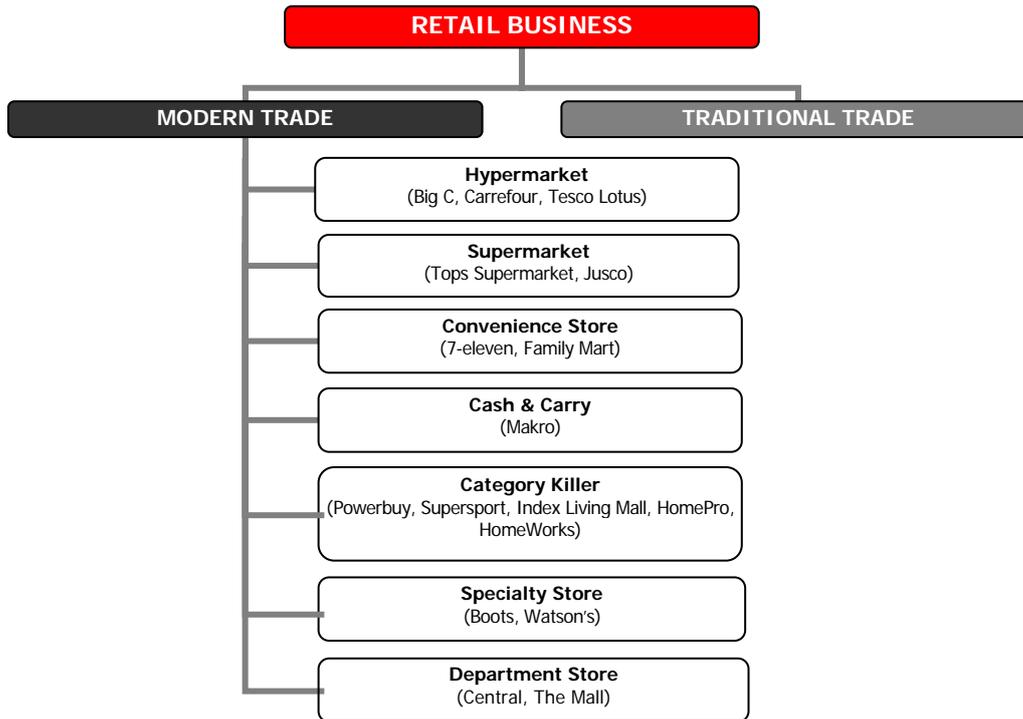
No. 15-22, leasable area are occupied by B-Quik, automotive service workshop, only.

Market and Competition

Industry Overview

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

Thailand Retail Business Structure



Source: Institute of Thailand retails business

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

Overview of Thailand's Retail Business in the Year 2006

■ Small retail shop (grocery store)	288,995	shops
■ Fresh market	125,000	markets
■ Convenient store	6,310	stores
■ Modern trade store with an area of more than 300 m ²	660	stores

Source: AC Nielsen (September 2006)

Growth and competition in retail business has expanded at a declining pace in year 2006 due to various factors, e.g. higher cost resulted from increasing oil price, inflation and political instability. Such factors have an impact on consumption and investment which are considered important foundation to economic expansion. Accordingly, retail business operators implement various strategies to attract and maintain their customers' base. In spite of a number of risk factors involved, there remain some positive factors, i.e. implementation of major policies such as energy



saving policy, tourism restoration and sufficiency economy. Official opening of Suvarnabhumi Airport also increases an opportunity for continuous expansion of retail business.

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

Discount Store and Hypermarket

Discount store and hypermarket has expanded increasingly. In Thailand there are 4 major operators in this sector, i.e. Tesco Lotus, Big C, Carrefour and Macro. The number of discount store branches continues to increase, albeit at a decelerating rate due to a restriction from the retail law and new city plan as announced by the government. Accordingly, size of the discount store tends to be small as an enforcement of the new city plan makes the expansion via large size store more difficult. Such discount store chains as Tesco Lotus, Big C, Carrefour and Macro have adapted new expansion pattern and concept by using a smaller space, e.g. in form of convenient store and supermarket, etc.

Supermarket

In 2006, supermarket sector has continually expanded along with a more intense competition as, apart from competing within the same sector, supermarket operators also face competition from retail business operators in other sectors, especially from the discount store sector. Additionally, as certain discount store and hypermarket operators, e.g. Tesco Lotus, have adapted new expansion pattern by using a smaller space, called Lotus Market, with approximately 800 sq.m. space to comply with the retail law, supermarket sector, therefore, has grown rapidly. The existing supermarket operators adopted a policy to regularly renovate the branches while adjusting themselves in terms of equipment, system installation, clear positioning of middle – high level of customers, strategy to focus on quality, freshness, guarantee and diversification to differentiate themselves from discount stores which focus on low cost strategy to attract customers.

Convenient Store

7-11 continues to be the leader in the convenient store sector with more than 3,000 branches covering almost all regions. V Shop, Fresh Mart, Family Mart, ART and 108 Shop are the operators which penetrate into the market with small market share, intense competition and variety of marketing strategy to increase revenue and market share, e.g. providing service on utility and insurance payment, etc. Each convenient store chain speeds up branch expansion to increase customer base and achieve the break-even point and, thereby, gain more profit from the increasingly higher number of branches. C.P. 7-11, market leader, grows at a higher rate than other convenient store chains attributable to its branch expansion capability, readiness of its human resources, management and technology.

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



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

Industry Outlook

Retail business in Thailand has a tendency to continue to grow, thereby encouraging growth of the shopping center development and management business in the same direction. Most of the existing retailers in the country plan to continue their business expansion. Moreover, some of the discount store retailers, such as Tesco Lotus and Big-C, have a definite plan to expand their branches in form of supermarket 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.

