

(Translation)

**Information Memorandum for the Offer of
Newly Issued Ordinary Shares for Capital Increase of
Thai Factor Development Public Company Limited**

Part 1. Details of offered shares

1. Date, month and year and No. of Board of Directors' Meeting that resolves to approve the allotment of newly issued ordinary shares

The allotment of newly issued ordinary shares was approved by the Board of Directors' Meeting No. 10/2559 held on October 5, 2016.

2. Details of the share offering

Type of shares	Ordinary shares
Current paid-up capital	Baht 1,283,501,405.00
Capital to be additionally paid-up	Baht 385,000,000.00
Allotment method	Offer to existing shareholders based on their shareholding ratios where existing shareholders may oversubscribe the newly issued ordinary shares. The record date of shareholders whose names are on the share register book for the rights to subscribe the newly issued ordinary shares is set as November 23, 2016. All names shall be gathered according to Section 225 of the Securities and Exchange Act, B.E. 2535 (1992) (including the amended) through the closing of the register book to temporarily suspend share transfer on November 24, 2016.
Number of shares being offered	No more than 385,000,000 shares at a par value of Baht 1 per share
Offer ratio	3.34 existing shares to 1 new share (fraction will be rounded down). Shareholders may oversubscribe the newly issued ordinary shares.
Price per share	Baht 2
Subscription and payment periods	December 13-16, 2016 from 9.00-16.00 hours December 19, 2016 from 9.00-16.00 hours
Payment methods	Cash transfer through Krungthai Bank Public Company Limited's (KTB) counter using the Bill Payment Pay-In Slip from 9.00 hours of December 13, 2016 to 16.00 hours of December 19, 2016.

	<p>Personal cheque/Cheque (Cashier cheque) or Draft</p> <p><u>Cheque shall be dated no later than December 15, 2016</u> and will be accepted no later than 16.00 hours of December 15, 2016. The cheque must be cashed from the Bangkok clearinghouse within the subscription period only (Please write the subscriber's name and contact phone number at the back of the cheque).</p> <p>**The Company reserves not to receive any payment of newly issued ordinary shares in cash.</p>
Subscription venue	<p>Securities Operation Department KT ZMICO Securities Co Ltd, (the "Subscription Agent of the newly-issued ordinary shares") Floor 15, Liberty Square Building, 287 Silom Road, Bangrak District, Bangkok 10500 Tel. 0-2695-5043, 0-2695-5036 (Khun Anothai Sarungkankulkij/Khun Rawiwan Thongsing)</p>
Other conditions	<ul style="list-style-type: none"> - The Company will allot the remaining shares left from the first-round allotment based on shareholding ratios of the existing shareholders to those who have expressed their wish to oversubscribe the shares on the basis of their shareholding ratios. The new ordinary shares will be allotted based on the existing shareholding ratio of a relevant shareholder at the same price offered to the existing shareholders. The Company will allot the remaining shares until there is no more newly issued ordinary shares left for allotment, or until there is no longer any shareholder wishing to subscribe to the shares. - The Company reserves the rights to forfeit the subscription rights of subscribers whose cheque, cashier's cheque or draft cannot be cashed from the first-time call for payment. - Shareholders expressing their wish to subscribe to the newly issued ordinary shares and having made the subscription payment may not revoke their subscription; nor may they request any refund. The Company reserves the right to forfeit the subscription rights if a subscriber cannot deliver subscription documents, breach subscription conditions or fail to make a full subscription payment within the subscription period.

	<ul style="list-style-type: none"> - In case the number of shares stated in the subscription form is not corresponding to the amount of payment the Company receives, the Company will rely upon the amount of payment received. - No subscription document shall be received through postal mail or facsimile. It is also prohibited to place subscription documents and payment records with the bank in any case since the bank's only responsibility is to deposit payment to the subscriber's share subscription account only. - Name of shareholder who subscribes to the newly issued ordinary shares and that of the securities trading account must be identical. In case the trading account's name belongs to someone else, the newly issued ordinary shares won't be put in that account. In such a case, the Company reserves the rights to deliver the ordinary shares where it will issued the shares in the name of the subscriber and the new ordinary share certificate will be delivered to the subscriber via registered mail using the name and address shown on the Company's shareholder database according to the shareholder's register book as of November 24, 2016. The Company however will hold no responsibility if the shareholder cannot sell his/her subscribed shares on the first trading date. - Please write down the broker's correct code at which the subscriber wishes the new ordinary shares to be placed since incorrect code may deter the share transfer to the desired securities trading account. The Company shall hold no responsibility for any delay incurred from retrieving the shares or from any share loss in case the shareholder fails to fill in complete details. The Company reserves the rights to deliver the newly issued ordinary shares where it will issue the shares in the name of the subscriber and the new ordinary share certificate will be delivered to the subscriber via registered mail using the name and address shown on the Company's shareholder database according to the register book as of November 24, 2016. The Company however will hold no responsibility if the shareholder cannot sell his/her subscribed shares on the first trading date.
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	<ul style="list-style-type: none"> - The Company reserves the rights to receive subscription form of the newly issued ordinary shares that have been completely filled and that are attached with documents indicated under Clause 4.3 only. - If the allotment of the newly issued ordinary shares during the first round or when they are allotted to oversubscribing shareholders makes any shareholding ratio of any shareholder increase to the point that it reaches or exceeds the threshold that requires the Company to call for tender offer; or if it makes the shareholding ratio of foreign shareholders to exceed 38% of all the Company's offered shares, the Company reserves the rights not to allot the newly issued ordinary shares to such shareholder who may partially be allotted. <p>The Company reserves the rights to amend details of the subscription and payment methods as well as other subscription conditions as appropriate in case of difficulty or restriction in its execution for the benefit of the subscription of the Company's newly-issued ordinary shares.</p>
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3. Closure of the register book to suspend share transfer or the record date to determines shareholders with subscription rights

The record date is scheduled on November 23, 2016. Names shall be gathered according to Section 225 of the Securities and Exchange Commission Act, B.E. 2535 (1992) (including the amended) by closing the register book to temporarily suspend share transfer on November 24, 2016.

4. Subscription period, subscription methods and payment methods of the newly-issued ordinary shares

4.1 Subscription period

December 13-16, 2016 from 9.00-16.00 hours
December 19, 2016 from 9.00-16.00 hours

4.2 Subscription venue

Shareholders with the rights to subscribe to the newly issued ordinary shares will submit subscription documents and payment records (stated in Clause 4.3) to the subscription agent indicated in Clause 2 only.

For shareholders under the scripless system, please contact your securities company where you have a trading account and where the Company's ordinary shares have been placed so that the securities company will gather documents and submit them to the subscription agent on your behalf.

The Company, by the subscription agent, **will not receive subscription documents via postal mail or facsimile in any case.**

4.3 Subscription and payment methods

- 4.3.1 Shareholders wishing to subscribe to the newly issued ordinary shares shall duly complete details in the subscription form in a clear and accurate manner before signing the form. If the subscriber is a juristic person, an authorized representative whose signature binds the juristic person shall sign the form together with its seal (if any) where the certification of share subscription shall be attached (This refers to a notice issued by Thailand Securities Depository Co Ltd of the rights to subscribe the newly issued ordinary shares.). In case of any name/family name change that makes the name/family name of shareholder wishing to subscribe to the new shares not corresponding to the list of shareholders entitling to subscribe to the shares as of the closing date of the register book, to retain the rights to be allotted the new ordinary shares based on the amount of TFD shares each shareholder is holding, such shareholder shall attach documents evidencing his/her name/family name change such as certificate of name change, marriage certificate or divorce certificate (if any) and certify these documents a true copy.

A signature to certify the documents true copy must be identical with the signature signed in all documents relating to the share subscription.

A subscriber shall submit one subscription form for each share subscription certification only. He/she shall attach the following documents:

Thai individual: A certified true copy of a valid Identification Card, or in case of a Civil Servant Identification Card or State Enterprise Employee Card or a life-time Identification Card, a certified true copy of the house registration which contains 13 digits of the individual's identification number is also required.

Foreign individual: A certified true copy of his/her valid passport or Alien Certificate.

Thai juristic person: A copy of an affidavit issued by Ministry of Commerce for no more than six months prior to the subscription date, certified as true copy by authorized person of the juristic person together with the company seal (if any) and a certified true copy of a valid Identification Card, Alien Certificate or Passport (as the case may be) of the authorized person.

In case of a government agency, government organization, state enterprise or other public agencies, an order/resolution approving the transaction, an appointment letter or a power of attorney to execute the transaction is also required.

In case of cooperatives, foundation, association, temple, mosque, Chinese temple or other juristic persons in the same nature, a letter indicating an intention to execute the transaction or a minutes of meeting of the Board, a registration document from relevant agencies, an appointment letter or a power of attorney to execute the transaction plus evidence indicating withholding tax exemption status (if any) shall be attached.

Foreign juristic person: A certificate true copy of a certificate of incorporation or an affidavit issued for no more than 12 months prior to the subscription date by an authorized person of the juristic person together with the company seal (if any) as well as a certified true copy of the authorized person's Identification Card, Alien Certificate or passport (if any).

In case a custodian is appointed as an authorized person, there shall be a power of attorney for the custodian. The subscription document shall then be signed by the custodian accompanied by a custodian's letter indicating the name of the authorized person as well as a certified true copy of a valid identification card of such authorized person.

- 4.3.2 The subscriber shall make the full payment for the amount of subscribed shares on the subscription date. Methods of payment are as follows.

Cash transfer: Subscriber may use the **Bill Payment Pay-in Slip** for cash payment at every branch of Krungthai Bank Public Company Limited (KTB) nationwide. The payment shall be deposited to the current account, Company Code 5298, Account Name: "KT ZMICO Securities Co Ltd for Share Subscription." Subscription documents by cash transfer will be received during December 13-16, 2016 and December 19, 2016 from 9.00-16.00 hours.

Cheque transfer: Subscriber shall deposit his/her cheque which must be dated by no later than December 15, 2016 at Krungthai Bank (KTB) nationwide. The cheque shall be deposited to the current account, Company Code 5298, Account Name: "KT ZMICO Securities Co Ltd for Share Subscription," using the **Bill Payment Pay-in Slip** from December 13, 2016 from 9.00-16.00 hours to December 15, 2016 from 9.00-16.00 hours.

The cheque must be cashed by Bangkok clearinghouse within the subscription period only. Subscription documents by cheque transfer will be received during December 13-15, 2016 from 9.00-16.00 hours.

