

ANNUAL REPORT 2016





The Shoppes At Belle Grand Rama 9

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Belle Grand Rama 9

Message from the Chairman

To All Shareholders,

Our Company "Grand Canal Land Public Company Limited" is constantly operating to reach the goal of being the real estate developer developing integrated projects with the large areas where each of them comprises the fully functional buildings (i.e. office building for rent, retail spaces for rent, condominiums and housing development). In 2016, the Company focused on development of the office-building-for-rent and rental-spaces-for-rent projects in order to serve the demands of the continually-growing commercial lease market and in order for the Company to be able to stably and constantly generate a revenue. For the condominium and housing development projects, the Company owns the land with high potential to be developed which located close to the red line BTS that Company shall further determine the appropriate time to start developing such project in order to achieve the highest benefits therefrom.

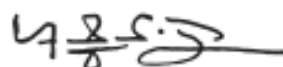
The Company's main project is the Grand Rama 9. There have been several sub-projects continually opened in the Grand Rama 9 from Belle Condominium in 2012, The Shoppes in 2013, The Ninth Tower (Office for Rent) in 2014, Unilever House in 2015 and G Tower in 2016. Not only these projects are successful and well-responded by the group of customers, they also clearly emphasize the image of a large new CBD (Central Business District) of Bangkok as they are the fully integrated real estate projects with the facilities and mass transportation system.

In 2016, other than acknowledging the revenues from condominium sales, office building and retail space rent and the project administration, the Company has proceeded with setting up a Real Estate Investment Trust (REIT) in respect of The Ninth Tower and Unilever House. In this regard, the Company has already submitted an application to the Securities and Exchange Commission and such application is now pending the approval. Such approval is expected to be given by the first quarter of 2017.

For 2017, the Company is going to develop the areas in the Grand Rama 9 as planned. In this regard, the Company shall start with development of a retail space and parking lot building of the Super Tower project including design of the connecting pathways among all the buildings in the Grand Rama 9 and the MRT and shall start constructing the Grand Canal Don Muang and Belle Sky projects on Kampaengpet Road located close to the red line BTS. The opening of such projects will be further determined as it is to be in conformance with the progress of the red line BTS construction.

I hereby am, on behalf of the Board of Directors, Management Committee and all employees, confident and determined to increase the efficiency and effectiveness of the Company's operation as well as to build a strong foundation for the Company to generate stable and constant compensation for the shareholders.

Lastly, the Board of Directors, the Management Committee and all employees would like to thank all shareholders, customers and trade alliances, financial institutions and all stakeholders for always trusting and supporting the Company's operation, resulting in the success of the Company. The Management Committee would like to assure all of you that the Company will continue to operate under the policy and principles of good corporate governance in order to move the Company forward to grow steadily, to create products and services that meet customer satisfaction and for the maximum benefit towards all stakeholders in a return for their continued faith and trust in the Company.



(Mr. Yotin Boondichareon)

Chairman of the Board of Directors



The Ninth Towers Grand Rama 9

Board of Directors

1. Mr. Yotin Boondicharem

● Position	:	Chairman , Chairman of the Executive Committee and Chief Executive Officer
● Age	:	75
● Number of Company shares held	:	None
● The relationship between directors and executives	:	Mr. Jatesiri Boondicharem , Miss Romani Boondicharem and Mr. Jatamongkol Boondicharem's father .

Experience in the last 5 years

12 May 2016 - Present	Chairman of the Executive Committee	Grand Canal Land Plc.
23 Aug 2013 – Present	Chairman	G Land Property Management Co., Ltd.
10 June 2013 - Present	Chairman	Belle Assets Co., Ltd.
2 July 2012 – Present	Chairman	Sterling Equity Co., Ltd.
23 Dec 2009 - Present	Chairman and Chief Executive Officer	Grand Canal Land Plc.
2009 – Present	Chairman of the Executive Directors	Belle Development Co., Ltd.
2008 – Present	Chairman	Belle Development Co., Ltd.
2007 – Present	Executive Director	Skyway Realty Co., Ltd.
2002 – Present	Chairman	Grand Fortune Co., Ltd.
1996 – Present	Executive Director	Pattana Co., Ltd.
1996 – Present	Director	Central Pattana Nine Square Co., Ltd.
1996 - Present	Chairman	Rama 9 Square Hotel Co., Ltd.
1995 – Present	Chairman and Chairman of the Executive Directors	Rama 9 Square Ltd.
1994 – Present	Director	Belle Development Co., Ltd.
1994 – Present	Chairman	Charemkit Enterprise Co., Ltd.

2. Assoc. Prof. Prapanpong Vejajiva

● Position	:	Vice Chairman and Vice Chairman of the Executive Committee and Nomination and Remuneration Committee Member
● Age	:	81
● Education	:	Master of Social Science (MSc) Stockholm University Sweden

		B.A. In Political Science (Second Class Honor) Chulalongkorn University
		Certificate In Business Administration, Stanford University, USA
		National Defence College Class 28
● Training Course	:	Director Accreditation Program (DAP)
		The Role of Chairman Program (RCP)
		Audit Committee Program (ACP)
		The Role of Compensation Committee (RCC)
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years

12 May 2016 – Present	Vice Chairman of the Executive Committee	Grand Canal Land Plc.
2011 – Present	Chairman	Hua Hin Garden Beach Condominium
14 Jan 2010 – Present	Vice Chairman	Grand Canal Land Plc.
23 Dec 2009 – Present	Director and Nomination and Remuneration Committee Member	Grand Canal Land Plc.
2009 – Present	Chairman	Vudhivithu Vudhijaya (Maag) Foundation
2007 – Present	Advisor to the President	Huachiew Chalermprakiet University
2004 – Present	Chairman	C & C International Venture Co., Ltd. (The company of Chulalongkorn University)
2004 – Present	Member of the Council	Saint Louis College
2002 – Present	Vice Chairman	Momrajawongseying Roselin Gagananga Foundation Under Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn
2001 – Present	Director	Belle Development Co., Ltd.
1992 – Present	Member of the University Council	Huachiew Chalermprakiet University

1992 – Present	Director	Rama 9 Square Ltd.
1987 – Present	Director	The Dhamnitti Plc.
1986 – Present	Member of the Board of Property Management and Chairman	Red Cross Society of Thailand
2007 – Sep 2014	Member of The Board of Directors	SASIN International Business Graduate School of Chulalongkorn University
2007 – 31 Jul 2014	Chairman	The Krungthep Thanakom Co., Ltd. (Bangkok Metropolitan's Enterprise)

3. Mr. Nipon Visityuthasart

● Position	:	Independent Director , Chairman of the Audit Committee and Nomination and Remuneration Committee Member
● Age	:	77
● Education	:	Master of Public Administration Program (NIDA) Bachelor of Law, Thammasart University
● Training Courses	:	Director Accreditation Program (DAP) Corporate Governance for Capital Market Intermediaries (CGI) Certificate for High Level Executive Capital Market Academy (CMA12) Executive Program for Metropolitan Development (Mahanakom 3) Navamindradhiraj University Certificate for Executive Thammasat Leadership Program (NMT.2)
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years

30 Apr 2014 - Present	Chairman of the Audit Committee and Nomination and Remuneration Committee Member	Grand Canal Land Plc.
2014 - Present	Independent Director Chairman of the Audit Committee and Nomination and Remuneration Committee Member	Country Group Holdings Plc.

17 Nov 2011-Present	Independent Director	Country Group Assets Plc.
14 Jan 2010 - Present	Independent Director	Grand Canal Land Plc.
1999 – Present	Independent Director and Chairman of the Audit Committee	Wanachai Group Plc.
14 Jan 2010 – 29 Apr 2014	Audit Committee Member and Chairman of Nomination and Remuneration Committee Member	Grand Canal Land Plc.

4. Mr. Banphot Hongthong

● Position	:	Independent Director , Audit Committee Member and Chairman of Nomination and Remuneration Committee
● Age	:	70
● Education	:	M.A. (Economics Development), Northeastern University, U.S.A. B.A. (Economics), Northeastern University, U.S.A.
● Number of Company shares held	:	1,074,224 Shares or 0.02 %
● The relationship between directors and executives	:	None

Experience in the last 5 years

Jul 2016 - Present	Advisor	P - Mart Superstore Co., Ltd.
30 Apr 2014 – Present	Chairman of Nominating and Remuneration Committee	Grand Canal Land Pcl.
Nov 2013 - Present	Advisor	Shop Global(Thailand) Co., Ltd.
Sep 2013 - Present	Director	University Council of Eastern Asia
June 2013 - Present	Advisor	National Power Supply Pcl.
Mar 2013 - Present	Chairman of the Board of Director	Exotic Food Pcl.
Jan 2013 – Present	Advisor to the Impelling Agriculture and Occupation Committee of Phu Fa Project Under the Royal Initiative of H.R.H. Princess Maha Chakri Sirindhorn	Ministry of Agriculture and Cooperatives
Jan 2013 – Present	Advisor	Unicord Pcl.
Feb 2012 – Present	Advisor to Nominating and Corporate Governance Committee of the Royal Water Project	Office of the Royal Development Project

Aug 2011 - Present	Chairman of the Board of Director	Dhipaya Life Insurance Pcl.
Apr 2011 – Present	Director of Fund Raiser for Queen Sirikit's 80 th Anniversary Building	Queen Sirikit National Institute of Child Health
Apr 2011 – Present	Advisor to the Board of the Directors and the Working Group of Development Project Under the Royal Initiative , Mae Hong Son Province	Ministry of Agriculture and Cooperatives
Dec 2010 – Present	Advisor to the Board of Directors and Working Committee of the Royal Fruit Development Project, Chanthaburi Province	Ministry of Agriculture and Cooperatives
Dec 2010 – Present	Advisor to Cooperative Center of the Development Project Under the Royal Initiative	Office of the Royal Development Project
Aug 2010 – Present	Chairman of the Board of Director	Foundation for Sericulture
14 Jan 2010 - Present	Independent Director and Member of Audit Committee	Grand Canal Land Pcl.
Apr 2008 – Present	Advisor to Working Group of Royal Project's Administration Center, Amphur Sanpathong, Chiangmai Province	Ministry of Agriculture and Cooperatives
Jan 2008 – Present	Advisor to the Committee of Chaipattana Agriculture Development Sirindhorn Project	Chaipattana Foundation
Nov 2007 – Present	Advisor on Operation of Land Development Department	Land Development Department, Ministry of Agriculture and Cooperatives
Apr 2013 – Apr 2015	Independent Director	Standard Chartered Bank (Thai) Pcl.
Apr 2012 – Apr 2016	President	Royal Automobile Association of Thailand under Royal Patronage
Apr 2012 – Feb 2016	Director	Foundation for Institute of Business Economics Research and Development
Dec 2010 – Sep 2015	Advisor to the Permanent Secretary of Ministry Agriculture and Cooperatives	Ministry of Agriculture and Cooperatives
Nov 2010 – May 2011	Director of the Project to Renovate the Birth Place of Buddha, Lumpini, Nepa	Thai Pueng Thai Foundation

23 Mar 2010 – 29 Apr 2014	Member of Nominating and Remuneration Committee	Grand Canal Land Pcl.
Sep 2009 – Sep 2011	Expert Member of Civil Servant Sub-Committee	Ministry of Agriculture and Cooperatives
June 2009 – Dec 2016	Director	Evergreen Plus Co., Ltd.
May 2009 – Dec 2011	Member of Sub-Committee for Recruiting and Development of Listed Company	The Stock Exchange of Thailand
Oct 2008 – April 2011	Independent Director and Member of the Corporate Governance Committee	Thai Oil Pcl.
July 2007 – June 2011	Expert Member to University Council	Rajamangala University of Technology Isan

5. Mrs. Jitmanee Suwannapool

● Position	:	Independent Director and Audit Committee Member
● Age	:	63
● Education	:	Master of Public Administration, The National Institute of Development Administration (NIDA) Bachelor of Business Administration (Accounting), Ramkhamhaeng University Bachelor of Laws, Ramkhamhaeng University
● Training Courses	:	Director Certification Program (DCP) Certificate for High Level Executive Capital Market Academy (CMA12)
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years

15 Nov 2016 – Present	Independent Director and Audit Committee Member	Country Group Holdings Pcl.
15 Feb 2016 – Present	Independent Director and Chairman of the Audit Committee	Thailand Privilege Card Co., Ltd.
2016 - Present	Honorary Advisor at the Commission of the Economy Finance and Treasury	The National Legislative Assembly

Apr 2015 - Present	Independent Director and Audit Committee Member	NCL International Logistics Plc.
30 Apr 2014 - Present	Audit Committee Member	Grand Canal Land Plc.
25 Apr 2014 - Present	Independent Director	Grand Canal Land Plc.
2012-2013	Principal Advisor on Tax Base Management	The Revenue Department
2010-2013	Committee and Investigation Committee	Central Laboratory (Thailand) Co., Ltd.
2010-2012	Deputy Director General	The Revenue Department

6. Mr. Jarem Jirawisan

● Position	:	Director
● Age	:	76
● Education	:	Master of Management, SASIN Graduate Institution of Business Administration Bachelor Degree in Engineering, Chulalongkorn University
● Training Courses	:	Director Accreditation Program (DAP)
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years

14 Jul 2010 – Present	Director	Exclusive Senior Care International Co., Ltd.
23 Dec. 2009 - Present	Director	Grand Canal Land Plc.
2009 – Present	Director	T – One Capital Co., Ltd.
2008 – Present	Director	Belle Development Co., Ltd.
2008– Present	Director	Rama 9 Square Hotel Co., Ltd.
2007 – Present	Director	BBTV New Media Co., Ltd.
2006 – Present	Director	Rama 9 Square Ltd.
2006 – Present	Director	Central Pattana Nine Square Co., Ltd.
2006 – Present	Director	Yook Chuan Co., Ltd.
2006 – Present	Director	The Bangkok Lighters Co., Ltd.
2006 – Present	Director	The Thai Tapioca Flour Produce Co., Ltd.

2004 – Present	Director	Cheskupt International Law Office Co., Ltd.
2003 – Present	Director	Cyber Venture Co., Ltd.
2002 – Present	Director	Great Fortune Equity Co., Ltd.
2002 – Present	Director	Grand Fortune Co., Ltd.
2002 – Present	Director	BBTV Satelvision Co., Ltd.
2002 – Present	Director	Belle Assets Co., Ltd.
2001 – Present	Director	BBTV Productions Co., Ltd.
2000 – Present	Director	G Land Property Management Co., Ltd.
1999 – Present	Director	Bangkok Broadcasting & Television Co., Ltd.
1999 – Present	Director	Sunrise Equity Co., Ltd.
1998 – Present	Director	C.K.R. Co., Ltd.
1997 – Present	Director	BBTV Equity Co., Ltd.
1997 – Present	Director	Tun Rungrueng Co., Ltd.
1997 – Present	Director	GL Assets Co., Ltd.
1997 – Present	Director	Mahakij Holding Co., Ltd.
1996 – Present	Director	Super Assets Co., Ltd.
1996 – Present	Director	Sterling Equity Co., Ltd.
1996 – Present	Director	Stronghold Assets Co., Ltd.
1995 – Present	Director	BBTV Asset Management Co., Ltd.
1994 – Present	Director	Siam Puri Engineering Co., Ltd.
1992 – Present	Director	Siam Purimongkol Co., Ltd.
1990 – Present	Director	Khao Kheow Country Club Co.,Ltd.
1984 – Present	Director	Great Luck Equity Co., Ltd.
1982 – Present	Director	CKS Holding Co., Ltd.

7. Miss Nopporn Tirawattanagool

● Position	:	Director
● Age	:	62
● Education	:	Master of Accounting Faculty of Commerce and Accountancy, Thammasat University Bachelor of Business Administration, Thammasat University
● Training Courses	:	Director Accreditation Program (DAP) Role of the Compensation Committee (RCC)

	Audit Committee Program (ACP)
	Director Certification Program (DCP)
	Financial Institutions Governance Program (FGP)
	Anti-Corruption for Executive Program (ACEP)
	Risk Management Program for Corporate Leaders (RCL)
	Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
	CG Forum 2/2016 "Honest, Cautious, Protective for the director", Year 2016
	Seminar on "Cyber Security Awareness Training for Senior Executive"
● Number of Company shares held :	None
● The relationship between directors and executives :	None

Experience in the last 5 years

8 May 2015 - Present	Director	CKS Holding Co., Ltd.
8 May 2015 - Present	Director	Super Assets Co., Ltd.
8 May 2015 - Present	Director	C.K.R Co., Ltd.
8 May 2015 - Present	Director	The Bangkok Lighters Co., Ltd.
8 May 2015 - Present	Director	The Thai Tapioca Flour Produce Co., Ltd.
8 May 2015 - Present	Director	Cyber Venture Co., Ltd.
27 Apr 2015 - Present	Director	Grand Canal Land Pcl.
9 Apr 2015 - Present	Director	Khao Kheow Country Club Co., Ltd.
9 Apr 2015 - Present	Director	Siam Puri Engineering Co., Ltd.
9 Apr 2015 - Present	Director	Siam Purimongkol Co., Ltd.
1 Jan 2015 - Present	Risk and Compliance Committee Member	Bank of Ayudhya Pcl.
15 Nov 2014 - Present	Director	Belle Development Co., Ltd.
1 Nov 2014 - Present	Director	Grand Fortune Co., Ltd.
17 Oct 2014 - Present	Director	Srivichaijvivat Pcl.

22 Jul 2014 - Present	Director of Nomination and Compensation Committee and Director of Governance,Risk and Compliance Committee	Siam City Cement Pcl.
21 Apr 2014 - Present	Director	Bangkok Broadcasting & TV Co., Ltd.
21 Apr 2014 - Present	Director	BBTV Satelvision Co.,Ltd.
21 Apr 2014 - Present	Director	Mahakij Holdings Co.,Ltd.
21 Apr 2014 - Present	Director	BBTV Production Co.,Ltd.
21 Apr 2014 - Present	Director	GL Asset Co., Ltd.
10 Jan 2014 - Present	Director	BBTV Alliance Co., Ltd.
10 Jan 2014 - Present	Director	BBTV Bond Street Building Co., Ltd.
14 May 2013 - Present	Nomination and Remuneration Committee Member	Sri Ayudhya Capital Pcl.
22 Apr 2013 - Present	Director	Sri Ayudhya Capital Pcl.
Aug 2012 - Present	Director	ITBC Business Consultant Group Co., Ltd.
Apr 2012 - Present	Director	Siam City Cement Pcl.
Apr 2011 - Present	Director	Exclusive Senior Care International Co., Ltd.
Sep 2010 - Present	Director	BBTV International Holdings Co., Ltd.
Sep 2010 - Present	Director	Sunrise Equity Co., Ltd.
Sep 2010 - Present	Director	BBTV Equity Co., Ltd.
28 Apr 2010 - Present	Nomination and Remuneration Committee Member	Bank of Ayudhya Pcl.
8 Apr 2010 - Present	Director	Bank of Ayudhya Pcl.

8. Mr. Jatesiri Boondicharem

● Position	:	Director , Executive Director and Managing Director
● Age	:	45
● Education	:	Master of Real Estate Finance and International Business, University of Southern California Bachelor of Landscape Architect California State Polytechnic University
● Number of Company shares held	:	278,360,498 Shares or 4.71 %

- The relationship between directors and executives : Mr. Yotin Boondicharem's son , Ms. Romani Boondicharem and Mr. Jatamongkol Boondicharem's brother.

Experience in the last 5 years

12 May 2016 - Present	Executive Director	Grand Canal Land Plc.
10 Sep 2013 - Present	Director	Belle Assets Co., Ltd.
10 Sep 2013 - Present	Director	G Land Property Management Co., Ltd.
26 Oct 2012 – Present	Chief Executive Officer and Managing Director	Sterling Equity Co., Ltd.
2011 – Present	Executive Director	Charemkrit Enterprise Co., Ltd.
23 Dec 2009 - Present	Director and Managing Director	Grand Canal Land Plc.
2009 – Present	Executive Director	Rama 9 Square Hotel Co., Ltd.
2009 – Present	Managing Director	Belle Development Co., Ltd.
2009 – Present	Managing Director	Charemkrit Enterprise Co., Ltd.
2009 – Present	Managing Director	Rama 9 Square Ltd.
2008 – Present	Director and Executive Director	Belle Development Co., Ltd.
2008 – Present	Executive Director	The Future Asset Co., Ltd.
2008 – Present	Executive Director	Belle Park Residence Co., Ltd.
2008 – Present	Executive Director	Breguet Thai Co., Ltd.
2008 – Present	Executive Director	Skyway Realty Co., Ltd.
2005– Present	Director and Executive Director	Rama 9 Square Ltd.
2006 – Present	Executive Director	Central Pattana Nine Square Co., Ltd.
2004 – Present	Executive Director	G C & T Co., Ltd.
2002 – Present	Executive Director	Grand Fortune Co., Ltd.
2002 – Present	Executive Director	Pattanaaburi Co., Ltd.
14 Jan 2010 – 22 Mar 2010	Nomination and Remuneration Committee Member	Grand Canal Land Plc.

9. Ms. Romani Boondicharem

- Position : Director, Executive Director and Deputy Managing Director of Accounting and Finance Group
- Age : 30

● Education	:	Master of Science Degree (Finance), Chulalongkorn University
		Bachelor of Engineering (Civil Engineering), Thammasat University
● Training Courses	:	Director Certification Program (DCP)
		Director Accreditation Program (DAP)
		Executive Development Program (EDP)
		Young Entrepreneur Program (YEP)
		Executive Program for Metropolitan Development (Mahankom 3) Navamindradhiraj University
		Difference 2014 : How to Harness Business Creativity (ABC) Sripatum University
● Number of Company shares held	:	229,485,831 Shares or 3.88 %
● The relationship between directors and executives	:	Mr. Yotin Boondicharem's daughter, Mr. Jatesiri Boondicharem and Mr. Jatamongkol Boondicharem's sister,
Experience in the last 5 years		
12 May 2016 - Present	Executive Director	Grand Canal Land Plc.
11 July 2013 - Present	Director	Belle Assets Co., Ltd.
23 Aug 2013 - Present	Director	G Land Property Management Co., Ltd.
4 July 2012 – Present	Director	Sterling Equity Co., Ltd.
6 May 2010 - Present	Director	Belle Development Co., Ltd.
6 May 2010 - Present	Director	Rama 9 Square Ltd.
6 May 2010 - Present	Director	Rama 9 Square Hotel Co., Ltd.
14 Jan 2010– Present	Director, Deputy Managing Director of Accounting and Finance Group	Grand Canal Land Plc.
2009 – Present	Director, Deputy Managing (Acting)	Charemkil Enterprise Co., Ltd.
2008 – Present	Executive Director	Skyway Realty Co., Ltd.
2008 – Present	Executive Director	The Future Asset Co., Ltd.
2008 – Present	Executive Director	Breguet Thai Co., Ltd.
2008 – Present	Executive Director	Belle Park Residence Co., Ltd.



Unilever House Grand Rama 9

Management Team

1. Mr. Yotin Boondicharem	Chairman , Chief Executive Officer and Chairman of the Executive Directors (Please see the profile from the Board of Directors)
2. Mr. Jatesiri Boondicharem	Director , Executive Director and Managing Director (Please see the profile from the Board of Directors)
3. Ms. Romani Boondicharem	Directors , Executive Director and Deputy Managing Director of Accounting and Finance Group (Please see the profile from the Board of Directors)
4. Mr. Jatamongkol Boondicharem	
• Position	: Executive Director and Deputy Managing Director of CEO Office
• Age	: 27
• Training Courses	: Director Certification Program (DCP) Advanced Audit Committee Program (AACP) Re-energizing Growth through Better Governance 2015
• Number of Company shares held	: 229,485,831 Shares or 3.88 %
• The relationship between directors and executives	: Mr. Yotin Boondicharem's son , Mr. Jatesiri Boondicharem and Ms. Romani Boondicharem's brother.
Experience in the last 5 years	
15 Aug 2016 - Present	Director Gland Reit Management Co., Ltd.
1 June 2016 - Present	Deputy Managing Director of CEO Office Grand Canal Land Plc.
12 May 2016 - Present	Executive Director Grand Canal Land Plc.
2010 – Present	General Manager Breguet Thai Co., Ltd.
2010 – Present	General Manager Skyway Realty Co., Ltd.
2012 – Present	Executive Director and General Manager Charemkrit Enterprise Co., Ltd.

2010 – Present	Executive Director and General Manager	Belle Park Residence Co., Ltd.
1 Aug 2013 – 31 May 2016	Senior Assistant Managing Director CEO Office	Grand Canal Land Plc.

5. Mr. Surakit Thantananont

● Position	:	Senior Assistant Managing Director Finance and Accounting Department
● Age	:	55
● Education	:	Master Degree in Accounting (Finance) , Chulalongkorn University Bachelor Degree in Accounting (Accounting) , Chulalongkorn University
● Training Courses	:	Director Accreditation Program (DAP) Director Certification Program (DCP)
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years

1 Aug 2013- Present	Senior Assistant Managing Director Finance and Accounting Department	Grand Canal Land Plc.
16 Mar 2011 – 31 July 2013	Assistant Managing Director Finance and Accounting Department	Grand Canal Land Plc.
16 June 2005 – 15 March 2011	Director and Deputy Managing Director	B.P. Wire Rod Co.,Ltd.
1 Sep. 2004 – 15 June 2005	Deputy Vice President , Corporate Banking 3	Thai Military Bank Plc.
2 Jul 1994 – 31 Aug 2004	Deputy Vice President , Project Financing Department 4	Industrial Finance Corporation of Thailand

6. Mr.Sakol Pao-in

● Position	:	Senior Assistant Managing Director Legal Department
● Age	:	53
● Education	:	Bachelor of Law, Thammasat University Certificate of Thai Barristered The Thai Bar

● Training Courses	:	Director Accreditation Program (DAP) Director Certification Program (DCP) Advanced Audit Committee Program (AAP)
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years

1 Aug 2013- Present	Senior Assistant Managing Director Legal Department	Grand Canal Land Plc.
2008 - 2011	Senior Vice President Corporate Service Division	Prinsiri Plc.
2004-2011	Director	Prinsiri Plc.
2003-2008	Assistant Managing Corporate Service Division	Prinsiri Plc.
1996-1998	Legal Vice President	Ekkapat Finance and Securities Plc.
1992-1995	Legal Manager	Ekthana Finance and Securities Plc.
1989-1991	Legal Assistant Manager	Ekthanakit Finance Plc.

7. Mr. Chol Laup Tack Kelvin

● Position	:	Senior Assistant Managing Director Commercial Sales and Marketing Department
● Age	:	63
● Education	:	Bachelor of Arts(Economics) UNIVERSITY OF MANITOBA, MANITOBA, CANADA
● Training Courses	:	None
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years		
8 Jul 2015 - Present	Senior Assistant Managing Director Commercial Sales and Marketing Department	Grand Canal Land Plc.
2001 - 2014	Marketing Director	All Seasons Property Co Ltd.
1992 - 2000	Executive Vice President and Executive Director	Sahaviriya City Public Co Ltd.
1990 - 1992	Vice President	Thai Hong Kong Co Ltd.
1986 - 1990	Controller, Properties and Commercial	The Hong Kong and Shanghai Hotels Limited.

8. Mr. Sataporn Asawai

● Position	:	Senior Assistant Managing Director of CEO Office
● Age	:	56
● Education	:	Bachelor of Law , Ramkhamhaeng University
● Number of Company shares held	:	None
● The relationship between directors and executives	:	None

Experience in the last 5 years

1 June 2016- Present	Senior Assistant Managing Director of CEO Office	Grand Canal Land Plc.
2016 - Present	Director	Ratchada Asset Holding Co., Ltd.
2015 - Present	Director	Bayswater Co., Ltd.
2014 - Present	Director	Ratchada Village Co., Ltd.
2014 - Present	Director	Ratchada Town Co., Ltd.
2013 - Present	Director	Ratchada Food Co., Ltd.
2004 - Present	Director	Belle Park Residence Co., Ltd.
2003 - Present	Director	Breguet Thai Co., Ltd.
1995	Legal Manager	Charernkit Enterprise Co., Ltd.
1991	Legal Manager	Navanakorn Co., Ltd.
1987	Head of Contract and Land Department	Navanakorn Co., Ltd.



G Tower Grand Rama 9

1. Policy and Overall of the Company 's Business

1.1 Vision and Mission

The Company aims to become a leader in real estate development business in Thailand and create products with qualities to the satisfaction of our customers. The focus is the development of residential single detached house and condominium projects, as well as commercial projects such as quality office buildings and retail space projects. These projects will be leased to target customers, according to their level, requirements with the respective price ranges, in order to accommodate for the various requirements of the customers.

1.2 Important Changes and Developments

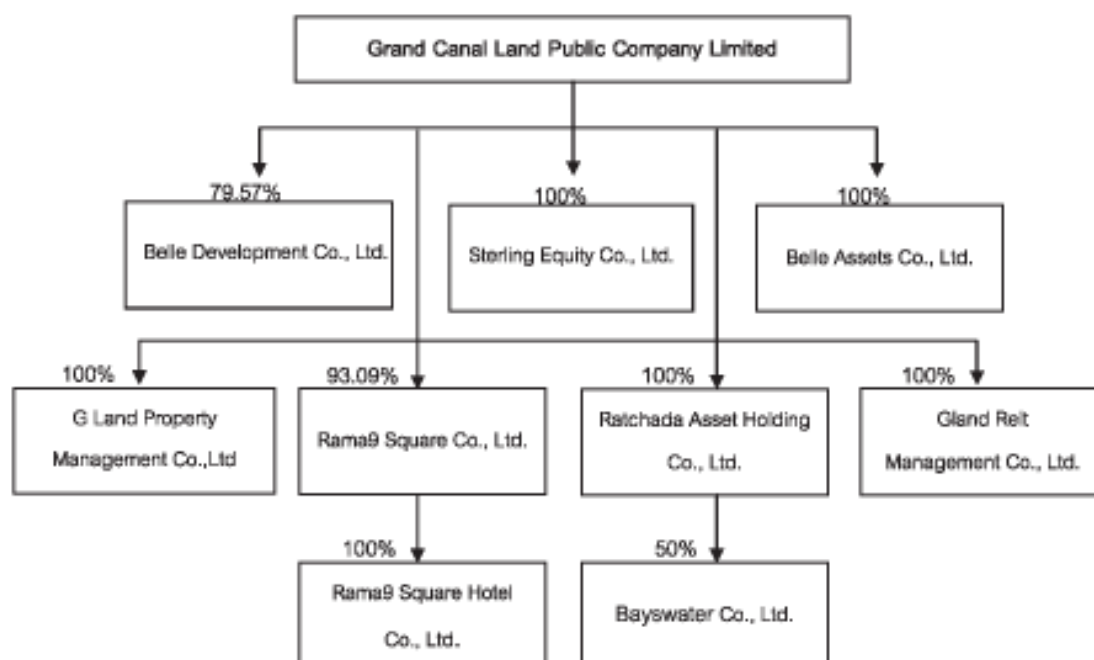
Grand Canal Land Public Company Limited ("the Company" or "G-Land"), formerly known as Media of Medias Public Company Limited ("Medias"), was incorporated on 22 April 1985 with an initial capital of Baht 200,000. The Company was listed in the Stock Exchange of Thailand since 8 February 1996. At that time, the Company was carrying on television program production business and commercial spot sales in television programs.

The Company has a significant change in the Company's business by the Extraordinary General Shareholders' Meeting No. 1/2009, held on 17 December 2009, approved the acquisition of assets in the real estate business through an entire business transfer (EBT) from Grand Canal Company Limited, a company in Charemkrit Group, and the purchase of assets from Rattanak Group. The transaction was deemed as a backdoor listing which resulted in a major change, from the television business to the real estate development business. The Charemkrit Group became the major shareholder as well as the executives of the Company. The Stock Exchange approved the listing of the Company's ordinary shares and reclassified the business category from the media and publication business category, under service industry group, to the property development category under property and construction industry group on 21 January 2010 and the Company changed its company name to Grand Canal Land Public Company Limited on 6 May 2010 and used the stock symbol "GLAND".

As of the end of 2016, the Company has registered capital of 6,535 million and paid-up capital of 5,909 million Baht.

1.3 Shareholding structure

The Company and its subsidiaries operate in The Real Estate as a main business as per details below:



2. Nature of Business

Grand Canal Land Public Company Limited ("GLAND")

Currently, the Company has a registered capital of Baht 6,535,484,202 and paid-up capital of Baht 5,908,928,627 divided into 5,908,928,627 ordinary shares with a par value of Baht 1 each. The Company's current project, the Ninth Towers Grand Rama 9, is now open and in operation. The projects in the process of development are the Super Tower, a high-rise project including its Convention Hall and the Real Estate for Sale Project, namely the Belle Sky Condominium. In addition, services for sales management, marketing, construction work and residential project management are also provided by the Company.

Belle Development Co., Ltd. ("Belle")

Belle was incorporated in 1994. Currently, Belle has a registered and paid-up capital of Baht 2,064,261,300, divided into 20,642,613 ordinary shares with a par value of Baht 100 each. At present, Belle operates development projects of real estate for sale, namely the Belle Grand Rama 9 Project, as well as retail space for rent under the Shoppes @ Belle Project.