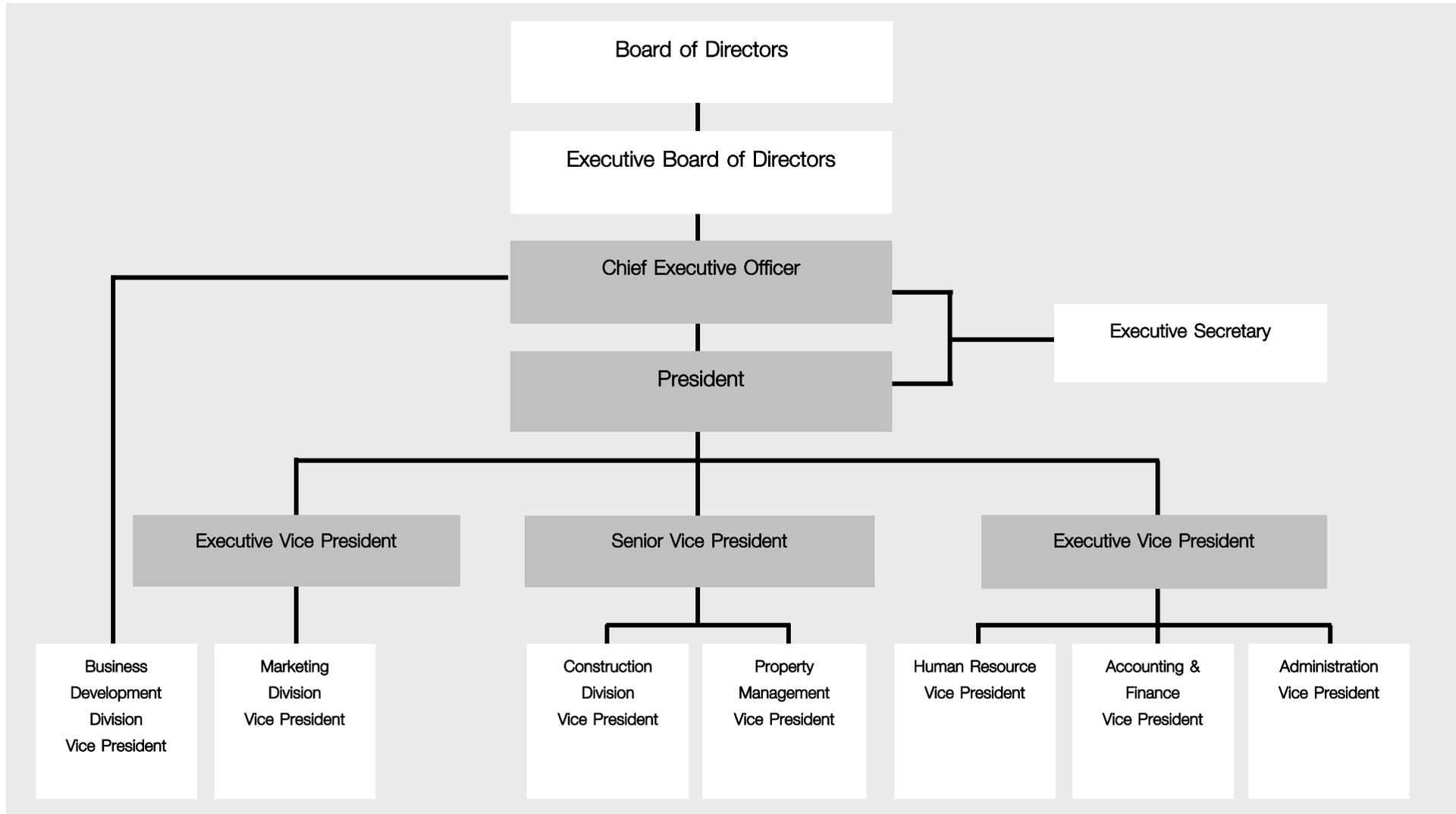
Risk of Dependence on Limited Numbers of Experienced Personnel

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 18 August 2006 are as follows:

	Name of Shareholders	Number of Shares	Percentage
1.	Major Cineplex Group Public Company Limited	108,132,375	21.25%
2.	Thai NVDR Company Limited	42,562,827	8.36%
3.	SOMERS (U.K.) LIMITED	36,624,840	7.20%
4.	Mr. Nopporn Witoonchart	31,705,526	6.23%
5.	Mr. Pongkit Suttapong	29,604,675	5.82%
6.	Miss Artitaya Jantarapapa	25,202,970	4.95%
7.	State Street Bank and Trust Company	24,000,000	4.72%
8.	Investors Bank and Trust Company	21,011,040	4.13%
9.	Mrs. Kasinee Witoonchart	20,214,915	3.97%
10.	State Street Bank and Trust Company for Australia	17,066,040	3.35%
	Total	356,125,208	69.97%

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. Sabathip 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 5 Directors as follows:

	First Name – Last Name	Position
1.	Mr. Nopporn Vitoonchart	Chairman of Executive Board
2.	Mr. Somnuk Pojkasemsin	Executive Director
3.	Mr. Vicha Poonvorluck	Executive Director
4.	Mr. Sermsak Kwanpoung	Executive Director
5.	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. Pornnipa Rujipairote	Executive Vice President
4. Ms. Krisana Udornpitayaphumipicharn	Executive Vice President
5. Mr. Chernchai Niyamanusorn	Senior Vice President
6. Ms. Sumontha Meksingwee	Vice President, Accounting and Finance Division

Board of Directors Meeting

In 2005 and 2006, the Company set up 6 and 7 Board of Directors Meetings respectively as follows:

Board of Directors	2005 (Totally 6 meetings)	2006 (Totally 7 meetings)
Mr. Oranop Jantarapapa	6	7
Mr. Pongkit Suttapong	6	7
Mr. Nopporn Witoonchart	6	7
Mr. Somnuk Pojkasemsin	6	7
Mr. Vicha Poolvaraluck	6	7
Mr. Verawat Ongvasith	6	6
Mr. Chai Jarungtanapibal	6	6
Mr. Dej Bulkul	6	7
Ms. Nantiya Montriwat	6	5
Mr. Dusit Nontanakorn	6	6
Ms. Sabaithip Suntaros	6	7



BOARD OF DIRECTORS

Name / Position	Age (Yrs)	Education	Experience		
			Duration	Position	Company / Type of Business
1. Mr.Oranop Jantaraprapa Chairman Director and Authorized director	59	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	46	MBA (Marketing) National Institute of Development Administration (NIDA)	1994 - Present	Vice Chairman	Siam Future Development Plc. Shopping Center Developer
			2003 - Present	Directors Executive Director	SC Asset Corporation Plc. Real Estate Developer
		B.E. (Industrial Engineering) Khon-Kaen University	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	Siam Future Development Plc.
Chief Executive Officer			Director	Shopping Center Developer	
Director			1994 - Present	General Manager	Sieng Somboon Co., Ltd. Shopping Center Developer
Chairman of Executive Board Authorized director					
		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	49	M.S. (Accounting) Thammasat University	2002 - Present	President	Siam Future Development Plc.
President			Director	Shopping Center Developer	
Director		B.A. (Accounting) Chulalongkorn University	2001 - 2002	Corporate Services Group Director	Motivation Asia (Thailand) Ltd. Marketing Service
Authorized Director			1995 - 1999	Senior Vice President Internal Affair	International Engineering Public Co., Ltd. (IEC) Telecommunication
			1991 - 1995	Vice President Finance & Administrative Division	
	Director Accreditation Program (DAP) in 2005, Thai Institute of Directors Association (IOD)	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	56	B.A. (Accounting)	2004 - Present	Director	Siam Future Development Plc. Shopping Center Developer
Director		Thammasat University			
		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	43	MBA - Marketing	2003 - Present	Director	Siam Future Development Plc. Shopping Center Developer
Director		USIU OF SANDIEGO, USA.			
		B.A. (Accounting)	1998 - Present	Chairman President	Major Cineplex Group Plc. Cinema and Bowling
		Chulalongkorn University	2003 - Present	Director	California Fitness Center Co., Ltd. Fitness Center
7. Mr. Verawat Ongvasith	36	MBA	2003 - Present	Director	Siam Future Development Plc. Shopping Center Developer
Director		Boston University, USA.			
		B.A. (Accounting)	1998- Present	Director Vice Chief Executive Officer	Major Cineplex Group Plc. Cinema and Bowling
		Chulalongkorn University			
	Director Accreditation Program (DAP) in 2004, Thai Institute of		Director	Ratchayotin Realty Co.,Ltd Property Developer	
			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	52	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	58	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
		Director Certification Program (DCP) in 2006 , Thai Institute of Directors Association (IOD)	2000 - 2003	Senior Vice President	
			1999 - Present	Director	
			1999 - 2004	Director	Muang Thai Holding Co., Ltd.
	1994 - Present	Director	Phatara Complex Co., Ltd.		
10. Mr.Dusit Nontanakorn Member of Audit Committee	59	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)
			1982 - 1987	Director, Distribution Division	
			1981 - 1982	Director, Public Relation Division	Building & Decoration materials
			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	59	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 - 2006	Member of working group	TISCO Charity Foundation
			2001 - 2002	Senior Vice President Custodian Services	TISCO Finance Plc.
			1997 - 2001	Senior Vice President Financial Division	TISCO Finance Plc.