Payment by cheque, cashier's cheque or draft (full payment) shall be crossed and paid to the A/C Payee only in the name of "KT ZMICO Securities Co Ltd for Share Subscription." All cheque, cashier's cheque or draft shall be dated by no later than December 15, 2016 and must be cashed by the Bangkok clearing house within the subscription period only.

Subscriber may pay one cheque, cashier's cheque or draft for each subscription form only. This shall apply to normal subscriptions based on his/her rights as well as over and under subscription (except in the case of Thai NVDR Co Ltd).

Please indicate shareholder's registration number (which can be retrieved from the share subscription certification), name, family name, phone number that can be reached at the back of the cheque, cashier's cheque or draft.

The subscription period for subscribers paying by cheque, cashier's cheque or draft is between December 13, 2016 and December 15, 2016 from 9.00-16.00 hours.

Subscriber must bear any fee or bank charge (if any) on top of the share subscription amount.

Subscriber is to bring a subscription form of the newly issued ordinary shares together with a set of documents accompanying the share subscription per one shareholder's registration number only. The documents consist of:

- (a) Subscription form of the newly issued ordinary shares
- (b) Certificate of share subscription (Notice of subscription rights)
- (c) Identification document (as stated in Clause 4.3.1)
- (d) If subscriber opts to deposit the securities into the Issuer Account: A/C 600, he/she is to bring additional documents as follows:
 - Additional document to support the share subscription applied specifically to those wishing to deposit the securities into the Issuer Account
 - FATCA Status questionnaire for juristic person only.
- (e) Payment records as stated in Clause 4.3.2.

These documents and documents accompanying the share subscription and payment records shall be submitted to express shareholder's wish to subscribe to the shares at the office of the subscription agent from December 13-16, 2016 and on December 19, 2016 between 9.00-16.00 hours at the address stated under Clause 2. The subscription agent will not receive any subscription document by postal mail or facsimile.

4.4 Refund of subscription payment to shareholders in case they are not fully allotted

If shareholder subscribing to the newly issued ordinary shares fail to be allotted the shares; or if he/she is not fully allotted to the amount he/she has oversubscribed, the Company, by the subscription agent, will refund the subscription payment without **any interest and/or any damages thereon** to the subscriber through one of the following methods indicated by the subscriber in the subscription form. Details are as follows.

- 4.4.1 Payment can be received via an Automatic Transfer System (ATS) within seven business days from the closing date of the share subscription. This however applies to bank accounts Krungthai Bank Plc. (KTB), Bank of Ayudhya Plc. (BAY), Bangkok Bank Plc. (BBL), Kasikornthai Bank Plc. (KBank), Siam Commercial Bank Plc. (SCB), Thanachart Bank Plc. (Tbank), TMB Bank Plc. (TMB) and UOB Bank Plc. (UOB). The subscriber is to submit a copy of the first page of his/her savings bank account or a copy of bank statement of the current account which carries the same subscriber's name only. The bank account must not be an account opened with co-depositors; or
- 4.4.2 Payment can be received in a form of crossed cheque paid only to the subscriber which will be mailed to the name and address shown in the Company's shareholder database under the shareholder's register book as of November 24, 2016 within 10 business days from the closing date of the subscription period; or
- 4.4.3 Payment can be made through other methods deemed appropriate by the Company and/or the subscription agent where the subscriber shall be responsible for any transfer fee; cheque clearing fee or fee resulted from cheques issued by different banks (if any).

If the Company and/or the subscription agent cannot refund the subscription payment by transferring to the subscriber's bank account due to any reason beyond the control of the subscription agent, the Company and/or the subscription agent will refund the amount in a form of crossed cheque made to the name of the subscriber's only and post it via registered mail to the name and address shown in the Company's shareholder database under the shareholder's register book as of November 24, 2016 within 10 business days from the closing date of the subscription period.

In any case, if the subscription payment is duly transferred to the subscriber's bank account via the ATS; or if the cheque containing the refund of the share subscription is duly delivered via registered mail to the name and address shown in the Company's shareholder database under the shareholder's register book as of November 24, 2016, the subscriber shall be considered having been refunded and he/she shall no longer have any rights to claim any interest and/or damages from the Company and/or the subscription agent.

4.5 Share delivery methods

- 4.5.1 If subscriber does not wish to receive a share certificate but rather holds shares in scripless form where he/she wishes to deposit the ordinary shares in an account of a securities company with which he/she has opened a trading account, in such a case, the Company will deposit the shares with "Thailand Securities Depository Co Ltd's for Depositors." TSD will record the amount of ordinary shares such securities company has and issue a deposit record to the subscriber within seven days from the end of the subscription period. Simultaneously, the securities company will also record the amount of ordinary shares placed there by the subscriber. In such case, the subscriber may immediately sell the newly issued ordinary shares in the stock exchange as soon as the Company's ordinary shares are allowed to trade in the Stock Exchange of Thailand (SET).

If the subscriber opts for the Company to pursue this option described in this clause (4.5.1), the subscriber's name must match the owner's name of the securities trading account at which the subscriber wishes the shares to be placed; otherwise the Company reserves the rights to issue a share certificate according to Clause 4.5.3 to the subscriber instead.

- 4.5.2 If subscriber does not wish to receive a share certificate but rather holds shares in scripless form where he/she wishes to deposit the ordinary shares in the Issuer Account No. 600, in such a case, the Company will deposit the allotted shares with Thailand Securities Depository Co Ltd (TSD), who will record the amount of ordinary shares the subscriber has been allotted in the Issuer Account No. 600 before issuing a deposit record to the subscriber within seven days from the end of the subscription period.

In this case, the subscriber may sell the allotted ordinary shares in the stock exchange. If he/she wishes to withdraw the ordinary shares from the Issuer Account No. 600, the subscriber may contact TSD. Certain share withdrawal fee based on TSD's announced rates may apply.

Withdrawing ordinary shares deposited in the Issuer Account No. 600 may take time. As a result, the subscriber may not be able to withdraw the ordinary shares in time for the first trading day of the Company's ordinary shares in the SET.

- 4.5.3 If the subscriber wishes to receive a share certificate which will be issued in the name of the subscriber, the Company, by TSD, will deliver the share certificate indicating the number of allotted shares to the subscriber via registered mail in accordance with name and address shown in the Company's shareholder database under the shareholder's register book as of November 24, 2016 within 15 days from the end of the subscription period. In such a case, the subscriber won't be able to sell the allotted ordinary shares in the SET unless he/she receives the share certificate, which can be after the ordinary shares have started trading in the stock exchange.

5. Objectives of the capital increase and spending of the increased capital

- 5.1 For use as working capital totaling Baht 470 million
- 5.2 For paying short-term loan totaling Baht 300 million

6. Benefits the Company will receive from the share allotment

- 6.1 Increasing the Company's financial liquidity and for use internally as working capital
- 6.2 Having enough funds to support investment expansion in the current operation
- 6.3 Restructuring the Company's funding and thereby reducing risk from loan dependence while helping reducing financial costs to improve the Company's performances.
- 6.4 Strengthening the Company's financial status and increasing its borrowing potential

7. Dividend policy and rights to receive dividend of the new ordinary shares

The Company will pay no fewer than 6 0 % of net profit in a relevant year based on a separated financial statement as a dividend if there is enough profit to do so unless the Board of Directors and shareholders find it is reasonable and necessary to suspend the dividend payment or to pay less than the stated rate. In addition, the Board of Directors may consider paying an interim dividend from time to time as appropriate. After the dividends have been paid, such dividend payment shall be reported to the shareholders at the next shareholder meeting.

The ordinary shares issued on this occasion are entitled to receive the same dividend as the Company's shareholders do as long as such shareholders are listed in the shareholder's register book as of the record date for the rights to receive dividend.

Part 2. Business Overview

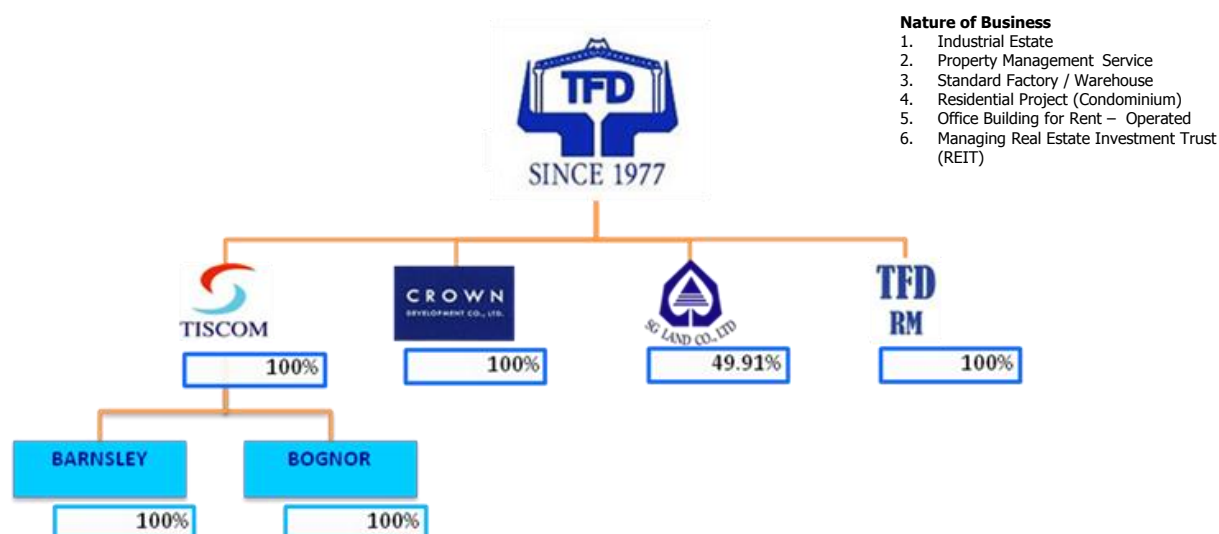
1. The name and location of the company

Name : Thai Factory Development Public Company Limited
 Address : 18 TFD Building Soi Sathorn 11 Yake 9, Yannawa, Sathorn, Bangkok 10120
 Tel. : 0-2676-4031-6, 0-2676-3836-9
 Fax. : 0-2676-4038-9

2. Nature of Business of the Company

2.1 Business Overview

As of 30 September 2015, the Company has subsidiaries and associated companies as follows;



