

Annual Report 2020



# G LAND

GRAND CANAL LAND PUBLIC COMPANY LIMITED





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## Message from Chairman

### **To the Shareholders,**

The pandemic of COVID-19 since the beginning of 2020 until now has adversely affected every business sector. Many measures were formulated from the Government's scheme to response and prevent the spread of the virus. The livelihood and the people's behaviors have significantly transformed into the "New Normal" pattern such as having more online conference or conforming to work-from-home policy in order to promote the social distancing, etc. The effects during the COVID-19 situation could be considered as a challenge to Grand Canal Land Public Company Limited ("The Company" or "GLAND") to face as a significant test on the Company's readiness in order to response and adjust the business operation to continue in the abnormal business situation.

From this irregular situation, the Company has carefully managed every business and considered the benefits of every stakeholders such as providing the aid measure to lessees and shops in the project to be relieved from the effect. Moreover, the Company gives an importance to cleanliness, hygiene and safety to every persona in the Company area such as screening measure which conforms to the Public Health measure, exposure reduction measure, and regularly sanitizing the area to give confidence to every customer in the Company area. In terms of internal management, the Company has efficiently managed the costs and expenses to align with the Company's operation. The Company has also thoroughly revised the investment plan to reduce the cash flow effect and prepare the liquidity in this uncertain situation to continue the long term business growth and returns to the shareholders.

For the Business Operation in 2020, the total revenue of the Company has decreased from 2019 caused by COVID-19 situation resulting in the change of the lessee's behaviors and the decrease of the demand in office area leasing. The Company has also published a measure to discount the rental fee to retail business area in multi-project and the revenue from sales of the real estate has been decreased due to the delay of purchase from the customer. However, the Company has efficiently managed the cost of expense and cost of financial to maintain the profit rate from business operation close to the normal situation. In addition, the Company recognized the non-recurring item namely gain on disposal of units invested in GLAND Office Leasehold REIT resulting in the increase of the 2020 net profit from 2019.

In terms of Good Corporate Governance and fair treatment of every stakeholder, the Company still emphasizes on the aforementioned matters. In 2020, the Company has revised and updated the code of conduct for the Directors, Management and Employees. The Good Corporate Governance policy along with publication of any other measure excluded from 2019 such as Securities Trading and Insider Trading Policy, Information Security Policy, Managing Conflict of Interest Policy, etc. were implemented. As a result, the Company's Good Corporate Governance principles have been standardized equally to other Listed Companies in the Stock Exchange of Thailand and international level.

Apart from continually maintaining the business growth, the Company still focuses on the social and environment responsibilities by emphasizing, cultivating, and fortifying the good consciousness to the Company's employees. The projects and activities were initiated to benefit the society and stakeholders in many aspects such as an investment to save the energy in operating project, the reduction of cost of electricity in every project by more than 10 percent from the previous year, the support of area and facilitation of the Thai Red Cross for blood donation, "Big Cleaning @Ratchada" project, and Earth Hour activity "to turn off the light for 1 hour to reduce the global warming". Moreover, in terms of social development, the Company's concept is to become a part of the society by collaborating the marketing activities to become a center of many aspects, focusing on the collaboration with government sector and civil society such as the support in shops with agricultural products to promote the local agricultural products, develop the local economy, and sustainably improve the quality of life for the farmers.

On behalf of the Company's Board of Directors, we are appreciated to all shareholders and stakeholders for the continual support to the Company business operation. We are also grateful to the employees and management who united in action and spirit for the Company to strongly surpass the crisis situation. The Company is giving a confidence that the Board of Directors, Management and every employee will be still dedicated to the corporate development towards success and sustainable growth of the Company to become a part of the society under the Good Corporate Governance Policy.



(Mr. Sudhitham Chirathivat)

Chairman



## Report of the Audit and Corporate Governance Committee

### To the Shareholders,

The Company's Audit and Corporate Governance Committee, consists of 3 independent directors, that is Mr. Charan Mongkolchan as Chairman of the Audit and Corporate Governance Committee and two members namely Mr. Vithaya Chavananand and Mrs. Jitmanee Suwannapool which, the 3 of them have knowledge and qualified experience to audit the credibility of Company's financial statements and have independent of operation which is given by the Board of Directors align with regulation of the Securities and Exchange Commission and announcement by Stock Exchange of Thailand.

In 2020, there are 4 Audit and Corporate Governance Committee Meetings, as discussions with the Management, Internal Audit Department and Auditor in relevance matters, but also received information from another Management align with the agenda of duty, that specified in the Audit and Corporate Governance Committee Charter. The opinion and suggestion has been given independently as it should be, the Audit and Corporate Governance Committee has submitted 4 of operation reports to the Board of Directors Meetings. The summary of the operation performance and opinion in the agenda could be as follows;

### **Accuracy, Completeness, and Credibility of Financial Statements.**

Review on the Company's Financial Statements on a quarterly and yearly basis, important policies, The operation conforms to the standard of financial report, the important matters in supervising as instructed in the auditor report including the impact of enforcement of the financial report standard No. 16 Lease contract which has been effective since the beginning of 2020 in collaboration with the Management and the Auditor according to the financial report standard and financial statement disclosure completely and correctly, also organize 1 meeting, which specifically with Auditor without Management Department, to discuss on freedom of operation.