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	49		Please see the Details in Board of Directors.		
3. Ms Pomtipa Rujipairote Executive Vice President	44	MBA Thammasat university	2004 - Present	Executive Vice President	Siam Future Development PLC. Shopping Center Development
		MBA Bangkok University	1991 - 2004	Senior Vice President	International Engineering Public Co., Ltd. (IEC) Telecommunication
		B.B.A. Chulalongkorn university	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. Chernchai Niyamanusorn Senior Vice President,	42	Master of International Management American Graduate School of Management (Thunderbird),	2006 - Present	Senior Vice President	Siam Future Development PLC. Shopping Center Development
			2002-2005	Assistant Managing Director	Siam Piwat Co., Ltd. Shopping Center Development



Name / Position	Age (Yrs)	Education	Experiences		
			Period	Position	Company / Type of Business
		Arizona, U.S.A.			
		B.A. Assumption University	1997-2001	Deputy Managing Director	Bliss-tell Plc.
			1994-1997	Logistic & Supply Manager	Tipco asphalt Plc.
		Director Accreditation Program (DAP) in 2004, Thai Institute of Directors Association (IOD)		Marketing Planning Manager	
6. Ms Sumontha Meksingwee	38	MBA Ramkamhaeng university	2539 - Present	Vice President, Accounting and Finance Division	Siam Future Development PLC. Shopping Center Development
Vice President, Accounting and Finance Division		Certificate of Auditing Chulalongkorn University			
		Bachelor of Accounting The University of the Thai Chamber of Commerce	2533 - 2539	Senior Auditor	Deloitte Touche Tomutsu (Thailand) Co.,Ltd. Audit Firm



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 2006, the Company selected Mr. Chernchai Niyamanusorn in the position of Senior 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 2006, one annual general shareholders' meeting and one extraordinary 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, 2 of them are executive directors, 5 non-executive director and 3 independent directors. Independent Directors accounts for 36% 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) 660-9464, 9465 or <http://www.siamfuture.com>.



AUDITOR'S REPORT

To the Shareholders of Siam Future Development Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2006 and the related consolidated and company statements of income, changes in shareholders' equity, and cash flows for the year then ended of Siam Future Development Public Company Limited ("the Company") and its subsidiaries and of the Company, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and company financial statements of the Company and its subsidiaries and of the Company for the year ended 31 December 2005 presented herewith for comparative purposes, were audited by another auditor whose report dated 16 February 2006, expressed an unqualified opinion on those financial statements.

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 statement presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2006 and the consolidated and company results of operations and cash flows for the year then ended of Siam Future Development Public Company Limited and its subsidiaries and of Siam Future Development Public Company Limited, respectively in accordance with generally accepted accounting principles.

KAJORNKIET AROONPIRODKUL
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Limited

Bangkok
16 February 2007



Siam Future Development Public Company Limited

Balance Sheets

As at 31 December 2006 and 2005

	Notes	Consolidated		Company	
		2006	2005	2006	2005
		Baht	As restated Baht	Baht	As restated Baht
ASSETS					
Current Assets					
Cash and cash equivalents	6	59,661,068	25,701	4,101,074	25,701
Trade accounts receivable, net	7	59,497,384	130,989,245	31,621,265	119,731,909
Finance lease receivables due within one year	8	512,931,480	-	22,603,330	-
Amounts due from related parties	26	-	-	56,888,851	6,750,168
Loans to subsidiaries	26	-	-	994,903,829	469,399,418
Other current assets	9	186,133,087	50,630,257	120,886,887	36,803,403
Total Current Assets		818,223,019	181,645,203	1,231,005,236	632,710,599
Non-Current Assets					
Restricted cash		2,365,000	2,170,000	300,000	740,000
Finance lease receivables	8	376,017,810	-	31,971,856	-
Investments in subsidiaries	10	-	-	638,443,769	353,858,105
Goodwill, net	11	44,384,000	46,816,000	-	-
Property and equipment, net	12	3,713,357,660	2,874,227,739	1,525,113,774	1,600,925,935
Deferred tax assets	17	-	4,573,419	-	3,958,786
Deposits for leasehold land		56,349,668	51,609,668	56,349,668	51,609,668
Other non-current assets		22,179,369	9,652,142	14,438,310	8,548,742
Total Non-Current Assets		4,214,653,507	2,989,048,968	2,266,617,377	2,019,641,236
Total Assets		5,032,876,526	3,170,694,171	3,497,622,613	2,652,351,835

Director Director

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.



Siam Future Development Public Company Limited

Balance Sheets

As at 31 December 2006 and 2005

	Notes	Consolidated		Company	
		2006 Baht	2005 As restated Baht	2006 Baht	2005 As restated Baht
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Bank overdrafts and loans from financial institutions	13	772,638,353	158,562,171	272,638,353	162,453,650
Trade accounts payable		2,763,110	38,371,607	1,880,150	37,625,510
Current portion of unearned rental and service income	16	39,839,927	33,228,986	31,921,225	29,897,053
Current portion of long-term borrowings	14	186,294,510	162,971,950	185,096,382	161,773,822
Income tax payable		-	20,917,942	-	20,917,942
Other accounts payable		7,932,038	184,762,534	1,207,814	15,781,198
Other current liabilities	15	140,555,538	100,732,750	94,067,146	64,146,936
Total Current Liabilities		<u>1,150,023,476</u>	<u>699,547,940</u>	<u>586,811,070</u>	<u>492,596,111</u>
Non-Current Liabilities					
Unearned rental and service income	16	483,976,178	400,327,899	272,697,094	254,166,951
Long-term borrowings	14	909,008,958	1,033,714,863	907,111,934	1,030,619,711
Deposits received from customers	26	418,247,635	135,784,858	150,785,236	112,908,090
Deferred tax liabilities	17	147,921,959	-	10,429,382	-
Other non-current liabilities		198,720,256	-	21,059,684	-
Total Non-Current Liabilities		<u>2,157,874,986</u>	<u>1,569,827,620</u>	<u>1,362,083,330</u>	<u>1,397,694,752</u>
Total Liabilities		<u>3,307,898,462</u>	<u>2,269,375,560</u>	<u>1,948,894,400</u>	<u>1,890,290,863</u>

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.

**Siam Future Development Public Company Limited****Balance Sheets****As at 31 December 2006 and 2005**

	<u>Notes</u>	<u>Consolidated</u>		<u>Company</u>	
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
		<u>Baht</u>	<u>As restated</u>	<u>Baht</u>	<u>As restated</u>
		<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
LIABILITIES AND					
SHAREHOLDERS' EQUITY (Cont'd)					
Shareholders' Equity					
Share capital					
Authorised share capital	18	<u>533,947,769</u>	<u>500,000,000</u>	<u>533,947,769</u>	<u>500,000,000</u>
Issued and paid-up share capital	18	508,941,438	424,117,769	508,941,438	424,117,769
Premium on share capital	18	456,449,520	117,154,844	456,449,520	117,154,844
Retained earnings					
Appropriated-legal reserve	19	19,376,690	13,997,879	19,376,690	13,997,879
Unappropriated		<u>563,960,565</u>	<u>206,790,480</u>	<u>563,960,565</u>	<u>206,790,480</u>
Total Parent's Shareholders' Equity		<u>1,548,728,213</u>	<u>762,060,972</u>	<u>1,548,728,213</u>	<u>762,060,972</u>
Minority interest		<u>176,249,851</u>	<u>139,257,639</u>	-	-
Total Shareholders' Equity		<u>1,724,978,064</u>	<u>901,318,611</u>	<u>1,548,728,213</u>	<u>762,060,972</u>
Total Liabilities and Shareholders' Equity		<u>5,032,876,526</u>	<u>3,170,694,171</u>	<u>3,497,622,613</u>	<u>2,652,351,835</u>

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.