Sterling Equity Co., Ltd. ("Sterling")

Sterling was registered and incorporated in 1996. Currently, Sterling has a registered and paid-up capital of Baht 500 million, divided into 5 million ordinary shares with a par value of Baht 100 each. At present, its project of leasing space in an office building, the Unilever House Grand Rama 9, has been opened for operations and it is now in the process of developing a hotel around the Grand Rama 9 Project's area.

Rama 9 Square Co., Ltd. ("Rama 9")

Rama 9 was registered and incorporated in 1995. Currently, Rama 9 has a registered and paid-up capital of Baht 1,900 million, divided into 19 million ordinary shares with a par value of Baht 100 each. At present, Rama 9 is in the process of developing an office building for rent under the G Tower Grand Rama 9 Project and operated partially in Quarter 3 of 2016.

GLAND Property Management Co., Ltd. ("GPROP")

GPROP was registered and incorporated in 1995 under the name of BBTV Marketing Co., Ltd. and was renamed in 2014 as GLAND Property Management Co., Ltd. Currently, GPROP has a registered and paid-up capital of Baht 500 million, divided into 5 million ordinary shares with a par value of Baht 100 each. GPROP owns the Land in the Grand Rama 9 area and the Company will develop such land into retail space for rent (the "Arcade").

Belle Assets Co., Ltd. ("Belle Assets")

Belle Assets was registered and incorporated in 2002 under the name "Tonson Pleonchit Co., Ltd." and was renamed in 2014 to Belle Assets Co., Ltd. Currently, Belle Assets has a registered and paid-up capital of Baht 11 million, divided into 1,100,000 ordinary shares with a par value of Baht 10 each. At present, Belle Assets has a vacant plot of land in the Grand Canal Don Muang Project which is awaiting further development.

Rama 9 Square Hotel Co., Ltd. ("Rama 9 Hotel")

Rama 9 Hotel was registered and incorporated in 1995. Currently, Rama 9 Hotel has a registered and paid-up capital of Baht 16 million, divided into 1 million ordinary shares, with a par value of Baht 16 each. At present, the Rama 9 Hotel has not conducted any business operations in any way.

Bayswater Co., Ltd. ("Bayswater")

Bayswater was registered and incorporated in 2014 as a joint venture with Ratchada Asset Holding Co., Ltd. ("RAH"), the subsidiary of GLAND and Unicorn Enterprise Co., Ltd. ("UE"), the subsidiary of BTSG, on the basis of 50 : 50 equity. Currently, Bayswater has a registered and paid-up capital of Baht 10 million, divided into 100,000 ordinary shares with a par value of Baht 100 each. It is the intention of both RAH and UE to use this joint venture company as a vehicle in developing specific real estate project(s). At present, Bayswater has a vacant plot of land around the Phahonyothin area and is in the process of studies in order to find the appropriate lines for further development.

Ratchada Asset Holding Co., Ltd. ("Ratchada Asset")

Ratchada Asset was registered and incorporated in 2016. Currently, Sterling has a registered and paid-up capital of Baht 6 million, divided into 600,000 ordinary shares with a par value of Baht 10 each. At present is Bayswater's shareholder.

Gland Reit Management Co., Ltd. ("Gland Reit")

Gland Reit was registered and incorporated in 2016. Currently, Gland Reit has a registered and paid-up capital of Baht 10 million, divided into 1 million ordinary shares with a par value of Baht 10 each. Gland Reit was established to be the Reit manager of the Real Estate Investment Trust. In present, Gland Reit was approved by SEC to be the Reit Manager on 22 December 2016.

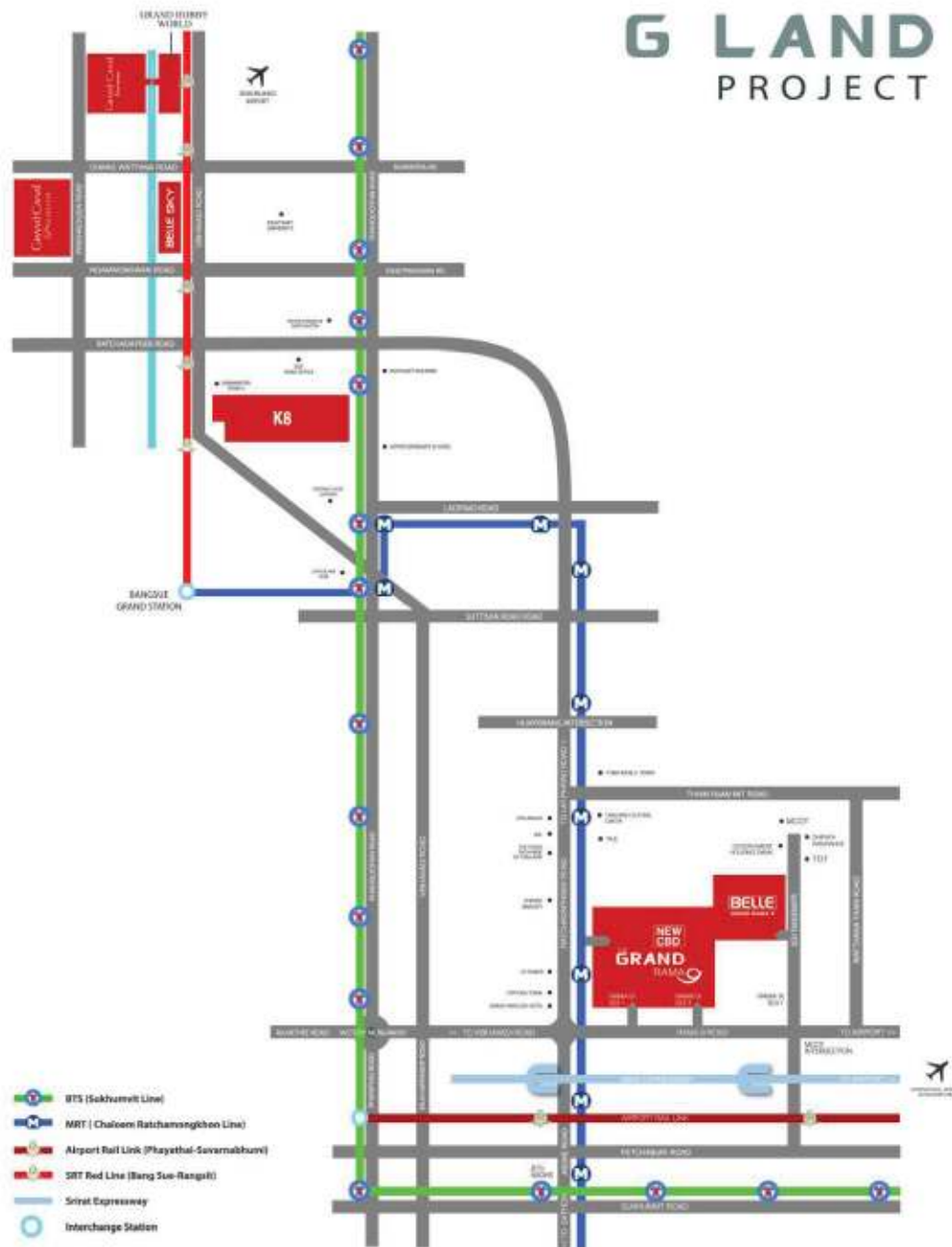
Table on the Group's Revenue Structure for 2014 – 2016 pursuant to its Consolidated Financial Statement

Business Category	Operated by	% of the Company's Equity as at (Dec.31, '16)	2016		2015		2014 (Adjusted)	
			Bt. Million	%	Bt. Million	%	Bt. Million	%
Real estate for sale	Belle Development Co., Ltd.	79.57%	1,689.00	46.87%	3,162.53	61.29%	4,322.42	75.49%
	Sterling Equity Co., Ltd.	100.00%	-	0.00%	-	0.00%	18.22	0.32%
Real estate for rent	Grand Canal Land Plc.	-	469.95	13.04%	448.07	8.68%	240.34	4.20%
	Belle Development Co., Ltd.	79.57%	102.20	2.84%	80.61	1.56%	37.20	0.65%
	Sterling Equity Co., Ltd.	100.00%	230.71	6.40%	230.41	4.47%	10.45	0.18%
	G Land Property Management Co., Ltd.	100.00%	-	0.00%	1.25	0.02%	1.25	0.02%
	Rama9 Square Co., Ltd.	93.69%	114.13	3.17%	-	-	-	-
Real Estate Business – Project management and services	Grand Canal Land Plc.	-	48.24	1.34%	29.39	0.57%	48.69	0.87%
Gains from changes in Fair Value and others	Grand Canal Land Plc. and Subsidiaries	-	949.36	26.34%	1,207.82	23.41%	1,045.85	18.27%
TOTAL			3,609.59	100.00%	5,160.08	100.00%	5,726.52	100.00%

2.1 Category of Products or Services

The Company operates various real estate development projects which can be divided into two categories, namely real estate for sale and real estate for rent. Moreover, some parts of the Company's revenue are derived from its undertakings on project management as well.

The locations of the Company's Projects are shown as follow;



Various projects of the company can be classified as follows:

2.1.1 The Grand Rama 9 Project



At present, the Company is in the process of developing the Grand Rama 9 Project, a large-scale real estate project on approximately 73 rai of land located at the Intersection of Rama 9 Road and Ratchadapisek Road (connected to the Rama 9 MRT Station) with access to several major routes. The Company plans to develop this project into the New Central Business District or the New CBD for Bangkok. The Grand Rama 9 Project consists of office buildings, retail space, convention hall, hotel and condominium buildings, as follows:

Project's Name	Project Category	Project Status as of 31 December 2016
1. Belle Grand Rama 9	Residential Condominium	Operated in September 2012
2. The Ninth Towers Grand Rama 9	Office building & retail space	Operated in February 2014
3. Unilever House Grand Rama 9	Office building & retail space	Operated in December 2014
4. G Tower Grand Rama 9	Office building & retail space	Partially Operated in the 3 rd quarter of 2016
5. Super Tower & Convention Hall	Office building, retail space and Convention Hall	Under Developing Process. Expected to be operated partially in the 1 st quarter of 2021 and the 1 st quarter of 2018 respectively
6. Arcade Project	Retail space	Under Developing Process. Expected to be operated in the 4 th quarter of 2017
7. Hotel Project	Hotel	Under Developing Process. Expected to be operated in 2019
8. The Shoppes Grand Rama 9	Retail space located in every building under the Grand Rama 9 Project	Operated the Shoppes at Belle, the Ninth Towers and Unilever House

The Central Plaza Grand Rama 9 Shopping Complex is located in front of the Project on Ratchadapisek Road which was completely constructed and transferred to Central Pattana Nine Square Co., Ltd. at the end of 2011.

Picture of the Grand Rama 9 Project



Details of the various projects in the Grand Rama 9 Project

Belle Grand Rama 9 Project

This Condominium Project was developed by Belle Development Co., Ltd. in which the Company holds 79.57% of its shares.



Picture of the Belle Grand Rama 9 Project

The Belle Grand Rama 9 Project is a residential condominium for sale with retail space for rent (The Shoppes Grand Rama 9 @ Belle). There are 8 residential buildings which are the high-rise buildings with basements of two 27-storey buildings, two 34-storey buildings, two 36-storey buildings and two 43-storey buildings covering a total of 1,991 residential units and an aggregate construction area of 356,546 square meters. All buildings are constructed on 6-storey podium with two floors developed into retail space for rent and the remaining four as car-parking spaces. This Project is located at the Ratchada – Rama 9 Intersection near the MCOT Intersection and is about 400 meters away from Rama 9 MRT Station.

The highlights of this Condominium Project are in its resort-style with a large recreational area characteristically arranged like a hanging garden, and its location in the Centre of Bangkok around the Ratchada – Rama 9 Intersection close to the Expressway, the MRT and the Airport Link which makes it most convenient for transportation. It is sited next to the new Centre of Business District which is comprised of residential

condominiums, office buildings, shopping complex and the Central Plaza Grand Rama 9 Shopping Complex. This Project is classified as one of the residential condominiums with high potential in Bangkok which targets the middle to higher group income earners.

Average selling price of a condominium unit in this Project is approximately Baht 84,000 per square meter with a unit size ranging from 43 – 320 square meters. Volumes of sale and transfers as of December 2016 are 1,919 and 1,915 units respectively or 96.4% and 96.2% of total units in the Project.

For retail space, the Company plans to develop a shopping area under the concept of Urban Oasis or Nature in the Centre of the Town with an aggregate 9,922 square meters for rent (excluding a 2,000 square meter Food Court under the Company's own management). As at the end of December 2016, total reservation for rental space amounted to 9,212 square meters.

The Ninth Towers Grand Rama 9



Picture of the Ninth Towers Grand Rama 9 Project

The Ninth Towers Grand Rama 9 Project is a 2-office buildings project with retail space for rent ranging from Grades B+ to A- in the Grand Rama 9 Project, residing at 33/4 Rama 9 road, Huay Kwand Sub-District, Huay Kwang District, Bangkok. It consists of the 36-storey Tower A and the 34-storey Tower B and 1 basement level with one inter-connected infrastructure portion. Car-parking spaces for 1,100 slots are provided on the 3rd – 10th floors. The Project is located at the Ratchada – Rama 9 Intersection behind the Central Plaza Grand Rama 9 Shopping Complex.

The Ninth Towers Grand Rama 9 Project covers a usable area of approximately 121,207 square meters with approximately 59,882 square meters allotted for office space rental, approximately for 3,068 square meters for convention hall ,approximately 5,771 square meters for retail space, approximately for 33,228 square meters for car-parking , approximately for 102 square meters for storage space and 21,189 square meters of public areas The total construction cost of this Project was approximately Baht 3,600 million and operated since February 2014.

The Project's highlights are its location around the Ratchada – Rama 9 Intersection close to the Expressway, the MRT and the Airport Link, as well as its mid-range rates of rental which are in line with the demand of its target customers.

As of the end of December 2016, the office space rental and convention hall 61,278 square meters offered for retailing rental out of which a total of 3,362 square meters.

Unilever House Grand Rama 9 Project



Picture of the Unilever House Grand Rama 9 Project

The Unilever House Grand Rama 9 Project is developed by Sterling Equity Co., Ltd. (in which the Company holds 100% of its shares). This Project is a Grade A. It is located around the Grand Rama 9 at 161

Rama9 Road , Huaykwang, Bangkok 10310 . This Project is 12-storey office building with retail space and a basement floor with a car-parking space for 410 slots, provided on the 3rd – 6th floors.

The Unilever House Project covers a usable area of approximately 46,825 square meters with approximately 18,527 square meters allotted for office space rental, approximately for 3,741 square meters for retail space, approximately 13,380 square meters for car-parking and approximately for 11,177 square meters for other spaces .The total construction cost of this Project was approximately Baht 1,600 million and and operated since December 2014.

Target customers are Grade A office space tenants. Currently, the Unilever Group has executed the lease agreement of the entire Project's office space for a term of 20 years (the remaining lease term is approximate 18 years) at the contractual rental of Baht 640 per square meter, adjustable at the rate of 12.5% every three years.). As at the end of December 2016, total reservation for retailing rental amounted to 1,762 square meters.

G Tower Grand Rama 9 Project



Picture of the G Tower Grand Rama 9 Office Building Project

This Project is a Grade A office building project with retail space for rent developed by Rama 9 Square Co., Ltd. (in which the Company holds 93.09% of its shares) and located on the land under a 43 years long-term lease agreement. Total office and retail space for rent is approximately 70,000 square meters. The building was designed in the form of the alphabet G consisting of two high-rise buildings of 40-storey and 30-storey (8 degrees slope), based on the 14-storey podium. This Project is located on the area of Ratchada – Rama 9 Intersection with a link to the Rama 9 MRT Station and is sited next to the Central Plaza Grand Rama 9 Shopping Complex. Target customers are Grade A office tenants.

The total construction cost of this Project was approximately Baht 3,800 million, the project was partially operated in 3rd quarter of 2016 and it is expected to be open for operation by the 1st quarter of 2017.

Super Tower, Convention Hall and Arcade Project



This Project is developed on the land under the Grand Rama 9 Project with an aggregate area of 19 rai 2 gnam and 40.91 square wah. Characteristically, this is a Mixed-use Project consisting of 3 buildings, namely the 125-storey main Super Tower, Convention Hall and Arcade Building with an aggregate construction area of 322,645 square meters. Once completed, it is expected to be the highest real estate project in Thailand and one of the top ten highest buildings in the world. The period of construction and scheduled opening dates are given below:

Project	Type and Characteristic of Utilization	Duration of Design/Construction	Expected Date of Operation
1. Super Tower	<ul style="list-style-type: none"> ● Premium Grade Office Building for rent ● Retail space for rent 	6 years	1 st Quarter of 2021 (Partially)
2. Convention Hall	<ul style="list-style-type: none"> ● Convention area, trade fair and exhibitions ● Retail space for rent 	2 years	1 st Quarter of 2018
3. Arcade	<ul style="list-style-type: none"> ● Retail space for rent ● Parking area 	1.5 years	4 th Quarter, 2017

In developing this Project, the Company has studied and designed the project area to be suitable for utilization in order to completely accommodate the demands of every group of its target customers and entrepreneurs, and also to respond to the demands of nearby residents. There is a total of approximately 149,063 square meters of space in this Project for rental as office space, convention hall and retail shops.

Central Plaza Grand Rama 9 Shopping Complex Project

Construction of the Central Plaza Grand Rama 9 Shopping Complex Project (with Central Pattana Group holding majority shares and Rama 9 holding 3.27% of its shares) was completed and duly transferred to Central Pattana Nine Square Co., Ltd. at the end of 2011. This Project can be said to act as a magnet which will enhance the attractions of areas under the Grand Rama 9 Project, in particular office buildings and others so as to become the hub for trading and business activities by drawing greater attraction to the area.

2.1.2 Belle Sky Condominium Project

Belle Sky Condominium Project, a residential condominium with approximately 94,149 square meters of construction area comprising of a total of 1,840 units is located on Kamphaengpet 6 Road (which runs parallel to Vibhavadi Rangsit Road) along the railway line and close to the Miracle Grand Convention Hotel. The Project's key selling points are its prime location and convenient transportation as it is sited next to the Vibhavadi Rangsit Road, Don Muang Tollway and the Government Complex at Chaengwattana as well as the Red Line Sky Train.

This Project is currently under review for adjustments of its form in order to be in line with Bangkok's new zoning policies.

2.1.3 Real Estate Management Services

Grand Canal Don Muang Project 1 and Project 2



Picture of Grand Canal Don Muang Project

Grand Canal Don Muang Projects 1 and Project 2 are single-detached housing projects located in the Don Muang area near the Expressway - Phase 2 and the Toll Way with 194 allotted plots of land in Project 1 and

199 allotted plots of land in Project 2. The size of land for houses in the Project ranges from 73 to 250 square wah with 197 to 408 square meters of utilization space. Their selling prices range from Baht 6.5 million to 25 million.

The Projects' highlights are its high quality of single-detached houses which are set amidst prime surroundings and come with excellent common facilities. The Projects' conceptual design depicts the atmosphere of romance in Venice, Italy while their selling prices are competitive with those of other housing projects with similar quality. Target groups of these two Projects are middle to high groups of income earners.

At present, the Company holds the rights of management, marketing and sale management for both Projects and earns an income from its management fees.

2.2 Marketing and Competition

(1) Types of Customers and Target Groups

Target Customers for residential projects are general individual customers with an emphasis on groups of middle to high income earners.

Target Customers for office building projects shall be the customers primarily requiring Grade A office space in the G Tower Grand Rama 9, Unilever House Grand Rama 9 and the Super Tower Projects. For the Ninth Towers Grand Rama 9 Project, emphasis will be made on Grades B+ to A- customers.

Target customers for retail space, shall cover every target group: long-term, short-term or miscellaneous tenants, depending on the particular retail space.

(2) Pricing Policy

Prescription of the selling price of the real estate will take into account the market price, industry competitors in the same and nearby neighborhood and will also consider cost of the project investment. The increase in price will depend on market prices and project management cost.

(3) Industrial and Competitive Conditions

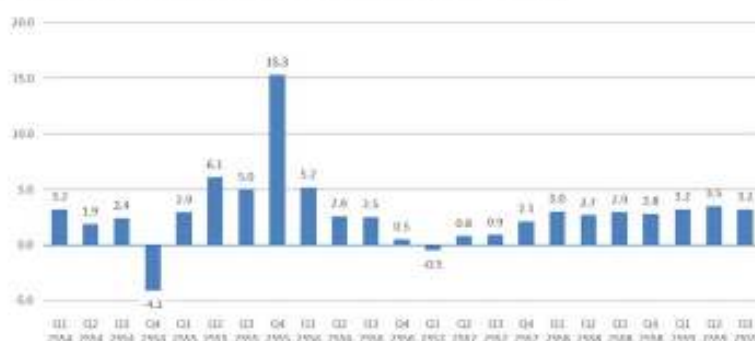
(3.1) Summary of Thailand's overall economic conditions in 2016

According to the report of the Fiscal Policy Office, Ministry of Finance, Thailand's economic conditions in 2016 grew by 3.2 percent, higher than the last year which had 2.8 percent growth (Graph 1) from high growth rates in business sectors. The main factor contributing to this growth was government expenditure which has tended to expand continually as a result of expediting disbursement policy together with continuous infrastructure investment projects under the Action Plan on Communication and Transportation on an Urgent Basis of 2016. Private consumption has tended to recover from the previous year, driven by various government

measures such as cash transfers for low-income population and fiscal stimulus packages during the end of the year, as well as inflation and continuous low oil prices. Private investments also have tended to recover from the previous year due to low interest rates and government investments on significant projects with concrete progress. Volume of exports and services is expected to improve from the previous year, driven by the recovery of exports of goods during the second half of the year. Thailand's economic stability was at a good level with the inflation rate of 0.2 percent in 2016, increasing from that of the previous year mainly owing to the increase of food and beverage prices. The inflation rate, however, remained low from a decreasing in global crude oil price.

Graph 1: Real-term gross domestic product (by production) at actual value

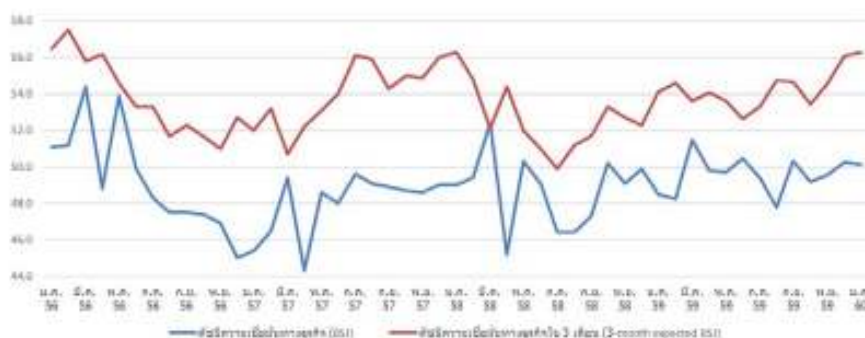
(Gross domestic product, chain volume measures <reference year = 2002>)



Source of the graph and analysis: Office of the National Economics and Social Development Board

The report on business sentiment index prepared by the Bank of Thailand indicates that business sentiment mostly remains stable in 2016 (Jan – Dec) and has improved comparing to the second half of 2015. In addition, the assessment of three-month expected business sentiment index shows that entrepreneurs' confidence may improve (Graph 2).

Graph 2: Business sentiment index during January 2013 to January 2017



Source: Bank of Thailand

Remarks: 1) The index equal to 50 indicates that business sentiment remains stable.

The index above 50 indicates that business sentiment has improved.

The index below 50 indicates that business sentiment has worsened.

2) From a sample of 1,500 persons

In 2017, the Thai economy is projected by the Fiscal Policy Office to grow at a rate of 3.4 percent (or within a range of 2.9 - 3.9). This is due to the expectation of continuous growth in public expenditure particularly in several communication infrastructure projects, which are expected to be launched in the second half of 2017 such as double-track railway system and commuting train system. Besides, a tendency of increasing trend in global commodities' prices would facilitate farm income, which eventually leads to recovery in private consumption sector. For external demand, export of goods is anticipated to have a positive rate of growth from higher forecasted rate of trading partners' economic growth and the depreciation of Thai Baht which tends to continue. Furthermore, export of services would be inclined to have a positive trend from an assumption of a huge number of foreign tourists coming to the country. As for internal stability, inflation rate is predicted to be 2.1 percent in 2017 (or within a range of 1.6 - 2.6), higher than that of this year consistent with the assumption of an increase in global crude oil price and the depreciation of Thai Baht.

(3.2) Industrial Conditions of the Residential Property Sector

(3.2.1) Overall industrial conditions of the residential property sector in 2016

According to the report of the Real Estate Information Center, Government Housing Bank, the growth of the residential market in 2016 declined in terms of both demand and supply. The decline was evident in the supply as seen from the significant decrease of new launches of project. In 2016, there were 403 newly launched projects with 96,526 units having value at 303,160 million Baht in total, while there were 104,856 newly launched units having value at 394,410 million Baht last year, representing a decrease in the number of projects by 9.23 percent, the number of units by 7.94 percent and the project value by 23.14 percent respectively.

As for the demand, movement of the transfers of ownership is interesting in that after the expediting transfers of ownership of land for claiming to be entitled to a reduction of transfer fees and a reduction of mortgage registration fees during the first half of the year, the transfers of ownership faced a slow-down apparently during the third quarter but increased again during the fourth quarter, resulting in that in 2016 the number of ownership transferred units goes up to the level similar to that of 2014 at around 174,000 - 175,000 units. The number of transferred condominium units represents the highest portion at 51 percent, while at 37 percent in 2015.

The value of transferred properties has a tendency to decline for the third consecutive year because developers construct housing units with a lower price level in accordance with the decrease in purchasing power for housing reflecting economic conditions. Out of the total value of transferred properties of 444,113 million Baht,

the number of transferred condominium units increases to 44 percent, while there were only 33 percent of the total value in 2015.

With regard to housing loans in 2016, it is found that all financial institutions provided housing loans to individuals nationwide in total of 586,050 million Baht, increasing by 1.4 percent from the same period of the last year which had a total amount of housing loans to individuals at 577,846 million Baht. The amount of housing loans provided to individuals increased significantly during the fourth quarter of 2016 to 159,084 million Baht or increasing by 16.9 percent from the previous quarter and 0.04 percent from the same period of the last year. It can be seen that, in 2016 the residential market improved by a better correlation between supply and demand.

(3.2.2) Overall industrial conditions of the residential property sector within Bangkok Metropolitan area in 2016

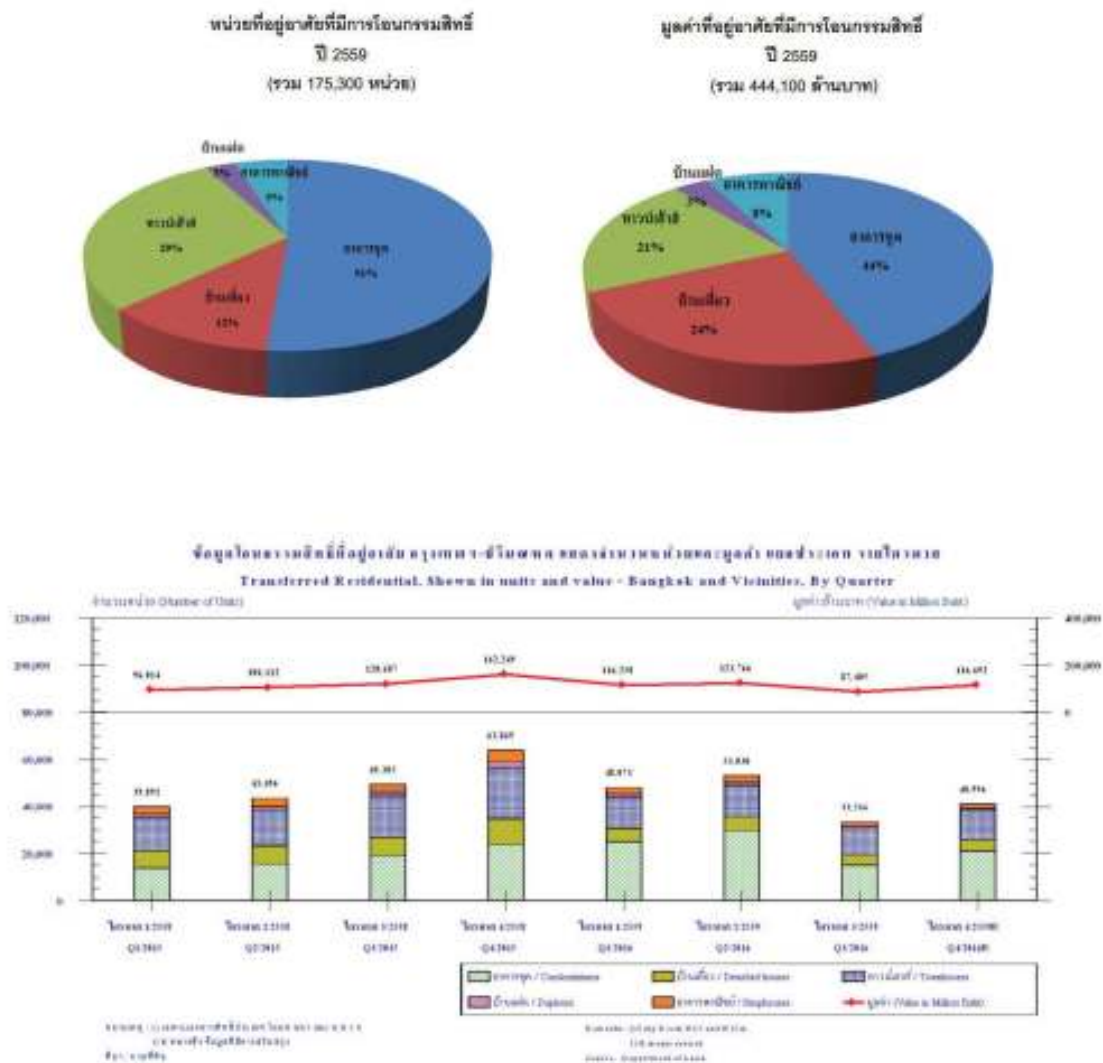
The Real Estate Information Center, Government Housing Bank reveals the information of the transfers of ownership of housing within Bangkok and five adjacent provinces (Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon and Nakhon Pathom) that in 2016 there were 175,300 transferred units in total, decreasing by 11 percent from 196,600 transferred units in 2015. As for Bangkok Metropolitan area, in 2016 the number of transferred condominium units was the highest at 90,100 (representing 51 percent of the transferred housing units of all types), followed by townhouse units at 51,100 (representing 29 percent), single-detached house units at 20,400 (representing 12 percent), commercial building units at 8,900 (representing 5 percent) and duplex house units at 4,800, approximately.

In terms of the value of transferred properties, in 2016 the total value was around 444,100 million Baht, consisting of 195,700 million Baht from condominiums (representing 44 percent of the value of transferred housing properties of all types), 107,300 million Baht from single-detached houses (representing 24 percent), 91,700 million Baht from townhouses (representing 21 percent), 34,600 million Baht from commercial buildings (representing 8 percent) and 14,800 million Baht from duplex houses (representing 3 percent). The number of transferred condominium units in Bangkok was highest at around 59,200, while at around 8,900 in Nonthaburi, 9,300 in Samut Prakan, 10,400 in Pathum Thani, 1,100 in Samut Sakhon and 1,200 in Nakhon Pathom, approximately.

The areas with the highest number of new condominium units transferred (from a juristic person) in 2016 are Mueang Nonthaburi District, Lat Krabang District, Khlong Luang District, Bang Pli District and Thanyaburi District. The areas with the highest number of second-hand condominium units transferred (from an individual) are Chatujak District, Huaykwang District, Prawet District, Wattana District and Phra Khanong District, respectively. The areas with the highest number of new single-detached house units transferred in 2016 are Lumlukka District, Bang Pli District, Mueang Pathum Thani District, Salmal District and Thanyaburi District. The areas with the highest number of second-hand single-detached house units transferred are Bang Kapi District, Bang Khen District, Lumlukka District, Mueang Samut Prakan District and Phra Khanong District, respectively.

The areas with the highest number of new townhouse units transferred in 2016 are Bang Pli District, Mueang Samut Prakan District, Phra Samut Chedi District, Bang Bua Thong District and Prawet District. The areas with the highest number of second-hand townhouse units transferred are Mueang Samut Prakan District, Bang Bua Thong District, Bang Khen District, Bang Kapi District and Khlong Luang District, respectively.