Company	Proportion of Shares (%)	Main Character of Business
1. Total Industrial Services Company Limited (TISCOM) Paid-up capitals of 400.00 Million Baht	100.00	Standard factory and warehouse buildings for sale and rent
2. Crown Development Company Limited (CROWN) Paid-up capitals of 701.00 Million Baht	100.00	Property Development for sale
3. Barnsley Warehouse Limited (Barnsley) Paid-up capitals of 0.63 Million GBP	100.00	Invest in business of land and warehouse for lease and sale in United Kingdom
4. Bognor Regis Warehouse Limited (Bognor) Paid-up capitals of 1.62 Million GBP	100.00	Invest in business of land and warehouse for lease and sale in United Kingdom
5. TFD Real Estate Management Company Limited (TFDRM) Paid-up capitals of 10.00 Million	100.00	Trust Fund Management for the investment in real estates and leasehold
6. SG Land Company Limited (SG) Paid-up capitals of 100.45 Million Baht	49.91	Office building for rent

At present, the business operation of the company consists of 6 business group are as follows;

- Industrial estate – operated by the Company
- Standard factory/warehouse – operated by TISCOM Barnsley and Bognor
- Residential project (condominium) – operated by the Company and CROWN
- Office building for rent – operated by SG (SG owns the right to lease the land and the SG Tower 1 office building as well as the right to sub-lease the land and the Millennia office building.)
- Property management service – operated by the Company
- Managing Real Estate Investment Trust (REIT) – by TFDRM

2.2 Structure of incomes of the Company and subsidiaries in year 2013 – 2015 and 9 month periods ended September 30, 2016 as follows;

	2013		2014		2014		9 Months of 2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1. Land and factory building business at the TFD Industrial Estate and other industrial estates								
- Sales incomes	460.00	48.66	-	-	-	-		
- Rent and service incomes	48.21	5.09	44.70	3.06	116.55	13.33	105.35	14.45
2. Office space for rent business								
- Rent and service incomes	199.93	21.14	188.90	12.89	179.17	20.49	134.83	18.50
3. Residential condominium business	40.36	4.27	1,151.35	78.58	480.50	54.95	423.66	58.11
4. Profit from sales of properties for investment purpose	134.33	14.21	-	-	-	-		
5. Other incomes	62.60	6.62	80.18	5.47	98.22	11.23	65.16	8.94
Total incomes	945.42	100.00	1,465.13	100.00	874.44	100.00	729.00	100.00

2.3 The main business operations

2.3.1 Development of real estate of industrial estate for sale of land and construction of industrial factory

In 2007, the Company set up the TFD Industrial Estate at Bangpakong District, Chachoengsao Province, to develop land, set up basic infrastructure and build standard factory buildings. The Company signed a joint-operation contract with the Industrial Estate Authority of Thailand (IEAT) and provided for Thai and foreign investors lands for rent in two zones; namely, General Zone and Free Zone. Target groups of customers were businesses in the auto part industry, electronics and manufacturing industry not generating pollution.

As of September 30, 2016, the TFD Industrial Estate is operated in two phases as follows.

(1) Phase 1

Of the project's entire area totaling 302.86 rai, 230.47 rai of the Phase 1 Project are generating incomes. Of this, 74.59 rai are in Free Zone and 155.88 rai are in General Zone. Since 2011, the Company has recognized incomes from the project both from sales of vacant land and sales of land along with completed factory buildings between 1,500-3,000 square meters. As of September 30, 2016, the Phase 1 TFD Industrial Estate sold as many as 225.48 rai

(2) Phase 2

The Company plans to expand the TFD Phase 2 Industrial Estate project area which is adjacent to its Phase 1 by another 2,500 rai. The project is currently under development, having landscape architecture and infrastructure systems designed while an environment impact assessment (EIA) report is under preparation to seek permission from the authorities as well as approval to use the land for an industrial purpose. As of September 30, 2016, the Company has already bought approximately 1,977.35 rai. During Phase 2 would be allocated to the settlement of 841.11 rai. There remained of vacant land 1,136.24 rai investment plan.

2.3.2 Standard factory/warehouse building

TISCOM's business is to build standard ready-built factories and warehouses for sales in industrial estates and industrial zones at various locations to offer to investors where commuting conveniences, transport, communications, infrastructure, safety and appropriate surrounding environment are taken into consideration. Besides, factories are built both in the industrial zones and at free-trade zone as required by investors. TISCOM set up a subsidiary named Barnsley Warehouse Limited was established on April 22, 2003 and the second subsidiary company, Bognor Regis Warehouse Limited was established on January 27, 2015 for investment in land and warehouse for sale and rent in the UK.

(1) Completed factory building

The standard completed factory is typically offered as a one-floor building with mezzanine floor for use as office in varying sizes from 1,000 square meters to 3,000 square meters. The factory is built at a fenced-in site to also include a security guard's house and parking space. The factory floor can accommodate 3 metric tons per square meter. In addition, TISCOM also provides customized factory buildings according to customer demand. TISCOM has made available various alternatives for investors, for example acquisition of land with factory building, or lease of land with factory building, or having a right to buy at a later date, etc. Most of the lease contracts between TISCOM and customers are 3 years contracts where customers can renew the contracts with TISCOM and customers are required to pay a deposit of the 6 – month rent. As of September 30, 2016, TISCOM has 5 remaining completed factory buildings located in Laem Chabang Industrial Estate with the space of 7,650 square meters where the average area per factory building is 750 – 3,330 square meters. At present, 3 of the completed factories are leased, or equivalent to the area of 6,150 square meters, and TISCOM is construct 21 completed factories with the space of 39,116 square meters at Tambon Bang Sao Thong, Samutprakan and rented one.

(2) Completed warehouse

TISCOM's standard warehouse building is a one-storey building with mezzanine floor for use as office offered in various sizes from 2,000 square meters to 10,000 square meters. The warehouse is built at a fenced-in site with a security guard's house, parking space and loading space. The warehouse's floor can accommodate up to 3 metric tons per square meter. In addition, TISCOM also provides customized warehouse buildings according to customer demand. TISCOM has made available various alternatives for investors, for example acquisition of land with factory building, or lease of land with factory building, or having a right to buy at a later date, etc. Most of the lease contracts between TISCOM and customers are 3 years contracts where customers can renew the contracts with TISCOM and customers are required to pay a deposit of the 4 – month rent. As of September, 30 2016, TISCOM has 8 remaining completed warehouse buildings located in TFD Industrial Estate with the space of 57,575 square meters. Where the average area per warehouse building is 3,625 – 7,750 square meters and rented one.

2.3.3 Residential project (condominium)

In 1996, the company started to develop residential real estate with 2 projects being completely sold out including LAKEGREEN APARTMENT Project and 59 HERITAGE Project, and currently there are 4 ongoing projects namely 15 SUKHUMVIT RESIDENCES Project, THE HARBOUR VIEW RESIDENCES Project, THE COLONIAL KAO TAO HUA HIN Project and MAHADLEK RESIDENCES Project with details of the condominium projects that are being developed and/or ongoing sale and/or waiting to transfer ownership to customers as follows:

(1) The 15 SUKHUMVIT RESIDENCES



Situated between Soi 13 and Soi 15 on Sukhumvit Road, the 2-3-73 *rai* project is a 25-floor reinforced concrete tower bought by CROWN in 2010. The total project value is Baht 3,900 million. The project's total useable area is 59,113 square meters of which 31,659.43 square meters are sellable areas. There are for sales of which 4 9 2 units. The total sellable space amounts to 28,339.95 square meters of which the commercial space amounts to 3,319.48 square meters or equivalent to 13 units. As of September 30, 2016, the project was completed and in the middle of transferring apartment ownership right to customers. The sales so far accounted for 58.76 per cent of the total value of the project.

(2) THE HARBOUR VIEW RESIDENCES



In February 11, 2015, Crown Development Co Ltd invested in a 1-3-31 *rai* of land with building located on Ranong Road, Kwaeng Klongtoey, Klongtoey District, Bangkok. The project will be developed as a 472-unit condominium with saleable area of 20,000 square meters.

According to the Board of Directors' Meeting No. 3/2016 held on 16 March 2016 approved CROWN to sell THE HARBOUR VIEW RESIDENCES Project.

The Board of Director's resolution No.3/2016 held on 16 March 2016 that approved Crown Development Company Limited to sold out the residential of the Harbour View residences when the completed development project to Blue Ocean Real Estate Company Limited Amount 1,620 Million Baht. Currently under construction and is expected completed within 2017 and will be transfer and recognize revenue from sales in year 2017 – 2018 contracts.

(3) THE COLONIAL KAO TAO HUA HIN



A residential condominium, the project is located at Kao Tao, TambonPaknamPran, Pranburi District, PrachuabKiri Khan Province, in the 9-0-42.3 *rai* of land. With a total value of around Baht 3.375 billion. The Company already completed the construction of the 3 - storey office building which was used as a sales office. The foundation of the two residential buildings and the parking lot building was being built. However, as present, TFD temporarily suspended the project which is currently subject to litigation

(4) The MAHADLEK RESIDENCES



A residential condominium project for sale with 1 building of 41 floors in 1-3-28 *rais* of land *, is located in Soi Mahadlek Luang 2, Ratchadamri Road. The project is under construction.

Note:

* The company has invested in buying the right to sublease the land from Capital Planner Co., Ltd. with the total value of approximately 61.00 million baht which such land ownership is held by the Office of Privy Purse, in order to develop and build residential condominiums with the lease period of 30 years from the date of construction completion. (According to the contract, the building construction period of the project is 5 years from the date of being granted permission to construct buildings from Bangkok Metropolitan Administration, or from the date of building construction completion, whichever comes first.)

2.3.4 Office building for rent

In 2008, the Company jointly invested in the office for rent business via SG in which it holds 49.91 percent SG has two office buildings for rent located in Soi Mahadlek Luang 3, Rajdamri Road, and Langsuan Road for a total rentable area of 26,846.18 square meters. TFD mean while manages the two office buildings for rent. Details are as follows.

(1) *SG Tower 1*



The building is located on the 2-3-85 *rai* of land at No. 161/1 SoiMahadlekluang 3, Rajdamri Road, KwaengLumpini, Pathumwan District, Bangkok. SG Tower 1 is a 19-storey office tower plus two stories of underground parking space offering a total area of 30,752 square meters for rent. This could be broken down into 14,932.53 square meters of space for rent; 7,711.62 square meters of common areas and 8,107.85 square meters of parking space (for 220 cars). As of September 30, 2016, 75.48 percent of the tower's total rentable areas were rented.