Siam Future Development Public Company Limited
Statements of Income
For the years ended 31 December 2006 and 2005

	Notes	Consolidated		Company	
		2006	2005	2006	2005
		Baht	As restated Baht	Baht	As restated Baht
Revenues					
Rental and service income		452,511,809	439,800,249	321,649,024	419,288,363
Revenue from finance lease contracts		1,195,821,085	-	240,535,906	-
Other income		26,151,828	19,154,355	77,427,215	27,187,166
Total revenues		1,674,484,722	458,954,604	639,612,145	446,475,529
Expenses					
Cost of rental and service		377,917,132	231,318,372	278,468,232	213,028,786
Cost of finance lease contracts		515,320,060	-	31,805,200	-
Selling and administrative expense		118,029,742	72,519,242	97,678,146	67,042,241
Total expenses		1,011,266,934	303,837,614	407,951,578	280,071,027
Operating profit	20	663,217,788	155,116,990	231,660,567	166,404,502
Share of profit (loss) of investments					
- equity method	10	-	-	284,585,665	(2,550,096)
Profit before interest and tax		663,217,788	155,116,990	516,246,232	163,854,406
Interest expense		(37,207,105)	(12,191,472)	(70,317,639)	(20,094,238)
Income tax	21	(184,057,798)	(36,885,607)	(40,967,920)	(37,084,386)
Profit before minorities		441,952,885	106,039,911	404,960,673	106,675,782
(Profit) loss attributable to minorities, net		(36,992,212)	635,871	-	-
Net profit for the year		404,960,673	106,675,782	404,960,673	106,675,782
Earning per share					
Basic earnings per share	22	0.89	0.25	0.89	0.25

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.



Siam Future Development Public Company
Statements of Changes in Shareholders'
For the years ended 31 December 2006 and

		Consolidated						
		Issued and paid up share Baht	Share premium Baht	Share subscription received in advance Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Minority interest Baht	Total Baht
	Notes							
Opening balance - 1 January 2006								
As previously reported			117,154,844	-	13,997,879	202,217,061	139,257,639	896,745,192
Retrospective adjustments	4	-	-	-	-	4,573,419	-	4,573,419
Balance as restated		424,117,769	117,154,844	-	13,997,879	206,790,480	139,257,639	901,318,611
Issue ordinary shares	18	84,823,669	339,294,676	-	-	-	-	424,118,345
Legal reserve		-	-	-	5,378,811	(5,378,811)	-	-
Net profit for the year		-	-	-	-	404,960,673	36,992,212	441,952,885
Dividend	23	-	-	-	-	(42,411,777)	-	(42,411,777)
Ending balance 31 December 2006		<u>508,941,438</u>	<u>456,449,520</u>	<u>-</u>	<u>19,376,690</u>	<u>563,960,565</u>	<u>176,249,851</u>	<u>1,724,978,064</u>
Opening balance - 1 January 2005								
As previously reported			117,154,844	18,426,478	13,997,879	221,275,292	85,578,509	860,054,689
Retrospective adjustments	4	-	-	-	-	5,453,856	-	5,453,856
Balance as restated		403,621,687	117,154,844	18,426,478	13,997,879	226,729,148	85,578,509	865,508,545
Ordinary shares from the exercises								
of warrants	18	20,496,082	-	(20,496,082)	-	-	-	-
Advance receipt from shares subscription		-	-	2,069,604	-	-	-	2,069,604
Net profit for the year (as restated)		-	-	-	-	106,675,782	(635,871)	106,039,911
Dividend	23	-	-	-	-	(126,614,450)	-	(126,614,450)
Portion of investments in subsidiaries of minorities		-	-	-	-	-	54,315,001	54,315,001
Ending balance 31 December 2005		<u>424,117,769</u>	<u>117,154,844</u>	<u>-</u>	<u>13,997,879</u>	<u>206,790,480</u>	<u>139,257,639</u>	<u>901,318,611</u>

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.


Siam Future Development Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the years ended 31 December 2006 and 2005

	Notes	Company					Total Baht
		Issued and paid up share capital Baht	Share premium Baht	Share subscription received in advance Baht	Legal reserve Baht	Unappropriated retained earnings Baht	
Opening balance - 1 January 2006							
As previously reported		424,117,769	117,154,844	-	13,997,879	202,217,061	757,487,553
Retrospective adjustments	4	-	-	-	-	4,573,419	4,573,419
Balance as restated		424,117,769	117,154,844	-	13,997,879	206,790,480	762,060,972
Issue ordinary shares	18	84,823,669	339,294,676	-	-	-	424,118,345
Legal reserve		-	-	-	5,378,811	(5,378,811)	-
Net profit for the year		-	-	-	-	404,960,673	404,960,673
Dividend	23	-	-	-	-	(42,411,777)	(42,411,777)
Ending balance 31 December 2006		<u>508,941,438</u>	<u>456,449,520</u>	<u>-</u>	<u>19,376,690</u>	<u>563,960,565</u>	<u>1,548,728,213</u>
Opening balance - 1 January 2005							
As previously reported		403,621,687	117,154,844	18,426,478	13,997,879	221,275,292	774,476,180
Retrospective adjustments	4	-	-	-	-	5,453,856	5,453,856
Balance as restated		403,621,687	117,154,844	18,426,478	13,997,879	226,729,148	779,930,036
Ordinary shares from the exercises							
of warrants	18	20,496,082	-	(20,496,082)	-	-	-
Advance receipt from shares subscription		-	-	2,069,604	-	-	2,069,604
Net profit for the year (as restated)		-	-	-	-	106,675,782	106,675,782
Dividend	23	-	-	-	-	(126,614,450)	(126,614,450)
Ending balance 31 December 2005		<u>424,117,769</u>	<u>117,154,844</u>	<u>-</u>	<u>13,997,879</u>	<u>206,790,480</u>	<u>762,060,972</u>

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.



Siam Future Development Public Company Limited

Statements of Cash Flows

For the years ended 31 December 2006 and

	Notes	Consolidated		Company	
		2006 Baht	2005 Baht	2006 Baht	2005 Baht
Cash flows from operating activities	24	619,384,318	99,222,077	165,310,032	(10,489,492)
Cash flows from investing activities					
(Increase) decrease in restricted cash		(195,000)	6,042,400	440,000	7,472,400
Additional paid-up capital of subsidiaries	10	-	-	-	(180,100,000)
Loans to subsidiaries	26	-	-	(864,476,796)	(301,276,297)
Proceeds from loans to subsidiaries	26	-	-	608,675,551	-
Proceeds from sale of property and equipment		4,900,000	1,700	4,900,000	1,700
Purchase of property and equipment		(1,454,292,801)	(1,414,866,751)	(299,117,041)	(635,471,086)
Net cash used in investing activities		(1,449,587,801)	(1,408,822,651)	(549,578,286)	(1,109,373,283)
Cash flows from financing activities					
Proceeds from loans from related parties		-	-	-	209,000,000
Repayments to loans from related parties		-	-	-	(329,000,000)
Increase in bank overdrafts and short-term loans from financial institutions		614,076,182	151,858,216	110,184,703	155,749,695
Payments for liabilities under financial lease agreement		(2,971,950)	(3,492,205)	(1,773,822)	(3,492,205)
Proceeds from investment from minority in subsidiaries		-	5,675,000	-	-
Proceeds from exercises of warrants		-	2,069,604	-	2,069,604
Proceeds from long-terms borrowings	14	70,000,000	200,000,000	70,000,000	200,000,000
Repayments to long-term borrowings	14	(172,971,950)	-	(171,773,822)	-
Proceeds from issuance of debentures		-	990,351,172	-	990,351,172
Proceeds from issuance of ordinary shares	18	424,118,345	-	424,118,345	-
Dividends paid to the shareholders	23	(42,411,777)	(126,614,449)	(42,411,777)	(126,614,449)
Net cash receipts from financing activities		889,838,850	1,219,847,338	388,343,627	1,098,063,817
Net increase (decrease) in cash and cash equivalents		59,635,367	(89,753,236)	4,075,373	(21,501,958)
Beginning balance		25,701	89,778,937	25,701	21,527,659
Ending balance		59,661,068	25,701	4,101,074	25,701

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.