Graph 4: Information of transfers of ownership on housing units in 2016



สัดส่วนหน่วยที่อยู่อาศัยใหม่และมือสองที่มีการโอนกรรมสิทธิ์ ปี 2555 - 2559

ประเภท ที่อยู่อาศัย	ปี 2555		ปี 2556		ปี 2557		ปี 2558		ปี 2559	
	โอนจาก มือ บุคคล	โอนจาก บุคคล ธรรมดา	โอนจาก มือ บุคคล	โอนจาก บุคคล ธรรมดา	โอนจาก มือ บุคคล	โอนจาก บุคคล ธรรมดา	โอนจาก มือ บุคคล	โอนจาก บุคคล ธรรมดา	โอนจาก มือ บุคคล	โอนจาก บุคคล ธรรมดา
รวมทุกประเภท	57%	43%	54%	46%	66%	34%	59%	41%	66%	34%
คอนโด	70%	30%	69%	31%	78%	22%	78%	22%	85%	15%
ทาวน์โฮม	52%	48%	48%	54%	64%	36%	52%	48%	48%	52%
บ้านเดี่ยว	48%	52%	46%	54%	58%	42%	48%	52%	46%	54%
บ้านแฝด	66%	34%	63%	37%	78%	22%	70%	30%	69%	31%
อาคารพาณิชย์	26%	74%	24%	76%	32%	68%	27%	73%	28%	72%

Source: Real Estate Information Center, Government Housing Bank

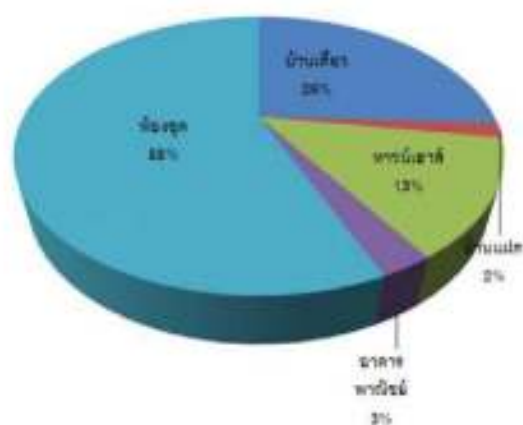
With regard to newly completed and registered housing units in Bangkok and five adjacent provinces (Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon and Nakhon Pathom), in 2016 the newly completed and registered housing units of all types was approximately 123,400, decreasing by 0.4 percent from 123,800 units from the same period of 2015.

Such total number of newly completed and registered housing units in 2016 can be divided into 62,400 units in Bangkok area, decreasing by 9 percent from the same period of 2015 and 61,000 units in five adjacent provinces, increasing by 10 percent from the same period of 2015, consisting of 69,700 condominium units (representing 56 percent of the total newly completed and registered housing units), 31,900 single-detached house units (representing 26 percent), 16,400 townhouse units (representing 13 percent), 3,400 commercial building units (representing 3 percent) and 2,000 duplex house units (representing 2 percent). The top-five areas with the highest number of newly completed and registered low-rise housing units in 2016 are Mueang Pathum Thani District (3,800 units), Bang Bua Thong District (3,300 units), Mueang Samut Sakhon District (2,900 units), Bang Pli District (2,700 units) and Mueang Samut Prakan District (2,600 units). The top-five areas with the highest number of newly completed and registered condominium units in 2016 are Thanyaburi District (8,700 units), Mueang Nonthaburi District (6,600 units), Mueang Samut Prakan District (5,900 units) (consisting of 900 units from Ban Khlong Suan low-cost housing project and the remaining units from private projects), Chatujak District (4,300 units) and Bang Rak District (3,300 units). In 2016, there were seven newly completed and registered low-cost condominium projects organized by the National Housing Authority, consisting of 113 buildings with 5,200 units in total.

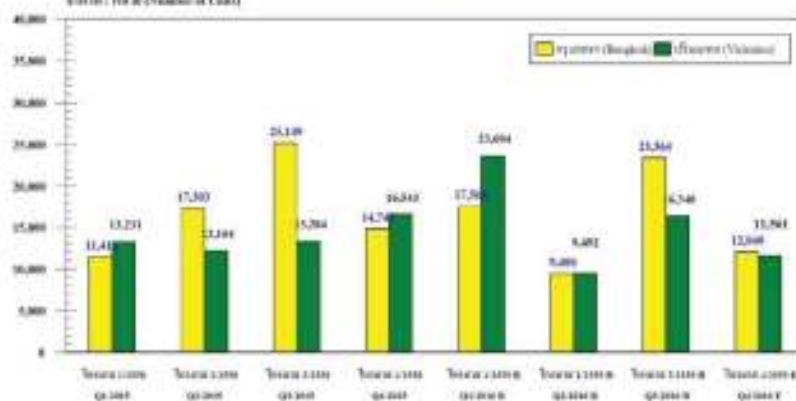
Graph 3: Newly completed and registered housing units in 2016, categorized by housing types

เขตพื้นที่	บ้านเดี่ยว	บ้านแฝด	ทาวน์เฮาส์	อาคารพาณิชย์	รวม จำนวน	ทั้งหมด	ปี 2559	ปี 2558
กรุงเทพมหานคร	12,900	1,100	7,300	1,700	23,000	39,400	62,400	68,600
5 จังหวัด ปริมณฑล	19,000	900	9,100	1,700	30,700	30,300	61,000	55,200
กรุงเทพมหานคร - ปริมณฑล	31,900	2,000	16,400	3,400	53,700	69,700	123,400	123,800
สัดส่วน ร้อยละ	26%	2%	13%	3%	44%	56%		

หมายเหตุ: 5 จังหวัดปริมณฑลหมายถึง นครปฐม สุพรรณบุรี สิงห์บุรี อ่างทอง และนครนายก



จำนวนที่อยู่อาศัยใหม่ในกรุงเทพมหานครและปริมณฑล โดยประเภทของบ้าน โดยรวมและแบ่งตามพื้นที่ของกรุงเทพมหานคร - ปริมณฑล
Newly Completed and Registered Housing Units in Bangkok and Vicinity, Showing Total Number of Units categorized by area, By Quarter
(Unit: no.) (Unit: no.) (Number of Units)



หมายเหตุ: กรุงเทพมหานครและปริมณฑล

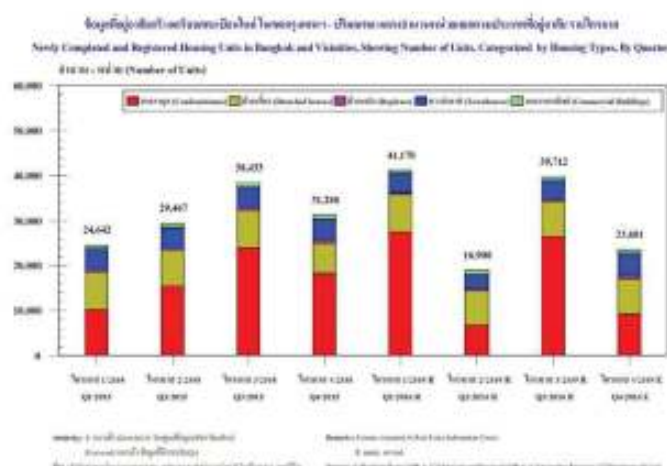
Source: กรมส่งเสริมการค้าระหว่างประเทศ

Base of information for construction and construction industry in Thailand, 2016

หมายเหตุ: ข้อมูลรวมของกรุงเทพมหานครและปริมณฑล

Source: กรมส่งเสริมการค้าระหว่างประเทศ

Base of information for construction and construction industry in Thailand, 2016



Source: Real Estate Information Center, Government Housing Bank

Prepared on a quarterly basis by the Real Estate Information Center, Government Housing Bank together with the Home Builder Association based on 2005 construction material and labor costs, the home construction cost index for Bangkok Metropolitan area for the fourth quarter of 2016 has taken into account the construction costs under three work types.

The result of calculation and analysis for evaluating construction costs in the fourth quarter of 2016 shows that the home construction cost index reached 128.4 points, representing the increasing rate of change in construction costs of 0.9 percent when compared to the previous quarter (third quarter of 2016). This rate, however, increased at a lower pace as it decreased from 1.5 percent from the same period last year (fourth quarter of 2015) due to changes in the construction costs under each work type as follows:

1. Construction Designs and System Works: Material and labor costs can be described as follows:
 - Architectural works: The rate of change increased by 1.3 percent Q-o-Q and 1.9 percent Y-o-Y.
 - Structural engineering works: The rate of change increased by 0.1 percent Q-o-Q and 0.3 percent Y-o-Y.
 - Sanitation system works: The rate of change increased by 0.6 percent Q-o-Q and 1.4 percent Y-o-Y.
 - Electrical and communication system works: The rate of change remained stable Q-o-Q and decreased by 0.2 percent Y-o-Y.
2. Labors: The rate of change in labor costs increased by 0.9 percent Q-o-Q and 0.9 percent Y-o-Y.

3. Construction Materials: The rate of change in costs of most construction materials increased as follows:

Woods and wood products: The rate of change in costs increased by 4.5 percent Q-o-Q and 6.5 percent Y-o-Y, which is the highest increasing rate owing to the increasing costs of imported woods.

Metals and metal products: The rate of change in costs increased by 0.6 percent Q-o-Q and 5.2 percent Y-o-Y in accordance with the increasing global metal costs. This is the second-highest increasing rate.

Electrical and pumping equipment: The rate of change in costs increased by 0.4 percent Q-o-Q and 0.7 percent Y-o-Y in accordance with the increasing plastic resin costs. This is the third-highest increasing rate.

Tiles and sanitary ware: Costs remained stable Q-o-Q and Y-o-Y.

Concrete products: The rate of change in costs decreased by 0.4 percent Q-o-Q and 0.2 percent Y-o-Y.

Other construction materials: The rate of change in costs decreased by 0.6 percent Q-o-Q and 0.8 percent Y-o-Y.

Graph 4: Home construction cost index for Bangkok area



องค์ประกอบดัชนีราคาค่าก่อสร้างบ้านมาตรฐานในกรุงเทพฯ แยกตามวัสดุก่อสร้าง

หมวด	อัตราการเปลี่ยนแปลงราคาไตรมาสปัจจุบันเทียบกับไตรมาสก่อน (QoQ)	อัตราการเปลี่ยนแปลงราคาปีปัจจุบันเทียบกับปีก่อน (YoY)
ไม้และผลิตภัณฑ์ไม้	4.5%	6.5%
ผลิตภัณฑ์คอนกรีต	- 0.4%	- 0.2%
เหล็กและผลิตภัณฑ์เหล็ก	0.6%	5.2%
กระเบื้อง	0.0%	0.0%
สุขภัณฑ์	0.0%	0.0%
อุปกรณ์ไฟฟ้าและประปา	0.4%	0.7%
วัสดุก่อสร้างอื่น ๆ	- 0.6%	- 0.8%
รวม	0.9%	0.9%

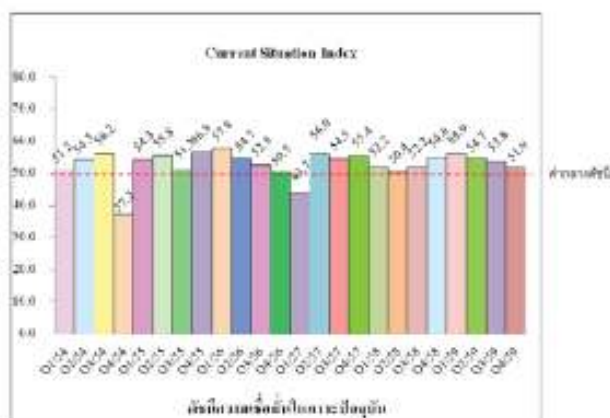
องค์ประกอบดัชนีราคาอสังหาริมทรัพย์มาตรฐานในกรุงเทพฯ แยกตามหมวดงาน		
หมวด	อัตราการเปลี่ยนแปลงราคาไตรมาสปัจจุบันเทียบกับไตรมาสก่อน (QoQ)	อัตราการเปลี่ยนแปลงราคาปีปัจจุบันเทียบกับปีก่อน (YoY)
หมวดงานวิศวกรรมโครงสร้าง	0.1%	0.3%
หมวดงานสถาปัตยกรรม	1.3%	1.0%
หมวดงานระบบสุขาภิบาล	0.6%	1.4%
หมวดงานระบบไฟฟ้าและระบบสื่อสาร	0.0%	- 0.2%

Source: Real Estate Information Center, Government Housing Bank

As for the housing developers sentiment index for Bangkok and five adjacent provinces for the fourth quarter of 2016, it is found that overall current situation index of the developers reached 51.9 points, which are higher than the median (50 points), however slightly decreasing from the previous quarter (third quarter of 2016) at 53.8 points.

Overall, although the current situation index slightly decreased from the previous quarter, sentiment indices for many aspects were almost the same level as those of the previous quarter including operations, investments, employments, operating costs and new launches. However, the sentiment index in terms of sales declined quite significantly due to cessation of the government measures on reduction of transfer and mortgage registration fees.

Graph 4: Current situation index



Source: Real Estate Information Center, Government Housing Bank

High-Rise Projects (Condominiums)

From 2016 until now, there are around 442 active condominium projects in Bangkok Metropolitan area with approximately 231,438 condominium units in total. Out of these total units, 59,700 units were unsold units (the supply of units remaining for sale), having value at around 181,100 million Baht, while in 2015 there were around 416 active condominium projects with approximately 220,514 units in total, out of which approximately 59,856 were unsold units and in 2014 there were around 400 active condominium projects with approximately 206,000 units in total, out of which approximately 57,300 were unsold units. It can be deemed that the number of unsold units in the recent period is not significantly different from the previous years. The percentage of unsold units is at 26 – 28 percent. However, the numbers of total units and unsold units increase correspondingly to each other consistently.

Out of the total 442 projects, the number of projects in Bangkok area is highest at 323 with approximately 156,143 total units, out of which approximately 30,286 were unsold units, the number of projects in Nonthaburi was 58 with approximately 37,269 total units, out of which approximately 12,621 were unsold units, the number of projects in Pathum Thani was 16 with approximately 13,383 total units, out of which approximately 6,448 were unsold units, the number of projects in Samut Prakan was 31 with approximately 19,909 total units, out of which approximately 8,358 were unsold units, the number of projects in Samut Sakhon was 3 with approximately 1,331 total units, out of which approximately 701 were unsold units and the number of projects in Nakhon Pathom was 11 with approximately 3,403 total units, out of which approximately 1,228 were unsold units.

Comparing the proportion of the units and the projects, sales volume of condominium units in Bangkok area can still be boosted up as it has the smallest proportion of unsold units to total units, despite the fact that it also has the highest number of projects. As for adjacent provinces, the proportion of unsold units to total units amounts to almost one half, showing a slow-down in housing consumption, especially in Samut Sakhon and Nakhon Pathom where there are not many new projects but the consumption rate is still low as seen from the number of unsold units.

Graph 5: Total condominium units and unsold units

จังหวัด	อสังหาริมทรัพย์		ที่ดินว่าง	
	จำนวนโครงการ	จำนวนหน่วย	จำนวนหน่วย	% ของรวม
กรุงเทพมหานคร	323	156,143	30,286	19%
นนทบุรี	58	37,269	12,621	34%
ปทุมธานี	16	13,383	6,448	48%
สมุทรปราการ	31	19,909	8,358	42%
สมุทรสาคร	3	1,331	701	53%
นครปฐม	11	3,403	1,228	36%
รวม	442	231,438	59,642	26%

Source: Real Estate Information Center, Government Housing Bank

When categorized by size and type, 19 percent of the total condominium units are studio type, 68 percent are one-bedroom type, 18 percent are two-bedroom type and the remaining percentage are three or more than three-bedroom type. One-bedroom type is still the most offered type of condominium units, especially in Nonthaburi and Bangkok as it responds to the residents in the working age group who works in major cities, which are mostly small families of 1-2 members. Many studio-type units are offered in Bangkok area because of, amongst others, the need to offer units with affordable prices. Studio-type units, which have a limited space, have been offered to respond to the people who are looking for condominium units with more affordable prices. Two and three-bedroom types are still found mostly in city areas and can be found less, or none at all in suburban areas and the vicinity of Bangkok because of the higher price for larger sizes. Purchasers in this group, instead, tend to choose houses or townhouses having similar price range as condominiums.

If considering the size, 32 percent of the total condominium units are units with an area of less than 25 square meters, 36 percent are units with an area between 26 to 30 square meters and 5 percent are units with an area of more than 60 square meters. Project buildings launched in the market are mostly not more than eight stories high. There were 2,476 buildings with a height of not more than eight stories and 624 buildings with a height of more than 30 stories.

Graph 6: Total offering condominium units, categorized by provinces and room types

Unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	SOU
กรุงเทพมหานคร	20,781	110,767	22,381	2,214	156,143
นนทบุรี	4,978	28,634	3,554	103	37,269
อุทุมม	10,503	2,723	156	1	13,383
กรุงเทพมหานคร	5,804	12,167	938	-	19,909
กรุงเทพมหานคร	-	1,245	86	-	1,331
นนทบุรี	382	2,639	372	10	3,403
SOU	43,448	158,175	27,487	2,328	231,438
Source	19%	68%	12%	1%	100%

Source: Real Estate Information Center, Government Housing Bank

If considering the price range, 42 percent of the total condominium units are condominium units with a price per unit of not more than two million Baht, 28 percent are condominium units with a price per unit between two to three million Baht and 16 percent are condominium units with a price per unit between three to five million Baht. These figures show that condominium unit prices are concentrated at the level of not more than five million Baht per unit, which is affordable by middle-income consumers. Condominium units with a low price range of not more than one million Baht per unit are available in Bangkok areas closed to suburban areas and in Pathum Thani, offering about ten thousand units, is recorded that it has the highest number of cheap condominium units. In the case of a price range of more than five million Baht per unit is usually found in city areas and rarely found in the vicinity of Bangkok because purchasers can afford mid-size townhomes in this area at a similar price range.

As such, the purchasers decide to purchase residential properties, taking into account worthiness in terms of utility space.

Graph 7: Total condominium units in Bangkok Metropolitan area in 2016

Area	Under 1 RU	1-2 RU	2-3 RU	3-5 RU	5-7 RU	7-10 RU	10 RU, Over	Total
Offering	9,967	37,745	43,251	31,889	16,949	6,712	9,630	156,143
Unsold	380	17,428	15,429	3,305	433	294	-	37,269
Offering	10,029	2,966	308	80	-	-	-	13,383
Unsold	1,297	12,073	5,316	1,219	4	-	-	19,909
Offering	507	796	28	-	-	-	-	1,331
Unsold	144	2,777	387	78	17	-	-	3,403
Total	22,324	73,785	64,714	36,571	17,403	7,006	9,630	231,438
Share	10%	32%	28%	16%	8%	3%	4%	100%

Source: Real Estate Information Center, Government Housing Bank

The areas with the highest number of offering condominium units, categorized by districts are Mueang Nonthaburi District, Mueang Samut Prakan District and Bang Sue District. The areas with the highest number of unsold condominium units are Mueang Nonthaburi District, Mueang Samut Prakan District and Thanyaburi District. It can be seen that the number of offering condominium units in Mueang Nonthaburi District has significantly increased, which is resulted from the sky train purple line. Nonetheless, there are a lot of unsold units in this area because many condominium projects are offered in the area.

Graph 8: Areas with the highest number of offering condominium units and unsold condominium units

Rank	Area/District	Offering Units	Rank	Area/District	Unsold Units
1	Mueang Nonthaburi	25,670	1	Mueang Nonthaburi	9,966
2	Mueang Samut Prakan	16,208	2	Mueang Samut Prakan	7,206
3	Bang Sue	15,100	3	Songkhro	5,989
4	Pathumwan	12,061	4	Bangkok	2,932
5	Songkhro	10,558	5	Pathumwan	2,932

Source: Real Estate Information Center, Government Housing Bank

During the past year of 2016, occupancy rates of condominiums remained stable at 80.0 percent. Sukhumvit area has a record of the highest occupancy rate of 82.2 percent, followed by Pathumwan at 81.2 percent, Silom/Sathorn at 80.8 percent, Lumpini at 79.9 percent, outlying Sukhumvit areas at 78.6 percent, Rama 3 at 77.8 percent and areas along the riverside at 74.9 percent.

Graph 9: Supplies, demands and rates of vacancies in condominium buildings

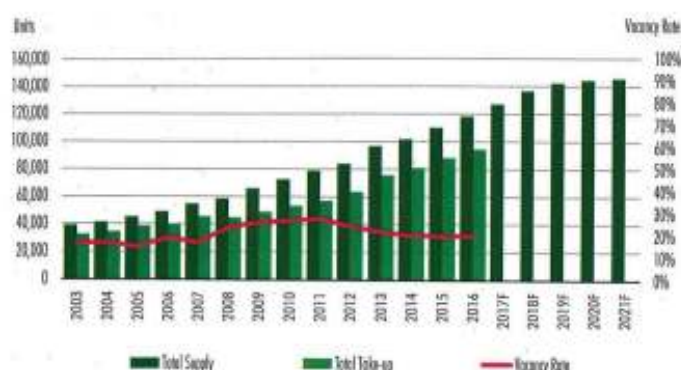


Table 2: Occupancy Rates of Downtown Freehold Units, by Area, Q3 2016-Q4 2016

LOCATION	Q3 2016		Q4 2016		CHANGE RATE IN OCCUPANCY (Q-Q)
	UNITS OCCUPIED	OCCUPANCY RATE	UNITS OCCUPIED	OCCUPANCY RATE	
Silom/Sathon	18,292	80.2%	18,361	80.8%	-2.4%
Central Lumpini	5,537	83.8%	5,422	79.9%	-3.1%
Sukhumvit	29,874	81.3%	29,780	82.2%	0.9%
Pattana	18,251	80.4%	18,345	81.2%	0.8%
Rama 9	9,712	72.4%	9,763	77.8%	0.4%
Riverside	10,817	77.8%	11,249	74.9%	-2.9%
Outer Sukhumvit	7,981	72.2%	8,773	78.8%	6.8%
TOTAL	91,734	79.9%	94,623	80.8%	0.1%

Note: These take-up figures were obtained by making phone calls to the Juristic Person of buildings in the specified areas. Take-up figures are an approximation based on all properties in each area.

In this quarter, we revised our condominium database in terms of grades, areas, and number of units in each project as some condominium projects changed the number of units after their launch.

Source: CBRE Research

Source: C.B. Richard Ellis (Thailand) Co., Ltd., Research

(3.3) Industrial Conditions of Commercial Real Estates

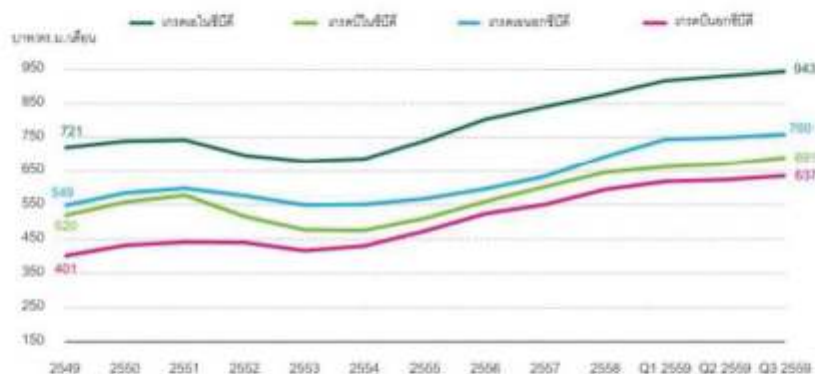
Commercial real estate can be classified under two main categories, which are office buildings and retail spaces.

Office Buildings

The report of the Research Department of CB Richard Ellis (Thailand) Co., Ltd. or CBRE Thailand reveals that the Bangkok's overall market for office buildings performed well over the course of 2016, with limited increase in office building supply and a continuously healthy take up, driving growth in office building rents and further reducing vacancy rates. Although Thailand has been in a mourning period for the passing of His Majesty King Bhumibol Adulyadej on 13 October 2016, continuous movement of business activities was seen. The number of occupied office spaces increased consistently to reach 180,000 square meters by the end of 2016. The Research Department of CBRE Thailand has been spotting a healthy pre-leasing demand, a trend first noted in 2015, prior to which significant tenant commitments in advance of a building's completion were rare. In 2016, Bangkok office

rents rose by an average of 6.5 percent, with Grade A and Grade B rents rising by 8 percent and 5 percent, respectively.

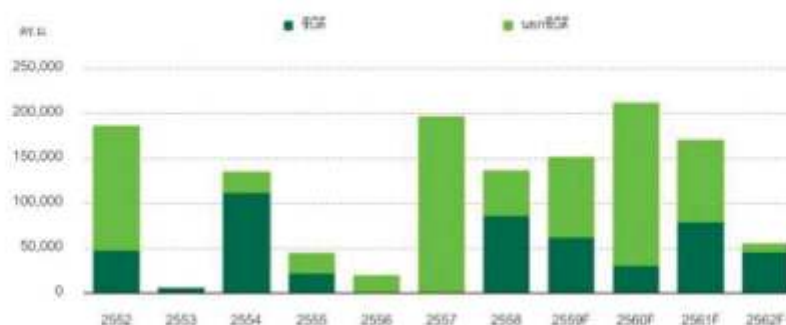
Graph 10: Average achieved rents for Bangkok office space, 2006 - 2016



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

New office completed in 2016 had a total space of 151,000 square meters. During the fourth quarter of such year, there were two newly completed office buildings, i.e. Thairath and Osotspa, having a total area of 26,000 square meters, both owner-occupied. The completion of these two buildings increased the total Bangkok office supply to 8.54 million square meters, representing a Y-o-Y increase of 1.7 percent. The year 2016 is the first year in which obsolete office buildings started to renovate, for example, the demolition of Kian Gwan House Building I and Vanissa Building which removing 28,000 square meters from Bangkok's leasable office stock. This trend is expected to continue as owners of the office buildings which have long been in operation consider various options against a backdrop of central-area land price appreciation and its rising rents.

Graph 11: New Bangkok office space of year 2009 to 2019 (speculated)

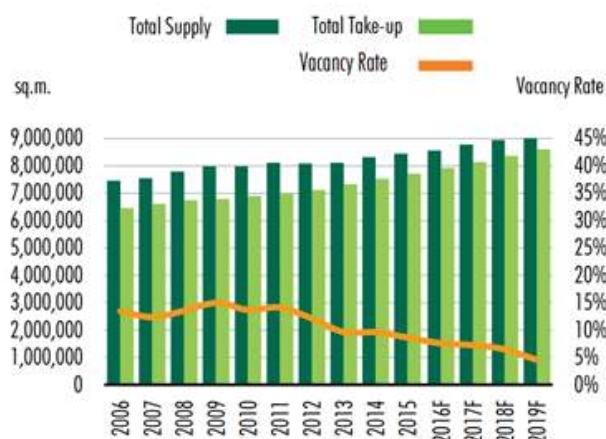


Source: Research Division of CB Richard Ellis (Thailand) Co., Ltd.,

Despite an increase in supply, the overall occupancy rate has currently increased to 91.8 percent. Accumulated net take-up was on track to reach 180,000 square meters for 2016 with a slight reduction from 2015

that it reduced the overall vacancy by 0.8 percentage points Y-o-Y. There are still a lot of pre-leasing demand which is expected to increase leasable space to approximately one million square meters, but only 463,000 square meters of new office space will be completed by 2019. In this context, CBRE believes that the overall occupancy rate of office space will continue to grow and that office rents will further rise over the coming 12 months.

Graph 12: Supplies, demands and rates of vacancies in office space in Bangkok Metropolitan area



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

Future Supply

The majority of the future supply of office buildings as per Table 1 is a non-CBD zone in Sukhumvit, Bang Na and Rama 9 areas, such as G Tower, Bhira] Tower at Bltec and M Tower, all of which are to be completed in 2016. Some projects have been constructed for project owners' occupation such as Securities and Exchange Commission Office Building. As such, in order to meet the increasing demands for office space for rent, which is also increasingly dispersed outside the CBD area, major projects in the CBD zone include FYI Center in Rama 4 - Ratchadapisek, are scheduled to be completed in 2016, Gaysorn Tower in Ratchadamri and Bhira] Tower in Sathorn. Additionally, Bangkok will launch two mega projects, namely: Bangkok Mall in Sukhumvit - Bang Na with an office space of around 100,000 square meters and Super Tower in Rama 9 with an office space of around 94,000 square meters. Both mega projects focus on office space for rent and department stores.

Table 1: List of buildings at the planning stage or due for completion by 2020 (only a part of the total number of projects)

Building Name	Location	Zone	Scheduled Completion	Approximate Office Area (sq.m.)
FYI Center	Rama 4 - Ratchadapisek	CBD	2016	48,095
Bhiraj Sathorn 15	Sathorn	CBD	2016	>30,000
Gaysorn Tower	Ratchadamri	CBD	2017	32,312
G Tower	Rama 9 - Ratchadapisek	Non-CBD	2016	65,630
Bhiraj Tower at Bitec	Sukhumvit – Bang Na	Non-CBD	2016	31,880
Securities and Exchange Commission Office Building	Vibhavadi	Non-CBD	2016	15,456
M Tower	Sukhumvit 62	Non-CBD	2016	9,990
Singha Complex	Asoke - Phetchaburi	Non-CBD	2017	36,000
Shinawatra Tower 4	Paholyothin	Non-CBD	2017	13,060
Whizdom 101	Sukhumvit 101	Non-CBD	2018	30,000
Super Tower	Rama 9	Non-CBD	2020	94,000
Bangkok Mall	Sukhumvit – Bang Na	Non-CBD	n.a.	100,000

Source: Knight Frank, CBRE, companies' website or company executives' interview

Overall office building market in Rama 9 and Ratchadapisek

The 9th Towers Grand Rama 9 and Unilever House Grand Rama 9 are located in Rama 9 – Ratchadapisek area surrounded by many projects offering the office space for rent. According to the study on comparison (Table 2) among the projects having an access to the public rail transportation services via MRT like The 9th Towers Grand Rama 9 and Unilever House Grand Rama 9, it is found that most of those projects are 16 years in average, with the newest and the oldest ones at around two to 23 years. The occupancy rate of these projects ranges from 68.9 to 100.0 percent.

Table 2: Comparison of rental rates of office buildings in the vicinity of The 9th Towers

Building	Road	Average Rent	Historical Comparison			Built In	Rental Rate	Area	Vacant Space
			1-year	2-year	3-year				
Chaiyo Building	Rama 9	400	0.00%	0.00%	5.30%	1986	85.10%	8,178	1,368
KPN Tower	Rama 9	470	0.00%	4.40%	11.90%	1994	85.40%	27,000	3,930
Vorasombut Building	Rama 9	560	0.00%	-3.50%	-1.80%	1994	95.20%	30,000	1,440
CP Tower II	Ratchadapisek	600	1.70%	1.70%	14.30%	1994	100.00%	50,000	0
RS Tower	Ratchadapisek	450	4.70%	4.70%	4.70%	1994	98.80%	50,790	630
Cyber World Tower A	Ratchadapisek	630	0.00%	0.00%	6.80%	2007	98.70%	38,306	482
Cyber World Tower B	Ratchadapisek	630	0.00%	0.00%	6.80%	2007	98.90%	23,509	7,309
Pekin Building	Ratchadapisek	520	4.00%	4.00%	4.00%	2008	98.70%	34,500	457
Forum Tower	Ratchadapisek	500	11.10%	11.10%	25.00%	1996	97.70%	27,000	615
Le Concorde Tower	Ratchadapisek	580	0.00%	0.00%	5.50%	1997	89.20%	26,000	8,000
Muangthai Pathara Tower A	Ratchadapisek	575	0.00%	0.00%	4.50%	1994	100.00%	10,177	0
Muangthai Pathara Tower B	Ratchadapisek	575	0.00%	0.00%	4.50%	1994	97.70%	16,367	370
Olympia Thai Tower	Ratchadapisek	650	0.00%	10.20%	12.10%	1993	96.70%	14,500	482
AIA The Capital	Ratchadapisek	800	11.10%			2014	100.00%	54,000	0

Source: Project Development Research and Consultancy of Knight Frank Chartered (Thailand) Co., Ltd.

Remark: The rents presented in the Table include service charges. There are, however, other conditions under contracts such as property tax and other services which affect the determination of rental rate and are the major factors to be considered by tenants.

The average rental rate of office space for rent in Rama 9 and Ratchadapisek is around 566 Baht per square meter per month, showing a consistent growth compared to the historical rental rates shown in Table 2. The average rental rate in this zone increases by 2.32 percent per year compared to the one-year historical average rental rate and increases by 5.65 percent per year compared to the two and three-year historical average rental rate.

- The building with the highest rental rate, i.e. around 800 Baht per square meter per month from the above comparison table is AIA Capital Centre, which has been completed for two years.
- The building with the lowest rental rate, i.e. around 400 Baht per square meter per month from the above comparison table is Chaiyo Building, which has been completed for 20 years.

Since there is limited supply of office space for rent within Bangkok's business center and the rental rates and real estate prices in this area are quite high compared to the surrounding areas, construction of office buildings is more concentrated in the areas surrounding the center of Bangkok. Rama 9 and Ratchadapisek are one of the potential areas where an access to other areas surrounding the business center and to the business center is convenient via public transportation such as MRT. Rama 9 and Ratchadapisek are just two stations from Asok area where there is a direct connection to BTS sky train.

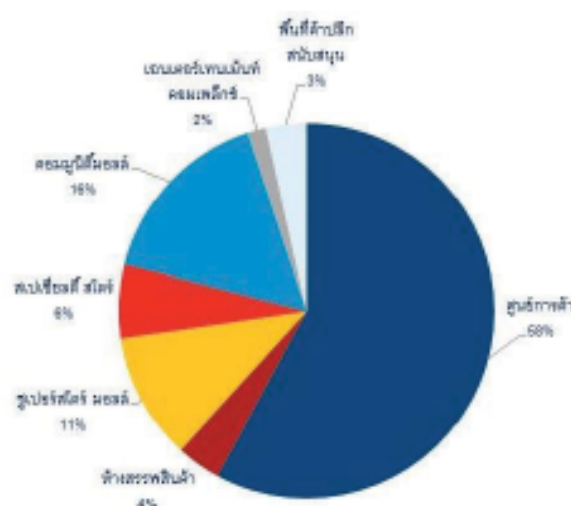
In addition to convenient transportation, Rama 9 and Ratchadapisek have a high growth in the construction of residential projects, department stores, offices and hotels. These factors increasingly attract both Thai and foreigners to reside, live or operate business in these area.