(2) *The Millennia (SG Tower 2)*



The building which is located at 62 Langsuan Road, KwaengLumpini, Pathumwan District, Bangkok is situated on the 1-3-22 *rai* of land and houses one 26-storey office building plus one underground parking space totaling 29,700 square meters. This consists of 11,913.65 square meters for rent, 7,916.35 square meters of common areas and 9,870 square meters of parking space (to accommodate 220 cars). As of September 30, 2016, 85.05 percent of The Millennia's total areas were rented.

2.3.5 Property management service

The Company and TISCOM started selling land and factory buildings to the TIF1 Property Fund for the first time in 2005 before selling additional assets to the TIF1 Property Fund and the M-II Property Fund again in 2007, 2012 and 2013. Aside from selling land, factory and warehouse buildings, the Company has been appointed as a property manager of the property funds as well as property manager of SG's office buildings for rent in return for management fees summarized as follows.

2.3.6 Trust management service for investment in real estate and leaseholds

On 14 July 2015, the company has established TFDRM to run the business of providing trust management service for investment in real estate and leaseholds. Currently, it is in the middle of preparing to submit a request for permission to the Office of Securities and Exchange Commission, Thailand to run the trust management business.

2.4 Marketing and competitions

2.4.1 Industrial Estate

Target groups of customers for the Company's industrial estate business are supporting industry and major operators who have already bought vacant land in the TFD Industrial Estate. Major target groups of customers are small and medium-sized enterprises which do not generate pollution who however look for transportation convenience. This refers especially to electronics and auto part manufacturers.

The TFD Industrial Estate is located at two meters above sea level and therefore is not prone to flooding. That's why the project is in great demand from investors wishing to buy vacant lands and rent factories here. The project also enjoys Zone 2 investment promotion privileges from the Board of Investment. In close proximity to Bangkok, the strategic location of the industrial estate gives the project a great competitive advantage. Besides, as of December 31, 2015, more than 1,800 *rai* of land gradually accumulated at lower prices compared to sales prices

were ready for development at the TFD Industrial Estate Phase 2 Project during the next 5-8 years.

There isn't as much land available for industrial development purpose at the moment. That's a reason why raw land price dramatically increases compared to what happened in the past. This refers especially to land adjacent to highways in the area where the TFD Industrial Estate is situated as well as land along Bangna-Trad Highway between Km 20 and Km 40. Together with the fact that land in any industrial estate is highly demanded by investors and there appears to be a shortage of such land, demands for land in the TFD Industrial Estate have consistently increased. The Company's pricing of its land and rent will however be based on construction costs, funding costs and land prices in the neighborhood. The Company adjusts both the rent and sales prices of vacant land to accord with market conditions on a yearly basis.

The Company has two major sales and distribution channels; namely, sales office at the TFD Industrial Estate and real estate agents.

At the other end, it communicates with markets through billboards erected at the TFD Industrial Estate, newspapers, websites and joint events co-organized with the BOI

2.4.2 Standard factory building/warehouse building

TISCOM's target groups of customers in the completed factory and warehouse for rent business are small and medium-sized enterprises (SME) as well as Thai and foreign operators wishing to restrict their investment risk during the initial investment phase.

Some foreign investors prefer to set up factory and warehouse in an industrial estate thanks to available public infrastructure and related industrial services. In addition, by concentrating in the industrial estate, they can take advantage from developed transportation system, raw material management and interdependency with other industrial counterparts. This is especially the case of the automobile industry and the petrochemical industry. In addition, completed factory and warehouse building help them save time and labor costs to build a factory to manufacture products. That's why factory and warehouse building for rent is an alternative that enables investors to reduce investment costs while enhancing their competition flexibility. Customers can choose to rent factory and warehouse buildings during an initial phase and will only buy industrial land, factory or warehouse of their own when business subsequently expands. This service also helps the Company to maintain a good long-term relationship with customers as they could focus more at their strategic investment without having to put money into land, factory or warehouse and thereby reduces investment costs while increasing investment returns. As a result, TISCOM's factory and warehouse location and its comprehensive one-stop service center are indeed its competitive advantage.

Rents charged factory and warehouse buildings depend mainly on costs of construction and funding costs. When setting a rent, TISCOM will take into consideration the site of factory and warehouse together with rents offered by competitors in nearby industrial estates to ensure competitiveness.

TISCOM has two main distribution channels; namely, through salespersons and real estate agents. In addition, TISCOM also advertises through media such as billboards erected at the TFD Industrial Estate, newspapers, website and joint events co-organized by the BOI similar to market communications carried out by the industrial estate business.

2.4.3 Residential building (Condominium)

Target groups of customers in the residential building project of both the Company and CROWN are medium-income earners who eye for a condominium in the heart of the city close to skytrain and those wishing to have the second home for weekend retreat.

As of December 31, 2015, the Company and CROWN have four condominium projects under development and/or sold and/or waiting to be transferred to customers which include (1) the 15 Sukhumvit Residence Project; (2) the Colonial Kao Tao Hua Hin Project; (3) The Mahadlek Residence Project, and (4) The Harbour View Residences. Competitive advantage of the Company and CROWN in the condominium business is a result of the management's long-time experience in the real estate development industry which enables the Company to effectively select an ideal site for residential projects.

The Company and CROWN have two major sales and distribution channels; namely, contact target customers through seller of the Company and CROWN L and sales through broker companies

2.4.4 Office building for rent

SG's target groups of customers are Thai and foreign operators wishing to secure an office in the Central Business District (CBD). SG's main group of customers is foreign business introduced to SG by word-of-mouth.

SG has two office buildings for rent; namely (1) SG Tower 1; and (2) The Millennia (SG Tower 2). Locations of these two office buildings are connected between SoiMahadlekluang 3, Rajdamri Road and Langsuan Road which are close to two BTS Skytrain stations of Rajdamri and Chidlom. The site is considered a strategic location which helps enhancing SG's competitive advantage in this office for rent business.

SG determines the rent of its office space on the basis of original rents it currently charges customers while rents of neighboring offices are also taken into consideration to ensure SG's competitiveness. SG has a policy to adjust its rents every three years based on the rental term to consistently reflect market conditions.

SG has two major sales and distribution channels consisting of direct sales through SG's sales office and sales through brokers.

2.5 Status of Industry and Competition

2.5.1 Industrial Estate

Industrial Estate Authority of Thailand (IEAT) plans to develop new industrial estates in provinces along the border to accommodate anticipated demands resulted from the Asean Economic Community (AEC) already taken off since 2015. This refers especially to Kanchanaburi and Chiangrai provinces. The IEAT also plans to develop eight new industrial estates in provinces along the East-West economic Corridor. It also eyes private sector partners to develop smaller industrial estates catered for small and medium-size enterprises (SMEs).

The Board of Investment will renew its investment promotion privileges in 2015 in response to the AEC and also to enhance Thailand's competitiveness since every Asean country now offer investment privileges to attract foreign investors, who, however, express concerns in new investment zones under the newly-amended investment promotion policy as some areas in Thailand still lack proper infrastructure to accommodate industrial development. The government should enhance public utilities and facilities for anticipated investments.

The National Council for Peace and Order (NCPO) plans to develop a special economic zone nationwide especially in provinces with Friendship Bridge linking us with our neighbors. All special economic zones will consist of commercial, residential and industrial areas. This will have a highly significant meaning to the industrial estate market in 2015. In the future, sales prices of land inside an industrial estate or park will depend on locations, distances from transportation infrastructure and project developers. Sales prices of land offered in Bangkok industrial estates are the highest since Bangkok is the transportation hub with her own port and airports, followed by those in Chachoengsao and Rayong provinces. A vast difference of land prices between Bangkok and Chachoengsao is due to the fact that several industrial estates are located in close proximity to Bangkok. Meanwhile, industrial estates further away from Bangkok find their land prices cheaper especially those in Prachinburi and Saraburi provinces due to their longer distance from Bangkok and their lack of port.

Competition in the industrial estate business remains moderate thanks to few operators and high investment required. Direct competitors are five industrial estates located in proximity; namely, Gateway City, Wellgrow, Amata Nakorn, Asia and TPark. Thanks to the TFD Industrial Estate's strategic location which gives a competitive edge to the project, the Company is able to be a price maker among the standard factory/warehouse business located nearby.

2.5.2 Land with standard ready built factory / warehouse

For industrial estate development industry, the process will start from the industrial land development, invest in fundamental structures in the industrial land and then sell land to industrial entrepreneurs to build factory and warehouse. The manufacturers / investors may have a choice to rent the factory and warehouse instead so as to decrease such investment and also risk from any uncertainties which may occur. Also the investors will have convenience from full range services from the industrial estate developer. In addition the industrial estate development, the standard ready-built factory and warehouse also attract foreign entrepreneurs who want to set up their manufacturing bases in Thailand without to invest in ownership in factories and warehouses.

Supply of standard ready-built factory and warehouse can be classified into 2 main types : supply from developers who also own industrial lands , thus the developer of factory and warehouse is the same person as the owner of industrial estate , and supply from developers who build factory and warehouse on the industrial land , either purchased or rent from other developers. For example, the company that builds factory and warehouse for rent on the land purchased from the industrial estate developer in various locations etc. The demands of the standard ready-built factory and warehouse for rent come from the manufacturers who do not want to own the factory and warehouse in order to decrease the project's investment and for the flexibility in the operation. Moreover, Thailand is still a great choice for foreign investors because of its location, which located= in the central part of Asia, skill workers, good infrastructure including the rules and regulations which support the investment from abroad. Therefore, the demand for the factory and warehouse for rent is still increase.

Competition in the standard ready-built factory/warehouse remains moderate since there aren't many operators and the business requires high investment similar to the business of industrial estate. In addition, most investors and businesses who wish to rent factory or warehouse usually have in mind their desirable location proven complementary to their operation. TISCOM's direct competitors in this business are industrial estates in the same area who provide standard ready-built factories and warehouses for rent. Besides, with the TFD Industrial Estate Project's strategic location that gives a lot of competitive advantage to the Group, TISCOM's competitiveness is high, allowing it to be a price maker among others in the same business located in the same area.

2.5.3 Residential Condominium

Colliers International Thailand Co Ltd's research expects that the growth of the condominium market in Bangkok in 2016 will be down by 10%. Only 30,000 new units are launched this year compared to 35,000 units a year ago due largely to the economic slowdown.

In addition, purchasing power of Thai people is far from recovering while household debts remain high although they have fell somewhat. Coupled with concerns over the uncertainty of the country's economy, the bearish sentiment remains more or less the same, meaning that Thais prefer not to buy property as this is considered a long-term debt. In addition, requesting for loan it is not easy as banks remain vigilant when extending credit.