Siam Future Development Public Company
Statements of Cash Flows
For the years ended 31 December 2006 and

Supplementary information:

Cash payments for interest and income tax during the years ended 31 December 2006 and 2005 are as follows:

	Consolidated		Company	
	2006	2005	2006	2005
	Baht	Baht	Baht	Baht
Interest	74,821,840	34,635,479	72,537,468	32,461,183
Income tax	65,758,020	129,344,117	45,521,738	19,644,918

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2006 and 2005 are as follows:

	Consolidated		Company	
	2006	2005	2006	2005
	Baht	Baht	Baht	Baht
Addition to property and equipment not yet paid	1,302,784	157,704,170	1,207,814	9,765,978
Property and equipment decreased due to record as cost of finance lease contracts	434,527,260	-	18,035,580	-
Loans to subsidiary increased by transferred leasehold rights to a subsidiary	-	-	269,703,166	168,123,121

The notes to the consolidated and company financial statements on pages 10 to 27 form an integral part of these financial statements.



Siam Future Development Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2006 and 2005

1. General information

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

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

The Company is listed on the Stock Exchange of Thailand. The principal business operating of the Company is the rental of building space and provision of utilities services in four categories as follow:

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

As at 31 December 2006, the Group employed 60 persons (2005: 46 persons).

These consolidated and company financial statements have been approved for issue by the Board of Directors on 16 February 2007.

2. Accounting policies

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

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

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

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

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

2. Accounting policies (Cont’d)



2.2 Consolidation

a) Subsidiaries

Subsidiary undertakings, which are those companies in which the Group has power to govern the financial and operating policies, are consolidated; attention is directed to the substance of the power, and not merely the legal form.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date on which the Group ceases to have the power to exercise control over the operations. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless costs cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interests. The interest of third parties in subsidiaries is accounted for on the basis of their share in the underlying equity of these undertakings. A list of the subsidiaries is set out in Note 10.

In the Company's separate financial statements, the Company accounts for its interest in subsidiaries on an equity basis.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of 3 months or less from the date of acquisition.

2.4 Trade accounts receivable

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

2.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each asset, to its residual value over the estimated useful life, or, if it is shorter, the lease term, as follows:

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



2. Accounting policies (Cont'd)

2.5 Property and equipment (Cont'd)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

Gains and losses on disposal of property and equipment are determined by comparing proceeds with carrying amount and are included in the income statement.

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

2.6 Accounting for long-term leases

Where a group company is the lessee

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

Where a Group company is the lessor

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

At the commencement of the lease term, the Group recognise the sales revenue which is the fair value of the asset, or, if lower, the present value of the minimum lease payments accruing to the lessor, computed at a market rate of interest. The cost of sale recognised at the commencement of the lease term is the cost, or carrying amount if different, of the leased property less the present value of the unguaranteed residual value. The difference between the sales revenue and the cost of sale is the selling profit, which is recognised in the statement of income.



2. Accounting policies (Cont'd)

2.6 Accounting for long-term leases (Cont'd)

Where a Group company is the lessor (Cont'd)

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

The leases where the Group is the lessor contracted before 2006 had significant characteristic terms classified as operating leases. The leases of the projects which operate in 2006 have significant characteristic terms classified as finance leases. The Group adopts the accounting policy to the leases as described above.

2.7 Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset. Goodwill is amortised using the straight-line method over its estimated useful life. Management determines the estimated useful life of goodwill based on its evaluation of the respective companies at the time of the acquisition, considering factors such as existing market share, potential growth and other factors inherent in the acquired companies.

Goodwill arising on acquisitions of the Group is amortised over a period of 20 years.

At each balance sheet date the Group assesses whether there is any indication of impairment on separately recognised goodwill. If such indications exist an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

2.8 Impairment of assets

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

2.9 Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences of the Group arise from allowances for impairment in value of assets, allowances for doubtful accounts, and other provisions.

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

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



2. Accounting policies (Cont'd)

2.10 Provisions

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

2.11 Employee benefits

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

2.12 Revenue recognition

Revenue from rentals and services are recognised over the period in accordance with the agreement and rental and services are rendered. Revenue from leases are recognised in accordance with the accounting policy per Note 2.6 - Leases.

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

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

2.13 Financial instruments

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

2.14 Dividends

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

3. Amendment to publish standard effective for annual period beginning on 1 January 2007

TAS 44 (amendment 2006) - Consolidated Financial Statements and Accounting for Investment in Subsidiaries and TAS 45 (amendment 2006) - Accountings for Investment in Associates, are mandatory for Group's accounting period beginning on or after 1 January 2007. This amendment requires for investments in subsidiaries and associates to be accounted for at cost (previously equity method) in the separate financial statements. Under the cost basis, income from the investment will be recorded when dividends are declared. Furthermore the Group applies similar basis relating to investment in jointly control entities in the separate financial statements. The Group will be implementing the new basis from 1 January 2007.



4. Accounting for deferred income taxes

As at 31 December 2006, the Company has adopted accounting for deferred income taxes and has accounted for the adoption retrospectively in accordance with the accounting standard. The comparative consolidated and company financial statements have been restated accordingly. The effect of this adoption on the consolidated and company financial statements as at 31 December 2005 and for the year ended 31 December 2005 are as follows:

	Consolidated 31 December 2005 Baht	Company 31 December 2005 Baht
Balance sheets		
Increase in deferred tax assets	4,573,419	3,958,786
Increase in investment in subsidiaries	-	614,633
Shareholders' equity		
Increase in inappropriate retained earnings as at 1 January 2005	5,453,856	5,453,856
Increase in inappropriate retained earnings as at 31 December 2005	4,573,419	4,573,419
Statement of income		
Increase in income tax	880,437	1,495,070
Decrease in share of profit of investments - equity method	-	(614,633)
Decrease in net profit for the year	880,437	880,437
Decrease in earnings per share	0.002	0.002
Statement of changes in Shareholders' Equity		
Unappropriated retained earnings as at 31 December 2005		
as previously reported	202,217,061	202,217,061
Adjustment resulting from adopting accounting for income tax	4,573,419	4,573,419
Unappropriated retained earnings as at 31 December 2005 as restated	<u>206,790,480</u>	<u>206,790,480</u>

5. Segment information

The Group operates in only one business segment which is the development of the shopping centers and lease out space in the centers. Furthermore, currently, the business is only operated in Thailand. Accordingly, the operating results and assets presented in these financial statements are relating to only one segment, both operational unit and geographical.

6. Cash and cash equivalents

	Consolidated		Company	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Cash	70	26	42	26
Deposits at call with banks	59,591	-	4,059	-
	<u>59,661</u>	<u>26</u>	<u>4,101</u>	<u>26</u>

The weighted average interest rate of deposits at call with banks during 2006 is 0.5% per annum.