Retail Space

The Research Department of Colliers International Thailand has conducted a market survey and discovered that total retail area in Bangkok and surrounding areas as at the end of 2016 was roughly 7,537,820 square meters, consisting of shopping mall area at approximately 58 percent of the total area. Large-scale shopping malls had a better growth rate than community malls. In many past years, new shopping malls were developed as large-scale projects that gather various services and shops that can respond to people of all ages and genders into a single place, a trend which is more popular than community malls.

In 2016, there were new retail spaces approximately 130,380 square meters, of which approximately 85,380 square meters were community malls, hitting the highest numbers, followed by approximately 41,000 square meters of specialty stores. Although community malls had the highest number of new retail spaces in 2016, but such the number apparently dropped from the previous year because many projects were unsuccessful. The aforementioned resulted in new developers who had planned to construct community malls starting to revise their development plans. More large-scale shopping malls will be launched during 2017 – 2020 after slowing down and being postponed in 2016.

Graph 13: Retail space as at the end of 2016, categorized by types



Source: Research Division of Colliers International Thailand

Bangkok retail space occupancy rate remained stable as high as 93.8 percent, increasing by 0.6 percent from 2015. The highest occupancy rate is in suburban areas due to the closure of downtown retail space

for the reparation and renovation. Superstores achieved the highest occupancy rate at 99.0 percent, followed by department stores and shopping malls at 98.7 percent and 91.3 percent, respectively.

Graph 14: Supplies, demands and rates of vacancies in retail space in Bangkok Metropolitan area



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

Table 3: Rental rate of retail space in 2016

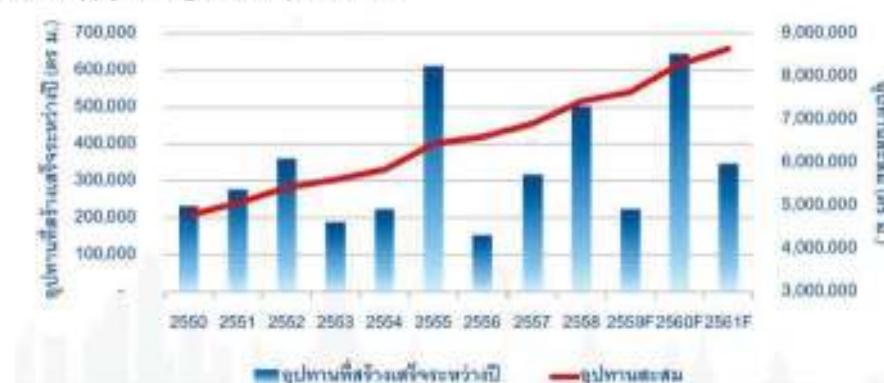
Area	Ground fl. (THB/sq.m./month)	Upper ground floor (THB/sq.m./month)
INNER BANGKOK		
(Silom, Sathorn, Ratchadamri, Lower Sukhumvit)		
Commercial buildings	1,200 – 2,000	640 – 1,500
Department stores	1,600 – 5,500	1,520 – 2,700
Large-scale super centers	1,000 – 1,500	800 – 1,200
OUTER BANGKOK		
(Landprao, Sukhumvit ending section, Ramkamhaeng, Bang Kapi, Chatujak)		
	1,600 – 3,300	1,040 – 2,200
SUBURBS		
(Laksi, Don Mueang, Rangsit, Ram-Intra, Sukhapiban, Bang Na-Trud)		
	1,200 – 2,800	800 – 1,500

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

According to the report of Thai Retailers Association, it forecasts that the 2017 retail space market will grow at a stable level at the rate of 3 – 3.5 percent, similar to 3.2 percent growth in 2016. Despite of positive factors from the government's significant increase in public infrastructure investments, funds would not be circulated in the retail business sector immediately, but around six to eight months later.

Retail space tends to increase continually. The Association expects that more than 723,000 square meters of retail space are under construction and scheduled to be completed in 2017 – 2018, most of which are large-scale shopping malls in suburban areas or outer city areas.

Graph 15: Retail supply in Bangkok Metropolitan area



Source: Research Division of Colliers International Thailand

In addition, retail business operators attempt to expand or increase the number of branches in different business models, especially a small-scale retail space model, such as supermarkets and convenience stores located in gas stations to accommodate people who traveling or living nearby. In relation to operating small-scale supermarkets or convenience stores located in a gas station, the gas station operators usually has business alliances or co-operates with another retail business operators.

(4) Environmental Impact

Single-Detached Housing Projects

The Company's development projects will be divided into phases. Each phase will develop an area of approximately 100 Rai, with less than 500 houses. Thus, this will not be subject to environmental laws. However, the Company has a system of managing the utilities for the projects in order to avoid detrimental environmental effects, in particular, a system for wastewater treatment and management to ensure that there is adequate green spaces.

Condominium Projects

The Company is required to conduct an environmental impact assessment and provide a report on the environmental impacts to the relevant government department in order to support applications for construction licenses. The Company have practiced accordingly to the laws, rules and regulations.

Office Building and Retail Spaces Projects

The Company's projects have receive approval for construction before the enactment of the environmental impact assessment criteria. However, for projects that require the environmental impact assessment, the Company have proceed accordingly to the laws, rules and regulations.

2.3 Provision of Products or Services

(1) Selection of land for development

The Company acquires land for development from direct sales as well as indirectly through real estate brokers. In the selection of land, the Company will consider the location and the potential for development and will compare the price with the appraisal value and market value before every purchase, to ensure that a reasonable price is obtained. Apart from this, prior to each acquisition, the Company will conduct a feasibility study of the laws and limitations regarding construction, including the demand of customers in the area as well as business competitors to ensure that the land development will be in accordance with the plans and that the targeted returns on investment are achieved.

(2) Selection of contractors

The Company does not have an internal construction division. Therefore, the Company outsources contractors for project construction. The contractors can be divided into two main groups as follows:

(2.1) Contractors for single detached housing projects In the procurement of contracts, the Company will select contractors from medium and large size contractors with qualifications according to the standards set by the Company. Contractors to be hired by the Company must have a good history of completing good quality work, completing projects on schedule and at a price within the budget. As the Company places great importance on management of construction cost, the company recruited internal engineers to closely monitor the quality of the work performed by the contractors.

(2.2) Contractors for Office Buildings and Condominium The Company will hire main contractors through an open bid for the structural work, architectural work and M&E system of the building or turn-key projects, as deemed appropriate for each project. The selected contractor will generally be a large scale contractor who can ensure that the construction will be in accordance with the set standards and completed within the timeframe. This is because a large contractor has the technology and capability to construct large buildings, as well as potential and sufficient funding in order to construct large buildings when compared with medium and small size contractors. Apart from this, the Company will also hire other companies to monitor the construction and manage the projects to ensure that the construction of the buildings will be in accordance with the set standards, set budget and completed in a timely and efficient manner.

(3) Procurement of Construction Materials

The Company's policy is to procure some of the main construction materials by itself with the reasons stipulated below:

- To minimize risk of fluctuation in the price of construction materials, which may have a tendency to increase e.g. cement, steel rods, and aluminum alloy.
- The Company often receives better offers or conditions from having a long-term relationship with distributors of the construction materials. This facilitates the control of the construction material costs. Apart from this, the Company needs flexibility in specifying design, and types of materials that are to be used in decorating customers' projects. Thus, the Company procures some types of materials directly such as tiles, wood floor, sanitary ware, air conditioning, furniture and paint, etc. The Company offers a choice for customers to choose such materials after reserving houses or condominiums project.

(4) Distribution Channels for Sales and Services

(4.1) Sale of Real Estate

The sale of the Company's real estate is completed by direct sales through the Company's sales office. Real estate brokers may be recruited when necessary or when special expertise is required. The details are as follows:

4.1.1 Single Detached Houses Sales are conducted through a direct sale through the Company's sales office. The product can be divided into 3 categories as follow:

- Empty plot of land in the project
- Housing estate with fixtures, in the form of constructed houses, ready to be transferred to customers
- Housing estate with a construction contract – Customers will purchase a house from standard housing models of the project after purchasing housing estate in the project. Customers can choose housing models where it is deemed fit for the size of the demanded land.

4.1.2 Condominiums Sales are conducted through a direct sale through the Company's sales office and the sales agents represented by real estate brokers. The project will be available for sale in the initial phase of the construction. Customers will pay a down payment and ownership is transferred to the customers once the condominiums have completed construction and opened for use. Customers can decide on the design of the units from the mocked up rooms and floor plans shown by the project.

(4.2) Lease of Real Estate

4.2.1 Office Building spaces The Company will hire brokers having expertise in selling office building spaces.

4.2.2 Retail Spaces The Company will organize a special working team to sell retail space of each project by selling directly to each target group of customers.

2.4 Undelivered Works

The Belle Avenue Condominium Project is operated by Belle Development Co., Ltd. As of 31 December 2016, there were a total of 76 units not yet delivered, with a value of Baht 284 million.

3. Risk Factors

3.1 Real Estate Development Business Risks

3.1.1 Risk of inadequate source of finance for project development

Real estate development is considered as a high-investment business as funds are required for the purchasing of lands, developing and construction of projects. Therefore, it is indispensable for the Company to depend on loans from financial institutions as the main source of finance for its operations. Inability to procuring adequate funds may inevitably effect to operational plans and business performance.

However, throughout the Company's operational record, the Company has always been financially supported by multiple leading financial institutions, which have been the Company's business allies for an extensive period of time. For previous projects, the Company had secured finance from financial institutions before commencing the project. Furthermore, holding the status as a listed company on the Stock Exchange of Thailand alongside a reputable management committee, all of whom have vast experience in the real estate development industry, the Company has immensely earned such reputable image with investors' confidence. Consequently, investors can be confident that the Company will be able to procure adequate financing for the development of its projects.

3.1.2 Risk regarding interest rate fluctuation and the policies of commercial banks' on credit facilities

The increase of domestic interest rate has a direct effect to Company's capital cost since its source of finance partly comes from financial institutions. However, considering all relevant factors and project plans, the Company has a policy to raise funds via Project Finance, in order to efficiently control the cost of interest which might be occurred. Moreover, as all Company's projects have been set upon the high-qualified benchmark with distinguished designs and excellent locations, as well as the Company's performance record and good reputation of its executive team, the Company has received attractive interest rate offers from financial institutions.

Another point to be considered is that a higher interest rate may affect the ability to purchase, and to repay loans for minor customers. However, according to a comparative study regarding the effects of increased interest rates with liabilities for installment

repayments of the Company's customers, there may not be any severe effects resulting in the Company's customers having reduced purchasing power. This is because the Company's target customers are in the middle and upper income brackets who have only a delicate impact from such issue.

3.1.3 Risk from a shortage of contractors and quality labor pool

The quality of products leading to customer's satisfaction is utmost purpose of the Company's policy. The Company therefore places great importance on the supervision of the infrastructure of its projects in order to maintain high-standard construction quality. Higher qualified and expertise contractors, labor, architects, consultant engineers, engineers, as well as foremen are recruited and higher-quality buildings will be constructed with a competitive price and on schedule. Thus, the Company may have a risk in not being able to procure such contractors and labors during certain periods, in particular, periods of continuous economic growth, where there is a high demand for high-qualified contractors and labor. This may result in the Company not being able to proceed with the projects in accordance with its standards of quality, within the schedule and in accordance with the budgeted costs, which may in turn affect the performance of the Company.

However, to manage this risk, the Company has a policy to continuously build and maintain good relationships with contractors, by selecting only those highly qualified contractors who have worked with the Company over a long period of time. This means that the Company has a certain level of confidence that the construction will be completed and met with the Company's standards and projects can be delivered according to the proposed timeframe. Furthermore, it is the Company's policy for contractors to invoice the Company in installments, and only when each slot of works has been completed. This method allows the Company to maintain control over such payments to contractors to ensure that the payments do not exceed the amount of work actually completed. This, in turn, reduces the Company's risk where the contractor abandons the project as well as allows the inspection to the quality of work and whether the contractors will be able to complete the project within the timeline. Where the Company determines that project may not be delivered within proposed time, the Company can provide personnel in order to support and carry on the project to be completed on time. This will be done by hiring special labor to assist the construction. Further, to supervise the construction and to be continuously assured of the contractor's quality of work, the Company will assign project managers, project engineers, and foremen to verify the contractor's work on a regular basis.

3.1.4 Risk of fluctuation of Construction Material Price

In the real estate development business, construction materials are the principal and most significant cost in the development of a project. There was an increase in price for some construction materials. Due to the growth of the real estate development business for residential projects located near the BTS expansion areas, various government projects and recovery of the domestic economy. This will affect real estate developers for the prepared budget and price forecasts, as there may be errors which impacts the Company's future performance.

Despite this, the Company has a policy to pass on the risk to the contractor by specifying the amount of construction materials in the construction contract. For construction materials which the Company procures itself, such as steel rods and concrete, the Company's policy is to order large quantities for use in the project, resulting in cost savings in relation to the construction materials as well as increased bargaining power over the seller. This assists the Company in forecasting its costs and profits with a certain amount of accuracy and allows the Company to set its prices in accordance with its costs.

In addition, to lower the risk from the increase in construction costs, the Company utilizes Value Engineering in the design and construction stage of the project. This technique allows the Company to reduce construction costs and at the same time maintain construction quality and standards. In relation to risk of fluctuation in the cost of construction materials, in entering into contracts with contractors, the Company will clearly set out the value of the work by specifying the details of the material i.e. the type, quantity and features of the work, allowing the Company to reduce the risk from a fluctuation in the cost of construction materials.

3.1.5 Risk of Land Procurement for Future Development Projects

The Company has a policy not to hold vacant land which is not ready to be developed but estimates to purchase lands pursuant to amount of the Company's projects. The Company will consider each plot individually based on the target customer, if this is the case the Company will develop the project. The Company has already purchased the lands to develop for the next 5 years and the process to purchase the lands to develop for the future.

3.1.6 Risk of amendment of Laws, Regulation, Rules and Ministerial Regulations relating to the Real Estate Development Business

Amendments to the laws, regulations, rules, and ministerial regulations relating to the real estate development business may lead to an increase in the project's operational costs. For example, where there is a change of the town planning regulation in relation to the Floor Area Ratio (FAR), new policies on common areas, or the scope and preparation of Environmental Impact Assessment reports (EIA), these may have an adverse effect on the Company's performance.

Despite this, the Company has studied and will continue to study any changes in the laws, rules, and regulations in order to prepare for a change in the government policy. The Company has always developed its projects in accordance with any changed policies, allowing the Company to reduce a certain amount of this risk.

3.1.7 Risk in relation to Leasehold Rights

The "G-Land Tower Grand Rama 9" office building project, operated by Phraram 9 Square Co., Ltd., is located on a plot of land in which the Company has a 43-year lease agreement with Super Assets Co., Ltd., and CKS Holding Co., Ltd., the remained of the Lease Term is 34 years, Phraram 9 Square Co., Ltd., will deliver the land and the building to the Lessor after the expire of the Lease agreement. Even though this is a long-term contract, the landlord could terminate the agreement at any time before expiry if the Company breaches the lease agreement. Therefore the Company must avoid actions which might abuse or breach the lease agreement which may lead to termination or a fine.

3.1.8 Risk from lack of experience and expertise in construction control of mega-tall building projects

There are certain differences in construction of general office buildings and the real estate development of a 125-storey building with 615 meters tall. The latter one has to use special machinery, tools and equipment through to distinctive construction technique and building material for the security and safety of the building. This new project development of a mega-tall building utilizes a special construction technique which is not widespread. As the Company lacks experience and expertise in controlling the development and construction of a mega-tall building, there are risks on the quality of construction and the safety of the

environment, personnel and stakeholders related to the development of the project. This includes the risk of the delay in the development of the project, in which the Company will not be able to recognize rental and service income as according to plan, resulting in a lower project return on investment.

However, the Company plans to hire international specialist who has experience and expertise in consulting for overseas mega-tall building as a project's engineering design consultant. This consulting include structural design and the selection of material and technology, such as the foundation, pillar and bearing walls, for the building's safety and confidence of the lessees. Moreover, the Company's policy is to hire construction supervisor with experience and expertise in a similar project development by considering former project supervision accomplishments, credibility and appropriate remuneration rates. This is to ensure that the construction will be completed within specified period and budget. Therefore, the Company is confident that the development of various real estate projects will go according to the plan.

3.1.9 Risks from purchase of land for development of an affiliated company's project.

An affiliated company in which the Company holds 50% equity won the bid in an auction from the Department of Legal Execution for a debtor's property in a bankruptcy case and has received transfer of ownership over the said plot of land as well as having paid a total of Baht 7,350 million to the Official Receivers. It transpired, however, that the debtor in that bankruptcy case has filed a petition to the Bankruptcy Court for an order to have such auction nullified and the case is now in the process of being deliberated by the Court.

If an order is issued by the Court to nullify the auction or issue any other order in favour of the Debtor, such an order may cause the affiliated company to have to re-transfer the ownership over that plot of land back to the Debtors' communal/accumulated debts under the Legal Execution Officer's control, with the loss of fees, duties and stamps and expenses pertaining to the conveyance of land ownership that it has already paid. However, it would be fully refunded for its payment of the price for the land. There may be an impact as the result, therefore, on the business, operating results and business opportunities for affiliated company.

However, the Legal Counsel(s) of the Company and its affiliate are of this opinion after having studied the petition, facts, trends of the Supreme Court's judgment and legal principles, that claims in the pertinent petition submitted should not bear enough weight for an order to be issued by the Court to have the auction nullified.

3.2 Investor Risk

3.2.1 Risks from Major Shareholders Holding More than 50 Percent of the Shares

At present, the Charemkit Group holds more than 50 percent of the Company's registered and paid up shares. Thus, the minority shareholders might be suspicious of major shareholders manipulating the Company policy, moving the Company in a certain direction, and the risk of not being able to accumulate the required number of votes to veto, review or balance the major shareholder's power.

However, presently, the audit committee consists of 3 directors who are independent directors, from a total of 9 directors. This assists and increases the efficiency and transparency in the Company management and the balance of power within the Board of Directors. Further, these directors are also representatives of minority shareholders in monitoring and reviewing the Board of Directors' management of the Company. Moreover, the Board of Directors is profoundly realizes the Principles of Good Corporate Governance and will strictly comply with these guidelines. Thus, investors can be assured that all shareholders, including any stakeholders in the Company, will be treated fairly and equally.

4. Corporate Information

General Information

Company name	Grand Canal Land Public Company Limited
Company Registration Number	0107538000118
Location	33/4 Rama 9 Road, Huaykwang, Bangkok 10310
Business Type	Property Development
Home Page	www.grandcanalland.com
Authorized Share Capital	6,535,484,202 ordinary shares, 1.00 baht per value Total 6,535,484,202 .00 Baht
Issued and Paid-up Capital	5,908,928,627 ordinary shares, 1.00 baht per value Total 5,908,928,627.00 Baht
Home Page	www.grandcanalland.com
Tel	66 (0) 2 246 2323
Fax	66 (0) 2 246 1082

Juristic Persons the Company holding 10% shares or more

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Belle Development Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	20,642,613 ordinary shares, 100.00 baht per value	79.57
Rama 9 Square Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	19,000,000 ordinary shares, 100.00 baht per value	93.09
Rama 9 Square Hotel Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Hotel (there are no ongoing operations)	1,000,000 ordinary shares, 16.00 baht per value	100 (Held by Praram 9 Square Ltd.)
Sterling Equity Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	5,000,000 ordinary shares, 100.00 baht per value	100

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Belle Assets Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	1,100,000 ordinary shares, 10.00 baht par value	100
G Land Property Management Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	5,000,000 ordinary shares, 100.00 baht par value	100
Bayswater CO., Ltd 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel : 66 (0) 2 273 8511-5 Fax : 66 (0) 2 273 8516	Property Development	100,000 ordinary shares, 100.00 baht par value	50 (Held by Ratchada Asset Holding Co.,Ltd.)
Ratchada Asset Holding CO., Ltd 316/601 Sathu Pradit Road, Chong Nonsi, Yan Nawa, Bangkok 10120	Holding Company	600,000 ordinary shares, 10.00 baht par value	100
Gland Reit Management CO., Ltd 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 168 1042 Fax : 66 (0) 2 168 1046	REIT manager	1,000,000 ordinary shares, 10.00 baht par value	100

Other References

Share Registrar

Thailand Securities Depository Company Limited (TSD)

93 The Stock Exchange of Thailand Building

Rachadapisek Road, Dindang, Bangkok 10400

Tel : 66 (0) 2 009 9999

Fax : 66 (0) 2 009 9991

Debenture Registrar

: **TMB Bank Public Company Limited**

3000 Phahonyothin Road Chomphon Sub-district , Chatuchak

District, Bangkok 10900

Tel 66 (0) 2 299 1217

Fax 66 (0) 2 299 1278

Debenture under this debenture registrar consists of

- Debenture of Grand Canal Land Public Company Limited No. 1/2015 Due 2016

- Debenture of Grand Canal Land Public Company Limited No.2/2015 Due 2017

: Bangkok Bank Public Company Limited

333 Silom Road, Bang Rak District, Bangkok 10500

Tel 0-2230-1136

Fax 0-2626-4545

Debenture under this debenture registrar consists of

- Debenture of Grand Canal Land Public Company Limited No.3/2015 Due 2018

- Debenture of Grand Canal Land Public Company Limited No.4/2015 Due 2017

- Debenture of Grand Canal Land Public Company Limited No.5/2015 Due 2020

- Debenture of Grand Canal Land Public Company Limited No.1/2016 Due 2018

Auditor

EY Office Limited

193/136-137 Lake Rajada Building , Klongtoey, Bangkok 10110

Tel : 66 (0) 2 264 0777 Fax : -

Investor Relation

Mr. Jatesiri Boondichareem

Mr. Surakit Thantananont

Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082



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5. Securities and Shareholder Information

5.1 The number of registered capital and paid-up capital

At present, the Company has registered capital 6,535,484,202 Baht, the issued and paid-up share capital of 5,908,928,627 Baht which consists of 5,908,928,627 common shares, at 1.00 Baht par value.

5.2 Shareholders

List of top 10 shareholders as at 23 January 2017, the latest date the Company closed the registration book:

	Number of Shares	%
1. Charemkrit Group	3,025,209,020	51.19
1.1 Charemkrit Enterprise Co., Ltd. ¹⁾	1,977,655,210	33.47
1.2 Belle Park Residence Co., Ltd. ²⁾	264,049,716	4.47
1.3 Grand Fortune Co., Ltd. ³⁾	46,171,934	0.78
1.4 Mr. Jatesiri Boondicharem	278,360,488	4.71
1.5 Ms. Romani Boondicharem	229,485,831	3.88
1.6 Mr. Jatamongkol Boondicharem	229,485,831	3.88
2. BBT Group ⁴⁾	1,624,749,606	27.50
2.1 Bangkok Broadcasting & Television Co., Ltd.	1,082,882,838	18.33
2.2 Great Fortune Equity Co., Ltd.	278,352,423	4.71
2.3 BBT Asset Management Co. Ltd.	139,801,203	2.37
2.4 GL Assets Co. Ltd.	114,183,340	1.93
2.5 BBT Satellitevision Co., Ltd.	9,529,802	0.16
3. KR Group ⁵⁾	350,987,975	5.94
3.1 KR & Associates Co., Ltd	145,377,975	2.46
3.2 K Group Co., Ltd	205,610,000	3.48
4. Kim Eng Securities (Hong Kong) Limited	189,185,819	3.20
5. Mr. Chatri Soponpanich	156,000,000	2.64
6. BTS Group	45,194,768	0.77
6.1 BTS Group Holding Pcl. ⁶⁾	15,194,768	0.26
6.2 Mr. Keeree Kanjanapas	30,000,000	0.51
7. Thai NVDR Co.,Ltd	35,822,229	0.61
8. Mr. Kiat Srichomkwan	35,196,589	0.60
9. Mr. Prakit Laovisit	26,024,024	0.44
10. Mr. Ruengchai Hongjamrassilp	18,256,592	0.31
Total	5,506,626,622	93.20

(Investors may view updated list of top 10 shareholders information at the Company website prior to the Annual General Shareholders' Meeting)

Remark : /1 List of shareholders of Charemkit Enterprise Co., Ltd are as follows

No	Name of Shareholders	%
1	Mr. Yotin Boondichareem	11.45
2	Mr. Jatesin Boondichareem	10.59
3	Ms. Romani Boondichareem	10.59
4	Mr. Jatemongkol Boondichareem	10.59
5	Skyway Realty Co., Ltd.	26.00
6	Breguet Thai Co., Ltd.	30.77

/2 Charemkit Enterprise Co., Ltd is a major shareholder holding 99.99 % of Belle Park Residence Co., Ltd.

/3 List of Major shareholders of Grand Fortune Co., Ltd. are as follows

No	Name of Shareholders	%
1	Charemkit Enterprise Co., Ltd.	39.45
2	Great Fortune Equity Co., Ltd.	30.00
3	Great Luck Equity Co., Ltd.	30.00

/4 Ratanarak Group is a major shareholder for each company in the BBTV Group

/5 Owned by Mr. Krit Ratanarak

/6 List of Major shareholders of BTS Group Holding Plc are as follows

No	Name of Shareholders	%
1	Mr. Keesee Kanjanapas 's Group	40.94
2	Thai NVDR Co., Ltd.	9.20
3	Bangkok Bank Public Company Limited	4.57

5.3 Issuance of other securities

■ Warrants to purchase the ordinary shares No.2

Warrant	G LAND – W2
Duration (Years)	3 years 53 days
Expire Date	June 30, 2016
Total Issued warrants (Units)	212,655,816
Total Allotted warrants (Units)	212,655,816
Offering Date	May 9, 2013
Exercise Ratio (Update)	1 : 1.123
Exercise Price (Baht/share) (Update)	1
Total number of exercised warrants as of Dec31,2016 (Units)	212,293,465
Total number of remaining warrants, ceased by expiration(Units)	362,351

■ Warrants to purchase the ordinary shares No.3

Warrant	G LAND – W3
Duration (Years)	2 years 343 days
Expire Date	June 30, 2017
Total issued warrants (Units)	368,610,059
Total Allotted warrants (Units)	368,610,059
Offering Date	July 23 , 2014
Exercise Ratio (Update)	1 : 1.073
Exercise Price (Baht/share) (Update)	1
Total number of exercised warrants as of Dec31,2016 (Units)	344,942,033
Total number of non-exercised warrants as of Dec31,2016 (Units)	23,668,026

■ Warrants to purchase the ordinary shares No.4

Warrant	G LAND – W4
Duration (Years)	2 years 342 days
Expire Date	June 29, 2018
Total issued warrants (Units)	587,446,396
Total Allotted warrants (Units)	587,446,396
Offering Date	Jul 23, 2015
Exercise Ratio (Update)	1 : 1.004
Exercise Price (Baht/share) (Update)	1
Total number of exercised warrants as of Dec31,2016 (Units)	22,405,280
Total number of non-exercised warrants as of Dec31,2016 (Units)	565,041,116

■ Debenture of Grand Canal Land Public Company Limited No. 1/2015 Due 2016

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	100,000 Units
Subscription Price	1,000 Baht
Value	100,000,000 Baht
Offering	Private Placement to not more than 10 investors(PP10)
Issue Term	1.5 years
Issue Date	26 February 2015
Maturity Date	29 August 2016
Interest rate	Fixed coupon rate of 4.57% p.a.
Interest Payment	Semi-Annually
Principal Payment	Bullet principal payment at maturity on 29 August 2016

■ Debenture of Grand Canal Land Public Company Limited No.2/2015 Due 2017

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	1,000,000 Units
Subscription Price	1,000 Baht
Value	1,000,000,000 Baht
Offering	Private Placement to Institute Investor and High net worth (II/HNW)
Issue Term	2 years
Issue Date	8 April 2015
Maturity Date	8 April 2017
Interest rate	Fixed coupon rate of 5.00% p.a.
Interest Payment	Quarterly
Principal Payment	Bullet principal payment at maturity on 8 April 2017

■ Debenture of Grand Canal Land Public Company Limited No.3/2015 Due 2018

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	150,000 Units
Subscription Price	1,000 Baht
Value	150,000,000 Baht
Offering	Private Placement to not more than 10 investors(PP10)
Issue Term	3 years
Issue Date	24 September 2015
Maturity Date	24 September 2018
Interest rate	Fixed coupon rate of 4.70% p.a.
Interest Payment	Quarterly
Principal Payment	Bullet principal payment at maturity on 24 September 2018

■ Debenture of Grand Canal Land Public Company Limited No.4/2015 Due 2017

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	1,500,000 Units
Subscription Price	1,000 Baht
Value	1,500,000,000 Baht
Offering	Private Placement to Institute Investor and High net worth(I/HINW)
Issue Term	2 years
Issue Date	22 October 2015
Maturity Date	22 October 2017
Interest rate	Fixed coupon rate of 4.85% p.a.
Interest Payment	Quarterly
Principal Payment	Bullet principal payment at maturity on 22 October 2017

■ Debenture of Grand Canal Land Public Company Limited No.5/2015 Due 2020

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	100,000 Units
Subscription Price	1,000 Baht
Value	100,000,000 Baht
Offering	Private Placement to not more than 10 investors(PP10)
Issue Term	5 years
Issue Date	27 November 2015
Maturity Date	26 November 2020
Interest rate	Fixed coupon rate of 5.10% p.a.
Interest Payment	Quarterly
Principal Payment	Bullet principal payment at maturity on 26 November 2020

■ Debenture of Grand Canal Land Public Company Limited No.1/2016 Due 2018

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	1,150,000 Units
Subscription Price	1,000 Baht
Value	1,150,000,000 Baht
Offering	Private Placement to institute Investor and High net worth(II/HNW)
Issue Term	2 years
Issue Date	7 April 2016
Maturity Date	7 April 2018
Interest rate	Fixed coupon rate of 4.80% p.a.
Interest Payment	Quarterly
Principal Payment	Bullet principal payment at maturity on 7 April 2018

5.4 Dividend Policy

Dividend policy of the Company and its subsidiaries is at least 50 percent of net profit after tax and legal reserve under the consolidated financial statements. Nonetheless, the Board of Directors is authorized in considering to omit this policy or to change it from time to time, under condition that it will be made highest benefit to the shareholders, e.g. reserving for loan payments, business expansion, or market impact which will lead to the Company and its subsidiaries' future cash flows.

6. Management Structure

6.1 The Board of Directors

The Board of Directors (qualified under Section 68 of the Companies Act 2535 and announcement according by the Office of Securities and Exchange Commission) comprise of 9 members, 3 of whom are independent directors and appointed as Audit Committee members by the Board of Directors

1.	Mr. Yotin	Boondicharem	Chairman and Chief Executive Officer
2.	Assoc.Prof. Prapanpong	Vejjajiva	Director, Vice Chairman and Nomination and Remuneration Committee Member
3.	Mr. Nipon	Wisityulhasart	Independent Director , Chairman of the Audit Committee and Nomination and Remuneration Committee Member
4.	Mr. Banphot	Hongthong	Independent Director, Chairman of Nomination and Remuneration Committee and Audit Committee Member
5.	Mrs. Jitmanee	Suwannapool	Independent Director and Audit Committee Member
6.	Mr. Jarein	Jirawisan	Director
7.	Ms. Noppom	Tirawattanagool	Director
8.	Mr. Jatesiri	Boondicharem	Director and Managing Director
9.	Ms. Romani	Boondicharem	Director, Deputy Managing Director of Accounting and Finance Group

Ms. Supapan Wisaruetapa is appointed as the Company secretary.

The Authorized Directors

The Authorized Directors of the Company are Mr. Yotin Boondicharem or Mr.Jatesiri Boondicharem or Associate Professor PrapanpongVejjajiva or Ms. Romani Boondicharem, two directors from four directors above co-signed and seal with the Company Seal

6.2 The Executive Committee

The Executive Committee shall be appointed by the Company's Board of Directors (the "Board of Directors") to serve as the sub-committee of the Company. The Executive Committee consists of 1 (one) Chairman of the Board of Directors and at least 3 (three) other directors selected and considered by the Board of Directors or high-level executives of the Company. However, holding the position of director of each directors, and authority and duties scope of the Executive Committee can be amended by the resolution of the Board of Directors' meeting appointing them.