The Audit and Corporate Governance Committee's opinion is, the Company's Financial Report is conform with the Financial Report standards which instructed by Federation of Accounting Professional, that it is accurate, complete and creditable. Also the selection of account policies is reasonable, as a result, the Financial Statements information is credible and disclosure with enough information.

### **Internal Control sufficiency, Internal Audit, Risk Management, and Good Corporate Governance.**

Review on the Company's Internal Audit System from the Internal Audit report, and Auditor, also including the Internal Audit sufficiency, according to COSO Framework concept. Moreover, the Audit and Corporate Governance Committee has reviewed the significance risk of the Company on a yearly basis and ensure that the Risk Assessment is an important process of Internal Audit.

In 2020, the Audit and Corporate Governance Committee have considered and endorsed the Board of Director, the Management and the Company's employee ethics to ensure that the company's mission is proceeded with efficiency and conforms to the objective that the Board of Director and shareholders agree as legitimate regards to every stakeholder and conforms to the principles of Good Governance Policy.

The Audit and Corporate Governance Committee's opinion is the Company's Internal Audit is sufficient, and conforms to the COSO Framework concept, and Code of Corporate Governance.

The Audit and Corporate Governance Committees given an agreement on the Internal Audit's internal report, which is conducted by basing on the risk principles and the Management information and follows up on the Management revision, as suggested by Internal Audit, to meet the target. The Audit and Corporate Governance Committees also review internal audit performance on a yearly basis, the opinion is, the Internal Audit has operated based on the international standard.

### **Securities and Stock Market compliance, Stock Market regulation, and relevant laws on the Company business.**

To ensure that the Company conform to the laws of securities and Stock Market, the Stock Exchange of Thailand's regulation and relevant laws on the Company business. Also supervising the Company to operate by the Corporate Governance, the Audit and Corporate Governance Committee opinion is, the Company has comply with the laws of Securities and Stock Market, Stock Exchange of Thailand's regulation and relevant laws on the Company business.



#### **Connected transactions or transactions that may lead to conflicts of interest**

The Audit and Corporate Governance Committee reviewed the Company's connected transactions, to ensure that the Company transactions especially on the connected transactions are transparent, fair and regulate the Company's operation on connected person transactions. Also consider the connected transaction that occurs during the year, the opinion is, the operation is reasonable, comply with relevant regulation and disclosure is accurate, sufficient and transparent.

#### **Auditor Suitability, Consideration, Selection and Appointment of Auditor**

The Audit and Corporate Governance Committee assessed the independent and operation performance in 2020, also organized a meeting with Auditor without Management to ask for Auditor's opinion in audit operation and collaboration issue with related Management. The operation performance is good and sufficient independent. Therefore, the Audit and Corporate Governance Committee, has consider and appoint Ms. Vannaporn Jongperadechanon, CPA Registration No. 4098 or Ms. Bongkot Amsageam, CPA Registration No. 3684 or Ms. Vilaivan Pholprasert, CPA Registration No. 8420 or Mrs. Sasithorn Pongadisak, CPA Registration No. 8802, of KPMG Phoomchai Audit Limited, as Company and its subsidiary's auditor in 2021. The approved expense is not exceeding Baht 3,090,000

#### **Opinion and overall Suggestion from operation by Charter of Audit and Corporate Governance Committee**

The Audit and Corporate Governance Committee review on its performance assessment in 2020, the summarize was made on February 15<sup>th</sup>, 2021. The assessment divided into 2 parts including 1) The Audit and Corporate Governance Committee overall operation and 2) The Audit and Corporate Governance Committee specific operation.

The Audit and Corporate Governance Committee opinion is, the Audit and Corporate Governance Committee has fulfilled its duties and responsibility as specified in Charter of the Audit and Corporate Governance Committee, which has been approved by the Board of Directors. The operation is adequate, complete, holds fairness, caution, carefully and sufficiently independent, by equally giving the suggestion to every stakeholder.

(Mr. Charan Mongkolchan)

Chairman of Audit and Corporate Governance Committee



#### **To the Shareholders,**

In 2020, the Nomination and Remuneration Committee has organized 2 meetings and the report has been continually submitted to the Board of Directors, the summary of the significant operations are as follows:

1. Consider a qualified person for Director appointment, to nominate to the Board of Directors and 2020 Annual General Meeting, the Company has open to minority shareholders for nominating a person in nomination to the Board of Directors from 27 September 2019 to 15 January 2020, but there is no nomination. The Nomination and Remuneration Committee has considered the resignation by rotation of Director as of 2020 and found that the Directors have been qualified with proper qualification for business operation, have broad knowledge and experience in Real Estate business development and other related business which is beneficial to the Company. They also operate with honesty, trustworthy, and conformity to corporate governance. They devote the time and ability to the maximum benefit of the Company's shareholders and all stakeholders suitable to hold the Directorship. As a result, the Nomination and Remuneration Committee considered the resigned Director as annual agenda to be nominated as Director for the next agenda. The Shareholders meetings have given approval to all nominated Directors.
2. Consider the Remuneration in 2020, for the Board of Directors, and Sub-Committee which consists of the Audit and Corporate Governance Committee, the Nomination and Remuneration Committee and the Risk Management Committee, nominate to the Board of Director and Shareholder Meeting for approval. The consideration not only based on responsibility, performance that connected to turnover and any other related factor, but also compare the remuneration rate with another company in the same industry or related by. The Shareholders meetings approved as offered.
3. Consider the acknowledgement of self-evaluation of the Nomination and Remuneration Committee in 2020, as an information to the Nomination and Remuneration Committee for operation improvement, which adhere to Good Corporate Governance.