**7. Trade accounts receivable, net**

Trade accounts receivable represent receivable from tenants of operating leases. Outstanding trade accounts receivable as at 31 December can be aged as follows:

	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Current	27,831	127,888	19,137	118,577
Overdue 1 to 3 months	24,003	2,645	6,293	699
Over 3 months but not over 8 months	7,663	456	6,191	456
	<u>59,497</u>	<u>130,989</u>	<u>31,621</u>	<u>119,732</u>
<u>Less</u> provision for doubtful accounts	-	-	-	-
	<u>59,497</u>	<u>130,989</u>	<u>31,621</u>	<u>119,732</u>

8. Finance lease receivables

	Consolidated	Company
	2006	2006
	Baht'000	Baht'000
The gross receivables in the leases		
Not later than one year	527,125	23,361
Later than one year and not later than five years	75,130	10,638
Later than five years	602,074	26,857
Total	<u>1,204,329</u>	<u>60,856</u>
The present value of minimum lease payments receivable is as follows:		
Not later than one year	512,931	22,603
Later than one year and not later than five years	15,957	7,887
Later than five years	360,061	24,085
Total	<u>888,949</u>	<u>54,575</u>
The unearned finance income	<u>315,380</u>	<u>6,281</u>

The unearned finance income is calculated basing on the discount rate of 8% per annum.

The significant characteristic terms of the leasing arrangements are:

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

**9. Other current assets**

	Consolidated		Company	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Other accounts receivable	107,920	23,409	79,938	22,019
Prepaid expenses	17,076	10,237	11,422	5,135
Others	61,137	16,984	29,527	9,649
	<u>186,133</u>	<u>50,630</u>	<u>120,887</u>	<u>36,803</u>

10. Investment in subsidiaries

Movements in investments in subsidiaries are as follows:

	Company	
	2006 Baht'000	2005 Baht'000
For the year ended 31 December		
Opening book value	353,858	176,308
Additions	-	180,100
Share of profit (loss) in subsidiaries (2005: as restated)	284,586	(2,550)
Closing book value	<u>638,444</u>	<u>353,858</u>

The details of investments in subsidiaries are as follow:

Nature of relationship	Issued and paid-up shares		% Ownership interest		Cost Method		Equity Method		
	2006	2005	2006	2005	2006	2005	2006	2005	
	Baht' 000	Baht' 000	Baht' 000	Baht' 000	Baht' 000	Baht' 000	Baht' 000	Baht' 000	
Petchkasem Power Center Co., Ltd.	Shareholder	1,000	1,000	74	74	74,740	74,740	229,578	121,102
Ekkamai Lifestyle Center Co., Ltd.	Shareholder	1,000	1,000	51	51	60,510	60,510	98,111	97,736
Siam Future Property Co., Ltd.	Shareholder	50,075	50,075	90	90	45,075	45,075	310,755	44,020
						<u>180,325</u>	<u>180,325</u>	<u>638,444</u>	<u>353,858</u>

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

11. Goodwill, net

	Consolidated	
	2006 Baht' 000	2005 Baht' 000
For the year end 31 December		
Opening net book amount	46,816	48,640
Amortisation	(2,432)	(1,824)
Closing net book amount	<u>44,384</u>	<u>46,816</u>

**12. Property and equipment**

	Consolidated				
	Leasehold and improvement Baht'000	Building and improvement Baht'000	Motor vehicles and office equipment and computer Baht'000	Construction in progress Baht'000	Total Baht'000
At 31 December 2005					
Cost	795,875	1,240,771	59,664	1,066,590	3,162,900
<u>Less</u> Accumulated depreciation	(104,225)	(151,853)	(32,594)	-	(288,672)
Net book value	<u>691,650</u>	<u>1,088,918</u>	<u>27,070</u>	<u>1,066,590</u>	<u>2,874,228</u>
Year ended 31 December 2006					
Opening net book value	691,650	1,088,918	27,070	1,066,590	2,874,228
Additions	25,369	154,162	10,224	1,289,674	1,479,429
Disposals	-	-	(6,352)	(434,527)	(440,879)
Transferred in (out)	(61,971)	731,223	-	(738,510)	(69,258)
Depreciation charge	(37,697)	(82,846)	(9,619)	-	(130,162)
Closing net book value	<u>617,351</u>	<u>1,891,457</u>	<u>21,323</u>	<u>1,183,227</u>	<u>3,713,358</u>
At 31 December 2006					
Cost	759,274	2,124,523	54,710	1,183,227	4,121,734
<u>Less</u> Accumulated depreciation	(141,923)	(233,066)	(33,387)	-	(408,376)
Net book value	<u>617,351</u>	<u>1,891,457</u>	<u>21,323</u>	<u>1,183,227</u>	<u>3,713,358</u>

During 2006, the borrowing cost of Baht 48 million (2005: Baht 35 million) arising from financing for the project under development has been capitalised. The interest rate of 6% per annum which is the weighted average cost of loans are applied for the capitalisation.

	Company				
	Leasehold and improvement Baht'000	Building and improvement Baht'000	Motor vehicles and office equipment and computer Baht'000	Construction in progress Baht'000	Total Baht'000
At 31 December 2005					
Cost	685,986	668,390	52,541	477,538	1,884,455
<u>Less</u> Accumulated depreciation	(103,992)	(147,569)	(32,038)	-	(283,529)
Net book value	<u>582,064</u>	<u>520,821</u>	<u>20,503</u>	<u>477,538</u>	<u>1,600,926</u>
Year ended 31 December 2006					
Opening net book value	582,064	520,821	20,503	477,538	1,600,926
Additions	18,576	48,257	5,680	238,785	311,298
Disposals	(269,703)	-	(2,785)	(18,036)	(290,524)
Transferred in/(out)	22,997	561,059	-	(584,056)	-
Depreciation charge	(30,827)	(56,719)	(9,040)	-	(96,586)
Closing net book value	<u>323,107</u>	<u>1,073,418</u>	<u>14,358</u>	<u>114,231</u>	<u>1,525,114</u>
At 31 December 2006					
Cost	457,856	1,276,072	45,081	114,231	1,893,240
<u>Less</u> Accumulated depreciation	(134,749)	(202,654)	(30,723)	-	(368,126)
Net book value	<u>323,107</u>	<u>1,073,418</u>	<u>14,358</u>	<u>114,231</u>	<u>1,525,114</u>

During 2006, the borrowing cost of Baht 17 million (2005: Baht 24 million) arisen from financing for project under development has been capitalised.

Properties with the net book value of Baht 465 million have been pledged as collateral for borrowings (Note 13 and Note 14).

During 2006, the disposals in the consolidation and the Company include Baht 435 million and Baht 18 million respectively of assets sold under finance lease contracts.

**13. Bank overdrafts and loans from financial institutions**

	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Bank overdrafts	32,638	33,562	32,638	37,454
Loans from financial institutions	740,000	125,000	240,000	125,000
	<u>772,638</u>	<u>158,562</u>	<u>272,638</u>	<u>162,454</u>

As at 31 December 2006, the subsidiary's loans from financial institution of Baht 500 million was guaranteed by the Company. The company's loans from financial institution of Baht 240 million was guaranteed by pledge of a building as collateral.