The Executive Committee shall consist of 4 (four) directors and 1 (one) high-level executive:

- | | | |
|----|---------------------------------|--|
| 1. | Mr. Yotin Boondicharem | Chairman of the Executive Committee |
| 2. | Assoc.Prof. Prapanpong Vejajiva | Vice Chairman of the Executive Committee |
| 3. | Mr. Jatesiri Boondicharem | Executive Director |
| 4. | Ms. Romani Boondicharem | Executive Director |
| 5. | Mr. Jatamongkol Boondicharem | Executive Director |

Mr. Sataporn Asawai is appointed as the Executive Committee's Secretary

6.3 Management Team

As of 31 December 2016 the Company has 8 members of the management team as follow ;

Name	Position
1. Mr. Yotin Boondicharem	Chairman , Chairman of the Executive Committee and Chief Executive Officer
2. Mr. Jatesiri Boondicharem	Director , Executive Director and Managing Director
3. Ms. Romani Boondicharem	Director, Executive Director and Deputy Managing Director of Accounting and Finance Group
4. Mr. Jatamongkol Boondicharem	Executive Director and Deputy Managing Director of CEO Office
5. Mr. Surakit Thantananont	Senior Assistant Managing Director Finance and Accounting Department
6. Mr. Sakol Pao-in	Senior Assistant Managing Director Legal Department
7. Mr. Choi Laup Tack Kelvin	Senior Assistant Managing Director Commercial Sales and Marketing Department
8. Mr. Sataporn Asawai	Senior Assistant Managing Director of CEO Office

6.4 The Company Secretary

Ms. Supapan Wisaruetapa is appointed as the Company secretary.

Ms. Supapan Wisaruetapa

● Position	:	Company Secretary
● Age	:	55
● Education	:	Master of Accounting Thammasat University Bachelor of Accounting Chulalongkorn University
● Training Course	:	Director Certification Program (DCP) Corporate Secretary Development Program CFO (Certification Program)
● Number of Company shares held	:	None
● The relationship between Directors and Executives	:	None

Experience in the last 5 years

May 2013 – Present	Director	Media Scene Co.,Ltd.
Dec 2012 – Present	Director and Managing Director	Media Now Co.,Ltd.
Sep 2011 – Present	Managing Director	Media Studio Co.,Ltd.
Sep 2010 - Present	Director	BBTV Production Co.,Ltd.
Sep 2010 - Present	Director	Razorfish & Partner Co.,Ltd.
June 2010 – Present	Director	Media Studio Co.,Ltd.
21 Mar 2008 – Present	Company Secretary	Grand Canal Land Plc.
Aug 2007 – Present	Secretary of The Board of Directors	Grand Canal Land Plc.
Apr 2009 -13 Jan 2010	Director	Media of Medias Plc.
Mar 2006 – Dec 2009	Deputy Managing Director of Accounting and Investment	Media of Medias Plc.

6.5 Remuneration for Directors and Executives

In 2016, the Company paid the remunerations to Directors and Executives as follow:

(1) Remuneration in form of cash

(a) Remuneration for the Company Directors

(Unit : Baht)

Directors	Transportation Allowances for Directors	The meeting Allowances for Directors	Total
Assoc. Prof. Prapanpong Vejjaiva	762,000.00	110,000.00	872,000.00
Mr. Nipon Visityuthasart	762,000.00	170,000.00	932,000.00
Mr. Bunphot Hongtong	684,000.00	134,000.00	818,000.00
Mrs. Jitmanee Suwannapool	684,000.00	122,000.00	806,000.00
Mr. Jareen Jirawisan	534,000.00	72,000.00	606,000.00
Ms. Noppom Tirawattanagool	534,000.00	72,000.00	606,000.00
Mr. Jatesiri Boondicharem	534,000.00	60,000.00	594,000.00
Ms. Romani Boondicharem	534,000.00	60,000.00	594,000.00
Total	5,028,000.00	800,000.00	5,828,000.00

(b) Total remuneration for Directors as an Executive and Executives in total 7 persons is:

Salary 20,858,952.00 Baht

(2) Other remunerations:

(a) Other remunerations for Directors – None

(b) Other remuneration for Directors as an Executive and Executives in total 7 persons is:

Provident Fund 589,711.20 Baht

7. Corporate Governance

7.1 Policy of corporate governance

The Board of Directors has realized the importance of good corporate governance as a vital factor for strong and sustainable business operations. It means that the Company has efficient, transparent, and able to audit management systems that create trust and confidence amongst its shareholders, investors, other stakeholders and all relevant parties.

The Board of Directors sets a written policy on good corporate governance and business ethics that is reviewed annually. Also, this information is disclosed on the Company's website and Intranet as guidelines for directors, executives, and employees to follow. These guidelines include transparency of work procedure, provision of fair and equitable treatment to all shareholders and stakeholders involved in operations according to the law, punctual disclosure of reliable information, as well as the creation of internal control and internal audit system.

In addition, the Company complies with the Principles of Good Corporate Governance for Listed Companies that the Stock Exchange of Thailand has adopted as specified in the following five categories:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

1. Rights of Shareholders

The Company recognizes the importance of the rights of shareholders to attend meetings to obtain the Company's information. The Company discloses the financial statements and the annual overview of the Company's operations to shareholders through SET. The Company will distribute invitation notice and documents for the Shareholders' Meeting to shareholders at least 7 days prior to the meeting date, of which include opinion of the Board of Directors in every session. The Company also advertises the invitation notice on its website: www.grandcanalland.com. In addition, the Company will organize the meeting place, date, time of the meeting, and coordinate the advance registration period of 1 hour prior to the beginning of the meeting. During the meeting, the Company facilitates each session, allowing shareholders to express their opinions and ask their questions. On 21 April 2016 the Company held an Annual General Shareholders' Meeting, shareholders and proxies attended representing 5,329,971,157 shares, accounting for 90.7303 percent of the total number of paid-up ordinary shares.

2. Equitable Treatment of Shareholders

The Company gives the importance and pays respect to rights of shareholders by implementing a policy to treat all shareholders on an equitable basis. The Company protects not only the basic rights of every shareholder but also gives equal treatment toward shareholders during meetings and protect inside trading.

2.1 Shareholders' meetings

To show the transparency of management and operations and be fair to all shareholders, shareholders are entitled to express their opinions or make inquiries to executives and also participate in decision making. Therefore, important issues must be submitted to the shareholders meeting for consent or approval such as operating results, last year's profit appropriation, election of Directors, the appointment of auditors, etc. Aiming to give all shareholders equal rights, the Company gives shareholders advance notice of agenda items to be raised in the meetings.

Besides the invitation notice and list of documents submitted to shareholder, the Company also provides proxy forms to shareholders unable to attend the meeting. The proxy form is prepared such that shareholders can dominate the direction of the vote and assign proxies to attend the meeting to vote on their behalf. For the meeting in 2016, the Company offered additional alternatives to shareholders by proposing a list of Independent Directors for shareholders to choose as proxies to attend the meeting.

In the meeting, the Company Secretary informs all shareholders attending, the list of criteria for casting votes before starting with the meeting. Shareholders have the right to vote for or against or abstain, as they deem appropriate. On the election of Directors, it is specified that shareholders can vote in favor, vote against, or abstain each Director. During the meeting, the chairman of the meeting shall give the opportunity to all attending shareholders on equal basis to fully examine the Company's operations, make inquiries, express opinions/comments and give recommendations. In this respect, the directors and the related executive officers shall reply to the shareholders' queries while accepting the shareholders' opinions and suggestions for further consideration and action as deemed necessary.

With the shareholders' meeting decision, the Company Secretary shall inform all shareholders of each meeting agenda item, how many votes were cast by the shareholders in favor, how many against, and how many abstentions. All resolutions shall be decided by the majority vote. The resolutions, with the number of votes cast on each agenda item, are recorded and the minutes of the meeting are recorded accurately and completely. Copies of minutes of the meeting are then delivered to the related agencies concerned within a specified time and are disseminated on the Company's website: www.grandcanalland.com, for the shareholders and the general public to examine.

The Company has a commitment to seek and support shareholders' rights to attend meetings and check the equitable treatment of shareholders.

2.2 Measures to curb inside trading

To prevent Directors and executives from trading inside or gaining advantages for themselves or others, the Company has implemented section 59 of the Royal Decree on Securities and Exchange, B.E. 2535. Directors and executives have to report their transactions in a timely manner in the Board of Directors' meeting. In addition, the Company prohibits the executives or employees to neither disclose internal information to the

public nor trade the Company's security a month before being made public. Directors and executives will strictly carry out the policy.

3. Role of Stakeholders

The Company recognizes the importance of rights of every stakeholder including shareholders, customers, trading partners, Company's employees and the society. In addition, the Company treats stakeholders in each group with fairness, transparency, and in line with provisions or requirements of the laws, rules, and regulations concerned. These are for cooperation between the Company and all groups of stakeholders to bring about advantages in operating performance and the stability of the organization. The Company has taken actions relating to stakeholders as follow:

- **Shareholders.** The Company respects shareholders' right and treats all shareholders fairly and equitably.
- **Customers.** The Company focuses on conducting business that is honest and responsive to customers' need by providing quality product. The Company also provides complete and accurate information.
- **Trading partners** The Company treats trading partners in accordance with trading conditions.
The Company is responsible for contracts and agreement that are made with their trading partners.
- **Employees.** The Company treats its employees fairly, provides appropriate compensation and welfare, and continuously promotes and develops all employees.
- **Society.** The Company aims for the awareness of the environment, well being and the quality of living of the society. Our architecture and landscape design is specially developed and carefully planned to be environmentally friendly and also in compliance with the laws and regulations set by the law. The Company has projected the main central park to be spacious and is specially designed to give the community a recreational area, with a peace of mind, a jogging space and a friendly relaxing green zone.

4. Disclosure and Transparency

4.1 Disclosure of Information

The Company recognizes the importance of disclosing accurate, complete, timely, and transparent information, following the financial rules of SEC and SET, the general information to investors through various channels of SET and the Company website. The Company assigns the Investor Relation to be responsible for informing all information to investors, shareholders, and related government sectors.

Disclosure of the Company's information includes financial and non-financial reporting (under the regulations of SEC, SET) and related information, i.e., policy and implementation on corporate governance, information related to the Board of Directors, the responsibility of the Board of Directors, and policy and compensation given to Directors.

4.1.1 Financial Reports and Responsibility of the Board of Directors for financial reporting

The Board of Directors is responsible for the Company's financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with the accounting principles and there is adequate disclosure of important information in the notes of the financial statements. In addition, the financial statement have passed the examination of Certified Public Accountants and verified by Audit Committee. The Board of Directors has also prepared a report entitled "Responsibility of the Board of Directors for Financial Reporting" as attached herewith in the annual report.

4.1.2 Policy and Implementation on Corporate Governance

The Board of Directors always follows the Principles of Good Corporate Governance in the same approach specified by SET to ensure confidence of shareholders, investors, and related parties.

4.1.3 Policy and Compensation given to Directors and Executives

The Nomination and Remuneration Committee proposes directors' remuneration for the shareholders' approval on a yearly basis. Compensation for top executives is proposed by the Nomination and Remuneration Committee to the Board of Directors for approval, depending on the responsibilities and the Company's annual earnings performance. In 2016, remuneration payment to the Board of Directors and the Executives are mentioned under the topic of "Remuneration for Directors and Executives".

4.2 Relationship with Investors

The Company assigns the tasks of information dissemination with both existing shareholders and potential shareholders. Interested investors could contact the Company's Investor Relation Department at 0-2246-2323 for more details. During 2016, the Investor Relation Department together with the Company's top executives, occasionally organized analysts meetings

5. Responsibilities of the Board

5.1 Committee Structures

The Company's committee structure consists of three committee bodies: the Board of Directors, Audit Committee Nomination and Remuneration Committee and Executive Committee.

- **Board of Directors** - In 2016, there are 9 members of the Board of Directors, consisting of 3 independent directors. The Board of Directors has limited period ruled by the Company's regulation and is able to be re-appointed after retirement.
- **Audit Committee** - consists of 3 Independent directors. Each member is in charge for a period of 3 years, the member may be re-appointed after retirement.
- **Nomination and Remuneration Committee** - consists of 2 independent directors and 1 director. Each member is in charge for a period of 3 years, the member may be re-appointed after retirement.

- **Executive Committee** - there are 4 members of the Board of Directors and high-level executives of the Company. However, holding the position of director of each directors can be amended by the resolution of the Board of Directors' meeting appointing them.

The composition, membership, selection method, and scope of authority for each of the committee, along with the name of the committee members were mentioned under the topic of "Management Structure".

5.2 Roles, duties and responsibilities of the Board of Directors

The scope of authority of the Company's committee has been mentioned under the topic of a sub-committee – "Corporate Governance". The Board of Directors plays a vital role to determine and approve the visions, goals, strategies, and budget of the Company, to follow up the executives' performance, to ensure the appropriate internal control system including the appropriate risk management. The Board of Directors is responsible for the preciseness, completion, and appropriate accounting principles of the financial report.

The Board of Directors sets a written policy on good corporate governance which is reviewed annually.

The Board of Directors sets a written policy on business ethics, which is disclosed on the Company's website as guidelines for directors, executives, and employees of all levels to follow.

The Board of Directors was informed and/or approved the appropriate connected transactions and conflict-of-interest transaction in accordance with the SET regulation and disclosed in the annual report and Form 56-1.

The Board of Directors realizes the importance of the internal control system of the Company. An Independent internal audit team is set up to review work performance in accordance with the Company policies and to suggest solutions and improvement. To ensure that the audit team has independence and full control, the team is to report directly to the Audit Committee. In addition, the Board of Directors requires the Audit Committee to follow the regulations as operational guideline.

Risk management is the responsibility of the Chief Executive Officer, Managing Director and the Executives. The Company arranges risk evaluation, reviews, and tries to prevent risk that may occur. The Company realizes the significance of risk and obstructions affecting the business and strives for the success of the Company.

5.3 The Board of Directors' Meeting

The Board of Directors usually schedules meetings on a quarterly basis. The Chairman and the Group of the Executive will set agendas for the meeting. The Company Secretary is responsible for meeting appointments, preparing meeting agendas including the consideration of operations, preparing any documents submitted to the Board of Directors not less than 7 days prior to the meeting date and taking minutes of meeting. In the meeting, directors can express their opinions independently. In some occasions, the top executives are invited to attend the meeting to present their work assigned completely.

In 2016, there were a total of 7 meetings and the number of the Board of Directors attended is as follow:

Name		Number of Meetings Attended/Number of Meeting
1. Mr. Yothin	Boondicharem	7 / 7
2. Assoc. Prof. Prapanpong	Vejjajiva	7 / 7
3. Mr. Nipon	Wisityuthasart	7 / 7
4. Mr. Banphot	Hongtong	6 / 7
5. Mrs. Jitmanee	Suwanapool	7 / 7
6. Mr. Jarem	Jirawisan	7 / 7
7. Ms. Noppom	Tirawattanagool	7 / 7
8. Mr. Jatesiri	Boondicharem	6 / 7
9. Ms. Romani	Boondicharem	5 / 7

As for the Audit Committee's meeting, there is an Audit Committee Charter indicating that the meeting will be held at least 4 times a year. In 2016, there were a total of 5 meetings and the number of Audit Committee attended is as follow:

Name		Number of Meeting Attended /Number of Meeting
1. Mr. Nipon	Wisityuthasart	5 / 5
2. Mr. Banphot	Hongtong	5 / 5
3. Mrs. Jitmanee	Suwanapool	5 / 5

As for the Nomination and Remuneration Committee's meeting, there is a rule from the Committee indicating that the meeting will be held at least 2 times a year or as necessary and appropriately. In 2016, there were 3 meetings and the number of Nomination and Remuneration Committee attended is as follow:

Name		Number of Meeting Attended /Number of Meeting
1. Mr. Nipon	Wisityuthasart	2 / 2
2. Assoc.Prof. Prapanpong	Vejjajiva	2 / 2
3. Mr. Banphot	Hongtong	2 / 2

For the Executive Committee's meeting, in 2016, there were 4 meetings and the number of Executive Committee attended is as follow:

Name		Number of Meetings Attended/Number of Meeting
1. Mr. Yothin	Boondicharem	4 / 4
2. Assoc. Prof. Prapanpong	Vejjajiva	4 / 4
3. Mr. Jatesiri	Boondicharem	3 / 4
4. Ms. Romani	Boondicharem	3 / 4
5. Mr. Jatemongkol	Boondicharem	4 / 4

5.4 Remuneration

The Board of Directors oversee the practices and rules relating to remuneration policies and schemes which are equitable and reasonable based on the consideration of comparable experiences, duty, the scope of actions, and the responsibility that is equivalent to other companies in the similar industry. The task includes:

1. Considering and reviewing the remuneration scheme for directors and sub-committee members and submitting it to the shareholder's meeting for approval, and
2. Considering and reviewing the remuneration scheme for top executives and submitting it to the Board of Directors for approval.

5.5 Development of Directors and Executives

The Company is aware of the importance of the Board of Directors looking after shareholders' rights in a corrective and fair manner to gain the confidence of the people concerned and also for the Company's long-term growth. Therefore, the Company has nominated persons with knowledge and competency as well as experiences to perform the duties of the members of the Board of Directors and the Management team.

The Company encouraged Directors, executives, and staff to attend seminars and workshops to help them better serve and contribute the Company.

The following board members and executive officers went through training/seminar programs organized by the Thai Institute of Directors Association (IOD) and other institutions:

Directors and Executive	Topics / Curriculum / Seminars
Assoc. Prof. Prapanpong Vejjajiva Director, Vice Chairman, Nomination and Remuneration Committee	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • The Role of Chairman Program (RCP) • Audit Committee Program (ACP) • The Role of Compensation Committee (RCC)
Mr. Nipon Wisityuthasart Independent Director, Chairman of Audit Committee and Nomination and Remuneration Committee Member	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Certificate for Executive Thammasart Leadership Program (NMT.2) • Executive Program for Metropolitan Development (Mahanakorn 3) Navamindradhiraj University • Corporate Governance for Capital Market Intermediaries Thai Institute of Directors , Securities and Exchange Commission
Mrs. Jitmanee Suwannapool Independent Director and Audit Committee Member	<ul style="list-style-type: none"> • Director Certification Program (DCP)
Mr. Jareem Jirawisan Director	<ul style="list-style-type: none"> • Director Accreditation Program (DAP)
Ms. Nopporn Tirawattanagool Director	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Role of the Compensation Committee (RCC) • Audit Committee Program (ACP) • Director Certification Program (DCP) • Financial Institutions Governance Program (FGP) • Anti-Corruption for Executive Program (ACEP) • Risk Management Program for Corporate Leaders (RCL)
Ms. Romani Boondicharem Director, Deputy Managing Director of Accounting and Finance Group	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Director Certification Program (DCP) • Executive Development Program (EDP) • Young Entrepreneur Program (YEP) • Executive Program for Metropolitan Development (Mahanakorn 3) Navamindradhiraj University • Deference 2014 : How to Harness Business Creative (ABC)
Mr. Jatemongkol Boondicharem Senior Assistant Managing Director CEO Office	<ul style="list-style-type: none"> • Director Certification Program (DCP) • Advanced Audit Committee Program (AACP) • Re-energizing Growth through Better Governance 2015
Mr. Surakit Thantananont Senior Assistant Managing Director of Finance and Accounting Department	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Director Certification Program (DCP)

Directors and Executive	Topics / Curriculum / Seminars
Mr. Sakol Pao-in Senior Assistant Managing Director Legal Department	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Director Certification Program (DCP) • Advanced Audit Committee Program (AACP)

7.2 Sub-committee

The structure of the Board of Directors comprises of 4 committees: Board of Directors, Audit Committee, Nomination and Remuneration Committee and Executive Committee.

The Board of Directors

The Board of Directors (qualified under Section 68 of the Companies Act 2535 and announcement according by the Office of Securities and Exchange Commission) comprise of 9 members, 3 of whom are independent directors and appointed as Audit Committee members by the Board of Directors. A list of the Board of Directors and the Authorized Directors (- "Management Structure - 6.1 The Board of Directors" (page79)

The Roles and Duties of the Board of Directors

1. To perform with honest and careful, under the law, objectives, and rules of the Company and the legally resolution of the Shareholders, expect those matters which priority granted approval from the shareholders' meeting as well as regulations of the Stock Exchange of Thailand (SET) and / or other related matters, e.g., connected transaction, acquisition and disposal of major assets.
2. To have authorities to designate directors and/or top executives as a management team to operate one and/or multi duties delegated from Board of Directors. Moreover, their authorities include the designation for Chief Executive Officer who is authorized to appoint Managing Director and any management committees such as audit committees and nomination and remuneration committees as appropriated. Furthermore, their authorities can be appointed and delegated to any persons to perform on behalf of Board of Directors with control by Board of Directors to cancel, revoke, amend and charge any authorities and roles as appropriated.
3. To appoint and replace the Director who is authorized to sign Company documents.
4. To order sub-committees to monitor and control the Company's management and internal control as regulated by the Company's policies.
5. To determine the Company's policies, methods, strategies and budget, as well as, to conduct the management and other authorized persons' work to comply with the Company's policies.
6. To consider, reconsider, investigate and approve the Company's policies, directions, strategies and plans for operations as proposed by the Management.
7. To follow up the Company's operation to continually comply with the strategies and budget.
8. To consider and approve investments, diversify, and thoroughly join investment with other companies.
9. To consider and approve other matters for the Company's benefits and interest.
10. To regulate and oversee conflict of interests between the Company and interested persons.
11. To consider and approve borrowing, pledge, mortgage, guaranty and financial transaction with financial institution, shareholders or related persons with approval credit line.

12. To consider and approve to pay the shareholders such interim dividends as appeared to the directors to be justified by the profits of the company and report such interim dividends to the next shareholders' meeting.

Audit Committee

The Board of Directors appoints the Audit Committee, which is a sub-committee of the Company, consisting of one Chairman and at least 2 but not exceeding 4 members. Each member is in charge for the 3 - year period; after the end of the contract, the member may be re-appointed.

The Audit Committee comprised of 3 independent directors , as follows:

No.	Name	Position
1	Mr. Nipon Wisityuthasart	Chairman of the Audit Committee
2	Mr. Banphot Hongthong	Member of the Audit Committee
3	Mrs. Jitmanee Suwannapool	Member of the Audit Committee

Mrs. Jitmanee Suwannapool is the Audit Committee with expertise in accounting and finance and experiences in the financial statement review.

Mr. Sakol Pao-in is appointed as the Audit Committee's Secretary.

Duties and Responsibilities of Audit Committee

- 1 Carry out auditing to verify that the quarterly and annually financial reports correctly follow the accounting standard and are sufficiently disclosed to co-operate between the Company management and the auditor. The Audit committee has duties to highlight financial statement, accounting practice, continuing of firm, the major change of accounting standard, and indicating reasons of change to Management before presentation and publication to the shareholders and investors.
- 2 Develop internal control guidelines and carry out internal auditing to ensure that the Company has appropriate and effective internal control and auditing in cooperation with both external and internal auditors. Review the internal control year plan (Audit Plan) and evaluate the result with auditors and internal controller on the problem and constrain of the financial statement, including computer security systems to prevent the corruption and un-lawful activities of employees.
- 3 To review the Company and its subsidiaries to ensure that their operations are in accordance with the security laws and the Stock Exchange of Thailand's ("SET") legal requirements, the SET rules and regulations, as well as other laws that may be related to the Company's business.
- 4 Consider the selection and proposals to appoint an independent person as an auditor of the Company and consider the auditors' remuneration by highlighting on the trustiness, resourceful, and workload of that audit firm with the auditor's experience. The Audit committee needs to set up meetings with the auditor by having no management team's involvement at lease once a year.

- 5 Consider the completeness and correctness of the disclosure of Company information regarding the transactions, transactions with conflicts of interest and the acquiring/disposal of asset. Also to approve the transaction and reporting to the Board of Director and/or shareholder's meeting in accordance to related rule and regulation.
- 6 Consider the independency of the internal control division or related division; appoint, transfer, and termination of the contract.
- 7 Carry legally audit committee report to be disclosed in the Company's annual report which shall consist of complete information and be signed by Chairman of audit committees.
- 8 To take care of any other matters assigned by the Board of Directors approved by audit committees.

Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee, which is a sub-committee of the Company, consisting of one Chairman and at least 2 members. The Audit Committee and Board of Directors must be an independent director and each member is in charge for a 3 year period; after the termination of the 3 year period, the member may be re-appointed.

The Nomination and Remuneration Committee comprise of 2 independent directors and 1 director as follows:

No.	Name	Position
1	Mr. Banphot Hongthong	Chairman of the Nomination and Remuneration Committee
2	Assoc. Prof. Prapanpong Vejajiva	Member of the Nomination and Remuneration Committee
3	Mr. Nipon Wisityuthasart	Member of the Nomination and Remuneration Committee

Mr. Jatamongkol Boondicharem is appointed as the Nomination and Remuneration Committee's Secretary .

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To consider criteria and procedures to nominate qualified, knowledgeable, competent and high experiences candidates to act as directors, audit committee, the nomination and remuneration committee and the risk management committee (if any), and seek the approval in the Company's Board of Directors and/or Shareholders meeting.
2. To consider an appropriate remuneration scheme for directors, members of sub-committees, and top executives, as well as overseeing that such remuneration schemes are in line with their duties

and responsibilities, comparable and equitable with the industrial and other business peers, and seek for approval in the shareholders' meeting.

3. Assist in other matters assigned by the Board of Directors.

The Executive Committee

The Executive Committee shall be appointed by the Company's Board of Directors (the "Board of Directors") to serve as the sub-committee of the Company. The Executive Committee consists of 1 (one) Chairman of the Board of Directors and at least 3 (three) other directors selected and considered by the Board of Directors or high-level executives of the Company. However, holding the position of director of each directors, and authority and duties scope of the Executive Committee can be amended by the resolution of the Board of Directors' meeting appointing them.

The Executive Committee shall consist of 4 (four) directors and 1 (one) high-level executive

- | | | |
|---------------------------|--------------|--|
| 1. Mr. Yotin | Boondicharem | Chairman of the Executive Committee |
| 2. Assoc.Prof. Prapanpong | Vejjajiva | Vice Chairman of the Executive Committee |
| 3. Mr. Jatesiri | Boondicharem | Executive Director |
| 4. Ms. Romani | Boondicharem | Executive Director |
| 5. Mr. Jatamongkol | Boondicharem | Executive Director |

Mr. Sataporn Asawai is appointed as the Executive Committee's Secretary

Duties and Responsibilities of the Executive Committee

1. To be responsible for the management of the Company's relating to the business operation under the policy of the Board of Directors and under the scope of laws, conditions, regulations, the Company's memorandum of association and articles of association;
2. To determine the Company's business policies and business strategies including determine the administrative structure and administrative authorities of the Company presented to the Board of Directors;
3. To control and ensure its efficiency of, the Company's business operation to be in accordance with the annual business policies, operating plans, business strategies and budgets approved by the Board of Directors;
4. To consider and approve the project operation of the Company and its subsidiaries, including:
 - 4.1 to consider and approve the entering into any transactions in a day-to-day business operation of the Company subject to the budget approved by the Board of Directors;
 - 4.2 to consider and approve the investment and divestment in the business both in relation to and not in relation to the core business of the Company subject to the scope of policies approved by the Board of Directors;
 - 4.3 to consider and approve the amendment and increase of the annual budget in the amount not exceeding 10 (ten) percent of the annual budget, in an urgent case which has a

significant impact to business operation of the Company, and to propose such issues to the Board of Directors for acknowledgement during the next Board of Directors' meeting;

- 4.4 to consider and approve borrowing, applying for loan, or loan payment with financial institutions; and
- 4.5 to consider and approve the distribution of the Company's assets;
- 5. to manage the overall risk of the organization, evaluate risks, determine the structure of risk control management, monitor and control risks and factors which may cause a significant impact to the Company, and report the issues, as such, to the Board of Directors;
- 6. to evaluate the Company's operation in the aspects of asset and financial management, so that the Company's operation will be efficient and effective;
- 7. to perform other duties as assigned by the Board of Directors, and may appoint or assign any person or persons to perform any acts in place of the Executive Committee, as it deems appropriate, provided that the Executive Committee shall be able to revoke, revise, or amend such authorities, as it deems appropriate to the situation.

Duties and Responsibilities of the Chief Executive Officer

- 1. To operate the day-to-day business operation of the Company and to supervise, manage, and operate the works and operations of the Company to comply with the policy, vision, mission, value, strategy, business direction and business target, as well as the budget and business plan as approved by the Board of Directors and/or the Executive Committee.
- 2. To employ, appoint, transfer, dismiss, terminate, and determine the rate of wages and remuneration for the executives and employees, except for (i) the appointment, transfer and dismissal of the executives who hold the position of Managing Director , Deputy Managing Director , Senior Assistant Managing Director where these executive positions shall be approved by the Board of Directors (but their remuneration shall be determined by the Chief Executive Officer)
- 3. To determine the salary and remuneration and to adjust the salary, bonus and reward of the executives and employees of the Company.
- 4. To authorise the execution or termination of any contracts (which have been included in the approved annual budget) between the Company or a subsidiary and any other third party where the aggregate value of each contract does not exceed the designated amount.
- 5. To consider and approve intercompany loans among the Company and the subsidiaries.
- 6. To issue internal orders, policies, announcements, and memos in order to ensure that the operations of the Company are in compliance with the policy and the interest of the Company, including maintaining discipline within the organization.
- 7. To perform other tasks as assigned by the Board of Directors and/or the Executive Committee and to perform any other acts as stipulated by the laws or regulations of the authorities.

8. To delegate one or more persons to perform any task on his/her behalf; however, such delegation shall not be an authorisation that allows the designated person who has a conflict, an interest, or any kind of benefit with the Company or its subsidiaries to approve such transaction
9. If the Chief Executive Officer is not in office or is unavailable to perform his/her duties, Managing Director shall act and perform all duties on his/her behalf and Managing Director shall report or present those matters he/she has approved to the Chief Executive Officer as soon as practicable.

Nonetheless, the exercise of the Chief Executive Officer's authority shall not allow him/her to approve a transaction with himself/herself or his/her related person(s) who has a conflict, an interest, or any kind of benefit with the Company or its subsidiaries except the transactions that are made in accordance with the regulations and the regarding laws.

7.3 Nominations and Appointment of Directors and Executive Officers

(1) Independent Directors

The independent directors have the following qualifications:

1. Not holding shares in their own names or on behalf of the related persons in the amount exceeding 0.5 percent of voting shares in the Company, its subsidiaries or affiliated companies.
2. Not participating in the management, not being employees or consultants who receive regular salary or any other benefit from the Company, its subsidiaries or affiliated companies, not having a control over the Company, its subsidiaries or affiliated companies, not having a conflict of interest with the said entities, including not having a relationship with persons who provide professional services to the Company, its subsidiaries or affiliated companies. If a nominated person has been in any above mentioned positions, such person must have vacated such positions for at least one year.
3. Not having a business relationship, benefit or interest, neither direct nor indirect, both in terms of finance and management of the Company, its subsidiaries or affiliated companies or persons who may have conflict of interest, in a way that can lead to the lack of independence.
4. Not being relatives of executives or major shareholders of the Company, its subsidiaries or affiliated companies or persons who may have conflict of interest and not being nominated as representatives to ensure the benefit of directors or major shareholders.

(2) Recruitment of Directors and Executive Officers

To recruit persons to be directors of the Company, the Nomination and Remuneration Committee will nominate persons who have knowledge and understanding of business of the Company, proper qualifications, and whom do not have prohibited characteristics under the laws and regulations of regulatory agencies for public companies, in order to take up a position of directors. The Committee will present such persons to the Board of Directors for consideration and later to the shareholders' meeting for appointment.

The rules and procedures relating to the appointment of the Company's directors at the shareholders' meeting is in accordance with the relevant articles of the Articles of Association of the Company, Section 3 Directors, Articles 13 to 15. Specifically, the Company's Board of Directors consists of no less than 5 persons. The maximum number of the Company directors is not specified. No less than half of the directors must reside in Thailand.

The appointment of directors must be conducted together at once in the shareholders' meeting. Each shareholder shall have a right to one vote per one share held and may use all of his/her votes to elect one or more persons to be directors. However, shareholders are not allowed to divide votes between candidates. The persons who have received the most number of votes will be elected to be directors, equal to the number of directors the shareholders must elect in such meeting. Where persons who were elected in the later order received the same number of votes and the number exceeds the number of directors to be elected in that shareholders' meeting, the Chairman of the meeting shall have the casting vote.

At every Annual General Meeting, one-third of the directors must retire. The director with the longest term must retire first, or if there is more than one director with the longest term, the name of the director to retire shall be drawn by lots. If this number is not a multiple of three, then the number nearest to one-third, must retire. A retiring director is eligible for re-election.

The removal of directors can only be done with the approval of the shareholders' meeting with the majority of votes of not less than three-fourth of the total votes of shareholders attending the meeting and eligible to cast the votes.

For the nomination of sub-committees and executives, the Nomination and Remuneration Committee shall nominate a list of candidates with proper qualifications to take up each position in order to present to the Company's Board of Directors for approval.

7.4 Governance over Operations of Subsidiaries and Affiliated Companies

To govern the operations of subsidiaries and affiliated companies, the Company has assigned the Company's directors as representatives to act as directors in its subsidiaries according to the shareholding ratio. This is in order to manage and be responsible for the operation of subsidiaries and affiliated companies, resulting in the optimum benefit of those subsidiaries or affiliated companies.

Apart from this, for subsidiaries, directors that have been appointed by the Company must ensure that the subsidiaries disclose its financial information, performance and transactions between the subsidiaries and its connected persons, acquisition or disposal of assets or any other transactions of the subsidiaries. The information must be complete, accurate and use the same criteria which the Company uses for the disclosure of details and undertaking of transactions with the same nature.