## Report of the Nomination and Remuneration Committee

4. Consider the CEO's performance in 2020 as an information to Chief Executive Officer to develop and improve the operation later.
5. Consider the Company's Diversity of the Board of Directors (Board Diversity) for 2020, which consist of number of Independent Directors, gender, age, term of service, and specific skill set (Board Skill Matrix), as a supplementary information to nominate the qualified Directors, with variety of knowledge and beneficial to the Company business operation.
6. Consider the Charter of the Nomination and Remuneration Committee. No amendment was made in 2020 since the contents in the current charters are still duly complete and suitable.
7. Consider the succession plan for the CEO and Executive Offers, with her involvement in the review and data presentation.

The Nomination and Remuneration Committee has carefully and honestly operated its duty, with the responsibility as specified in the Nomination and Remuneration Charter. Appropriate adhere to the Good Corporate Governance principles, for the beneficial of balance and sustainable to all stakeholders.



(Mr. Vithaya Chavanand)

Chairman of Nomination and Remuneration Committee

## Report of the Risk Management Committee

### **To the Shareholders,**

The Grand Canal Land Public Company Limited gives an importance to the Management and Risk Management for the confidence of every group of stakeholders to achieve the Company goal and mission as well as mitigating the loss and possible side effect by focusing on broadening the risk management to cover all of the business importance and promote this to a part of Company's culture. The key risks are identified in every aspect of the Business to mitigate the risk level to the Company's risk appetite with proper strategy including avoidance, transfer, control, and acceptance of risks by appointing the Risk Management Committee to govern the Company's Risk Management.

The Risk Management Committee consists of the expert Directors who come from the Company's Board of Director and high level Management for totally 3 persons having the duties to acknowledge and give recommendations to policy, strategy, structure and Company's risk management, analyze and agree on taking the Company's risk appetite. They also have to acknowledge risk's trend management, evaluate the performance and efficiency in response to risk issues to ensure that the Risk Management has considered every aspect to all stakeholders and shareholders for both short and long terms effect. The report on risk management must be filed to the Board of Directors for acknowledgement. The Risk Management Committee will hold a meeting at least once a quarter.

Regarding the Risk Management matter, the Company still focuses on managing the Key Risk in 5 areas which are 1) Strategic Risk 2) Financial Risk 3) Operational Risk 4) Compliance Risk and 5) Hazard Risk. The details on each risk have been explained more in Risk Factors (page 45).

The Company has performed the Enterprise Risk Management in the second quarter of the previous year. The Management has conducted a workshop to collaborate on the risk assessment by considering external factors including, economy, the pandemic of COVID-19 and each business competitive environment, a change in customer behavior, etc.. The internal factors include business operation resources, company culture, and competitiveness, etc.. It is also identified as the Key Risk Indicator to regularly monitor the Risk status, create the Risk Response Plan and propose the Key Risk to Risk Management Committee for consideration and suggestion in order to improve the Risk Management to be more efficient.



The Company has published a charter of Risk Management Committee to be up-to-date and conform to the current situation. This can ensure that the Risk Management is clearly a part of the Company strategy and business plan which directly affects the Company performance in order to create a strategy and successfully achieve the Company's mission.

(Mrs. Jitmanee Suwannapool)

Chairman of Risk Management Committee

## Board of Directors



Mr. Sudhitham Chirathivat  
Chairman



Assoc. Prof. Prapanpong Vejjajiva  
Vice Chairman



Mr. Charan Mongkolchan  
Independent Director



Mrs. Jitmanee Suwannapool  
Independent Director



Mr. Vithaya Chavanand  
Independent Director



Mr. Preecha Ekkunagul  
Director



Mr. Pandit Mongkolkul  
Director



Miss Nopporn Tirawattanagool  
Director



Mr. Sansrit Yenbamrung  
Director

## Management Team



**Miss Naparat Sriwanvit**  
Chief Executive Officer (acting)



**Mrs. Panida Sooksridakul**  
Deputy Managing Director



**Flt.Lt. Kree Dejchai**  
Deputy Managing Director (acting)



**Mr. Surakit Thantananont**  
Senior Assistant Managing Director



**Ms. Tattayakorn Benjapattaraseth**  
Assistant Managing Director



# Board and Management Profile

## Board of Directors

### BOARD OF DIRECTORS



#### 1. Mr. Sudhitham Chirathivat

Chairman (Authorized Signature)

**Age** 73 Years

- **Date of Being a Director of the Company** 12 September 2018
- **Education** B.S. in Electrical Engineering, University of Maryland (College Park), U.S.A.  
MBA (Operations Research), Iona University, U.S.A.
- **Training Course** Director Certification Program (DCP), Class 37/2003  
Thai Institute of Directors (IOD)  
The Joint State-Private Sectors Course, Class 13  
National Defence College
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

#### Experience in the last 5 years

|                       |   |                       |
|-----------------------|---|-----------------------|
| 12 Sep 2018 - Present | Chairman  | Grand Canal Land Plc. |
| 2007 - 2015           | Advisory of the Nomination and Remuneration Committee | Central Pattana Plc   |

#### Directorship in Other Listed Companies

Director and Member of Nomination and Remuneration Committee, Central Pattana Plc.