Several negative factors can be felt during Q4 of 2016. Not only the world's economy remains precarious, but various countries also confront with security issues especially among superpower nations. In Thailand, the Thais are grieving the pass away of His Majesty King Bhumibol Adulyadej. All factors mentioned here contribute to the belief that operators are likely to postpone the launch of their real estate projects from Q4/2016 to 2017 instead.

During the first three quarters of 2016, the condominium market in Bangkok expanded just a little compared to a few years ago. A total of 22,864 units of condominiums were launched during the first three quarters of 2016. In Q3/2016 alone, as many as 8,144 units were unveiled to the public, which was the highest amount during the past 12 months thanks largely to a better economic outlook and a clearer direction of public sector investment.

For sales activities, it is found that an average sales ratio for new condominium units launched during 2013-2016 was around 75%. Yet, the largest market segment of condominiums of which

the price was less than Baht 100,000 per square meter seems to be the most sluggish as the average sales ratio stood at 55% of all existing units available in the market only. This is because its target customers were the one mostly rejected for loan approval together with the fact that there were a lot of idle supplies in the market, prompting developers to slash prices or organize events to stimulate sales. On the other hand, condominium units with a price tag of Baht 100,000-200,000 per square meter and over were actively sold, enjoying an average sales rate of as high as 81-82% of the total units available in the market.

2.5.4 Office Building

Collier International Thailand Co Ltd's research has found that the office building market continues to expand. Occupancy rates increase rapidly, which means Grade A office buildings that saw their constructions completed during the past 3-4 years have witnessed their tenancy filled to near-full capacity in such a short time. This includes office buildings along Ratchadapisek Road, where the underground mass transit train is running beneath. Both foreign and Thai companies expand their office space. Besides, there are more companies opening branches or starting operation in Thailand.

With the government's attempt to continue attracting foreign investments, it is expected that the office building market in Bangkok will continue to expand but at a weaker rate than in the past. As of Q3/2016, the total office space in Bangkok was around 8.3 million square meters. More than 500,000 square meters of office space are due to complete within 2020.

3. Directors, executives and major shareholders

3.1 Board of Director

September 30, 2016, The Board of Directors, are as follows:

Full Name	Positions
1. Dr. Sunthorn Sathirathai	Chairman and Independent Director
2. Mr. Apichai Taechaubol	Director, Vice Chairman and Executive Chairman
3. Mr. Prasong Vara-ratanakul	Audit Committee Chairman, Corporate Governance, Nomination and Remuneration Chairman and Independent Director
4. Mr. Sutham Vanichseni	Audit Committee Member, Corporate Governance, Nomination and Remuneration Committee and Independent Director
5. Mr. Sommart Sangkhasap	Audit Committee Member, Corporate Governance, Nomination and Remuneration Committee and Independent Director
6. Mr. Gumpol Tiyarat	Director, Executive Director and Managing Director
7. Mr. Anukul Ubonnuch	Director
8. Mr. Bunyong Visatemongkolchai	Director
9. Mr. Kittawat Taechaubol	Director and Executive Director

3.2 Management

September 30, 2016, The Management's of the company, are as follows:

Full Name	Positions
1. Mr. Apichai Taechaubol	Executive Chairman
2. Mr. Gumpol Tiyarat	Executive Director and Managing Director
3. Mr. Kittawat Taechaubol	Executive Director
4. Ms. Rachanee Siwawej	Deputy Managing Director, Finance
5. Mrs. Vilai S. Ngow	Deputy Managing Director, Business Development - Industrial
6. Mrs. Siriporn Pinprayong	Deputy Managing Director, Administration Information Technology, Company Secretary

3.3 Name lists of shareholder

The name lists of the first 10 major shareholders of the company at closing date of shareholder accounts on August 31, 2016, are as follows:

Order	Name lists of shareholder	No of share	%
1	Mr. Apichai Techaubol Group	591,059,834	46.05
	1.1 Mr. Apichai Techaubol	314,739,475	24.52
	1.2 Mrs. Chalida Techaubol	180,719,572	14.08
	1.3 Mr. Kittawat Taechaubol	43,995,000	3.43
	1.4 Mr. Chotiwiit Taechaubol	41,008,459	3.20
	1.5 Mr. Akarawin Taechaubol	5,400,000	0.42
	1.6 Mr. Athawut Taechaubol	5,000,000	0.39
	1.7 Ms. Waraporn Taechaubol	190,000	0.01
	1.8 JC Asset Company Limited	7,128	0.00
2	Thai NVDR Company Limited	38,578,366	3.01
3	Mrs. Pensri Rattananamkul	17,900,000	1.39
4	Mayakarn Group	14,372,200	1.12
	4.1 Mrs. Orapan Mayakarn	8,595,500	0.67
	4.2 Mr. Suchart Mayakarn	4,404,500	0.34
	4.3 Mr. Dusith Mayakarn	1,000,000	0.08
	4.4 Ms. Pamtri Mayakarn	372,200	0.03
5	Mrs. Khanthong Udommahantisuk	13,700,000	1.07

Order	Name lists of shareholder	No of share	%
6	Thanawutwattana Group	11,368,480	0.89
	6.1 Mr. Thawat Thanawutwattana	10,350,000	0.81
	6.2 Miss Oranuch Thanawutwattana	600,000	0.05
	6.3 Miss Jintana Thanawutwattana	300,000	0.02
	6.4 Thanut Thanawutwattana	118,480	0.01
7	Acharyahiranchai Group	11,000,000	0.86
	7.1 Mr. Songchai Acharyahiranchai	6,000,000	0.47
	7.2 Ms. Pornrat Acharyahiranchai	4,200,000	0.33
	7.3 Ms. Panitnart Acharyahiranchai	800,000	0.06
8	Danchertkul Group	10,176,000	0.79
	8.1 Mrs. Supapan Danchertkul	8,976,000	0.70
	8.2 Ms. Patcharin Danchertkul	790,000	0.06
	8.3 Ms. Orathai Danchertkul	410,000	0.03
9	Mr. Papan Jarunanant	8,600,000	0.67
10	Mr. Sumeth Tiaworananth	8,500,000	0.66

4. Record capital increase in 3 years

Date	Source	Capital increase (Million Baht)	Paid (Million Baht)
November 24, 2014	Allocation of Private Placement	6,000.00	1,283,501.41
November 21, 2014	Allocation of Private Placement	67,000.00	1,277,501.41
November 17 – 19, 2014	Allocation of Private Placement	127,000.00	1,210,501.41
March 31, 2014	Exercise of TFD-W2	1.20	1,083,501.41
September 30, 2013	Exercise of TFD-W2	90.38	1,083,500.21
June 28, 2013	Exercise of TFD-W2	56.26	1,083,409.83
May 14, 2013	Stock Dividend	180,557.60	1,083,353.56
April 1, 2013	Exercise of TFD-W1	45,089.10	902,795.96

5. Dividend History in 3 years

Date	Dividend (Baht/Share)
May 23, 2014	0.05
March 27, 2014	0.22
May 14, 2013	5 existing shares to 1 stock dividend
May 14, 2013	0.10

Part 3. Financial Information

Summary of the financial position and result of operations

Profit and Loss Statement

Profit or loss:	For the year ended 31 December						For the nine-month period ended 30 September			
	2013		2014		2015		2015		2016	
	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%
Revenues										
Revenue from sale of land and building	460.00	48.66%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Revenue from sale of condominium units	40.36	4.27%	1,151.35	78.58%	480.50	54.95%	394.78	54.15%	423.66	58.12%
Revenue from rental and services	248.13	26.25%	233.60	15.94%	295.72	33.82%	221.88	30.44%	240.18	32.95%
Gain from sell of investment properties	134.33	14.21%	-	0.00%	-	0.00%	-	0.00%		0.00%
Dividend income	7.82	0.83%	16.06	1.10%	21.23	2.43%	37.27	5.11%	12.79	1.75%
Interest income			30.97	2.11%	27.28	3.12%	20.93	2.87%	7.40	1.02%
Foreign exchange gain					26.33	3.01%		0.00%		0.00%
Unrealised gain from transfer investments								0.00%	15.53	2.13%
Others	54.78	5.79%	33.15	2.26%	23.39	2.67%	17.25	2.37%	29.44	4.04%
Total revenues	945.42	100.00%	1,465.13	100.00%	874.45	100.00%	692.11	94.94%	729.00	100.00%
Expenses										
Cost of land and building sold	244.23	25.83%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Cost of condominium units sold	32.20	3.41%	878.14	59.94%	376.49	43.05%	311.67	42.75%	313.80	43.05%
Cost of rental and services	148.91	15.75%	152.14	10.38%	169.15	19.34%	123.52	16.94%	134.64	18.47%
Selling expenses	52.76	5.58%	65.26	4.45%	34.72	3.97%	25.92	3.56%	41.12	5.64%
Administrative expenses	158.15	16.73%	233.58	15.94%	223.97	25.61%	192.97	26.47%	187.40	25.71%
Loss on changes in value of trading securities		0.00%	18.67	1.27%	40.46	4.63%		0.00%		0.00%
Loss on exchange rate	-	0.00%	26.24	1.79%		0.00%		0.00%		0.00%
Total expenses	636.25	67.30%	1,374.03	93.78%	844.79	96.61%	654.08	89.72%	676.96	92.86%
Profit before finance cost and income tax	309.17	32.70%	91.10	6.22%	29.66	3.39%	38.03	5.22%	52.04	7.14%
Finance cost	113.14	11.97%	305.06	20.82%	346.07	39.58%	237.71	32.61%	291.18	39.94%
Profit (Loss) before income tax	196.03	20.73%	(213.96)	-14.60%	(316.41)	(36.18%)	(199.68)	(27.39%)	(239.14)	(32.80%)
Income tax	42.17	4.46%	(56.15)	-3.83%	(41.86)	(4.79%)	(24.60)	(3.37%)	(6.55)	(0.90%)
Profit (Loss) for the period	153.86	16.27%	(157.81)	-10.77%	(274.55)	(31.40%)	(175.08)	(20.02%)	(232.59)	(26.60%)
Profit or loss attributable to:	151.32	16.01%	(169.15)	-11.55%	(278.13)	(31.81%)	(175.09)	(20.02%)	(232.59)	(26.60%)
Equity holders of the Company	(1.77)	(0.19%)	-	0.00%	-	0.00%	(178.51)	(20.41%)	(236.54)	(27.05%)
Non-controlling interests of the subsidiary	4.31	0.46%	11.33	0.77%	3.57	0.41%	3.42	0.39%	3.96	0.45%
Basic earnings per share										
Loss attributable to equity holders of the Company	0.1275		(0.1529)		(0.2515)		(0.1391)		(0.1843)	
Loss attributable to equity holders of the Company	0.1206		(0.1470)		(0.2515)		(0.1391)		(0.1843)	