7.5 Monitoring the Handling of Information

According to the Company's regulation, section 3 Board of Directors, stating in the prohibition for the Board of Directors in issue 27, that the director must inform the Company once the director interferes in any transaction, gain or loss, and possesses more or less share in the Company or any related Company. As announced in issue 28, the director is prohibited to run similar business or acts as a competitor against the Company. The director is also prohibited to be a director in any private or public Company which commences the same or related business and is likely to be competitors for the Company. This point will be put into consideration only if this has been brought up in the shareholders' meeting before making an election.

The Directors of the Company and all the executives must strictly follow rules and regulations as set in the SET and SEC, concerning the preparation and disclosure the stock report. The Directors or executives must inform the Company Secretary once they sell or purchase stocks of the Company, in order to report to SET and SEC.

7.6 The Accuracy of Auditor's Remuneration Details

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016

(Audit Fee)

NO.	Company's Name	Auditor's Name	Audit fee (Baht)
1	Grand Canal Land Plc.	Ms. Waraporn Prapasirikul	1,545,000.-
2	Belle Development Co., Ltd.	Mr. Natthawut Santipet	970,000.-
3	Praram 9 Square Co., Ltd.	Mr. Natthawut Santipet	450,000.-
4	Praram 9 Square Hotel Co., Ltd.	Mr. Natthawut Santipet	70,000.-
5	Sterling Equity Co., Ltd.	Mr. Natthawut Santipet	385,000.-
6	Belle Assets Co., Ltd.	Mr. Natthawut Santipet	220,000.-
7	G Land Property Management Co., Ltd.	Mr. Natthawut Santipet	240,000.-
8	Ratchada Asset Holding Co., Ltd.	Mr. Natthawut Santipet	110,000.-
9	Gland Reit Management Co., Ltd.	Mr. Natthawut Santipet	195,000.-
Total audit fee			4,185,000.-

Non-Audit Fee

- None -

Remuneration of auditor

The Company and its subsidiaries paid the remuneration for auditing to the audit firm, in which the auditor was employed, in the years of 2016 and 2015, in the amount of Baht 4,185,000 and Baht 3,750,000 respectively.

8. Corporate Social Responsibility

The Company's Board of Directors places importance in relation to our responsibility to our community and the environment, which is considered as part of the Company's business operations. The Company imposes this policy on itself and its subsidiaries, to express its corporate social responsibility from setting our vision, objectives, strategies, operational risk assessment and business operations, such as construction process, treatment of employees, treatment of customers and contractors, etc. Moreover, the Company also monitors itself to ensure that its business operations comply with all relevant laws.

Fair Business Practices

The Company's policy is to engage in business with all stakeholders through the principle of honesty and transparency. Conducting business with customers or contractors must never be detrimental to the Company's reputation or violate any laws.

- Procurement is done through Closed Bidding and the sealed documents will only be opened by appointed committee members.
- All relevant information relating to customers or contractors will remain confidential and will not be used for the benefit of the Company or third parties.
- The Company will not infringe any form of intellectual property and encourage the Company's executives and employees to respect copyrighted products and services.
- The Company will treat its contractors in accordance with the conditions and the terms agreed upon.

Anti-corruption

The Company operates its business by adhering to justice and integrity, and places importance on anti-corruption by stating as such in the employee's code of conduct. The Company's Board of Directors also imposes the following guidelines on the internal anti-corruption as follows:

- Encourage the employees to strictly comply with rules, regulations, the Company's articles of association and relevant laws.
- Prohibit the Company's directors, executives and employees from taking any action which requests or accepts properties or any other benefits for themselves or other persons which may lead to performing or omitting to perform duties in an abusive way or may cause the Company losses of rightful benefits.
- Prohibit the Company's directors, executives and employees from giving or offering properties or any other benefits to third parties in order to persuade persons to take or omit to take any action which violates the laws or conflicts with their positions.

Respect for Human Rights

The Company supports the use of foreign labors in accordance with Thai laws, and will ensure that the treatment of those foreign labors is fair and equal in respect of safety, health and reasonable benefits.

Fair Treatment of Labors

The Company will treat its employees fairly and equally without prejudice, bias or double standard. The Company also provides decent welfares and profit to the employees and encourages them to learn and develop their own skills to be more efficient and successful.

Consumer Responsibility

The Company will conduct its business on the basis of honesty and sincerity by complying with terms and conditions under the agreements concluded with its customers. Further, the Company will supply the customers with quality products in accordance with the standards specified by laws. The Company also provides intelligible precise and fair information relating to houses or condominium to the costumers, inclusive of establishing the customer relation division to handle with the after sale services which will support and assist the customers to promptly solve any problem which may occur in houses or condominiums and will be a center to communicate with the community in order to ensure convenience and peace in the community.

Environmental Protection

The Company places importance on both sustainable development and environmental protection. Therefore, the Company not only determines layout of its projects and designs in respect of the architecture and landscape architecture in accordance with laws and regulations under relevant government agencies but also takes into account living quality of the customers and the community surrounding the projects developed by the Company, such as, provision of common spaces in the amount exceeding that specified by laws in order to increase the space for green zones, sporting area and other social activities. The Company has also planned to manage and protect any pollution caused from construction by using all anti-dust materials and control smoke, noise and contaminated chemical elements in restricted area under the law.

Furthermore, the Company annually organizes several kinds of social activities, apart from those regular business operations, which benefit the community and the environment on a regular basis. Those activities are as follows:

- 1) Religious - Holding the merit events in temples to provide foods and those other basic needs to monks and nun in various occasions i.e. New Year Festival, Song Kran Festival and other religious days.
- 2) Traditional and Cultural - Organizing the traditional events such as Loy Krathong, Song Kran, etc.
- 3) Public Contributions – GLAND contribute the activities to save the environment and construct buildings other religious places, etc.

9. Internal Controls and Risk Management

During the Company's Board of Directors' Meeting No. 3/2016 held on 13 March 2017, three members of the Audit Committee also participated in this meeting. The Board reviewed and assessed the adequacy and competency of the Company's internal control system in the five following aspects;

1. The Internal Control: the Company set up appropriate bodies to oversee the Company's operation and management. Among these bodies is the Board of Directors, which comprises of nine members, three of whom are independent directors. The Audit Committee and the Nomination and Remuneration Committee formed to assist the Board as a subcommittee with suitable qualifications as prescribed by regulatory concerns. The operations of the Company are directed under a prescribed budget and in accordance with corporate objective which periodically monitored and reviewed

2. Risk Management: Even though the Company has not formed a Risk Management Committee to administer its risk factors, the current Board of Directors, and other executives certainly realize and are fully aware of possible problems that may relate to the risk aspects, and take care to mitigate and manage them. The Board of the Company has approved and announced the Risk Management Policy in the Company and the executives often analyze, evaluate and report, to the Board of Directors, external risk factors which may effected to the Company's operations. As well as the Accounting and Finance Group work together to assist the management in assessing the corporate risk exposure and find measures to protect the Company against possible risks, such as an operational risk. In this regard, appropriate measures are prescribed to guard the Company against occurrence of any operational errors, and to lay down acceptable levels for operational risk.

3. Management Control: The Board of Directors to appoint 3 sub-committees consists of the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee. Approval procedures and authorized limits are set to control management's actions. The scope of authorization is prescribed in writing and the appropriate authority is reviewed frequently and notified to all parties concerned for compliance. Executives and officers from all levels are subject to these prescribed authorization rules. In cases whereby an excess of prescribed authorization limit, or out of scope activities is required, approval from the Board of Directors or the Executive Committee are then required. In principle, the Chief Executive Officer has operational power to make authorization decisions. The Accounting and Finance Group is in charge of bookkeeping and taking records of the transactions. The Administration Group oversees the corporate assets. Transactions undertaken with major shareholders, directors and their related parties are made in compliance with rules and regulations of SET and SEC. Including bring the Information Technology System to control the operation processes. The Company also prescribes in writing, relevant charters for the Audit Committee and Internal Audit Division which are applied to control and monitor work performed by various internal functions.

4. Information Technology & Communication: Matters presented to the Board of Directors for consideration are submitted through the Company Secretary who will issue meeting notifications and send them to the Board members, together with relevant attachments, that require the Board's perusal. The notifications and its attachments are submitted to the Board members within the time frame prescribed by law. Minutes of meetings are issued and records are kept for future review and reference. The Company applies the generally accepted accounting principles and accounting procedures which are appropriate and accountable for its business operation. Accounting records are completed and properly safeguarded. Moreover, the adequate information in concern with shareholders and investors is posted on the Company's website.

5. Follow-up System: The Company set operational objectives and report its actual performance in comparison with its targeted objectives. The Internal Audit Unit reviews the compliance of the prescribed internal controls and regularly reports its findings to the Audit Committee for further presentation to the Board of Directors for adjustment method determination within time. Moreover the Internal Audit Unit evaluated the internal controls as a plan quarterly and annually.

The review of the internal control as abovementioned, the Internal Audit Unit reported to the Audit Committee and was considered in the Audit Committee Meeting no.1/2017 on 20 February 2017 and the Audit Committee views that the Company adequately and effectively follows the prescribed guidance and assessment criteria set by SEC. In addition, it also concludes that the Company has adequate internal controls that govern transactions with its major shareholders, directors, executives, and their related parties, without further comments from the Audit Committee.

The Company's auditor, EY Office Limited, who audited the Company's 2016 financial statement also expressed opinion that there is no material imperfection in the Company's internal control system as reported on 31 December 2016.

The Company appointed Chutikarn Audit Co.,Ltd. (Formerly known as Burapha Accounting Office) which has the internal auditing service and advisory for the operation system, to be the internal auditor of the Company. Chutikarn Audit Co.,Ltd. has appoint Mr. Pravit Vongkanit, Director as Team Leader.

Educational Background / Experience / Training of Mr.Pravit WongKanit

Degree / Certificate

- Education BBA (Accounting) 2nd Class Honor, Ramkhamheang University.
- M.S. (Applied Statistics), National Institute of Development Administration.
- Graduate Diploma (Auditing), Chulalongkorn University.
- CPA of Thailand.

Experience

- 25 years working in the field of accounting and internal audit and external audit.

Training

- Certified Professional Internal Auditor of Thailand (CPIAT – 19)

In this regard, the appointment, dismissal or removal of the chief of the internal audit division is subject to the approval of the Audit Committee. The Audit Committee is of the opinion that Mr. Prawit Wongkanit, the chief of the internal audit division of the Company, has the necessary qualifications for effectively performing such duties. This is because he is an expert in internal audits and operating systems, independent, and has performed his assigned duties in an excellent manner.

Related Transactions

10. Related Transactions

Policy or Tendency to Engage in Related Transactions

The Company may need to enter into related transactions with a connected party or a party with conflicting interests, who stands to gain or lose, or with any other type of conflict. Under such circumstances, the Company shall adopt a policy in relation to related transactions as long as the Company opines that such related transactions will be of the utmost benefit to the Company, having regard to the situation at the time of the transactions. In this regard, conditions based on the general commercial conditions and market price shall be prescribed, which can be compared to the price and conditions prescribed in the case of other unrelated party or business.

The Audit Committee and the Board of Directors will work together to ensure that the related transactions are made in accordance with the law regarding the securities and exchange law, the regulations of the Stock Exchange of Thailand, and any disclosure obligations in relation to any connected transactions of the company or its subsidiaries.

Nonetheless, the Company must ensure that the Audit Committee will issue its opinion and view on the necessity and appropriateness of each transaction entered into by the Company. Such information will then be used to assist in the decision-making by the Board of Directors or Shareholders as the case may be. In an event the matter is proposed to the Shareholders' Meeting for its consideration to approve related transactions, the Company will arrange for an independent financial advisor to be appointed to prepare a report and offer opinion and view on the transactions to the Shareholders.

In this regard, the Company will disclose any of its related transactions in the Notes for financial statement verified by the Company's Auditor, the Annual Registration Statement (Form 56-1), and the Annual Report.

The Company has business transactions with its related parties, which are within the scope of normal business and general trading conditions. Details of the relationship between the Company and related companies (excluding subsidiaries and associates) are as follow:

Company	Relationship
- BBTV Equity Co., Ltd.	Co – directors / Co - shareholders
- Bangkok Broadcasting & Television Co., Ltd.	Co – directors / Co - shareholders
- Brequet Thai Co., Ltd.	Co – directors / Co - shareholders
- Charemkrit Enterprise Co., Ltd.	Co – directors / Co - shareholders
- Dhipaya Life Assurance Pcl.	Co – directors
- C.K.S Holding Co., Ltd. and Super Asset Co., Ltd.	Co – directors / Co - shareholders
- Italian - Thai Development Pcl.	Co – shareholders in subsidiary company
- BBTV Asset Management Co., Ltd.	Co – directors
- GL Assets Co., Ltd.	Co – directors
- Great Fortune Equity Co., Ltd.	Co - directors / Co-shareholders' related Company
- Grand Fortune Co., Ltd.	Co – directors / Co - shareholders
- K Group Co., Ltd.	Shareholders
- Tun Rungrueng Co., Ltd.	Co – directors
- Belle Park Residence Co., Ltd.	Co – directors / Co - shareholders
- Ms. Romani Boondicharem	Director of the Company and Director of subsidiary company
- Mr. Krit Ratanarak	Director of Shareholders
- Assoc. Prof. Prapanpong Vejajiva	Director of the Company
Subsidiary which its shares held by Praram 9 Square Ltd.	
- Praram 9 Square Hotel Co., Ltd.	Co - directors / Co - shareholders
Joint Venture which its shares held by Ratchada Asset Holding Co., Ltd.	
- Bayswater Co., Ltd.	Shareholder
Subsidiary's director by Belle Development Co.,Ltd	
- Mr. Pak To Leung	Director / Shareholder



New World Hotel Grand Rama 9

Financial Status and Operational Results

11. Summary of Important Financial Information

Financial Ratios

Grand Canal Land Public Limited Company and its subsidiaries

<u>(Liquidity Ratio)</u>	Units	2016	2015	2014 (Restated)
Liquidity Ratio	times	0.27	0.63	1.06
Quick Ratio	times	0.09	0.19	0.27
Receivable Turnover	times	16.69	13.63	7.75
Average Collection Period	day	21.57	26.41	46.46
Payable Turnover	times	0.79	1.64	2.13
Payment Period	day	159.34	219.24	169

<u>(Profitability Ratio)</u>	Units	2016	2015	2014 (Restated)
Gross Profit	%	58.56	52.21	49.03
Net Profit	%	34.22	37.14	34.88
Return on Equity : ROE	%	10.82	17.66	21.57

<u>(Efficiency Ratio)</u>	Units	2016	2015	2014 (Restated)
Return on Asset : ROA	%	4.84	8.69	10.62
Return on Fixed Asset	%	6.78	12.26	15.50
Total Asset Turnover Ratio	times	0.14	0.23	0.30

<u>(Financial Policy Ratio)</u>	Units	2016	2015	2014 (Restated)
Debt to Equity Ratio	times	1.33	1.14	0.92
Interest Bearing Debts to Equity Ratio	times	1.06	0.91	0.61

Data per share and growth rate

Data per Share	Units	2016	2015	2014 (Restated)
Book value per share	Baht	1.81	1.82	1.69
Earning per share	Baht	0.189	0.304	0.324
Dividend per share (Baht)	Baht	(Waiting for approval)*	0.25	0.07

Growth Rate	Units	2016	2015	2014 (Restated)
Total Assets	%	7.52	24.27	14.15
Total Liabilities	%	15.25	37.43	(2.43)
Revenues	%	(32.84)	(9.98)	65.84
Operating Expense	%	(6.03)	(18.31)	32.98
Net Profit	%	(35.66)	(1.45)	278.44

12. Analysis of Operating Results and Financial Status

12.1 Overview

(a) Operating Results

In 2016, the Company and its subsidiaries obtained net profit of Baht 1,112.21 million, decreased from the previous year by Baht 620.17 million due to the account policy of the Company whereby the Company adopts a fair value estimation as a method of estimation of investment properties, given that the Company has to estimate such properties on an annual basis. For the year 2016, the Company still earned profit of Baht 700.59 million from a fair value estimation lower than the year 2015 where the Company gained profit from a fair value estimation of Baht 1,139.69 million, equivalent to a decrease by Baht 439.10 million.

The Company still received higher revenues from rental and services on a continuous basis. In 2016, the Company received revenues from rental and services of Baht 965.23 million, increased by Baht 175.50 million from the previous year due to the commencing of renting increased areas in the office building i.e. G Tower - the third office building among of the buildings which the Company has started renting for the three consecutive years. In the year 2015 and the year 2016, the Company rented the 9th Tower and the Unilever House, respectively.

The Company earned revenues from the sale of real estates in the year 2016 lower than the previous year by Baht 1,473.52 million due to a decline in the transfer of condominium units.

(b) Industrial Situation Affecting Operating Results

Due to the fact that there is a relatively high demand of the office building areas in the central business district of Bangkok, together with the fact that the rental rate and the price of real estates are relatively high compared with the outer areas in proximity to the central business district, it is obvious to see constructions of the office buildings in such outer areas on an upward trend. In addition, Rama 9 and Ratchadapisek are recently a potential area. This is because the location allows convenient access to the areas around the central business district and inside areas within the central business district through public transportation such as the Mass Rapid Transit (MRT) with only two stations far from Asoke which is connected to the Bangkok Mass Transit System (BTS).

Furthermore, the office buildings for rent of the Company i.e. the 9th Tower, the Unilever House, and the G Tower are now fully rented; thus, there is no problem in terms of a marketing aspect.

(c) Auditors' Notes

With reference to the fact that Bayswater Co., Ltd. (associated company), was a winning bidder and entitled to buy the lands of bankrupt debtors through the sale by auction, the bankrupt debtors submitted a petition to the competent court to order a revocation on such sale of lands by auction. The Central Bankruptcy Court has already ordered to dismiss such petition of the bankrupt debtors and the case is now in consideration of the Supreme Court with prediction that the case outcomes would not cause any damages on a material basis.

12.2 Operating Results and Profitability

(a) revenue structure

	2016		2015		increase/(decrease)	
	million Baht	%	million Baht	%	million Baht	%
Revenues from the sale of condominium units	1,689.00	46.87%	3,162.52	61.29%	(1,473.52)	(46.59%)
Revenues from rental and services	965.23	26.79%	789.73	15.30%	175.50	22.22%
Profits from the fair value adjustment	700.59	19.44%	1,139.69	22.09%	(439.10)	(38.53%)
Other revenues	248.77	6.90%	68.13	1.32%	180.64	265.14%
Total Revenues	3,603.59	100.00%	5,160.08	100.00%	(1,556.49)	(30.16%)

Revenues from the sale of condominium units

In 2016, the Company received revenues from the transfer of 192 condominium units, lower than the previous year where there were revenues of Baht 1,689.00 million from the transfer of 432 condominium units. Compared with the year 2015, the Company suffered a decrease in revenues from Baht 3,162.52 million by 46.59 percent.

Revenues from rental and services

In 2016, the Company received revenues from rental and services, totaling Baht 965.23 million, increased by 22.22 percent from revenues of Baht 789.73 million in 2015. Such increased revenues came from the rent of certain areas in the G Tower from the third quarter of 2016.

Profits from the fair value adjustment

In 2016, the Company still earned profits from the fair value adjustment of Baht 700.59 million, decreased by 38.53 percent in comparison with the profits of Baht 1,139.69 million in 2015.

Other revenues

In 2015, the Company received an increase of other revenues of Baht 180.64 million from an increase of interest incomes of Baht 192.96 million resulting from the fact that the Company provided the loan to Bayswater Co., Ltd. for purpose of purchasing lands for development.

(b) Gross Profit

In 2016, the Company earned gross profit of Baht 1,554.42 million, equivalent to gross profit margin of 58.56 percent. This increases from the previous year during which gross profit margin was 52.21 percent resulting from a considerable increase in the price of condominium units. This causes an increase in gross profit margin from 49.94 percent in 2015 to 57.25 percent in 2016. For gross profit margin of rental and services, it suffered a slight decrease due to the fact that the G tower commenced operating the office for rent only in some areas.

(c) Expenses

In 2016, the Company had expenses from sales of Baht 139.07 million, lower by Baht 47.25 million compared with the year 2015 due to a decreased transfer of condominium units. The administrative expenses were Baht 244.47 million, decreased by Baht 10.69 million on account of an effective administration.

(d) Net Profit

In 2016, the Company earned net profit (shareholder's equity) of Baht 1,112.21 million, lower than net profit of Baht 1,732.39 million in 2015.

(e) Change in Financial Status

1) Assets

In 2016, the Company and its subsidiaries had current assets of Baht 2,051.21 million, lower than those of Baht 3,061.70 million in the previous year, resulting from the fact that condominium unit having value of Baht 719.14 million was transferred to cost of sales. This therefore results in a decrease in project development cost (inventories).

The non-current assets in 2016 were Baht 24,346.66 million, higher than those in the previous year by Baht 2,857.33 million. Main causes of the increase came from:

- investing in investment properties (office buildings and retail spaces) Baht 2,001.29 million; and
- fair value estimation causing an increase in non-current assets Baht 700.59 million.

2) Liabilities

The Company suffered current liabilities of Baht 15,075.82 million, higher than those of Baht 1,995.27 million in the previous year, resulting from the fact that the Company issued the debentures having value of Baht 1,050 million and obtained increased loans from the banks in order for constructions of office buildings and retail spaces.

3) Shareholder's equity

In 2016, the Company had shareholders' equity (only equity attribute to owners of the Company) of Baht 10,677.60 million, lower than those in the previous year by Baht 28.98 million. Main causes of the decrease come from:

- capital increase from the exercised warrants Baht 34.41 million;
- dividends payment Baht (1,174.89) million; and
- net profit during the period Baht 1,112.21 million.

4) Summary

The Company suffered increased liabilities the issuance of debentures having value of Baht 1,050 million and obtained increased loans of Baht 2,001.29 million from the banks in order for constructions of office buildings and retail spaces. The Company experienced net profit of Baht 1,112.21 million and had a dividend payment of Baht 1,1174.89 million, causing an increase in Debt to Equity Ratio from 1.14 times to 1.33 times and in Interest Bearing Debts to Equity Ratio from 0.91 times to 1.06 times.

12.3 Capability of Asset Management

The Company's inventories or project development cost as of the end of the year 2015, totaling Baht 1,1917.01 Baht (lower than those of Baht 1,916.15 million in the previous year), consist of:

- lands and construction under development Baht 772.41 million; and
- lands and construction developed Baht 424.60 million.

The lands and construction under development are mainly condominium units in the Grand Rama 9 Project; the selling price of which is approximately Baht 100,000 per square meter. Over the past years, the condominium units in the Grand Rama 9 Project have been sold at the increasingly high price on a continuous basis. This indicates the high demand of consumers, the good condition thereof, the popularity.

12.4 Liquidity and Capital Adequacy

(units : million Baht)

Cash Flow Statement	2016	2015
Cash flows from (used in) operating activities	1,400.84	2,220.64
Cash flows from (used in) investing activities	(1,978.47)	(5,227.49)
Cash flows from (used in) financing activities	239.71	2,686.30
Cash and cash equivalents on 31 December	372.07	709.99

In 2016 and 2015, the Company's cash and cash equivalent at the end of the year were Baht 372.07 million and Baht 709.99 million, respectively.

- The Company's net cash flows from operating activities in 2016 and 2015 were Baht 1,400.84 million and Baht 2,220.64 million, respectively, from the sales of condominium units and, rental and services of office buildings.
- Net cash used in investing activities in 2016 was used as investments in constructions of office buildings and retail spaces at the amount of Baht 2,001.29 million. In 2015, the Company provided loans to its related company at the amount of Baht 3,902.95 million and invested in constructions of office buildings and retail spaces at the amount of Baht 1,296.61 million.
- Net cash from financing activities in 2016 came from the issuance of debentures, the bills of exchange, and the loans obtained from financial institutions as well as the dividends payment. In 2015, it came mainly from the issuance of debentures at the amount of Baht 2,850 million and additional loans obtained from the banks of Baht 1,222 million.

Over the past years, the Company's liquidity has been in good standard as the Company was able to repay loans to the banks, the bills of exchange, and the debentures on time for every instalment, with no outstanding debt, and was able to fully comply with the conditions of such loans, regardless of Debt to Equity Ratio, Interest Baring Debts to Equity Ratio, or Debt Service Coverage Ratio.

12.5 Contingent Liabilities and Off-Balance Sheet Arrangements

The contingent liabilities and off-balance sheet arrangements have been shown in the item no. 34 of notes to the financial statements for the year 2016, which has been verified by the auditor.

12.6 Factors which may affect Operation or Financial Status in the Future

12.6.1 The Company provided loans to its related company at the amount of Baht 4,171 million for purpose of purchasing lands for project development – currently, such development is in process of study for an appropriate pathway.

12.6.2 The Company and its subsidiaries are in process of renting office areas, meeting rooms parking areas, and project systems of the 9th Towers Grand Rama 9 Project and the Unilever House Grand Rama 9 Project for the period of 30 years, and 17 years and 7 months, respectively to "GLAND Office Leasehold Real Estate Investment Trust (GLANDRT)" (which is in process of filing for approval from the SEC) at the amount of Baht 5,200 – 5,998 million.



Belle Sky

Audit Committee Report

To Shareholders of Grand Canal Land Public Company Limited

The Audit Committee consists of three independent directors who are freed and authorized by The Board of Directors according to the rules and regulations of The Securities and Exchange Commission and The Stock Exchange of Thailand.

In 2016, the Audit Committee held total of 5 meetings, 3 Audit Committees members attended 5 meeting, together with internal auditor and auditor joined in related matters. Therefore, there was one special agenda with auditor without the Company's managements attended the meeting. The Audit Committee regularly reported to the Board of Directors which can be summarized as follow:

1. Reviewed the quarterly and annual financial statements and notes to the financial statements of the Company to accurately and completely in accordance with the accounting standards.
2. Reviewed and approved annual internal audit plan and, thus, monitored internal audit results and improvement of the Management in according to the Internal Auditor and Auditor's recommendations in order to achieve targeted plan.
3. Reviewed the Company to follow rules, regulation and laws related to listed company. The Audit Committee considered that there was no important issue regarding to this matter.
4. Considered and recommended Ms. Waraporn Prapasirikul CPA License # 4579 or Ms. Siraporn Ouanunkun CPA License # 3844 or Mr. Supachai Phanyawattano CPA License # 3930 of EY Office Limited (Formerly known as Ernst & Young Office Limited) to be the Company's auditor in 2016 including the appropriated audit fee which had been approved in the Annual General Meeting of Shareholders.
5. Reviewed the connected transactions or conflict-of-interest transactions to operate reasonably in accordance with normal business practice and complied with related rules, regulations and laws, and also disclosed accurate, sufficient and transparent information.
6. Considered, selected and approved Chutikam Audit Co.,Ltd., by Mr. Pravut Vongkanit, Director as Team Leader, to be the Company's Internal Auditor in 2015 and proposed pros and cons between hiring outsource and in-house to be Internal Auditor to the Board of Directors.
7. Reviewed and monitored the adequacy, sufficiency and appropriation of the internal control system.

The Audit Committee considered that the Company has an accurate and adequate financial statement. Also its operations were complied with rules and regulations of The Securities and Exchange Commission and The Stock Exchange of Thailand. Meanwhile, with the existing operation manual and internal control system leaded to adequate, reliable and transparent disclosed financial information.



(Mr. Nipon Visityuthasart)
Chairman of Audit Committee
20 February 2017



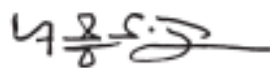
Condominium Donmuang

Responsibility of the Board of Directors for Financial Reporting

Responsibility of the Board of Directors for Financial Reporting

The Board of Directors is responsible for the Company's financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards and practices under appropriate accounting policies applied on a consistent basis following the principles of prudence and impartiality. All important financial information about the Company has been sufficiently disclosed in the notes to the financial statements.

In this regard, the Board of Directors has appointed an Audit Committee, consisting of three independent members, to be responsible for the quality of the Company's financial reporting and internal control mechanisms. The opinion of the Audit Committee with regard to these matters appears in the Audit Committee Report contained in the annual report.



(Mr. Yotin Boondicharem)

Authorized Director



(Assoc. Prof. Prapanpong Vejajiva)

Authorized Director

The Accuracy of Auditor's Remuneration Details

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016

(Audit Fee)

NO.	Company's Name	Auditor's Name	Audit fee (Baht)
1	Grand Canal Land Plc.	Ms. Waraporn Prapasirikul	1,545,000.-
2	Belle Development Co., Ltd.	Mr. Natthawut Santipet	970,000.-
3	Praram 9 Square Co., Ltd.	Mr. Natthawut Santipet	450,000.-
4	Praram 9 Square Hotel Co., Ltd.	Mr. Natthawut Santipet	70,000.-
5	Sterling Equity Co., Ltd.	Mr. Natthawut Santipet	385,000.-
6	Belle Assets Co., Ltd.	Mr. Natthawut Santipet	220,000.-
7	G Land Property Management Co., Ltd.	Mr. Natthawut Santipet	240,000.-
8	Ratchada Asset Holding Co., Ltd.	Mr. Natthawut Santipet	110,000.-
9	Gland Reit Management Co., Ltd.	Mr. Natthawut Santipet	195,000.-
Total audit fee			4,185,000.-

Non-Audit Fee

- None -

The foregoing information

☒ is complete and accurate, and I certify that to the best of my knowledge there is no other remuneration paid by the Company to me and related persons and to the Company I work for and its related persons.

☐ is not complete and not accurate in respect of

After making any necessary adjustments to the information contained in this form, I hereby certify that such information presents complete and accurate details of all Audit Fees and Non-Audit Fees paid by the Company to me and the audit firm that I work for.

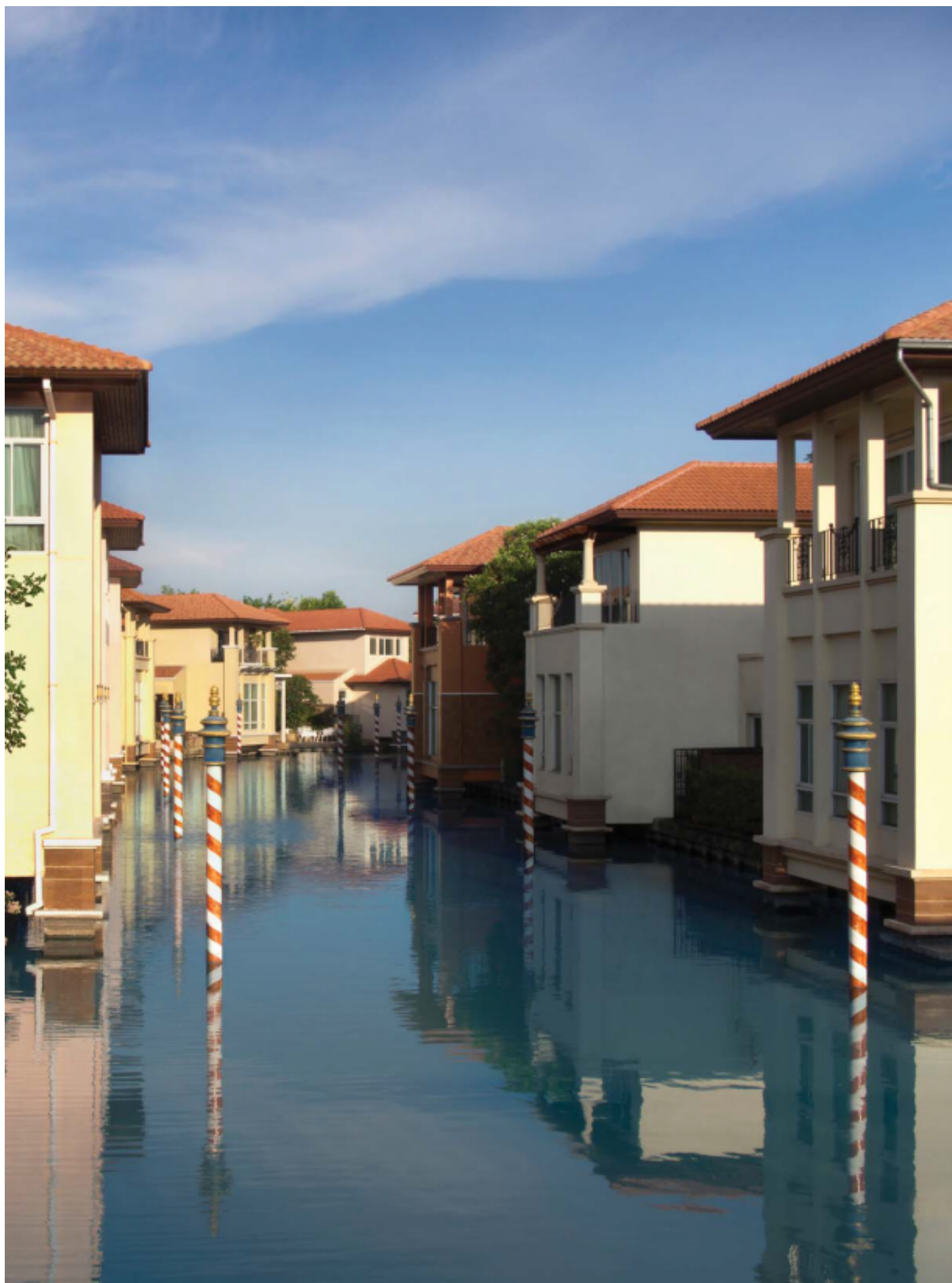


(Ms. Waraporn Prapasirikul) (Mr. Natthawut Santipet)

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Auditor of Grand Canal Land Public Co., Ltd.