Independent Director, Jasmine International Plc.

Director, Vice Chairma, Chairman of Executive Committee and Member of Nomination and Remuneration Committee, Robinson Plc. and Director in subsidiaries

Director, Central Plaza Hotel Plc. and subsidiaries

Independent Director and Member of Audit Committee, TV Thunder Plc.

#### Directorship in Non-listed Companies

64 Companies



## 2. Assoc. Prof. Prapanpong Vejajiva

Director (Authorized Signature), Vice Chairman,  
Member of Nomination and Remuneration Committee

**Age** 85 Years

- **Date of Being a Director of the Company** 23 December 2009
- **Education** Bachelor of Political Science (Second Class Honor),  
Chulalongkorn University  
Master of Social Science (MsSc), Stockholm University, Sweden  
Certificate In Business Administration, Stanford University, U.S.A.
- **Training Course** Director Accreditation Program (DAP)  
The Role of Chairman Program (RCP)  
Audit Committee Program (ACP)  
The Role of Compensation Committee (RCC)  
Thai Institute of Directors (IOD)  
The National Defence Course, Class 28  
National Defence College
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                           |  |                                      |
|---------------------------|--|--------------------------------------|
| 1 March 2017 - Present    | Director   | G Land Property Management Co., Ltd. |
| 1 March 2017 - Present    | Director   | Belle Assets Co., Ltd.               |
| 1 March 2017 - Present    | Director   | Sterling Equity Co., Ltd.            |
| 14 Jan 2010 - Present     | Vice Chairman  | Grand Canal Land Plc.                |
| 23 Dec 2009 - Present     | Director and<br>Member of Nomination and<br>Remuneration Committee | Grand Canal Land Plc.                |
| 2001 - Present            | Director   | Belle Development Co., Ltd.          |
| 1992 - Present            | Director   | Rama 9 Square Ltd.                   |
| 12 May 2016 – 13 Feb 2020 | Vice Chairman of Executive Committee                               | Grand Canal Land Plc.                |

### Directorship in Other Listed Companies

None

### Directorship in Non-listed Companies

8 Companies



### 3. Mr. Charan Mongkolchan

Independent Director and Chairman of Audit and Corporate Governance Committee

**Age** 72 Years

- **Date of Being a Director of the Company** 4 December 2018
- **Education** Bachelor of Arts, Burapha University  
Master of Arts (Economic Development), Kasetsart University
- **Training Courses** Director Certification Program (DCP), Class 111/2008  
Audit Committee Program (ACP), Class 32/2010  
Monitoring the Internal Audit Function (MIA), Class 9/2010  
Monitoring Fraud Risk Management (MFM), Class 4/2010  
Monitoring the System of Internal Control and Risk Management (MIR), Class 9/2010  
Monitoring the Quality of Financial Reporting (MFR), Class 11/2010  
Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017  
Thai Institute of Directors (IOD)  
The National Defence Course, Class 4313  
National Defence College
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

#### Experience in the last 5 years

|                      |   |                       |
|----------------------|---|-----------------------|
| 4 Dec 2018 - Present | Independent Director and<br>Chairman of Audit and Corporate<br>Governance Committee             | Grand Canal Land Plc. |
| 2008 - Jun 2020      | Independent Director,<br>Member of Audit Committee and<br>Chairman of Risk Management Committee | Robinson Plc.         |

#### Directorship in Other Listed Companies

None

#### Directorship in Non-listed Companies

None



#### 4. Mrs. Jitmanee Suwannapool

Independent Director, Member of Audit and Corporate Governance Committee,  
Chairman of Risk Management Committee and  
Member of Nomination and Remuneration Committee

**Age** 68 Years

- **Date of Being a Director of the Company** 25 April 2014
- **Education** Bachelor of Business Administration (Accounting), Ramkhamhaeng University  
Bachelor of Laws, Ramkhamhaeng University  
Master of Public Administration,  
The National Institute of Development Administration (NIDA)
- **Training Courses** Director Certification Program (DCP), Year 2014  
Thai Institute of Directors (IOD)  
Certificate for High Level Executive, Class 12  
Capital Market Academy
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