14. Borrowings

	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Current portion of long-term borrowings				
Financial lease liabilities	1,295	2,972	96	1,774
Bank borrowings	60,000	35,000	60,000	35,000
Debentures	125,000	125,000	125,000	125,000
	<u>186,295</u>	<u>162,972</u>	<u>185,096</u>	<u>161,774</u>
Long-term borrowings				
Financial lease liabilities	2,069	3,364	172	269
Bank borrowings	165,000	165,000	165,000	165,000
Debentures	741,940	865,351	741,940	865,351
	<u>909,009</u>	<u>1,033,715</u>	<u>907,112</u>	<u>1,030,620</u>
Total long-term borrowings	<u>1,095,304</u>	<u>1,196,687</u>	<u>1,092,208</u>	<u>1,192,394</u>

Bank borrowings

Long-term bank borrowings which bear interest rate at MLR minus 0.5% per annum are secured by pledge of certain leasehold right including existing buildings and buildings to be constructed thereon. The borrowings are due for monthly repayment amounting to Baht 5 million commencing April 2006.

Debentures

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

The movements in the borrowings can be analysed as follows:

For the year ended 31 December 2006	Consolidated	Company
	Baht' 000	Baht' 000
Opening amount	1,196,687	1,192,394
Borrowing	70,000	70,000
Amortisation of debenture issuance cost	1,589	1,589
Repayment of borrowings	(172,972)	(171,775)
Closing amount	<u>1,095,304</u>	<u>1,092,208</u>

**14. Borrowings (Cont'd)**

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

	Consolidated		Company	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Total borrowings:				
- at fixed rates	870,304	996,687	867,208	992,394
- at floating rates	225,000	200,000	225,000	200,000
	<u>1,095,304</u>	<u>1,196,687</u>	<u>1,092,208</u>	<u>1,192,394</u>

Weighted average effective interest rates:

	Consolidated		Company	
	2006 %	2005 %	2006 %	2005 %
Total borrowings	5.62	5.33	5.62	5.33

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

	Consolidated			
	Carrying amount		Fair value	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Total borrowings	1,095,304	1,196,687	974,000	1,038,000

	Company			
	Carrying amount		Fair value	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Total borrowings	1,092,208	1,192,394	974,000	1,038,000

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

Maturity of long-term borrowings:

	Consolidated		Company	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Within 1 year	186,295	162,972	185,096	161,774
Later than 1 year and not later than 2 years	186,299	186,295	185,101	185,096
Later than 2 years and not later than 5 years	480,770	482,069	480,071	480,173
More than 5 years	241,940	365,351	241,940	365,351
	<u>1,095,304</u>	<u>1,196,687</u>	<u>1,092,208</u>	<u>1,192,394</u>

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

	Consolidated		Company	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Unused credit lines				
Floating rate	32,699	9,411	20,699	9,411

**15. Other current liabilities**

	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Advance received from lessee	14,367	4,466	11,895	4,238
Withholding income tax payable	5,383	4,053	4,400	2,656
Accrued expenses	74,494	31,404	37,384	27,824
Retention payable	11,726	40,837	11,726	13,609
Accrued interest expense	12,261	11,868	9,648	11,868
Others	21,965	8,105	19,014	3,952
	<u>140,556</u>	<u>100,733</u>	<u>94,067</u>	<u>64,147</u>

16. Unearned rental and service income

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

	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Within 1 year	39,840	33,229	31,921	29,897
Within 2 years and not later than 5 years	159,360	132,916	127,684	119,588
More than 5 years	324,616	267,412	145,013	134,579
	<u>523,816</u>	<u>433,557</u>	<u>304,618</u>	<u>284,064</u>

17. Deferred income taxes

The movement on the deferred income tax account is as follows:

	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance of deferred tax assets	4,573	5,454	3,959	5,454
Statement of income charge (Note 21)	(152,495)	(881)	(14,388)	(1,495)
Closing balance of deferred tax assets (liabilities)	<u>(147,922)</u>	<u>4,573</u>	<u>(10,429)</u>	<u>3,959</u>

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

Deferred tax assets	Consolidated		
	Deposit received from customers	Unearned service income	Total
	Baht'000	Baht'000	Baht'000
Opening balance 1 January 2006	2,311	2,262	4,573
Charges to net profit	934	2,857	3,791
Closing balance 31 December 2006	<u>3,245</u>	<u>5,119</u>	<u>8,364</u>



17. Deferred income taxes (Cont'd)

Deferred tax liabilities	Consolidated	
	Profit from finance lease contracts Baht'000	Total Baht'000
	Opening balance 1 January 2006	-
Credit to net profit	156,286	156,286
Closing balance 31 December 2006	156,286	156,286

Deferred tax assets	Company		
	Deposit received from customers Baht'000	Unearned service income Baht'000	Total Baht'000
	Opening balance 1 January 2006	1,979	1,980
Charges to net profit	(347)	548	201
Closing balance 31 December 2006	1,632	2,528	4,160

Deferred tax liabilities	Company	
	Profit from finance lease contracts Baht'000	Total Baht'000
	Opening balance 1 January 2006	-
Credit to net profit	14,589	14,589
Closing balance 31 December 2006	14,589	14,589

Deferred income tax assets and liabilities are offset when there is a legally enforceable right the income taxes relate to the same fiscal authority. The following amounts, determining after appropriate offsetting, are shown in the consolidated and the Company balance sheets as at 31 December 2006 and 2005:

	Consolidated		Company	
	2006 Baht' 000	2005 Baht' 000	2006 Baht' 000	2005 Baht' 000
Deferred tax assets	8,364	4,573	4,160	3,959
Deferred tax liabilities	156,286	-	14,589	-
Total deferred tax assets (liabilities)	(147,922)	4,573	(10,429)	3,959

The amount shown in the balance sheet as at 31 December 2006 and 2005 include the following:

	Consolidated		Company	
	2006 Baht' 000	2005 Baht' 000	2006 Baht' 000	2005 Baht' 000
Deferred tax assets to be recovered after more than 12 months	8,364	4,573	4,160	3,959
Deferred tax liabilities to be recovered after more than 12 months	156,286	-	14,589	-

**18. Share capital and premium on share capital**

	Number of common share share	Common share capital Baht'000	Premium on share capital Baht'000	Total Baht'000
Authorised share capital				
At 31 December 2006	533,947,769	508,941,438	456,449,520	965,390,958
Issued and paid-up share capital				
At 31 December 2004	500,000,000	403,621,687	117,154,844	520,776,531
Issue of shares	-	20,496,082	-	20,496,082
At 31 December 2005	500,000,000	424,117,769	117,154,844	541,272,613
Decrease of shares	(75,882,231)	-	-	-
Issue of shares	109,830,000	84,823,669	339,294,676	424,118,345
At 31 December 2006	533,947,769	508,941,438	456,449,520	965,390,958

As at 31 December 2006, the total authorised number of ordinary shares is 534 million shares (2005: 500 million shares) with a par value of Baht 1 per share (2005: Baht 1 per share).

On 14 July 2006, at the Extraordinary Shareholder's Meeting no.1/2006, the shareholders have approved the following:

- 1) Decrease of registered share capital from Baht 500,000,000 by Baht 75,882,231 to Baht 424,117,769. The decrease is due to the Company has excess of registered share capital due to the reserve for convertible warrants of which the exercise period has expired on 13 December 2005.
- 2) Offer 84,830,000 new ordinary shares at the par value of Baht 1, to the existing shareholders. The nearly issued shares will be granted to the existing shareholders at the proportion of 5 existing shares per 1 new shares at the offering price of Baht 5.
- 3) Allotment of ordinary shares, not exceeding 15,000,000 shares to reserve for the exercise of the warrants to directors and employees participating in the ESOP program (3.53% of registered share capital).
- 4) Allotment of ordinary shares, not exceeding 10,000,000 shares to reserve for the exercise of the warrants mentioned in 3), in case of right adjustment.