Grand Canal Donmuang

Independent Auditor's Report

To the Shareholders of Grand Canal Land Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Grand Canal Land Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Grand Canal Land Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Canal Land Public Company Limited and its subsidiaries and of Grand Canal Land Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 34.5 a) to the financial statements regarding litigation, whereby a debtor under a bankruptcy case filed a petition with the Central Bankruptcy Court relating to the land that a joint venture purchased through an auction. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

The valuation of investment properties

As mentioned in Note 5 and 15 to the financial statements, the Group presented investment properties at the fair value estimated by independent appraisers, and recognised changes in the fair value in profit or loss. As at 31 December 2016, the Company presented investment properties amounting to Baht 19,355 million and Baht 9,236 million in the consolidated statement of financial position and the separate statement of financial position, respectively. In addition, in 2016 the Company recognised gain from changes in the fair value of investment properties amounting to Baht 701 million and Baht 403 million in the consolidated statements of comprehensive income and the separate statement of comprehensive income, respectively. The fair value assessments mentioned above are transactions which were calculated under the assumptions and judgment of both the management and the independent appraisers, and significantly affected the financial statements overall.

I assessed the reliability of the independent appraisers in conformity with related Thai Standard on Auditing (TSA). I read the fair value assessment report of the independent appraisers, evaluated the valuation approach, the cash flow projections and the assumptions used by the independent appraisers to calculate the fair value and performed analytical procedures on related data. In addition, I tested the fair value calculation and reviewed the disclosures made in notes to the financial statements.

Compliance with covenants stipulated in loan and debenture agreements

As at 31 December 2016, the consolidated statement of financial position and the separate statement of financial position presented long-term loans and debentures as part of non-current liabilities totaling Baht 6,146 million and Baht 2,797 million, respectively. In classifying the current portion of long-term loans and debentures and the portion presented as non-current liabilities, the management needed to exercise judgment in evaluating whether the Group could comply with the covenants and conditions stipulated in loan agreements and the conditions regarding the rights and obligations of the debenture issuer, and to classify long-term loans and debentures as current liabilities and non-current liabilities in accordance with the terms and covenants stipulated in the loan agreements, as well as the conditions regarding the rights and obligations of the debenture issuer, as mentioned in Note 21 and 22 to the financial statements.

I read the loan agreements and the conditions regarding the rights and obligations of the debenture issuer, inquired and confirmed with the management, recalculated the financial ratio and examined related documents to assess whether the Group complied with the covenants and conditions stipulated in the loan agreements and the conditions regarding the rights and obligations of the debenture issuer. In addition, I reviewed the disclosures made in notes to the financial statements.

Revenue recognition from sales of real estate

In 2016, the Group recognised revenues from sales of real estate amounting to Baht 1,689 million in the consolidated statements of comprehensive income. As these transactions were significant, I focused my audit on the completeness and the correctness of revenue recognition in accordance with the Group's policy, as stated in Note 4.1 to the financial statements.

On a sampling basis, I selected revenue transactions to examine sales contracts, documents supporting sale transactions and ownership transfers in order to assess whether the revenue recognition complied with the terms stipulated in the sales contracts and was in accordance with the revenue recognition policy of the Group. I also examined possible irregularities in sales transactions throughout the accounting period, particularly accounting entries made through journal vouchers.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Waraporn Prapasirikul.



Waraporn Prapasirikul

Certified Public Accountant (Thailand) No. 4579

EY Office Limited

Bangkok 24 February 2017





Grand Canal Land Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Assets					
Current assets					
Cash and cash equivalents	7	372,072,916	709,993,741	104,230,583	180,445,379
Current investments	8	40,540,280	41,428,892	40,540,280	41,428,892
Trade and other receivables	6, 9	280,714,194	164,275,216	167,711,544	232,435,496
Short-term loans to related parties	6	-	-	2,998,000,000	948,000,000
Project development costs	10	1,197,011,394	1,916,151,419	621,255,547	616,579,041
Advance payment to contractors	6	60,706,941	164,257,711	4,599,379	10,969,210
Other current assets		100,160,968	65,626,503	7,281,089	7,229,306
Total current assets		2,051,206,693	3,061,733,482	3,943,618,422	2,037,087,324
Non-current assets					
Restricted bank deposits	11	91,290,789	121,410,959	1,020,910	1,020,910
Long-term loan to related parties	6	4,106,424,108	3,902,948,383	4,171,000,000	3,935,835,129
Investments in subsidiaries	12	-	-	4,717,374,495	4,701,374,535
Investment in joint venture	13	-	-	-	4,999,900
Other long-term investments	14	104,520,000	104,520,000	-	-
Investment properties	15	19,354,999,478	16,561,036,371	9,236,276,278	8,762,499,634
Property, plant and equipment	16	479,241,159	503,588,687	47,652,087	57,735,288
Land leasehold right from related parties	17	123,190,483	132,061,653	-	-
Deferred tax assets	28	45,827,127	119,138,955	-	-
Intangible assets	18	2,267,720	4,119,953	1,671,996	3,567,281
Other non-current assets		38,900,810	40,482,640	5,438,487	4,912,305
Total non-current assets		24,346,681,674	21,489,327,601	18,180,434,251	17,471,944,982
Total assets		26,397,888,367	24,551,061,083	22,124,052,673	19,509,032,306

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note	31 December 2016	31 December 2015	31 December 2016	31 December 2015	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	1,000,000,000	1,400,000,000	1,000,000,000	300,000,000
Bill of exchange		1,847,892,863	1,483,700,268	1,847,892,863	1,483,700,268
Trade and other payables	6, 20	1,381,550,280	1,085,451,055	375,601,830	347,719,608
Retention payable	6	267,678,900	233,791,350	37,056,498	37,261,556
Short-term loans from related party	6	-	-	1,300,000,000	1,100,000,000
Current portion of long-term loans					
from financial institutions	21	565,000,000	290,000,000	355,000,000	140,000,000
Current portion of debentures	22	2,497,730,128	99,741,198	2,497,730,128	99,741,198
Deposits and advance received					
from customers		4,485,831	132,977,547	-	-
Corporate income tax payable		59,532,715	89,916,778	-	7,199,438
Other current liabilities		32,575,358	27,742,530	13,346,741	21,515,046
Total current liabilities		7,636,246,075	4,843,320,724	7,426,428,060	3,537,137,110
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	21	4,748,482,200	4,413,482,200	1,399,155,900	1,754,155,900
Debentures - net of current portion	22	1,397,444,482	2,743,402,232	1,397,444,482	2,743,402,232
Provision for long-term employee benefits	23	11,957,125	7,915,003	10,446,640	6,950,571
Deferred tax liabilities	28	727,905,978	615,396,638	572,511,324	469,336,558
Other non-current liabilities					
Rental and service retention	6	257,396,826	159,263,499	111,447,147	104,428,020
Advance service income	6	293,863,287	294,955,917	215,491,201	221,318,251
Others		2,528,692	2,618,692	2,528,692	2,618,692
Total non-current liabilities		7,439,578,590	8,237,234,181	3,709,025,366	5,302,410,224
Total liabilities		15,075,824,665	13,080,554,905	11,135,453,446	8,839,547,334

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Shareholders' equity					
Share capital					
Registered					
		6,535,484,202	6,535,484,202	6,535,484,202	6,535,484,202
Issued and fully paid					
		5,908,928,627	5,874,518,879	5,908,928,627	5,874,518,879
		(2015: 5,874,518,879 ordinary shares of Baht 1 each)			
	24	5,908,928,627	5,874,518,879	5,908,928,627	5,874,518,879
	24	1,532,320,430	1,532,320,430	1,532,320,430	1,532,320,430
Adjustment to present assets purchased under common control at book value					
	24	(423,185,000)	(423,185,000)	-	-
Adjustment of equity interests under reverse acquisition					
	24	(129,336,263)	(129,336,263)	-	-
Total equity interests		6,886,727,794	6,854,318,046	7,441,249,057	7,408,839,309
Retained earnings					
	26	459,000,000	339,300,000	322,100,000	249,000,000
		3,354,388,585	3,536,748,098	3,224,817,946	3,012,502,549
Other components of shareholders' equity		(24,485,227)	(23,784,337)	432,224	1,143,114
Equity attributable to owners of the Company		10,677,601,152	10,706,581,807	10,968,599,227	10,669,484,972
Non-controlling interests of the subsidiaries		644,442,550	763,924,371	-	-
Total shareholders' equity		11,322,043,702	11,470,506,178	10,968,599,227	10,669,484,972
Total liabilities and shareholders' equity		26,397,868,367	24,551,061,083	22,124,052,873	19,509,032,306
		-	-	-	-

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

Directors

Grand Canal Land Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit or loss:					
Revenues					
Revenues from sales of real estate		1,689,002,327	3,162,523,722	-	-
Rental and service income	27	965,226,169	789,730,624	711,670,485	886,649,053
Gain on changes in fair value of investment properties	15	700,587,133	1,139,692,129	403,171,687	914,311,547
Dividend income	12	-	-	936,246,831	1,330,456,023
Interest income		237,344,577	44,407,707	342,578,422	130,778,993
Other income		11,429,619	23,722,437	6,106,856	11,952,836
Total revenues		3,603,589,825	5,160,076,619	2,399,774,281	3,274,148,452
Expenses					
Cost of sales of real estate		722,094,637	1,583,273,931	-	-
Cost of rent and services		377,715,783	305,344,892	267,633,530	253,184,137
Selling expenses		139,068,565	186,313,407	10,338,799	13,420,697
Administrative expenses		244,470,187	255,164,213	96,527,358	122,438,047
Total expenses		1,483,349,172	2,330,096,443	374,499,687	389,042,881
Profit before share of loss from investment in joint venture, finance cost and income tax expenses		2,120,240,653	2,829,980,176	2,025,274,594	2,885,105,571
Share of loss from investment in joint venture	13	(33,003,297)	(37,886,646)	-	-
Profit before finance cost and income tax expenses		2,087,237,356	2,792,093,530	2,025,274,594	2,885,105,571
Finance cost		(494,916,640)	(326,339,823)	(432,248,118)	(267,995,846)
Profit before income tax expenses		1,592,320,716	2,465,753,707	1,593,026,476	2,617,109,725
Income tax expenses	28	(359,206,664)	(549,312,909)	(132,717,783)	(259,219,932)
Profit for the year		1,233,114,052	1,916,440,798	1,460,308,693	2,357,889,793
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale investments - net of income tax		(710,890)	455,618	(710,890)	455,618
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain - net of income tax		-	1,402,764	-	1,402,764
Other comprehensive income for the year		(710,890)	1,858,382	(710,890)	1,858,382
Total comprehensive income for the year		1,232,403,162	1,918,299,180	1,459,597,803	2,359,748,175

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		1,112,213,783	1,732,380,144	1,460,308,693	2,357,889,793
Non-controlling interests of the subsidiaries		120,900,269	184,060,654		
		<u>1,233,114,052</u>	<u>1,916,440,798</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,111,502,893	1,734,238,526	1,459,597,803	2,359,748,175
Non-controlling interests of the subsidiaries		120,900,269	184,060,654		
		<u>1,232,403,162</u>	<u>1,918,299,180</u>		
Earnings per share					
	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.189</u>	<u>0.304</u>	<u>0.248</u>	<u>0.414</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.177</u>	<u>0.288</u>	<u>0.233</u>	<u>0.392</u>

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

Grand Canal Land Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity (continued)
 For the year ended 31 December 2016

	Separate financial statements					(Unit: Baht)
				Other components of shareholders' equity		
	Issued and fully paid share capital	Share premium	Retained earnings	Gain (loss) on change in value of available-for-sale investments	Total shareholders' equity	
			Appropriated			
			Unappropriated			
Balance as at 1 January 2015						
Profit for the year						
Other comprehensive income for the year						
Total comprehensive income for the year						
Increase share capital (Note 24)						
Dividend paid (Note 32)						
Unappropriated retained earnings transferred to statutory reserve						
Balance as at 31 December 2015						
Balance as at 1 January 2016						
Profit for the year						
Other comprehensive income for the year						
Total comprehensive income for the year						
Increase share capital (Note 24)						
Dividend paid (Note 32)						
Unappropriated retained earnings transferred to statutory reserve						
Balance as at 31 December 2016						

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

Grand Canal Land Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	1,592,320,716	2,465,753,707	1,593,026,476	2,617,109,725
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	18,000,609	21,771,389	8,170,005	10,875,876
Allowance for doubtful accounts	10,943,213	5,655,926	479,535	5,655,926
Gain on sales of property, plant and equipment	-	-	(138,254)	-
Loss on write off of property, plant and equipment	273,959	-	-	-
Gain on sales of investment properties	-	-	-	(4,650,493)
Gain from changes in fair value of investment properties	(700,587,133)	(1,139,692,129)	(403,171,687)	(914,311,547)
Amortisation of land leasehold right	2,160,692	-	-	-
Provision for long-term employee benefits	4,042,122	2,997,417	3,496,069	2,032,985
Realisation of advance service income	(4,237,542)	(3,451,197)	-	-
Amortisation of deferred debenture issuing costs	5,533,296	1,934,215	5,533,296	1,934,215
Share of loss from investment in joint venture	33,003,297	37,886,646	-	-
Dividend income	-	-	(936,246,831)	(1,330,458,023)
Interest income	(237,344,577)	(44,407,707)	(342,578,422)	(130,778,993)
Interest expenses	489,213,939	323,626,055	426,545,418	265,282,078
Profit from operating activities before changes in operating assets and liabilities	1,213,322,591	1,672,074,322	355,115,605	522,693,549
Operating assets decrease (increase)				
Trade and other receivables	(130,028,693)	(34,548,289)	114,336,644	87,765,973
Project development costs	719,140,025	1,427,322,158	(4,676,506)	(3,420,074)
Advance payment to contractors	103,550,770	(75,170,362)	6,369,831	(9,901,242)
Other current assets	(24,358,686)	(20,776,188)	2,605,947	(1,509,368)
Other non-current assets	1,581,830	11,759,093	(526,182)	117,000
Operating liabilities increase (decrease)				
Trade and other payables	267,771,874	10,436,005	15,052,234	31,155,756
Retention payable	33,887,550	(96,612,891)	(205,058)	(53,191,264)
Deposits and advance received from customers	(126,491,716)	(80,509,893)	-	-
Other current liabilities	4,832,828	(13,299,370)	(8,168,305)	(8,169,374)
Other non-current liabilities	100,988,239	45,470,388	902,077	(8,602,154)
Cash flows from operating activities	2,162,196,612	2,843,944,973	480,806,287	558,938,802
Cash paid for interest expenses	(550,018,915)	(343,640,089)	(413,796,104)	(234,150,116)
Proceed from refund of corporate income tax	2,824,926	-	2,824,926	-
Cash paid for corporate income tax	(214,158,756)	(279,460,721)	(42,047,389)	(44,755,555)
Net cash flows from operating activities	1,400,843,867	2,220,644,163	27,787,720	280,033,131

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

Grand Canal Land Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	30,120,170	(2,051,148)	-	36,923,092
Decrease (increase) in short-term loans to related parties	-	-	(2,050,000,000)	556,000,000
Increase in long-term loan to related parties	(269,700,000)	(3,901,300,000)	(269,700,000)	(3,901,300,000)
Interest received	270,778,271	9,834,338	327,021,324	96,280,068
Dividend received	-	-	936,246,831	1,330,456,023
Cash payment for investments in subsidiaries	-	-	(15,999,950)	(1,514,999,900)
Proceed from sales of investment in joint venture	-	-	4,999,900	-
Acquisition of property, plant and equipment	(8,043,019)	(35,170,202)	(6,431,945)	(17,664,996)
Proceed from sales of property, plant and equipment	-	-	1,520,789	-
Increase in investment properties	(2,001,285,781)	(1,296,607,158)	(61,839,412)	(105,641,880)
Proceed from sales of investment properties	-	1,030,878	-	5,967,473
Increase in intangible assets	(339,842)	(1,224,779)	(107,652)	(909,508)
Net cash flows used in investing activities	(1,976,470,201)	(5,227,486,271)	(1,134,090,115)	(3,514,889,828)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(400,000,000)	1,400,000,000	700,000,000	300,000,000
Increase (decrease) in bill of exchange	363,992,597	(178,753,195)	363,992,597	(178,753,195)
Increase (decrease) in short-term loans from related parties	-	(866,097,530)	200,000,000	900,000,000
Increase in long-term loans from financial institutions	850,000,000	832,000,000	-	-
Repayment of long-term loans from financial institutions	(240,000,000)	(665,000,000)	(140,000,000)	(605,000,000)
Proceed from issuance of debentures	1,146,497,884	2,841,209,215	1,146,497,884	2,841,209,215
Repayment of debentures	(100,000,000)	-	(100,000,000)	-
Proceed from increase in share capital	34,409,768	345,303,275	34,409,748	345,303,175
Dividend paid	(1,174,812,630)	(680,764,755)	(1,174,812,630)	(680,764,755)
Dividend paid by subsidiary to non-controlling interests	(240,382,110)	(341,595,630)	-	-
Net cash flows from financing activities	239,705,509	2,686,301,380	1,030,087,599	2,921,994,440
Net decrease in cash and cash equivalents	(337,920,825)	(320,542,728)	(76,214,796)	(312,862,057)
Cash and cash equivalents at beginning of the year	709,993,741	1,030,536,469	180,445,379	493,307,436
Cash and cash equivalents at end of the year	372,072,916	709,993,741	104,230,583	180,445,379
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions				
Amounts due from related party increased due to				
sales of investment properties	-	-	-	25,939,632
Transfer property, plant and equipment to investment properties	16,308,054	-	8,965,543	-
Transfer investment properties to property, plant and equipment	-	350,503,051	-	-

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

Grand Canal Land Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

Grand Canal Land Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. The registered office of the Company is at 33/4 Rama 9 Road, Huaykwang, Huaykwang, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) In 2009, Grand Canal Land Public Company Limited issued new ordinary shares to the existing shareholders of Grand Canal Co., Ltd., Belle Development Ltd. and Praram 9 Square Ltd., and transferred the entire business of Grand Canal Co., Ltd. to combine with the business of Grand Canal Land Public Company Limited. This business combination is treated as a reverse acquisition.

These consolidated financial statements are prepared for a reverse acquisition, for which Grand Canal Land Public Company Limited is the legal parent company (accounting acquiree) and Belle Development Ltd. and Praram 9 Square Ltd. are the legal subsidiaries (accounting acquirers). In addition, these consolidated financial statements include the financial statements of the following subsidiary companies of the legal parent company and the legal subsidiaries, which are incorporated in Thailand:

Company's name	Nature of business	Percentage of shareholding	
		2016	2015
		Percent	Percent
Owned by the Company			
Sterling Equity Co., Ltd.	Property development	100.00	100.00
Belle Assets Co., Ltd.	Property development	100.00	100.00
G Land Property Management Co., Ltd.	Property development	100.00	100.00
Ratchada Asset Holding Co., Ltd.	Holding company	100.00	-
GLAND REIT Management Co., Ltd.	Manager of the Real Estate Investment Trust	100.00	-
Owned by Praram 9 Square Ltd.			
Praram 9 Square Hotel Ltd.	Hotel business	99.99	99.99

- b) The consolidated financial statements as at the date of the reverse acquisition were prepared as follows:
1. The assets and liabilities of the legal subsidiaries are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts.
 2. Deficit and the outstanding balance of other equities in the consolidated financial statements are recognised at the last amounts of deficit and outstanding balance of other equities of the legal subsidiaries before the business combination.
 3. Equity interests, as presented in the consolidated financial statements, represent the sum of the issued equity interests of the legal subsidiaries (accounting acquirers) outstanding before the business combination and the cost of the business combination (Note 24.2).
- c) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- d) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the shares of profit or loss and net assets of the subsidiaries that do not belong to the group of the Company (including the shares of shareholders of the legal subsidiaries that do not exchange their equity interests with the legal parent company under the reverse acquisition) and are presented separately in consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the current year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of houses and residential condominium units

Revenues from sales of houses and residential condominium units are recognised as revenues when significant risks and rewards are transferred to the buyer.

Project management fee, selling management fee and other service income

Project management fee, selling management fee and other service income are recognised when services have been rendered taking into account the stage of completion.

Rental and related service income

Rental income is recognised on a straight-line basis over the lease term, and related service income is recognised on an accrual basis.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of houses and residential condominium units sold

In determining the cost of houses and residential condominium units sold, the anticipated total development costs (after recognising the costs incurred to date) are attributed to units already sold on the basis of the salable area and then recognised as costs in profit or loss.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.5 Project development costs

Project development costs are valued at the lower of cost and net realisable value.

Project development costs consist of the costs of land, land development, construction, land lease and related interest.

4.6 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment/ Depreciation

Land is stated at cost. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives

Buildings	-	20 years
Swimming pools	-	10 - 20 years
Other equipment	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Intangible assets and amortisation

Intangible assets (computer software) are carried at cost less accumulated amortisation and accumulated impairment losses (if any). They are amortised over a period of 5 years.

4.11 Leasehold rights and amortisation

Leasehold right is stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the leasehold period.

Amortisation is included in determining income and is capitalised as part of project costs for leasehold rights of project under development.

4.12 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company's and its subsidiaries' operations.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by independent appraisers, and recognise changes in the fair value in profit or loss. The independent appraisers valued the investment properties, which are land for rent and land awaiting development, using the market approach, while valued the investment properties, which are office rental projects and units for rent, using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 15 to the financial statements.

Property plant and equipment/ Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Classification of long-term loans from financial institutions and debentures

In classifying the current portion of long-term loans from financial institutions and debentures, the management of the Company and its subsidiaries exercised judgement in making estimates regarding collateral redemption and loan and debenture settlement, in accordance with the terms and conditions stipulated in the loan agreements and the conditions regarding the rights and obligations of the debenture issuer.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and subsidiaries have contingent liabilities as a result of claims and litigation. A debtor under a bankruptcy case has filed petitions with the Central Bankruptcy Court relating to the land that a joint venture purchased through an auction, as described in Note 34.5 to the financial statements. The Company and subsidiaries' management has used judgement to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Project management fee	-	-	143	312	As stipulated in agreements
Selling management fee	-	-	51	96	As stipulated in agreements
Rental and related service income	-	-	-	2	As stipulated in agreements
Interest income	-	-	197	91	5.25%, MLR - 0.5 and MLR - 0.75 per annum
Interest expenses (including interest expenses capitalised as assets)	-	-	68	26	5% per annum
Sales of investment properties	-	-	-	32	As stipulated in agreements
Sales of property, plant and equipment	-	-	1	-	As stipulated in agreements
<u>Transactions with joint venture</u>					
Project management fee	13	-	13	-	As stipulated in agreements
Design fee	6	-	6	-	As stipulated in agreements
Interest income	231	35	142	35	MLR - 0.5 per annum
<u>Transactions with related companies</u>					
Project management fee	26	26	26	26	As stipulated in agreements
Selling management fee	3	3	3	3	As stipulated in agreements
Rental and related service income	1	1	-	-	As stipulated in agreements
Insurance expenses	2	2	2	2	As stipulated in agreements
Service expenses	1	6	1	-	Similar to market price
Interest expenses (including interest expenses capitalised as assets)	-	5	-	-	MLR - 1 per annum
Revenue from sales of residential condominium units	92	237	-	-	Similar to market price
Purchases of residential condominium units	301	-	-	-	As stipulated in agreements
Construction service expenses (capitalised as assets)	304	180	-	-	As stipulated in agreements

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2016	2015	2016	2015	
<u>Transactions with subsidiary's director</u>					
Revenue from sales of residential condominium units	101	-	-	-	Similar to market price

As at 31 December 2016 and 2015, the balances of the accounts between the Company, subsidiaries and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade and other receivables - related parties				
Subsidiaries	-	-	111,097	155,627
Related companies (related by common directors)	22,750	29,742	22,750	29,742
Total trade and other receivables - related parties	22,750	29,742	133,847	185,369
Advance payment to contractors				
Related company (related by common directors)	250	3,345	-	-
Trade and other payables - related parties				
Subsidiaries	-	-	148,455	147,153
Related companies (related by common directors)	209,548	161,340	61	131
Total trade and other payables - related parties	209,548	161,340	148,516	147,284
Retention payable				
Related company (related by common directors)	43,782	30,131	-	-
Other non-current liabilities - rental and service retention				
Subsidiary	-	-	130	-
Other non-current liabilities - advance service income				
Related companies (related by common directors)	3,209	3,103	-	-

Loans to related parties and loans from related parties

As at 31 December 2016 and 2015, the balance of loans to related parties and loans from related parties and the movement of these loans are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans to related parties	Related by	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Praram 9 Square Ltd.	Subsidiary	50,000	630,000	(150,000)	530,000
Belle Assets Co., Ltd.	Subsidiary	230,000	210,000	-	440,000
Sterling Equity Co., Ltd.	Subsidiary	638,000	30,000	-	668,000
G Land Property Management Co., Ltd	Subsidiary	30,000	1,510,000	(180,000)	1,360,000
Total		948,000	2,380,000	(330,000)	2,998,000

Short-term loans to subsidiaries carry interest at MLR + 0.5 per annum and repayable at call, except for the short-term loans to G land Property Management Co., Ltd. which carry interest at 5.25% per annum.

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loans to related parties	Related by	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Bayswater Co., Ltd.	Joint venture				
Loan		3,901,300	4,171,000	(3,901,300)	4,171,000
Interest receivables		34,535	231,490	(264,711)	1,314
Total		3,935,835	4,402,490	(4,166,011)	4,172,314
Less: The excess of accumulated share of loss from investment in joint venture over cost of investment		(32,887)	(33,003)	-	(65,890)
Net		3,902,948	4,369,487	(4,166,011)	4,106,424

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loan to related parties	Related by	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Ratchada Asset Holding Co., Ltd.	Subsidiary	-	4,171,000	-	4,171,000
Bayswater Co., Ltd.	Joint venture				
Loan		3,901,300	-	(3,901,300)	-
Interest receivables		34,535	142,077	(176,612)	-
Total		3,935,835	4,313,077	(4,077,912)	4,171,000

During the current year, the Company provided an unsecured loan of Baht 4,171 million to Ratchada Asset Holding Co., Ltd. (a subsidiary) carrying interest at MLR - 0.75 per annum. Subsequently, Ratchada Asset Holding Co., Ltd. provided an unsecured loan of Baht 4,171 million to Bayswater Co., Ltd. (a joint venture) carrying interest at MLR - 0.5 per annum, and Bayswater Co., Ltd. used the loan from Ratchada Asset Holding Co., Ltd. to repay the outstanding loan and accrued interest to the Company.

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loan from related party	Related by	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Belle Development Ltd.	Subsidiary	1,100,000	1,810,000	(1,610,000)	1,300,000

Short-term loans from the subsidiary carry interest at 5% per annum and repayable at call.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	33	31	31	30

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with their related parties, as described in Note 34.4 to the financial statements.

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2016	2015	2016	2015
Cash	111	256	14	63
Bank deposits	371,962	709,738	104,217	180,382
Total	372,073	709,994	104,231	180,445

As at 31 December 2016, bank deposits in saving accounts and fixed deposits carried interests between 0.01 to 1.15 percent per annum (2015: between 0.10 to 1.25 percent per annum).

8. Current investments

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2016	2015	2016	2015
Subordinated debentures	40,000	40,000	40,000	40,000
Add: Gain on valuation of available-for-sale securities	540	1,429	540	1,429
Total	40,540	41,429	40,540	41,429

Current investments represent investments in subordinated debentures of Bangkok Bank Public Company Limited. The debentures carry interest at 4.375% per annum and mature in 2022. The Company expects to dispose of these debentures in the near future, and therefore classifies them as investments in available-for-sale securities.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	7,599	7,906	52,708	101,767
Past due				
Up to 3 months	6,741	6,741	9,156	34,894
3 - 6 months	6,741	13,482	12,326	13,482
Total trade receivables - related parties	21,081	28,129	74,190	150,143
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	19,715	16,105	7,533	6,562
Past due				
Up to 3 months	34,033	13,109	3,904	9,879
3 - 6 months	19,642	7,525	92	5,065
6 - 12 months	21	7,135	21	2,866
Over 12 months	58,851	55,970	58,408	55,245
Total	132,262	99,844	69,958	79,617
Less: Allowance for doubtful debts	(57,217)	(57,118)	(57,217)	(57,118)
Total trade receivables - unrelated parties, net	75,045	42,726	12,741	22,499
Total trade receivables - net	96,126	70,855	86,931	172,642
<u>Other receivables</u>				
Accrued income - related parties	-	-	22	-
Accrued income - unrelated parties	177,255	84,703	13,012	19,299
Advances - unrelated parties	3,434	3,424	3,371	3,349
Interest receivables - related parties	-	-	57,966	7,673
Interest receivables - unrelated parties	153	366	115	315
Amounts due from related parties	-	-	-	25,940
Prepaid expenses to related party	1,669	1,613	1,669	1,613
Others	23,342	16,168	17,861	14,458
Total	205,853	106,274	94,016	72,647
Less: Allowance for doubtful debts	(21,265)	(12,854)	(13,235)	(12,854)
Total other receivables - net	184,588	93,420	80,781	59,793
Total trade and other receivables - net	280,714	164,275	167,712	232,435

10. Project development costs

	(Unit: Thousand Baht)			
	Consolidated	financial	Separate	financial
	statements		statements	
	2016	2015	2016	2015
Land and construction under development	772,412	747,416	621,256	616,579
Land and construction developed	424,599	1,168,735	-	-
Total	1,197,011	1,916,151	621,256	616,579

The Company and a subsidiary have mortgaged their land and construction thereon with banks to secure their long-term loans from the banks.

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name		(Unit: Thousand Baht)							
		Separate financial statements							
		Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
		2016	2015	2016	2015	2016	2015	2016	2015
				(%)	(%)				
Belle Development Ltd.		2,064,261	2,064,261	79.57	79.57	1,920,104	1,920,104	936,247	1,330,456
Praram 9 Square Ltd.		1,900,000	1,900,000	93.09	93.09	1,771,016	1,771,016	-	-
Sterling Equity Co., Ltd.		500,000	500,000	100.00	100.00	465,464	465,464	-	-
Belle Assets Co., Ltd.		11,000	11,000	100.00	100.00	11,000	11,000	-	-
G Land Property Management Co., Ltd.		500,000	500,000	100.00	100.00	533,791	533,791	-	-
Ratchada Asset Holding Co., Ltd.		6,000	-	100.00	-	6,000	-	-	-
GLAND REIT Management Co., Ltd.		10,000	-	100.00	-	10,000	-	-	-
Total investments in subsidiaries						4,717,375	4,701,375	936,247	1,330,456

On 28 June 2016, the Company registered with the Ministry of Commerce the establishment of Ratchada Asset Holding Co., Ltd. This Company has a registered share capital of Baht 6 million (600,000 ordinary shares of Baht 10 each) with the Company investing Baht 6 million, representing 100% shareholding.

On 23 August 2016, the Company registered with the Ministry of Commerce the establishment of GLAND REIT Management Co., Ltd. This Company has a registered share capital of Baht 10 million (1,000,000 ordinary shares of Baht 10 each) with the Company investing Baht 10 million, representing 100% shareholding.

12.2 Details of investment in subsidiary that has material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
	Percent	Percent						
	(Unit: Million Baht)							
Belle Development Ltd.	20.43	20.43	513	652	101	192	240	342

12.3 Summarised financial information of Belle Development Ltd. that based on amounts before inter-company elimination

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	2016	2015
Current assets	2,244	4,086
Non-current assets	801	987
Current liabilities	434	1,785
Non-current liabilities	101	94

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	2016	2015
Revenue	1,916	3,348
Profit for the year	498	940
Total comprehensive income for the year	498	940

Summarised information about cash flow

	(Unit: Million Baht)	
	For the years ended 31 December	
	2016	2015
Cash flow from operating activities	1,007	2,165
Cash flow from (used in) investing activities	889	(1,539)
Cash flow used in financing activities	(2,177)	(672)
Net decrease in cash and cash equivalents	(281)	(46)

13. Investment in joint venture

13.1 Details of investment in joint venture:

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage	(Unit: Thousand Baht)			
				Consolidated financial statements		Separate financial statements	
				Carrying amounts based on equity method		Cost	
			Percent	2016	2015	2016	2015
Bayswater Co., Ltd.	Property development	Thailand	50	-	-	-	5,000

On 20 November 2015, the Company entered into a shareholder agreement with BTS Group Holdings Public Company Limited for an investment in Bayswater Co., Ltd. which, in accordance with the agreement was to be held as a joint venture of the Company and BTS Group Holdings Public Company Limited. During the current year, the Company sold all of its investment in Bayswater Co., Ltd. to Ratchada Asset Holding Co., Ltd. (a subsidiary) at a price of Baht 5.0 million, and BTS Group Holdings Public Company Limited sold all of its investment in Bayswater Co., Ltd. to Unicom Enterprise Co., Ltd. (a subsidiary of BTS Group Holdings Public Company Limited). The shareholder agreement has been revised by the Company and BTS Group Holdings Public Company Limited and under the revised agreement, Bayswater Co., Ltd. is to be held as a joint venture of Ratchada Asset Holding Co., Ltd. and Unicom Enterprise Co., Ltd.