#### Experience in the last 5 years

|                       |  |                                   |
|-----------------------|--|-----------------------------------|
| 14 Feb 2020 - Present | Chairman of Risk Management Committee              | Grand Canal Land Plc.             |
| 4 Dec 2018 - Present  | Member of Nomination and Remuneration Committee    | Grand Canal Land Plc.             |
| 30 Apr 2014 - Present | Member of Audit and Corporate Governance Committee | Grand Canal Land Plc.             |
| 25 Apr 2014 - Present | Independent Director                               | Grand Canal Land Plc.             |
| 15 Feb 2016 -         | Independent Director and                           | Thailand Privilege Card Co., Ltd. |
| 31 Jan 2017           | Chairman of the Audit Committee                    |                                   |

#### Directorship in Other Listed Companies

|   |                                  |
|---|----------------------------------|
| Independent Director and Member of Audit Committee,       | Country Group Holdings Plc.      |
| Independent Director and Chairman of the Audit Committee, | NCL International Logistics Plc. |

#### Directorship in Non-listed Companies

None



## 5. Mr. Vithaya Chavananand

Independent Director, Member of Audit and Corporate Governance Committee and Chairman of Nomination and Remuneration Committee

**Age** 63 Years

- **Date of Being a Director of the Company** 4 December 2018
- **Education** Bachelor Degree (Political Science Finance), Chulalongkorn University  
MBA, Webster University, U.S.A.
- **Training Courses** Director Accreditation Program (DAP), Class 52/2006  
Director Certification Program (DCP), Class 84/2006  
Audit Committee Program (ACP), Class 32/2010  
Monitoring Fraud Risk Management (MFM), Class 4/2010  
Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017  
Chairman Forum: “Leading Boardroom Through Disruption: What Directors should know?”, Year 2020  
Director Forum: “Board’s Role in Strategy for Business Sustainability”, Year 2020  
Board War Room: Personalized Marketing vs. Data Privacy, Year 2020  
Director Briefing: Finding Creative Solutions to Business Dispute During Pandemic Time, Year 2020  
Director Briefing: China Economic Outlook: Pathway to Recovery, Year 2020  
Independent Director Forum “Inside CEO Succession: Essential Guide for Board”, Year 2020  
Company Secretary Forum: Virtual Board Meeting & the Evolving Role of Corporate Secretary, Year 2020  
Thai Institute of Directors (IOD)  
Proactive investor relations, Year 2020  
Stock Exchange of Thailand (SET)
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                      |   |                                   |
|----------------------|---|-----------------------------------|
| 4 Dec 2018 - Present | Independent Director,<br>Member of Audit and Corporate Governance Committee and<br>Chairman of Nomination and Remuneration Committee          | Grand Canal Land Plc.             |
| 2006 - Jun 2020      | Independent Director,<br>Member of Audit Committee,<br>Member of Risk Policy Committee and Member<br>of Nomination and Remuneration Committee | Robinson Plc.                     |
| 2003 - Sep 2019      | Board of Director   | Vichitbhan Construction Co., Ltd. |

### Directorship in Other Listed Companies

Vice Chairman and Company Secretary, Vichitbhan Palm Oil Plc.

### Directorship in Non-listed Companies

5 Companies





## 6. Mr. Preecha Ekkunagul

Director (Authorized Signature) and Chairman of Management Committee

**Age** 62 Years

- **Date of Being a Director of the Company** 12 September 2018
- **Education** B.Sc. in Chemical Engineering, Chulalongkorn University  
M.Eng., Asian Institute of Technology
- **Training Courses** Director Accreditation Program (DAP), Class 8/2004  
Director Certification Program (DCP), Class 62/2005  
Chairman Forum: "Leading Boardroom Through Disruption: What Directors should know?", Year 2020  
Director Forum: "Board's Role in Strategy for Business Sustainability", Year 2020  
Thai Institute of Directors (IOD)  
Capital Market Academy Leadership Program, Class 7  
Consumer Behaviour in the New Normal Post COVID World, Year 2020, Vitamins Quantitative Co., Ltd.
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                          |                                  |                                      |
|--------------------------|----------------------------------|--------------------------------------|
| 14 Feb 2020 - Present    | Chairman of Management Committee | Grand Canal Land Plc.                |
| 28 Sep 2018 - Present    | Director                         | Rama 9 Square Co., Ltd.              |
| 21 Sep 2018 - Present    | Director                         | G Land Property Management Co., Ltd. |
| 21 Sep 2018 - Present    | Director                         | Belle Development Co., Ltd.          |
| 21 Sep 2018 - Present    | Director                         | Belle Assets Co., Ltd.               |
| 21 Sep 2018 - Present    | Director                         | Rama 9 Square Hotel Co., Ltd.        |
| 21 Sep 2018 - Present    | Director                         | Sterling Equity Co., Ltd.            |
| 12 Sep 2018 - Present    | Director                         | Grand Canal Land Plc.                |
| 2 Oct 2018 – 13 Feb 2020 | Chairman of Executive Committee  | Grand Canal Land Plc.                |

### Directorship in Other Listed Companies

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

### Directorship in Non-listed Companies

34 Companies



## 7. Mr. Pandit Mongkolkul

Director (Authorized Signature) and Advisory of Nomination and Remuneration Committee