19. Legal reserve

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

20. Operating profit

The following expenditures, classified by nature, have been charged in arriving at operating profit:

	Consolidated		Company	
	2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
Depreciation on property and equipment (Note 12)	130,162	81,523	96,586	76,380
Staff costs	56,818	36,902	54,747	36,426

**21. Income tax**

Income taxes in the consolidated and the Company's statement of income analysed as follows:

	Consolidated		Company	
	2006 Baht' 000	2005 Baht' 000	2006 Baht' 000	2005 Baht' 000
Current tax charge	31,563	37,767	26,580	35,589
Deferred tax (Note 17)	152,495	881	14,388	1,495
Income tax	184,058	36,886	40,968	37,084

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

	Consolidated		Company	
	2006 Baht' 000	2005 Baht' 000	2006 Baht' 000	2005 Baht' 000
Profit before tax	626,011	142,926	445,928	143,760
Tax calculated at a tax rate of 25% for the Company and 30% for subsidiaries	179,736	35,732	111,482	35,940
Income not subject to tax	-	-	(71,146)	638
Expenses not deductible for tax purposes	4,322	1,154	632	506
Income tax	184,058	36,886	40,968	37,084

22. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	2006	2005	2006	2005
<u>Basic Earnings per share</u>				
Net profit attributable to shareholders (Baht' 000)	404,961	106,676	404,961	106,676
Weighted average number of ordinary shares in issue ('000 shares)	457,579	421,971	457,579	421,971
Basic earnings per share (Baht)	0.89	0.25	0.89	0.25

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2006 and 2005.

23. Dividends

At the Annual General Meeting on 29 March 2006, the shareholders approved the payment of a dividend in respect of 2005 of Baht 0.10 per share totaling Baht 42.41 million (2005: Baht 0.30 per share totaling Baht 126.61 million). The Company paid the dividend on 12 April 2006.

**24. Cash flows from operating activities**

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

	Notes	Consolidated		Company	
		2006 Baht	2005 As restated Baht	2006 Baht	2005 As restated Baht
Net profit		404,960,673	106,675,782	404,960,673	106,675,782
Adjustments for:					
Depreciation and amortisation	12	130,162,008	81,885,276	96,585,972	76,742,523
Amortisation of prepaid expense		362,375	-	362,375	-
Amortisation of debenture cost	14	1,588,605	-	1,588,605	-
Written-off of equipment		3,566,530	-	3,566,530	-
Amortisation of goodwill	11	2,432,000	1,824,000	-	-
Gain on sales of fixed assets		(1,556,182)	(1,698)	(1,556,182)	(1,698)
Realised unearned rental and service income		(36,570,607)	(31,862,754)	(31,278,723)	(31,862,754)
Deferred income taxes	17	152,495,378	(880,437)	14,388,168	(1,495,070)
Share of results of subsidiaries		-	-	(284,585,665)	2,550,096
Minority interest		36,992,212	(635,871)	-	-
Changes in operating assets and liabilities:					
- trade accounts receivable		71,491,861	(23,830,384)	88,110,644	(99,573,048)
- finance lease receivable		(454,422,030)	-	(36,539,606)	-
- amount due from related companies		-	-	(50,138,683)	2,536,845
- other current assets		(135,502,830)	(15,553,741)	(84,083,484)	(12,293,323)
- other non-current assets		(17,267,227)	(11,472,595)	(10,629,568)	(10,488,195)
- trade accounts payable		(35,608,497)	(157,331,934)	(35,745,360)	(113,078,030)
- income tax payable		(20,917,942)	(86,267,521)	(20,917,942)	15,949,397
- other current liabilities		151,066,935	50,140,781	54,814,989	22,797,773
- unearned rental and service income		83,648,279	156,817,346	18,530,143	21,824,465
- deposit received from customers		282,462,777	29,715,827	37,877,146	9,225,745
Cash generated from operations		<u>619,384,318</u>	<u>99,222,077</u>	<u>165,310,032</u>	<u>(10,489,492)</u>

25. Financial instruments

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

a) Credit risks

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

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

b) Liquidity risks

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

c) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values: cash and cash equivalent, trade accounts receivables amount due from related parties, loans to related parties, bank overdrafts and loans from financial institutions, trade accounts payable, other account payable. Information on the fair values of finance lease receivable borrowings is included in Note 8 and Note 14, respectively.

**26. Related party transactions**

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

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

The Company is an associate of Major Cineplex Group Public Company Limited which owns 21.25% of the Company's share (31 December 2005: 26.43%). Therefore, all subsidiaries and associates of Major Cineplex Group are related parties.

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

a) Revenues

For the years ended 31 December	Consolidated		Company	
	2006 Baht' 000	2005 Baht' 000	2006 Baht' 000	2005 Baht' 000
Rental and service income				
Major Cineplex Group Public Company Limited	16,927	19,939	16,927	19,939
Related parties	1,067	-	1,067	-
	<u>17,994</u>	<u>19,939</u>	<u>17,994</u>	<u>21,464</u>
Revenue from finance lease contracts				
Related parties	<u>212,797</u>	<u>-</u>	<u>-</u>	<u>-</u>
Management fee income				
Subsidiaries	<u>-</u>	<u>-</u>	<u>8,374</u>	<u>1,525</u>
Interest income				
Subsidiaries	<u>-</u>	<u>-</u>	<u>51,718</u>	<u>7,629</u>

Rental and service incomes were carried out on normal commercial terms and conditions and at market prices which are subject to location, lease pace, lease terms, timing and type of lease. Management fees were charged at the rate being charged by other companies in the same business.

Interest rate charge at the rate of 6.75% to 7.75% per annum (2005: 5.75% to 7.00%).

b) Finance lease receivables

	Consolidated	
	2006 Baht' 000	2005 Baht' 000
Related parties	<u>212,797</u>	<u>-</u>

c) Amount due from related parties

	Company	
	2006 Baht' 000	2005 Baht' 000
Subsidiaries	<u>56,889</u>	<u>6,750</u>

**26. Related party transactions (Cont'd)****d) Loans to subsidiaries**

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

	Company	
	2006	2005
	Baht'000	Baht'000
Short-term loans		
Beginning balance	469,399	-
Loans made during the year	1,134,181	469,399
Loans payments	(608,676)	-
Ending balance	<u>994,904</u>	<u>469,399</u>

As at 31 December 2006, loans to subsidiaries represented short-term loans which are unsecured, denominated in Thai Baht, and are repayable on demand. The loans bear interest at the rate of 6.75% to 7.75% per annum (2005: 5.75% to 7.00%).

e) Deposits from customers

As at 31 December of 2006, a subsidiary of the Company has received an advance for lease from Major Cineplex Group Public Company Limited amounting to Bath 109 million.

f) Directors' remuneration

In 2006, the total salaries and other benefits, including directors' fee show as an expense in the statements of income, of the directors and management was Baht 27 million (2005: Baht 25 million).

27. Commitments**Capital commitments**

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2006	2005	2006	2005
	Million Baht	Million Baht	Million Baht	Million Baht
Projects under development	<u>556</u>	<u>664</u>	<u>389</u>	<u>77</u>

Operating lease commitments - where a group company is the lessee

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

	Consolidated		Company	
	2006	2005	2006	2005
	Million Baht	Million Baht	Million Baht	Million Baht
Not later than 1 year	80	77	54	66
Later than 1 year and not later than 5 years	356	340	243	295
Later than 5 years	1,788	1,885	785	1,349
	<u>2,224</u>	<u>2,302</u>	<u>1,082</u>	<u>1,710</u>



บริษัท สยามฟิวเจอร์ดีเวลอปเม้นท์ จำกัด (มหาชน)

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