During the current year, the Company and its subsidiaries recognised share of loss from investment in joint venture of Baht 33.0 million (2015: Baht 37.9 million) in the consolidated statement of comprehensive income. As at 31 December 2016, the Company and its subsidiaries presented the excess of accumulated share of loss over cost of investment, amounting to Baht 65.9 million (2015: Baht 32.9 million), as a deduction from long-term loan to joint venture in the consolidated statements of financial position (Note 6).

13.2 Financial information of the Bayswater Co., Ltd.

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	2016	2015
Cash and cash equivalents	15	103
Other current assets	-	1
Land awaiting development	8,255	7,702
Accrued interest expenses	(3)	(69)
Short-term loans from related parties	(8,342)	(7,803)
Other current liabilities	(2)	-
Net assets	(77)	(66)
Shareholding percentage (%)	50%	50%
Share of net assets	(39)	(33)
Less: Elimination entries	(27)	-
Carrying amounts of joint venture based on equity method	(66)	(33)

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	2016	2015
Profit or loss:		
Administrative expenses	(12)	(7)
Interest expenses	-	(69)
Loss for the year	(12)	(76)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(12)	(76)

- 13.3 On 16 November 2015, the ownership of land under the Bangkok Dome project was transferred to Bayswater Co., Ltd. as the winner of an auction of assets of the debtor under a bankruptcy case held by the official receiver on 15 October 2015. However, the debtor under the bankruptcy case is petitioning the court seeking an order to cease the auction of land, as described in Note 34.5 a) to the financial statements.

14. Other long-term investments

Other long-term investments represent investments in ordinary shares of Central Pattana Nine Square Co., Ltd., in which Praram 9 Square Limited, a subsidiary, holds a 3.27% interest.

15. Investment properties

(Unit: Thousand Baht)

Consolidated financial statements						
	Land, office project and unit for rent		Project under construction		Land awaiting developmen t	Total
	Office		Office			
	Land	buildings	Land	buildings		
Balance						
1 January 2015	312,672	8,112,678	3,611,184	1,910,021	471,000	14,417,555
Additions	-	200,818	-	1,097,789	-	1,298,607
Disposals	-	-	-	(1,031)	-	(1,031)
Transfers	-	(11,678)	(338,825)	-	-	(350,503)
Capitalised interest	-	-	-	47,576	-	47,576
Capitalised amortisation of leasehold right	-	-	-	9,140	-	9,140
Gains (loss) on fair value adjustment	(1,827)	(153,818)	1,295,337	-	-	1,139,692
31 December 2015	310,845	8,148,000	4,567,696	3,063,495	471,000	16,561,036
Additions	-	18,569	-	1,982,717	-	2,001,286
Transfers	-	4,562,392	-	(4,546,084)	-	16,308
Capitalised interest	-	-	-	69,052	-	69,052
Capitalised amortisation of leasehold right	-	-	-	6,730	-	6,730
Gains (loss) on fair value adjustment	(7,290)	306,897	362,298	-	38,682	700,587
31 December 2016	303,555	13,035,858	4,929,994	575,910	509,682	19,354,999

(Unit: Thousand Baht)

Separate financial statements						
	Land, office project and unit for rent		Project under construction		Land awaiting developmen t	Total
	Office		Office			
	Land	buildings	Land	buildings		
Balance						
1 January 2015	312,672	4,843,000	1,935,359	207,772	471,000	7,769,803
Additions	-	66,207	-	39,435	-	105,642
Disposals	-	(27,099)	-	(158)	-	(27,257)
Gains (loss) on fair value adjustment	(1,827)	(10,108)	926,247	-	-	914,312
31 December 2015	310,845	4,872,000	2,861,606	247,049	471,000	8,762,500
Additions	-	1,894	-	59,744	-	61,638
Transfers	-	8,966	-	-	-	8,966
Gains (loss) on fair value adjustment	(7,290)	120,709	251,071	-	38,682	403,172
31 December 2016	303,555	5,003,569	3,112,677	306,793	509,682	9,236,276

The Company and subsidiaries' management estimated that the fair values of projects under construction approximated their net book values. The fair values of the office rental project, units for rent, land for rent and land awaiting development were determined based on valuations performed by independent valuers. Land for rent and land awaiting development were valued using the market approach, while the office rental project and units for rent were valued using the income approach, under the assumption that the construction of office building was completed, among other assumptions that included the rate of return, discount rate and occupancy rate.

Key assumptions used in the valuation of office rental project, units for rent, land for rent and land awaiting development as at 31 December 2016 are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Discount rate	8.0% - 10.5%	8.0%	Decrease in fair value
Occupancy rate (depending on location of assets)	35% - 100%	59% - 100%	Increase in fair value
Rental rate per month (depending on location of assets)	Baht 196 - 1,914 per square metre	Baht 337 - 1,837 per square metre	Increase in fair value
Land price (depending on location of assets)	Baht 17,000 - 880,000 per square wah	Baht 17,000 - 880,000 per square wah	Increase in fair value

The Company and its subsidiaries have mortgaged their investment properties as at 31 December 2016 of Baht 18,519 million (2015: Baht 15,779 million) to secure their credit facilities obtained from financial institutions (The Company only: Baht 8,423 million, 2015: Baht 7,980 million).

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Buildings	Mock-up room and fence	Furniture, fixtures and office equipment	Swimming pools and equipment	Motor vehicles	Assets under installation	Total
Cost:								
1 January 2015	300	-	1,707	43,893	95,980	10,638	20,360	172,678
Additions	-	-	-	9,732	-	8,007	17,431	35,170
Disposals	(300)	-	-	-	-	-	-	(300)
Transfers	339,296	11,207	-	7,037	-	-	(7,037)	350,503
31 December 2015	339,296	11,207	1,707	60,462	95,980	18,645	30,754	558,051
Additions	25	-	-	2,720	-	-	5,297	8,042
Write off	-	-	-	(887)	-	-	-	(887)
Transfers	-	-	-	(21,890)	-	-	(111)	(22,001)
31 December 2016	339,321	11,207	1,707	40,405	95,980	18,645	35,940	543,205
Accumulated depreciation:								
1 January 2015	-	-	1,820	14,948	14,874	3,947	-	35,189
Depreciation for the year	-	1,066	21	9,732	5,621	2,833	-	19,273
31 December 2015	-	1,066	1,841	24,680	20,295	6,780	-	54,462
Depreciation for the year	-	1,066	5	5,543	5,621	3,573	-	15,808
Write off	-	-	-	(613)	-	-	-	(613)
Transfers	-	-	-	(5,693)	-	-	-	(5,693)
31 December 2016	-	2,132	1,846	23,917	25,916	10,353	-	63,964
Allowance for impairment loss:								
1 January 2015	300	-	-	-	-	-	-	300
Decrease during the year	(300)	-	-	-	-	-	-	(300)
31 December 2015	-	-	-	-	-	-	-	-
31 December 2016	-	-	-	-	-	-	-	-
Net book value:								
31 December 2015	339,296	10,141	66	35,782	75,685	11,865	30,754	503,589
31 December 2016	339,321	9,075	61	16,488	70,064	8,292	35,940	479,241
Depreciation for the year								
2015 (Baht 14 million included in cost of rent and services, and the balance in administrative expenses)								19,273
2016 (Baht 10 million included in cost of rent and services, and the balance in administrative expenses)								15,808

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:				
1 January 2015	36,868	7,789	20,360	65,017
Additions	2,885	-	14,780	17,665
Transfers	7,037	-	(7,037)	-
31 December 2015	46,790	7,789	28,103	82,682
Additions	1,685	-	4,747	6,432
Disposals	-	-	(1,382)	(1,382)
Transfers	(12,140)	-	(111)	(12,251)
31 December 2016	36,335	7,789	31,357	75,481
Accumulated depreciation:				
1 January 2015	13,378	3,049	-	16,427
Depreciation for the year	7,118	1,402	-	8,520
31 December 2015	20,496	4,451	-	24,947
Depreciation for the year	4,764	1,403	-	6,167
Transfers	(3,285)	-	-	(3,285)
31 December 2016	21,975	5,854	-	27,829
Net book value:				
31 December 2015	26,294	3,338	28,103	57,735
31 December 2016	14,360	1,935	31,357	47,652
Depreciation for the year				
2015 (Baht 6 million included in cost of rent and services, and the balance in administrative expenses)				8,520
2016 (Baht 3 million included in cost of rent and services, and the balance in administrative expenses)				6,167

During the current year, the Company transferred property, plant and equipment with net book value of Baht 16 million to investment properties (The Company only: Baht 9 million).

Two subsidiaries have mortgaged their property, plant and equipment with net book value as at 31 December 2016 of Baht 395 million (2015: Baht 399 million) to secure their credit facilities obtained from financial institutions.

17. Land leasehold right from related parties

Land leasehold right from related parties, as presented in the consolidated financial statements, were advance rental fees that a subsidiary paid to two related companies under a land lease agreement with a term of 43 years, which matures on 30 June 2060. The outstanding balances as at 31 December 2016 and 2015 can be summarised as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2016	2015
Land leasehold right	221,000	221,000
Less: Accumulated amortisation	(48,826)	(43,686)
Net	172,174	177,314
Less: Undue rental expenses	(48,984)	(45,232)
Total	123,190	132,082

A subsidiary has pledged its land leasehold right to secure its credit facilities obtained from financial institution.

18. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Computer software - cost	14,010	13,670	12,909	12,801
Less: Accumulated amortisation	(11,742)	(9,550)	(11,237)	(9,234)
Net book value	2,268	4,120	1,672	3,567

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	4,120	5,393	3,567	5,014
Additions	340	1,225	108	909
Amortisation expenses for the year	(2,192)	(2,498)	(2,003)	(2,356)
Net book value at end of year	2,268	4,120	1,672	3,567

19. Short-term loans from financial institutions

As at 31 December 2016, short-term loans from financial institutions present promissory notes, carrying interest at rates based on MLR and MMR. Short-term loans from financial institutions of the Company are guaranteed by the Company's investment properties. Short-term loans from financial institutions of subsidiaries are guaranteed by the investment properties and leasehold right and premises of the subsidiaries.

20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties	209,467	161,190	-	-
Trade payables - unrelated parties	882,812	733,853	47,477	73,708
Other payables for purchase of assets - related party	-	-	143,263	143,263
Other payable - related parties	81	150	61	131
Accrued interest expenses to related parties	-	-	5,192	3,890
Accrued interest expenses to unrelated parties	41,820	33,574	40,731	29,283
Accrued expenses	200,856	127,219	121,591	81,652
Advance received from customers	13,520	10,384	11,530	8,968
Others	12,994	19,081	5,757	6,825
Total trade and other payables	<u>1,361,550</u>	<u>1,085,451</u>	<u>375,602</u>	<u>347,720</u>

21. Long-term loans from financial institutions

			(Unit: Thousand Baht)			
Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2016	2015	2016	2015
1	MLR - 1.25 for the 1 st - 4 th years and MLR - 1 for the remaining years	Quarterly installments starting from the last business day of November 2014	1,574,156	1,714,156	1,574,156	1,714,156
2	MLR - 1.5	Repayment at 70% of the redemption price of properties foreclosed, with the loan to be repaid in full no later than April 2017.	180,000	180,000	180,000	180,000
3	MLR - 1 for the 1 st - 3 rd years, MLR - 0.5 for the 4 th - 7 th years and MLR - 1 for the remaining years	Quarterly installments starting from the last business day of June 2016	2,260,806	1,450,806	-	-
4	MLR - 2 for the 1 st - 3 rd years and MLR - 1 for the remaining years	Quarterly installments starting from the last business day of June 2014	1,298,520	1,356,520	-	-
Total			5,313,482	4,703,482	1,754,156	1,894,156
Less: Current portion			(565,000)	(290,000)	(355,000)	(140,000)
Long-term loans, net of current portion			4,748,482	4,413,482	1,399,156	1,754,156

The Company's loans are secured by the mortgage of the land and premises of the 9th Towers Grand Rama 9 project and the Belle Sky Condominium project.

The subsidiaries' loan facilities are secured by the mortgage of their land and premises and the pledge of their land leasehold right, investment properties and bank deposit, and are guaranteed by the Company.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiaries to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2016, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 2,419 million (2015: Baht 2,469 million) (The Company only: Baht 820 million, 2015: Baht 820 million).

22. Debentures

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2016	2015
Debentures	3,900,000	2,850,000
Less: Deferred debenture issuing costs	(4,826)	(6,857)
Total	3,895,174	2,843,143
Less: Current portion	(2,497,730)	(99,741)
Debentures - net of current portion	1,397,444	2,743,402

As at 31 December 2016 and 2015, the Company's debentures were registered, unsubordinated, unsecured, have no debenture holders' representative and had no early redemption provisions. These debentures have a par value of Baht 1,000 and interest is payable every three months (except for the first series, for which interest is payable every six months). The other significant details are as follows:

Series	Consolidated/Separate		Details		
	financial statements		Unit	Interest rate	Maturity date
	2016	2015			
	(Million Baht)	(Million Baht)		(% per annum)	
1.	-	100	100,000	4.57	29 August 2016
2.	1,000	1,000	1,000,000	5.00	8 April 2017
3.	150	150	150,000	4.70	24 September 2018
4.	1,500	1,500	1,500,000	4.85	22 October 2017
5.	100	100	100,000	5.10	26 November 2020
6.	1,150	-	1,150,000	4.80	7 April 2018
	3,900	2,850			

The conditions regarding the rights and obligations of the debenture issuer stipulate certain covenants which, among other things, require the Company to maintain a debt-to-equity ratio at the rate prescribed in the agreement.

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Provision for long-term employee benefits				
at beginning of year	7,915	6,671	6,951	6,671
Included in profit or loss:				
Current service cost	3,723	2,770	3,177	1,806
Interest cost	319	227	319	227
Included in other comprehensive income:				
Actuarial gain arising from				
Demographic assumptions changes	-	(880)	-	(880)
Financial assumptions changes	-	(217)	-	(217)
Experience adjustments	-	(656)	-	(656)
Provision for long-term employee benefits				
at end of year	11,957	7,915	10,447	6,951

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cost of rent and services	2,340	809	2,340	809
Administrative expenses	1,702	2,188	1,156	1,224
Total expenses recognised in profit or loss	4,042	2,997	3,496	2,033

The Company and its subsidiaries expect no long-term employee benefits will be paid during the next year.

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 19 - 21 years (The Company only: 19 years) (2015: 19 - 21 years, The Company only: 19 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2016 (% per annum)	2015 (% per annum)	2016 (% per annum)	2015 (% per annum)
Discount rate	2.8 - 3.2	3.2	3.2	3.2
Salary increase rate	6.0 - 7.0	7.0	7.0	7.0
Staff turnover rate (depending on age)	1.9 - 37.6	3.5 - 37.6	3.5 - 37.6	3.5 - 37.6

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 are summarised below:

	(Unit: million Baht)					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase 0.5%	Decrease 0.5%	Increase 1.0%	Decrease 1.0%	Increase 10.0%	Decrease 10.0%
Consolidated financial statements	(0.5)	0.5	1.2	(1.0)	(1.1)	1.2
Separate financial statements	(0.4)	0.4	0.9	(0.9)	(0.9)	1.1

24. Share capital

- 24.1 As at 31 December 2016, the Company's issued and fully paid share capital amounted to Baht 5,908,928,627, consisting of 5,908,928,627 ordinary shares of Baht 1 each (2015: Baht 5,874,518,879, consisting of 5,874,518,879 ordinary shares of Baht 1 each). The increase of Baht 34,409,748 is the result of the exercise of warrants (GLAND-W2), warrants (GLAND-W3) and warrants (GLAND-W4) in June 2016. On 12 July 2016, the Company registered the increase in its issued and fully paid share capital to Baht 5,908,928,627 with the Ministry of Commerce.
- 24.2 In the preparation of the consolidated financial statements for a reverse acquisition (which occurred in 2009), for which Grand Canal Land Public Company Limited is the legal parent company (accounting acquiree) and Belle Development Ltd. and Praram 9 Square Ltd. are the legal subsidiaries (accounting acquirers), equity interests, as presented in the consolidated financial statements, represent the sum of the issued equity interests of the legal subsidiaries (accounting acquirers) outstanding before the business combination, the cost of business combination and the equity interests of the legal parent company (accounting acquiree) issued after the business combination. The details are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Issued equity interests of the legal subsidiaries, net of non-controlling interests due to business combination		
Issued equity interests of the legal subsidiaries as at the acquisition date		
- Belle Development Ltd.	1,621,967	1,621,967
- Praram 9 Square Ltd.	781,250	781,250
	<u>2,403,217</u>	<u>2,403,217</u>
Change of issued equity interests of the legal subsidiaries from the acquisition date		
- Praram 9 Square Ltd.	(312,500)	(312,500)
Total	<u>2,090,717</u>	<u>2,090,717</u>
Cost of business combination		
Cost of business combination as at the acquisition date	1,611,416	1,611,416
Change of accounting acquiree's equity from the acquisition date	(271,617)	(271,617)
Total	<u>1,339,799</u>	<u>1,339,799</u>
Adjustment to present assets purchased under common control at book value	<u>(423,185)</u>	<u>(423,185)</u>
Equity interests of the legal parent company issued after the business combination		
- Share capital issued during 2016	34,410	-
- Share capital issued during 2010 - 2015	2,894,255	2,894,255
- Increase in share premium due to share issue in 2011 - 2014	952,732	952,732
Total	<u>3,881,397</u>	<u>3,846,987</u>
Equity interests in the consolidated financial statements	<u>6,888,728</u>	<u>6,854,318</u>

The above transactions are presented as follows in the consolidated financial statements to reflect the equity structure of the Company which is the legal parent company:

	(Unit: Thousand Baht)	
	2016	2015
Issued and fully paid share capital	5,908,929	5,874,519
Share premium	1,532,321	1,532,321
Adjustment to present assets purchased under common control at book value	(423,185)	(423,185)
Adjustment of equity interests under reverse acquisition	(129,337)	(129,337)
Total	<u>6,888,728</u>	<u>6,854,318</u>

24.3 In 2015, the Company's issued and fully paid-up capital increased by Baht 345,303,175 as a result of the exercise of warrants (GLAND-W2) and warrants (GLAND-W3) in June 2015.

25. Warrants

25.1 During 2011 to the current year, the Company issued warrants to its shareholders, without charge. The warrants are registered, transferable warrants with exercise dates every 30 June. The details are as follows:

Warrants	Issue date	Units	Term of warrant	Exercise ratio
Warrant No.2 (GLAND-W2)	9 May 2013	212,655,816	3 years and 53 days	1 warrant per 1 ordinary share, at an exercise price of Baht 1 per share. On 17 July 2014, the exercise ratio was adjusted to 1 warrant per 1.047 ordinary shares, at an exercise price of Baht 1 per share. On 17 July 2015 the exercise ratio was adjusted to 1 warrant per 1.118 ordinary shares, at an exercise price of Baht 1 per share. Subsequently, on 8 March 2016 the exercise ratio was adjusted to 1 warrant per 1.123 ordinary shares, at an exercise price of Baht 1 per share.
Warrant No.3 (GLAND-W3)	23 July 2014	368,610,059	2 years and 343 days	1 warrant per 1 ordinary share, at an exercise price of Baht 1 per share. On 17 July 2015, the exercise ratio was adjusted to 1 warrant per 1.068 ordinary shares, at an exercise price of Baht 1 per share. Subsequently, on 8 March 2016 the exercise ratio was adjusted to 1 warrant per 1.073 ordinary shares, at an exercise price of Baht 1 per share.
Warrant No.4 (GLAND-W4)	23 July 2015	587,446,396	2 years and 342 days	1 warrant per 1 ordinary share, at an exercise price of Baht 1 per share. Subsequently, on 8 March 2016 the exercise ratio was adjusted to 1 warrant per 1.004 ordinary shares, at an exercise price of Baht 1 per share.

25.2 In June 2016, 2,104,498 warrants (GLAND-W2), 8,901,760 warrants (GLAND-W3) and 22,405,280 warrants (GLAND-W4) were exercised. The Company has issued shares to support the exercise of these warrants, as mentioned in Note 24.1 to the financial statements.

25.3 The last exercise date of warrant No. 2 (GLAND-W2) was on 30 June 2016, and 362,531 warrants (GLAND-W2) expired without being exercised.

25.4 As at 31 December 2016, a total of 23,668,026 warrants (GLAND-W3) and 565,041,116 warrants (GLAND-W4) remained unexercised (2015: 2,466,849 warrants (GLAND-W2), 32,569,786 warrants (GLAND-W3) and 587,446,396 warrants (GLAND-W4)).

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

27. Rental and service income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Project management fee and selling management fee	41,837	25,891	235,151	437,014
Design fee	6,400	-	6,400	-
Rental and related service income	916,989	763,840	470,119	449,635
Total	965,226	789,731	711,670	886,649

As at 31 December 2016 and 2015, the details of future rental income of the Company and its subsidiaries under lease agreements are as follows:

	(Unit: Million Baht)			
	The Company		The Company only	
	and its subsidiaries			
	2016	2015	2016	2015
Receivable:				
in up to 1 year	421	310	146	203
in over 1 and up to 5 years	842	476	68	118
in over 5 years	3,514	3,615	117	123

28. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	172,318	281,664	28,476	51,955
Adjustment in respect of income tax of previous year	890	-	890	-
Deferred tax:				
Relating to origination and reversal of temporary differences	185,999	267,649	103,352	207,265
Income tax expense reported in the statements of comprehensive income	359,207	549,313	132,718	259,220

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax relating to gain (loss) on change in value of available-for-sale investments	(178)	114	(178)	114
Deferred tax relating to actuarial gain	-	351	-	351
Total	(178)	465	(178)	465

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accounting profit before tax	1,592,321	2,465,754	1,593,026	2,617,110
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	318,464	493,151	318,605	523,422
Adjustment in respect of income tax of previous year	890	-	890	-
Write off of deferred tax assets	16,915	-	-	-
Effects of:				
Income which is not taxable	-	-	(187,249)	(266,091)
Non-deductible expenses	15,499	16,288	733	1,443
Additional expense deductions allowed	(132)	(35)	(132)	(35)
Tax losses	7,696	15,743	-	-
Other	(125)	24,166	(129)	481
Total	22,938	56,162	(186,777)	(264,202)
Income tax expenses reported in the statement of comprehensive income	359,207	549,313	132,718	259,220

As of 31 December 2016 and 2015, the components of deferred tax assets (liabilities) are as follows:

	(Unit: Thousand Baht)			
	Consolidated	financial	Separate	financial
	statements		statements	
	2016	2015	2016	2015
Allowance for doubtful accounts	12,205	12,205	12,205	12,205
Allowance for diminution in value of project development costs	6,837	9,640	3,054	3,054
Accumulated depreciation - property, plant and equipment	683	1,039	683	1,039
Value of Investment properties	(795,013)	(610,648)	(589,469)	(485,368)
Reserve for expenses on the transfers of residential condominium units	2,365	3,057	-	-
Provision for long-term employee benefits	2,199	1,583	2,089	1,390
Revenue and expense recognitions of real estate business	485	15,487	-	-
Deferred debenture issuing costs	(965)	(1,371)	(965)	(1,371)
Unused tax losses	89,233	73,036	-	-
Unrealised gain on change in value of investments	(108)	(286)	(108)	(286)
Deferred tax assets (liabilities) - net	(682,079)	(496,258)	(572,511)	(469,337)

Deferred tax assets (liabilities) are presented in the statements of financial position as at 31 December 2016 and 2015 as follows:

	(Unit: Thousand Baht)			
	Consolidated	financial	Separate	financial
	statements		statements	
	2016	2015	2016	2015
Deferred tax assets	45,827	119,139	-	-
Deferred tax liabilities	(727,906)	(615,397)	(572,511)	(469,337)
	(682,079)	(496,258)	(572,511)	(469,337)

As at 31 December 2016, the Company and subsidiaries have deductible temporary differences and unused tax losses totaling Baht 686 million (2015: Baht 577 million) (The Company only: Baht 10 million, 2015: Baht 10 million), on which deferred tax assets have not been recognised as the management of the Company and its subsidiaries believes that they might not be used to offset taxable income in the future.

As at 31 December 2016, the subsidiaries' unused tax losses totaling Baht 295 million (2015: Baht 171 million), on which deferred tax assets have not been recognised, will expire by 2021.

29. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Salaries, wages and other employee benefits	147,168	139,629	132,904	128,075
Depreciation and amortisation	18,001	21,771	8,170	10,876
Utilities expenses	139,396	128,697	74,719	73,456
Property tax	67,295	56,866	36,113	38,661
Specific business tax and transfer fees	70,622	126,641	-	-
Cost of sales of real estate	722,095	1,583,274	-	-

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share for the years ended 31 December 2016 and 2015:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	1,112,214	1,732,380	5,891,818	5,695,718	0.189	0.304
Effect of dilutive potential ordinary shares						
Warrants (GLAND-W3) 23,668,026 units and Warrants (GLAND-W4) 565,041,116 units (2015: Warrants (GLAND-W2) 2,466,849 units and Warrants (GLAND-W3) 32,569,786 units and Warrants (GLAND-W4) 587,446,396 units)	-	-	386,009	323,589		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	1,112,214	1,732,380	6,277,827	6,019,307	0.177	0.288
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	1,460,309	2,357,890	5,891,818	5,695,718	0.248	0.414
Effect of dilutive potential ordinary shares						
Warrants (GLAND-W3) 23,668,026 units and Warrants (GLAND-W4) 565,041,116 units (2015: Warrants (GLAND-W2) 2,466,849 units and Warrants (GLAND-W3) 32,569,786 units and Warrants (GLAND-W4) 587,446,396 units)	-	-	386,009	323,589		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	1,460,309	2,357,890	6,277,827	6,019,307	0.233	0.392

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker. The chief operating decision maker has been identified as chief executive officer. The basis that used to measure operating profit or loss of segment is same as the basis that used to measure operating profit or loss in the financial statements.

For management purposes, the Company and its subsidiaries have two reportable segments, which are real estate for sale business, consisting of land and house projects and residential condominium projects, and real estate for rental and service business, consisting of office building for rent project.

The revenue and profit information by segment in the consolidated financial statements for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Million Baht)

	Real estate for sale business		Real estate for rental and service business		Elimination of inter-segment revenues		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	1,689	3,163	1,159	1,198	(194)	(409)	2,654	3,952
Segment profit	967	1,579	587	484	-	-	1,554	2,063
Unallocated income (expenses):								
Other income							249	68
Gain on changes in fair value of investment properties							701	1,140
Other expenses							(384)	(442)
Share of loss from investment in joint venture							(33)	(38)
Finance cost							(495)	(326)
Income tax expenses							(359)	(549)
Profit for the year							1,233	1,916

Transfer prices between business segments are as set out in Note 6 to the financial statements.

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

For the year 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

32. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 27 April 2015	387.0	0.07
Interim dividends for 2015	Board of Directors' meeting on 13 August 2015	293.8	0.05
Total dividends for 2015		<u>680.8</u>	
Final dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	1,174.9	0.20
Total dividends for 2016		<u>1,174.9</u>	

33. Provident fund

The Company, subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Ayudhaya Master Fund Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contribution of the Company and its subsidiaries for the year 2016 amounting to approximately Baht 3.2 million (2015: Baht 3.3 million) were recognised as expenses (The Company only: Baht 3.0 million, 2015: Baht 3.1 million).

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2016, the Company and its subsidiaries had commitments of approximately Baht 1,614 million (2015: Baht 1,845 million) in respect of design and building construction work services and project construction contracts (The Company only: Baht 629 million, 2015: Baht 660 million).

34.2 Operating lease commitments

As at 31 December 2016, a subsidiary had commitments totaling Baht 294 million under a land lease agreement (2015: Baht 297 million). This agreement expires in June 2050. The details are as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2016	2015
Payable:		
In up to 1 year	4	3
In over 1 and up to 5 years	17	16
In over 5 years	273	278

34.3 Service agreements

As at 31 December 2016, the Company and its subsidiaries had commitments totaling Baht 163 million under various service agreements (2015: Baht 70 million) (The Company only: Baht 72 million, 2015: Baht 44 million).

34.4 Guarantees

- As at 31 December 2016, the Company has provided guarantees of Baht 1,694 million (2015: Baht 1,694 million) for the long-term loans obtained by a subsidiary.
- As at 31 December 2016, a subsidiary has provided guarantees totaling Baht 0.5 million (2015: Baht 0.5 million) for a loan repayment on behalf of a related company.
- As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 22 million (2015: Baht 24 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of businesses (The Company only: Baht 1 million, 2015: Baht 1 million).

34.5 Litigation

- In November 2015, the ownership of land under the Bangkok Dome project, amounting to Baht 7,350 million, was transferred to Bayswater Co., Ltd. (a joint venture) as the winner of an auction of assets of the debtor held by the official receiver under a bankruptcy case. However, the debtor under the bankruptcy case is petitioning the court seeking an order to cease the auction. The details are as follows:

- 1) In 2015, the debtor filed a petition to the Central Bankruptcy Court ("the Court") seeking an order to cease the auction, but the Court dismissed the petition. Subsequently, the debtor lodged an appeal with the Supreme Court, and the Supreme Court dismissed the appeal during the current year. As a result, the case was finalised.
- 2) In 2015, the debtor filed petitions asking the Court to order the official receiver to accept an application for a composition of debt for processing in accordance with the law, and to order the postponement or cessation of the auction until the Court issued an order. In the current year, the Court dismissed the petitions. However, the debtor lodged an appeal against the Court's order with the Supreme Court, asking for permission to appeal, and the Supreme Court accepted the appeal. As of the date of authorisation of the issuance of the financial statements, the case is still being considered by the Supreme Court.
- 3) In 2015, the debtor and its 2 unsecured creditors (the creditors) filed petitions asking the Court to order the cancellation of the auction of assets and to cease compulsory execution while the petition seeking the cancellation of the auction of assets was being considered. In the current year, the Court dismissed the petitions. However, the debtor and the creditors lodged an appeal against the Court's order with the Supreme Court, asking for permission to appeal, and the Supreme Court accepted the appeal. As of the date of authorisation of the issuance of the financial statements, the case is still being considered by the Supreme Court.

Based on the opinion of the legal advisor of the Company and joint venture, the management is confident that no significant losses will be incurred as a result of these cases.

- b) As at 31 December 2016 and 2015, the Company and a subsidiary have been sued by companies seeking payment under service and rental agreements and a sale and purchase asset agreement, totaling approximately Baht 193.2 million (2015: Baht 211.6 million) (The Company only: Baht 193.2 Million 2015: Baht 193.2 million). Although the final outcome of these suits cannot be determined at this stage, it is the management's opinion that their resolutions will not have any material effect on the financial statements as a whole.

35. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements								
2016				2015				
Level	Level	Level		Level	Level	Level		
1	2	3	Total	1	2	3	Total	
Assets measured at fair value								
Available-for-sale investments	-	debt		-	41	-	41	
Instruments	-	41	-	41				
Investment properties	-	-	19,355	19,355	-	-	16,561	16,561
Liabilities for which fair value are disclosed								
Debentures	-	3,907	-	3,907	-	2,863	-	2,863

(Unit: Million Baht)

Separate financial statements								
2016				2015				
Level	Level	Level		Level	Level	Level		
1	2	3	Total	1	2	3	Total	
Assets measured at fair value								
Available-for-sale investments	-	debt		-	41	-	41	
Instruments	-	41	-	41				
Investment Properties	-	-	9,236	9,236	-	-	8,762	8,762
Liabilities for which fair value are disclosed								
Debentures	-	3,907	-	3,907	-	2,863	-	2,863

36. Financial instruments

36.1 Financial risk management

The financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables, loans, investments, trade payables and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade receivables, loans and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to cash at banks, loans and short-term and long-term borrowings. However, most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Foreign currency risk

The Company and its subsidiaries consider themselves no foreign currency risk because they have no foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the date of statements of financial position.

36.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position, except for the following:

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	Carrying amount		Fair value	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
Financial liabilities				
Debentures	3,895	2,843	3,907	2,863

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to related parties, accounts payable and short-term loans from related parties, their carrying amounts in the statements of financial position approximate their fair value.
- For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- For fixed rate debentures, their fair value is determined by using the price as announced by the Thai Bond Market Association.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

37. Capital management

The primary objective of the capital management Company's is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.3:1 (2015: 1.1:1) and the Company's debt-to-equity ratio was 1.0:1 (2015: 0.8:1).

38. Events after the reporting period

On 3 February 2017, a meeting of the Board of Directors of the Company passed resolutions approving the following:

- a) The Company is to lease the office rental area, convention room area, parking area and systems related to the operations of The 9th Towers Grand Rama 9 Project ("The 9th Towers Project - Office rental area") to the GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT"), which is in the process of being established, for a period of 30 years.
- b) Sterling Equity Co., Ltd. is to lease the office rental area, parking area and systems related to the operations of Unilever House Grand Rama 9 Project ("Unilever House Project - Office rental area") to GLANDRT for a period of 17 years and 7 months.
- c) The Company and Sterling Equity Co., Ltd. are to transfer the ownership of movable properties used in the operation of The 9th Towers Project - Office rental area and Unilever House Project - Office rental area to GLANDRT.
- d) The Company is to invest in GLANDRT, with acquisitions to amount to not less than 15 percent of all investment units of GLANDRT.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2017.

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