**Age** 57 Years

- **Date of Being a Director of the Company** 12 September 2018
- **Education** Bachelor Degree (Accounting), Chulalongkorn University  
MBA (Finance and International Business),  
Sasin Graduate Institute of Business Administration, Chulalongkorn University
- **Training Courses** Director Certification Program (DCP), Year 2003  
Corporate Governance for Capital Market Intermediaries (CGI),  
Class 14/2016  
Thai Institute of Directors (IOD)  
Capital Market Academy Leadership Program, Class 4/2007  
Financial Planning for the executive Program, Year 2012  
Thai Financial Planners Association
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                          |   |   |
|--------------------------|---|---|
| 2021 - Present           | Advisory of Nomination and Remuneration Committee   | Grand Canal Land Plc.                                       |
| 28 Sep 2018 - Present    | Director  | Rama 9 Square Co., Ltd.                                     |
| 21 Sep 2018 - Present    | Director  | G Land Property Management Co., Ltd.                        |
| 21 Sep 2018 - Present    | Director  | Belle Development Co., Ltd.                                 |
| 21 Sep 2018 - Present    | Director  | Belle Assets Co., Ltd.                                      |
| 21 Sep 2018 - Present    | Director  | Rama 9 Square Hotel Co., Ltd.                               |
| 21 Sep 2018 - Present    | Director  | Sterling Equity Co., Ltd.                                   |
| 12 Sep 2018 - Present    | Director  | Grand Canal Land Plc.                                       |
| 2018 - 2021              | Member of Nomination and Remuneration Committee   | Grand Canal Land Plc.                                       |
| 2 Oct 2018 - 13 Feb 2020 | Executive Committee   | Grand Canal Land Plc.                                       |
| 2015 - 2017              | Director of Legal Tax Regulations and Arbitration Committee   | The Thai Chamber of Commerce and Board of Trade of Thailand |
| 2013 - 2017              | Director and Treasurer  | The Listed Company Association                              |
| 2012 - 4 Feb 2021        | Director, Chairman of Executive Committee, Member of Nomination and Remuneration Committee and Risk Management Committee Consultant | COL Plc.  |
| 1996 - 2019              | Director, Executive Committee and Corporate Governance Committee Consultant   | Robinson Plc.   |

### Directorship in Other Listed Companies

None

### Directorship in Non-listed Companies

17 Companies



## 8. Miss Nopporn Tirawattanagool

Director

**Age** 66 Years

- **Date of Being a Director of the Company** 27 April 2015
- **Education** Bachelor of Business Administration (in Accounting),  
Thammasat University  
Master of Accounting, Faculty of Commerce and Accountancy,  
Thammasat University
- **Training Courses** Director Accreditation Program (DAP), Year 2003  
Role of the Compensation Committee (RCC), Year 2009  
Audit Committee Program (ACP), Year 2010  
Director Certification Program (DCP), Year 2010  
Financial Institutions Governance Program (FGP), Year 2011  
Anti-Corruption for Executive Program (ACEP), Year 2013  
Risk Management Program for Corporate Leaders (RCL), Year 2015  
National Director Conference 2017 “Steering Governance in a  
Changing World”, Year 2017  
IOD National Director Conference 2018 “Rising Above Disruptions:  
A Call for Action”, Year 2018  
Thai Institute of Directors (IOD)  
Training on International Financial Reporting Standard 9 (IFRS 9),  
Year 2016  
PwC Thailand  
CG Forum 2/2016 “Honest, Cautious, Protective for the director”,  
Year 2016  
Stock Exchange of Thailand (SET)  
Seminar on “Cyber Security Awareness Training for Senior  
Executive”, Year 2016  
Strategic IT Governance (for non-IT), Year 2017  
ACIS Professional Center Co., Ltd.  
Seminar on “Future customer experience in financial and banking  
services”, Year 2018  
IT security trend update, Year 2018  
Agile Leadership for Board of Directors, Year 2019  
ESG and Sustainable Banking Development, including response to  
the Covid-19 situation, Year 2020  
Bank of Ayudhya Pcl.  
Cyber Resilience, Year 2019  
Bangkok Sustainable Banking Forum 2019 “An Industry Wake-up  
Call”, Year 2019  
Cyber Resilience Leadership: “Tone from the Top”, Year 2019  
Bank of Thailand
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

**Experience in the last 5 years**

27 Apr 2015 - Present      Director      Grand Canal Land Pcl.

**Directorship in Other Listed Companies**

Director, Member of Nomination and Remuneration Committee and Member of Risk and Compliance Committee, Bank of Ayudhya Pcl.

Director, Srivichaivejvivat Pcl.

Director, Member of Nomination and Compensation Committee, Siam City Cement Pcl.

Director and Member of Nomination and Remuneration Committee, Allianz Ayudhya Capital Pcl.

**Directorship in Non-listed Companies**

23 Companies

**9. Mr. Sansrit Yenbamrung**

Director

**Age** 62 Years

- **Date of Being a Director of the Company**      14 February 2019
- **Education**      Bachelor of Engineering, Khon Kaen University  
Master of Business Administration in International Trade,  
Sul Ross State University, Alpine, Texas, USA
- **Training Course**      None
- **Shareholding in the Company**      None
- **Family Relationship among Directors and Executives**      None

**Experience in the last 5 years**

|                       |   |                                |
|-----------------------|---|--------------------------------|
| 14 Feb 2019 - Present | Director  | Grand Canal Land Pcl.          |
| 2004 - 2018           | Senior Assistant Managing Director                  | Bank Of Ayudhya Pcl.           |
| 2002 - 2018           | Director and<br>Chairman of the Executive Committee | Krungsir Ayudhya AMC Co., Ltd. |

**Directorship in Other Listed Companies**

Director and Chairman, Matching Maximize Solution Pcl.