Statements of financial position

Statement of financial position	For the year ended 31 December						As at 30 September			
	2013		2014		2015		2015		2016	
	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%
Assets										
Cash and cash equivalents	1,268.66	16.51%	157.88	2.14%	304.16	3.15%	279.39	2.83%	174.51	1.82%
Short-term investments in open-end fixed income fund	-	0.00%	27.37	0.37%	28.56	0.30%	225.76	2.29%	14.74	0.15%
Investments in trading securities	-	0.00%	84.05	1.14%	51.37	0.53%	66.11	0.67%	254.59	2.65%
Trade and other receivables	20.44	0.27%	30.51	0.41%	21.62	0.22%	24.62	0.25%	37.87	0.39%
Short-term loans to and interest receivable from related parties	-	0.00%	320.15	4.34%	180.07	1.86%	320.06	3.24%	58.01	0.60%
Project development costs	4,824.25	62.79%	5,202.86	70.47%	6,461.08	66.90%	6,320.47	64.05%	6,568.32	68.44%
Deposit for purchase of land from related party	300.00	3.90%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Deposit for purchase of land	54.64	0.71%	46.50	0.63%	197.07	2.04%	104.51	1.06%	311.16	3.24%
Deposit for purchase of property project	-	0.00%	-	0.00%	-	0.00%	-	0.00%	80.00	0.83%
Advance payment for construction	-	0.00%	-	0.00%	-	0.00%	38.29	0.39%	63.81	0.66%
Deposit for construction	79.00	1.03%	9.97	0.14%	29.30	0.30%	-	0.00%	-	0.00%
Income tax receivable	-	0.00%	25.45	0.34%	37.85	0.39%	34.24	0.35%	-	0.00%
Other current assets	58.83	0.77%	15.29	0.21%	19.25	0.20%	51.23	0.52%	19.02	0.20%
Total current assets	6,605.83	85.98%	5,920.04	80.19%	7,330.33	75.90%	7,464.68	77.78%	7,582.03	79.00%
Restricted bank deposits	13.21	0.17%	64.04	0.87%	83.86	0.87%	84.42	0.86%	80.97	0.84%
Investments in available-for-sales securities	243.00	3.16%	225.00	3.05%	208.12	2.15%	216.00	2.19%	-	0.00%
Leasehold rights	440.98	5.74%	401.11	5.43%	364.12	3.77%	373.15	3.78%	333.96	3.48%
Investment properties	232.19	3.02%	535.95	7.26%	1,392.71	14.42%	1,462.55	14.82%	1,266.48	13.20%
Equipment	60.70	0.79%	90.68	1.23%	82.33	0.85%	84.61	0.86%	79.72	0.83%
Income tax receivable	-	0.00%	-	0.00%	-	0.00%	-	0.00%	37.14	0.39%
Deferred tax asset	60.63	0.79%	131.52	1.78%	182.38	1.89%	160.72	1.63%	201.34	2.10%
Other non-current assets	26.46	0.34%	14.50	0.20%	14.12	0.15%	21.96	0.22%	15.60	0.16%
Total non-current assets	1,077.18	14.02%	1,462.80	19.81%	2,327.64	24.10%	2,403.41	24.36%	2,015.21	21.00%
Total assets	7,683.01	100.00%	7,382.84	100.00%	9,657.97	100.00%	9,868.09	100.00%	9,597.24	100.00%
Liabilities										
Bank overdrafts and short-term loans	2,560.20	33.32%	1,532.09	20.75%	2,191.50	22.69%	2,148.00	21.77%	2,418.22	25.20%
Trade and other payables	585.50	7.62%	331.77	4.49%	256.62	2.66%	258.78	2.62%	283.55	2.95%
Current portion of debentures	1,344.55	17.50%	-	0.00%	1,691.07	17.51%	1,690.35	17.13%	1,397.23	14.56%
Current portion of liabilities under finance lease and hire-purchase agreements	3.45	0.04%	6.96	0.09%	5.55	0.06%	5.89	0.06%	5.90	0.06%
Current portion of long-term loans from financial institutions	894.22	11.64%	516.56	7.00%	983.92	10.19%	981.80	9.95%	608.34	6.34%
Current portion of debt restructuring payable	47.18	0.61%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Current portion of long-term loans from related party and interest payable	13.33	0.17%	-	0.00%	88.14	0.91%	-	0.00%	111.75	1.16%
Income tax payable	50.35	0.66%	1.58	0.02%	6.72	0.07%	-	0.00%	10.08	0.11%
Other current liabilities	7.50	0.10%	13.11	0.18%	13.19	0.14%	14.44	0.15%	9.58	0.10%
Total current liabilities	5,506.28	71.67%	2,402.07	32.54%	5,236.71	54.22%	5,099.26	51.67%	4,844.65	50.48%

Statement of financial position	For the year ended 31 December						As at 30 September			
	2013		2014		2015		2015		2016	
	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%	Unit : Million baht	%
Debentures, net of current portion	-	0.00%	1,687.45	22.86%	1,392.05	14.41%	1,390.59	14.09%	1,684.06	17.55%
Liabilities under finance lease and hire										
-purchase agreements, net of current portion	3.74	0.05%	11.51	0.16%	7.39	0.08%	8.72	0.09%	5.18	0.05%
Long-term loans from financial institutions, net of current portion	155.00	2.02%	733.33	9.93%	893.59	9.25%	1,020.78	10.34%	1,180.35	12.30%
Debt restructuring payable, net of current portion	19.53	0.25%	-	0.00%	-	0.00%		0.00%		0.00%
Long-term loans from related party and interest payable										
net of current portion	300.04	3.91%	312.72	4.24%	154.24	1.60%	242.33	2.46%	85.44	0.89%
Deposit received	53.06	0.69%	48.53	0.66%	47.20	0.49%	46.27	0.47%	214.88	2.24%
Deferred tax liabilities	3.91	0.05%	2.23	0.03%	3.27	0.03%	2.32	0.02%		0.00%
Provisions for long-term employee benefits	8.94	0.12%	11.91	0.16%	17.02	0.18%	15.69	0.16%	11.78	0.12%
Long-term provisions	2.37	0.03%	2.37	0.03%	2.37	0.02%	2.38	0.02%	2.37	0.02%
Other non-current liabilities	2.03	0.03%	1.69	0.02%	2.00	0.02%	2.00	0.02%	2.19	0.02%
Total non-current liabilities	548.62	7.14%	2,811.74	38.08%	2,519.13	26.08%	2,731.08	27.68%	3,186.25	33.20%
Total liabilities	6,054.90	78.81%	5,213.81	70.62%	7,755.84	80.31%	7,830.34	79.35%	8,030.90	83.68%
Shareholders' equity										
Share capital Registered	1,264.03	16.45%	1,914.91	25.94%	1,914.91	19.83%	1,914.91	19.41%	2,096.33	21.84%
Issued and fully paid	1,083.50	14.10%	1,283.50	17.38%	1,283.50	13.29%	1,283.50	13.01%	1,283.50	13.37%
Share premium	147.78	1.92%	955.10	12.94%	955.10	9.89%	955.10	9.68%	955.10	9.95%
Retained earnings - Appropriated - statutory reserve	50.66	0.66%	50.66	0.69%	50.66	0.52%	50.66	0.51%	50.66	0.53%
Unappropriated (deficit)	421.12	5.48%	(40.85)	-0.55%	(318.98)	(3.30%)	(176.84)	-1.79%	(555.53)	-5.79%
Other components of shareholders' equity	(172.34)	-2.24%	(188.16)	(2.55%)	(180.50)	(1.87%)	(186.87)	-1.89%	(283.71)	-2.96%
Equity attributable to owners of the Company	1,530.72	19.92%	2,060.25	27.91%	1,789.78	18.53%	1,925.55	19.51%	1,450.02	15.11%
Non-controlling interests of the subsidiary	97.38	1.27%	108.78	1.47%	112.35	1.16%	112.20	1.14%	116.31	1.21%
Total shareholders' equity	1,628.10	21.19%	2,169.03	29.38%	1,902.13	19.69%	2,037.75	20.65%	1,566.33	16.32%
Total liabilities and shareholders' equity	7,683.00	100.00%	7,382.84	100.00%	9,657.97	100.00%	9,868.09	100.00%	9,597.24	100.00%

Cash flow statement

Cash flow statement	For the year ended 31 Decembe			For the nine-month period	
	2013	2014	2015	ended 30 Sep 2015	ended 30 Sep 2016
Cash flows from operating activities					
Loss before tax	196.03	(213.96)	(316.42)	(157.17)	(239.13)
Profit (loss) from operating activities before changes in operating assets and liabilities	214.89	132.38	127.25	125.26	106.67
Net cash flows used in operating activities	(1,562.23)	(792.78)	(1,785.59)	(1,473.25)	(515.91)
Net cash flows from (used in) investing activities	(56.38)	(483.15)	(712.04)	(1,106.72)	168.08
Net cash flows from financing activities	2,483.38	167.32	2,652.84	2,716.78	219.99
Increase (decrease) in translation adjustment	-	(2.18)	(8.93)	(15.29)	(1.81)
Net increase (decrease) in cash and cash equivalents	864.77	(1,110.79)	146.28	121.52	(129.65)
Cash and cash equivalents at beginning of period	403.89	1,268.66	157.88	157.88	304.16
Cash and cash equivalents at end of period	1,268.66	157.88	304.16	279.39	174.51