**Directorship in Non-listed Companies**

9 Companies

## Management Team



### 1. Miss Naparat Sriwanvit

Chief Executive Officer (acting), Member of Risk Management Committee and Member of Management Committee

**Age** 48 Years

- **Education** B.A., Faculty of Commerce and Accountancy, Chulalongkorn University  
M.A., Faculty of Commerce and Accountancy, Thammasat University  
Certified Public Accountant (CPA), Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- **Training Courses** Company Secretary Program (CSP), Class 2/2002  
Director Certification Program (DCP), Class 276/2019  
Thai Institute of Directors (IOD)  
Finance for Executives Program, INSEAD Business School, France  
Capital Market Academy Leadership Program, Class 26  
TLCA Executive Development Program (EDP), Class 5  
Stock Exchange of Thailand (SET)
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                          |  |  |
|--------------------------|--|--|
| 2020 - Present           | Director   | Federation of Accounting Professions under the Royal Patronage of His Majesty the King |
| 14 Feb 2020 - Present    | Member of Risk Management Committee and Member of Management Committee                               | Grand Canal Land Plc.  |
| 28 Sep 2018 - Present    | Director   | Rama 9 Square Co., Ltd.  |
| 21 Sep 2018 - Present    | Director   | G Land Property Management Co., Ltd.   |
| 21 Sep 2018 - Present    | Director   | Belle Development Co., Ltd.  |
| 21 Sep 2018 - Present    | Director   | Belle Assets Co., Ltd.   |
| 21 Sep 2018 - Present    | Director   | Rama 9 Square Hotel Co., Ltd.  |
| 21 Sep 2018 - Present    | Director   | Sterling Equity Co., Ltd.  |
| 13 Sep 2018 - Present    | Chief Executive Officer (Acting)   | Grand Canal Land Plc.  |
| 2015 - Present           | Senior Executive Vice President, Finance, Accounting and Risk Management and Chief Financial Officer | Central Pattana Plc.   |
| 2 Oct 2018 - 13 Feb 2020 | Executive Committee  | Grand Canal Land Plc.  |
| 2013 - 2014              | Executive Vice President, Finance, Accounting and Risk Management                                    | Central Pattana Plc.   |
| 2012 - 2015              | Company Secretary  | Central Pattana Plc.   |



## Directorship in Other Listed Companies

None

## Directorship in Non-listed Companies

1 Company

## Continuing Professional Development in the Accounting Profession (CPD)

2020 - Digital Business Solutions Summit 2020, Federation of Accounting Professions under the Royal Patronage of His Majesty the King, totaling 14 hours



### 2. Mrs. Panida Sooksridakul

Deputy Managing Director, Member of Risk Management Committee and Member of Management Committee

**Age** 66 Years

- **Education** Bachelor of Political Science (Public Administration), Ramkhamhaeng University  
Master of Political Science (Public Administration), Ramkhamhaeng University
- **Training Courses** None
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

## Experience in the last 5 years

|                           |  |                                      |
|---------------------------|--|--------------------------------------|
| 14 Feb 2020 - Present     | Member of Risk Management Committee and Member of Management Committee | Grand Canal Land Plc.                |
| 2 Apr 2019 - Present      | Director   | Belle Development Co., Ltd.          |
| 2 Apr 2019 - Present      | Director   | Rama 9 Square Co., Ltd.              |
| 2 Apr 2019 - Present      | Director   | Rama 9 Square Hotel Co., Ltd.        |
| 25 Feb 2019 - Present     | Director   | G Land Property Management Co., Ltd. |
| 25 Feb 2019 - Present     | Director   | Belle Assets Co., Ltd.               |
| 25 Feb 2019 - Present     | Director   | Sterling Equity Co., Ltd.            |
| 1 Jan 2019 - Present      | Deputy Managing Director   | Grand Canal Land Plc.                |
| 2 Oct 2018 - 13 Feb 2020  | Executive Committee  | Grand Canal Land Plc.                |
| 13 Sep 2018 - 31 Dec 2018 | Deputy Managing Director (acting)                                      | Grand Canal Land Plc.                |
| 2013 - 2018               | Assistant Managing Director<br>Property Management                     | Central Pattana Plc.                 |

## Directorship in Other Listed Companies

None

## Directorship in Non-listed Companies

None



### 3. Flt.Lt. Kree Dejchai

Deputy Managing Director (acting) and Member of Management Committee

**Age** 57 Years

- **Education** Bachelor of Engineering (Civil Engineering), Chiang Mai University  
Master of MBA, Kasetsart University
- **Training Courses** The Joint State-Private Sectors Course,  
National Defence College, Class 55
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