Ratio Analysis

Ratio Analysis		2013	2014	2015	ended 30 Sep 2015	ended 30 Sep 2016
<u>Liquidity Ratios</u>						
Current Ratio	(fold)	1.20	2.46	1.40	1.46	1.57
Quick Ratio or Acid Test Ratio	(fold)	0.23	0.12	0.08	0.12	0.10
Account Receivable Turnover	(fold)	37.75	54.36	29.78	25.05	22.32
Average Collection Period	(day)	9.54	6.62	12.09	3.59	4.08
Inventory Turnover	(fold)	0.10	0.21	0.09	0.08	0.07
Average Sale (Inventory) Period	(day)	3,785.26	1,751.83	3,847.79	1,204.79	1,322.00
Account Payable Turnover	(fold)	0.55	2.25	1.85	1.47	1.66
Average Payment Period	(day)	657.43	160.26	194.10	61.74	54.81
Cash Cycle	(day)	3,137.37	1,598.20	3,665.78	1,146.64	1,271.27
<u>Profitability Ratios</u>						
Gross Profit margin	(%)	43.17%	25.61%	29.71%	29.43%	32.45%
Operating Profit Margin	(%)	15.00%	0.79%	-8.83%	-6.07%	-1.98%
Net Other Profit Margin	(%)	20.83%	5.47%	11.23%	10.90%	8.94%
Net Profit Margin	(%)	16.01%	(11.55%)	(31.81%)	(25.30%)	(31.91%)
Return on Equity	(%)	8.55%	(9.42%)	(14.45%)	(9.09%)	(14.36%)
<u>Efficiency Ratio</u>						
Return on Assets : ROA	(%)	2.58%	(2.09%)	(3.22%)	(1.77%)	(2.42%)
Fixed Asset Turnover	(%)	27.87%	(9.08%)	(11.96%)	5.06%	(8.43%)
Total Assets Turnover	(fold)	0.14	0.19	0.10	0.08	0.08
<u>Leverage Ratio or Financial Ratio</u>						
Debt to Equity ratio	(fold)	3.72	2.40	4.08	3.84	5.13
Interest Coverage		2.73	2.73	0.30	0.30	0.09
Dividend Payout	(%)	78.93%	0.00%	0.00%	0.00%	0.00%

Management Explanation and Analysis of Financial Status & Results of Operation

Results of Operation

Revenue

Total revenues	2013		2014		2015		9 months of 2016	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Sales revenues of land and factory buildings	460.00	48.66	0	0.00	0	0.00	0	0.00
Sales revenues of condominiums	40.36	4.27	1,151.35	78.58	480.5	54.95	423.66	58.12
Revenues from rent and service	248.13	26.25	233.6	15.94	295.72	33.82	240.18	32.95
Profits from sales of property for investment purpose	134.33	14.21	0	0.00	0	0.00	0	0.00
Dividends	7.82	0.83	16.06	1.10	21.22	2.43	12.79	1.75
Other revenues	54.78	5.79	64.12	4.38	77	8.81	52.37	7.18
Total revenues	945.42	100.00	1,465.13	100.00	874.44	100.00	729.00	100.00

For consideration of a structure of revenues of the Company in 2013 - 2015, it is founded that the Company mainly earned the revenues from 4 kinds of business as 1) Revenues from sale of land and building 2) Revenue from sale of condominium units 3) Revenue from rental and services and 4) Gain from sell of investment properties. TFD's total incomes were Baht 945.42 million, Baht 1,465.13 million and Baht 874.44 million, respectively. In 2014, this represented 54.97% increase from the previous year as TFD started to earn incomes from sales of the 15 Sukhumvit Residences project, which completed its construction in late 2013 and gradually transferred ownership to customers who bought units in 2012 and 2013. Incomes in 2015 however fell 40.32% from a year earlier as sales incomes from the project declined due to the weakening economic condition. Details of the change of revenues of the Company are as follow;

- In 2013, TFD generated Baht 460 million incomes from sales of land and factories compared to no income during 2014-2015 since the TFD Industrial Estate Phase 2 Project was at the time asking for permission from the authorities as the Ministerial Regulation Re: Town and city planning remained pending to turn the project's land into industrial zone (Violet Zone). At present, the land has already been approved for industrial development (Violet Zone) since December 2015. TFD expects to develop this project and starts recognize incomes from land and factory sales in Q3 of 2016.
- Revenues from sale of condominium units totaled Baht 40.36 million, Baht 1,151.35 million and Baht 480.50 million in 2013, 2014 and 2015, respectively. All revenues came from sales of the 15 Sukhumvit Residences project of which the construction had been completed since late 2013. With its ownership gradually transferred since 2013 to customers who reserved the units in 2012 and 2013, this contributed to a drastic increase of sales incomes of condominium units from the previous year. The 2015 sales however fell 58.27% following the decline of ownership transfer of the project's condominium units after most had been transferred in 2014 as well as impacts from the sluggish economy.

In late 2015, TFD purchased land and building of the Harbor View Residences project located at Na Ranong Road, Bangkok, for development of condominium units for sale. At present, the project is under construction. Regarding progress of the Mahadlek Residences project, currently being approved for its Environmental Impact Assessment (EIA) by the Office of Natural Resources and Environmental Planning and Policy, the project is under construction. Meanwhile, the Colonial Khao Tao Huahin Project has its construction temporarily suspended as it is currently under litigation.

- Revenues from rental and services totaled Baht 248.13 million, Baht 233.60 million and Baht 295.72 million, in 2013, 2014 and 2015, respectively. This represented a 5.86% decline in 2014 since in late 2013, TISCOM had sold factories and warehouses for rent to the M-II Property Fund. Although in April 2014, TISCOM set up Barnsley, a subsidiary in the UK, to invest in lands and warehouses for sales to start earning warehouse rental incomes there. In 2015, TISCOM expanded its warehouse for rent business in the UK by

setting up Bognor in January to invest in land and the second warehouse for sale, resulting in a 26.59% increase in revenues from rental and services.

- In 2013, TFD's gain from sales of properties for investment totaled Baht 134.33 million after TISCOM had sold the rights to lease lands and factories to the M-II Property Fund. TFD sold no property for investment in 2014 and 2015.

During the first nine months of 2016, the Company's total revenues were Baht 729 million. This consisted of sales revenues of the 15 Sukhumvit Residences Condominium Project totaling Baht 423.66 million, which was up 7.32% from the same period a year ago thanks to marketing campaigns organized to stimulate sales, as well as rent and service revenues totaling Baht 240.18 million, which was up 8.25% from the same period the previous year as TISCOM was able to additionally rent two more warehouses totaling 5,605 square meters from last year. Dividend incomes meanwhile fell to Baht 12.79 million compared to the same period a year earlier since the Company had partially sold its M-II shares in 2016.

Costs of sale and services

Cost of sale	2013		2014		2015		9 Months of 2016	
	million baht	% of sales*	million baht	% of sales*	million baht	% of sales*	million baht	% of sales*
Cost of selling land and factory buildings	244.23	53.09	0.00	0.00	0.00	0.00	0.00	0.00
Cost of selling condominiums	32.20	79.78	878.14	76.27	376.49	78.35	313.80	74.07
Cost of lease and services	148.91	60.01	152.14	65.13	169.16	57.20	134.63	56.05
Total cost of sale	425.34	56.83	1,030.28	74.39	545.65	70.30	448.43	67.55

Note : * The ratio of cost of sale in each category

During 2013 – 2015, the company had the cost of sale and services totaling of 425.34 million baht, 1,030.28 million baht and 545.65 million baht, respectively. In 2014, the company saw an increase in the cost of sale amounting to 604.94 million baht as a result of an increase in the cost of selling condominiums of 845.94 million baht and in the cost of lease and services of 3.23 million baht. For the year 2015, the company had a decrease in the cost of sale to 545.65 million baht, a decrease of 484.63 million baht from the previous year which were varied with the sale of condominiums that slowed down following the economic situation.

When considering the ratio of the cost of sale to each category of revenue, it is found that the ratio of the cost of sale to revenue increases from 56.83 per cent in 2013 to 74.39 per cent in 2014. This is a result from the year 2014 when the company had no revenue from sales of land and factory buildings which caused the overall cost was higher than that of 2013. Moreover, the cost of land rent increased due to the modifications of the office building during 2014. In 2015, the ratio of the cost of sale to revenue decreased to 70.30 per cent with the main reason being a decrease in the office building's modification expenses in 2015.

During the first nine months of 2016, the Company recorded Baht 448.43 million costs of sales and service, which went up 3.04% from the same period a year ago, reflecting the increasing sales revenues. Yet, the ratio between the costs of sales and service vs. sales revenue during the first nine months of 2016 went down 70.58% to remain at 67.55%. The reason was because commercial space within the 15 Sukhumvit Residences Project sold in 2015 recorded a high cost compared to its condominium units. As a result, this lowered the ratio between the costs of sales vs. sales revenue in 2016, which improved TFD's gross margin profit during the first nine months of 2016 as it edged up to 32.45%.

Selling and administrative expenses

Selling and administrative expenses	2013		2014		2015		9 Months of 2016	
	million baht	% of total revenue	million baht	% of total revenue	million baht	% of total revenue	million baht	% of total revenue
Selling expenses	52.76	5.58	65.26	4.45	34.72	3.97	41.12	5.64
Administrative expenses	158.15	16.73	233.58	15.94	223.97	25.61	187.40	25.71
Total	210.91	22.31	298.84	20.39	258.69	29.58	228.52	31.35

During 2013 – 2015, the company had selling and administrative expenses of 210.91 million baht, 298.84 million baht and 258.69 million baht, respectively. The main reasons that contributed to an increase in the selling and administrative expenses in 2014 from that of 2013 by 87.93 million baht included expenses on the selling of condominiums at 15 SUKHUMVIT RESIDENCES Project, as well as the increased administrative expenses due to the upward adjustment of the office rent, financial consultancy fee, vacant factory rent compensation and expenses on behalf of the condominium juristic person. In 2015, the company had a decrease in the selling and administrative expenses by 40.15 million baht, mainly due to a slowdown in ownership transfer resulting in a fall in the selling expenses by 30.54 million baht.

TFD recorded Baht 228.52 million sales and administrative expenses during the first nine months of 2016, which was up 4.40% from the same period the previous year. The increase from Baht 25.92 million to Baht 41.12 million was mostly due to sales expenses which varied in accordance with increasing sales revenues compared to the same period a year earlier.

Financial expenses

Financial costs include, among a few, interest expenses and fees. TFD's financial costs in 2013, 2014 and 2015 totaled Baht 113.14 million, Baht 305.06 million and Baht 346.07 million, respectively. This represented an increase of 169.63% in 2014 after TFD issued a debenture totaling Baht 1,693.50 million. Besides, Crown also booked a loan interest as its expense as construction of its condominium project had already been completed and therefore the interest could no longer be booked as part of its property development costs. In 2015, the financial costs increased 13.45% after TFD issued a debenture totaling Baht 1.4 billion and borrowed an additional Baht 627.62 million loan from financial institutions.

TFD's financial expenses during the first nine months of 2016 totaled Baht 291.18 million, which was up 22.49% from the same period a year ago. This was due to loans from financial institutions and an additional issuance of debentures during 2016 to expand TFD's investment and for use as working capital. Yet, fund raised from the capital increase that TFD will receive from the offer of these newly issue ordinary shares for capital increase to existing shareholders on this occasion will be spent to pay the loans, which will lower its financial costs in the future.

Net earnings

During 2013 – 2015, the company had net earnings (loss) amounting to 153.86 million baht (157.81) million baht and (274.55) million baht, respectively. The main reasons for the losses experienced during 2014 – 2015 were decreases in the sales of land and factories, financial expenses and increased selling and administrative expenses. However, after the empty land of TFD Industrial Estate Phase 2 has been approved to be an industrial land (Purple Zone), it is expected that the company will have higher revenue from selling land and factory buildings in 2016 and that will result in an improvement in the earnings from operations of the company.

TFD suffered a net loss of Baht 232.59 million during the first nine months of 2016, a 32.84% increase from the same period a year ago. The loss was due to the fact that the Company still confronted with high financial expenses together with the fact that it had not yet enjoy sales revenues from vacant lands in its TFD Phase II Industrial Estate Project. TFD already signed a collaborating agreement with the Industrial Estate Authority of Thailand (IEAT) to set up the TFD Phase II Industrial Estate Project on November 10, 2016 and it expects to first record the revenue from land sales within the project in 2017. In the same year (2017), TFD also expects to recognize revenues from sales of the Harbor View Residences Project by approximately Baht 1.620 billion, having already signed an agreement to sell the entire project to a client with a schedule to deliver the project by 2017 and 2018. That's why TFD expects to see a better operation result, which should enable the Company to generate operating profits within the near future.

Profitability ratio

When considering the profitability ratio during 2013 – 2015 and September 2016, equaling to 16.27 per cent, -10.77 per cent, -31.40 per cent 26.60 per cent, respectively, it reflects that the rate of net earnings of the company fluctuates and varies with revenue from selling of land and factory buildings and from selling of condominiums, which have higher rates of gross earnings but the sale volumes are uncertain. Moreover, the selling and administrative

expenses and financial expenses have been rising since 2013. Such expenses are used for the purpose of expanding the business of the company and its subsidiary to compensate for the loss of revenue from selling of land in the industrial estate, of which Phase 1 has been almost sold up, and revenue from warehouses and factories that have been almost sold to real estate funds during 2012 – 2013 while currently some projects are in the process of requesting permission or incomplete construction, resulting in revenue not being generated from such projects. Nonetheless, the company is confident that when the projects that the company has invested have completely developed, the rate of net earnings of the company will improve in the future.

Financial Position

Assets

TFD's main assets include development costs of property projects, lease rights and property for investment. Total assets were Baht 7,683.01 million, Baht 7,382.84 million and Baht 9,657.97 million in 2013, 2014 and 2015, respectively. This was down Baht 300.17 million in 2014 or 3.91% as cash and cash equivalents spent in the operation and investments fell from Baht 1,268.66 million in 2013 to Baht 157.88 million a year later. In 2015, project development costs include the reduction of the transfer of ownership of residential apartments project 15 Sukhumvit Residences process for clients, total assets rose 30.81% to Baht 2,275.13 million after TFD managed to secure additional loans to expand investments. Development costs of property projects and property for investment increased from 2014 by Baht 1,258.22 million and Baht 856.76 million, respectively.

As of September 30, 2016, TFD had a total asset of Baht 9,597.24 million, which was down a little by Baht 60.73 million from end of 2015. The decline was due to major changes since, in 2016, TFD continued to expand its investment especially in the TFD Phase II Industrial Estate Project as well as in the development of the Harbor View Residences Project of which the construction must be completed within 2017 so that the entire project could be delivered to the client as agreed in the contract signed in early 2016. This pushed the costs of real estate development and down payment paid to buy additional land increase by Baht 107.24 million and Baht 114.09 million, respectively. During 2016, TFD also partially sold its investment in M-II in return for the fund for use as working capital and for investment in TFD's projects. Besides, cash also fell by another Baht 129.65 million.

Liabilities

Major liabilities are short-term loans from financial institutions, debentures and long-term loans from financial institutions. Total liabilities in 2013, 2014 and 2015 were Baht 6,054.90 million, Baht 5,213.82 million and Baht 7,755.85 million, respectively. This fell Baht 841.09 million or 13.89% in 2014 after capital-increase shares had been offered in the private placement to repay short-term loans from financial institutions. In 2015, total liabilities went up 48.76% or Baht 2,542.03 million following the issue of P/N and debentures to secure funding as working capital and for investment expansion

As of September 30, 2016, TFD's total liabilities reached Baht 8,030.90 million, which was up Baht 275.06 million from end of 2015. The increase was due to the fact that TFD felt the need to borrow and issue debentures in order to expand its investment in various projects such as the TFD Phase II Industrial Estate Project and the Harbor View Residences Project. Yet, the capital increase where the newly issued ordinary shares are offered to shareholders on this occasion will enable the Company to repay part of its debts, which should then lower the overall amount of debts from the current level.

Shareholders' equity

Shareholders' equity amounted to Baht 1,628.10 million, Baht 2,169.03 million and Baht 1,902.13 million in 2013, 2014 and 2015, respectively. This represented an increase of 33.22% or Baht 540.93 million in 2014 after TFD had issued a total of 200 million shares in the private placement in November 2014 at Baht 5.32 per share. In 2015, shareholders' equity fell Baht 266.90 million or 12.31% due to operating loss.

As of September 30, 2016, shareholders' equity stood at Baht 1,566.33 million, down Baht 471.42 million from end of 2015. The fall was due to loss suffered during the first nine months of 2016. Yet, the capital increase should improve TFD's shareholders' equity and help strengthening its financial structure that should be enough to accommodate the current plan for investment expansion.

Debt to Equity ratio (D/E ratio)

The D/E ratio totaled 3.72 times, 2.40 times, 4.08 times and 5.13 times in 2013, 2014 and as of September 30, 2016, respectively. The declining ratio as of end of 2014 decreased from the end of 2013 reflected the issuance of capital-increase shares in the private placement. The D/E ratio's increase in 2015 was a result of the issuance of P/N and debentures to secure operation funds and for the purpose of investment expansions of several projects in 2015.

The reason the debt to equity ratio continued to rise in 2015 all the way to as of September 30, 2016 was because TFD had issued promissory notes and debentures to raise funds for operating and expanding its investment in various projects. Together with the fact that TFD continued to suffer loss during 2015-2016, this has made the debt to equity ratio to shoot up to 5.13. That's why it's necessary for TFD to raise funds by offering the newly issued ordinary shares to shareholders on this occasion. With the new capital increase as planned, TFD expects its financial structure to be stronger and more secured, which should then lower its debt to equity ratio.

Liquidity

Cash flows

During 2013 – 2015, the company had net cash and cash equivalents totaling of 864.77 million baht, -1,110.79 million baht and 146.28 million baht, respectively. The main reasons contributed to changes in such cash flows included the fact that since 2013, the company had negative cash flows from operations during 2013 – 2015, specifically -1,562.23 million baht, -792.78 million baht and -1,785.59 million baht, respectively. In 2014, cash used in development projects increased by 277.29 million baht and cash used to pay interest amounted to 320.43. Cash used in operational activities in 2015 resulted from an increase in cash used in development projects by 1,153.27 million baht, for example investment in The Harbour View Residences Project developed by CROWN and investment in buying land and building factories and warehouses in Bang Sao Thong and Tha Sa-aan by TISCOM, etc. as well as cash used to pay interest during the year 2015 of 436.29 million baht.

Regarding investment activities during 2013 – 2015, the company had cash flows from investment activities amounting to -56.38 million baht, -483.15 million baht and -712.04 million baht, respectively. Cash used in investment activities in 2014 resulted mainly from the fact that TISCOM had invested in buying land and warehouses in United Kingdom for the first location via Bransley by the amount of 341.79 million baht, and used cash to invest in securities to trade more during the period of 79.62 million baht. In 2015, cash flows were mainly used in investment activities by TISCOM investing in buying land and warehouses in United Kingdom for the second location via Bognor by the amount of 891.51 million baht while there were cash flows received from repayment of debt from JC (connected company) of 140.00 million baht.

Moreover, during 2013 – 2015, the company mainly financed its operations and investment expansion from financing activities totaling of 2,483.38 million baht, 167.32 million baht and 2,652.84 million baht, respectively. Cash flows received from financing activities in 2014 resulted mainly from cash received from issuance of increased-capital ordinary shares to specific persons by the amount of 1,007.32 million baht, and from net increased issuance of debentures of 350.81 million baht. On the other hand, there was repayment of short-term loans from financial institutions of 1,012.20 million baht. As for cash flows received from financing activities in 2015 resulted mainly from a net increase in loans from financial institutions to be used to invest in projects in United Kingdom by 623.63 million baht, short-term loans from financial institutions to be used as working capital of 670.00 million baht and an increase in issuance of debentures to be used to develop more projects by the amount of 1,386.39 million baht.

During the first nine months of 2016, TFD's cash and cash equivalents went down Baht 129.64 million due largely to net cash used in operating activities, which included Baht 237.82 million spent as a down payment for land acquisition; Baht 121.70 million additionally invested in projects; and Baht 358.17 million paid as loan and debenture interests. At the same time, TFD tried to raise funds for operation and for investment expansion by borrowing and by issuing the debentures where during the first nine months of 2016, it issued a new set of debentures totaling Baht 1.7 billion to repay the debt of the previous debenture already due for maturity. Furthermore, an additional promissory note worth another Baht 221.05 million was issued. TFD also received Baht 122 million loan repaid by a related business. Finally, it earned another Baht 35.27 million through a partial sales of its M-II shares.

Liquidity Ratio

The current ratios as of end of 2013-2015 and as of September 30, 2016 were 1.20, 2.46, 1.40 and 1.57, respectively. The increase in 2014 mainly reflected the fall of short-term loans from financial institutions and debentures due within one year following TFD's repayment during the fiscal year. The 2015 ratio represented an increase of short-term loans from financial institutions and debentures for the purpose of business expansion. As of September 30, 2016, TFD's current ratio was getting better as it increased to 1.57 from 1.40 as of end of 2015 after the Company changed its investment policy in the M-II share from originally investment in securities for sales to investment in securities for trading purpose. This resulted in increasing current assets from Baht 7,330.33 million at the end of 2015 to Baht 7,582.03 million a year later. In addition, in 2016, TFD issued a new set of debentures totaling Baht 1.7 billion to repay the previous debentures due for maturity, which were considered a short-term loan. This resulted in the fall of its current liabilities from Baht 5,236.71 million as of end of 2015 to Baht 4,844.65 a year later.