#### Experience in the last 5 years

|                          |   |                       |
|--------------------------|---|-----------------------|
| 14 Feb 2020 - Present    | Member of Management Committee                              | Grand Canal Land Plc. |
| 13 Sep 2018 - Present    | Deputy Managing Director (acting)                           | Grand Canal Land Plc. |
| 2014 – Present           | Executive Vice President Residential<br>Project Development | Central Pattana Plc.  |
| 2 Oct 2018 – 13 Feb 2020 | Executive Committee   | Grand Canal Land Plc. |

#### Directorship in Other Listed Companies

None

#### Directorship in Non-listed Companies

3 Companies



#### 4. Mr. Surakit Thantananont

Senior Assistant Managing Director of Business Support Workgroup

**Age** 59 Years

- **Education** Bachelor Degree of Accounting (Accounting), Chulalongkorn University  
Master Degree of Accounting (Finance), Chulalongkorn University
- **Training Courses** Director Accreditation Program (DAP)  
Director Certification Program (DCP)  
Thai Institute of Directors (IOD)
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

#### Experience in the last 5 years

|                          |   |                       |
|--------------------------|---|-----------------------|
| 14 Aug 2020 - Present    | Senior Assistant Managing Director of Business Support Workgroup        | Grand Canal Land Plc. |
| 1 Aug 2013 - 13 Aug 2020 | Senior Assistant Managing Director of Accounting and Finance Department | Grand Canal Land Plc. |

#### Directorship in Other Listed Companies

None

#### Directorship in Non-listed Companies

None

#### Continuing Professional Development in the Accounting Profession (CPD)

2020 - COSO ERM 2017, Class 1/2019, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King, totaling 6 hours



## 5. Ms. Tattayakorn Benjapattaraseth

Assistant Managing Director of Office Property Workgroup

**Age** 46 Years

- **Education** Bachelor of Business Administration in Marketing,  
Assumption University  
Master of Management, College of Management Mahidol University
- **Training Courses** None
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                       |   |                                    |
|-----------------------|---|------------------------------------|
| 1 Sep 2020 - Present  | Assistant Managing Director of<br>Office Property Workgroup | Grand Canal Land Plc.              |
| 15 Oct 2020 - Present | Head of Office Property                                     | Central Pattana Plc.               |
| 2019 - 2020           | Senior Vice President                                       | Jones Lang Lasalle (Thailand) Ltd. |
| 2009 - 2018           | Vice President  | Jones Lang Lasalle (Thailand) Ltd. |

### Directorship in Other Listed Companies

None

### Directorship in Non-listed Companies

None



## 6. Mr. Somphoch Thitipalati

Company Secretary

Age 38 Years

- **Date of Being a Company Secretary** 13 September 2018
- **Education** Bachelor of Law, Thammasart University  
Master Degree of Management, College of Management, Mahidol University  
Master Degree of International Banking and Finance Laws, University of Leeds, UK  
Certificate of Thai Barristered, The Thai Bar
- **Training Courses** Corporate Governance for Capital Market Intermediaries (CGI 22/2019)  
Anti-Corruption the Practical Guide (ACPG), Class 50  
Thai Institute of Directors (IOD)  
Fundamentals Practice for Corporate Secretaries (FPCS)  
Advances for Corporate Secretaries, Class 1  
Thai Listed Companies Association  
RE-CU Cash Flow, Class 6  
The Real Estate Executive Association of Chulalongkorn University  
Enhancing Good Corporate Governance based on CGR Scorecard  
Thai Institute of Directors (IOD) and Stock Exchange of Thailand (SET)  
ACSN 2nd Webinar 2020: "Future of the board - How the role of the company secretaries will evolve?"  
Thai Listed Companies Association, as a member of ASEAN Corporate Secretaries Network (ACSN)  
Consumer Behaviour in the New Normal Post COVID World, Year 2020  
Vitamins Quantitative Co., Ltd.
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                       |   |                       |
|-----------------------|---|-----------------------|
| 13 Sep 2018 - Present | Company Secretary                       | Grand Canal Land Plc. |
| 2016 - Present        | Senior Manager Company Secretary Office | Central Pattana Plc.  |
| 2014 - 2015           | Analysis and Planning Officer           | PTT Plc.              |
| 2012 - 2014           | Company Secretary Assistant             | Intouch Holdings Plc. |

### Directorship in Other Listed Companies

None

### Directorship in Non-listed Companies

None





## 7. Ms. Nonglak Sriwongphanawes

Internal Audit

**Age** 46 Years

• **Education**

B.B.A. in Finance and Banking, Assumption University  
The Master of Commerce in International Business,  
The University of New South Wales, Australia

• **Training Courses**

Analytical Thinking for Professional Internal Auditors  
Anti-Corruption Synergy to Success  
Internal Audit's Challenge in Value Adding  
The IA Insights: The Professional of Sustainable Development  
Skills for New Auditor-In-Charge  
Standards and Techniques of Auditing  
Accountants with the Operating Internal Audit  
CAE Forum - Digitization: Empower IA New GEN  
The Institute of Internal Auditors of Thailand  
IA Core Competencies, The Institute of Internal Auditors of Thailand  
and The Stock Exchange of Thailand  
Fraud Examination, Federation of Accounting Professions Under the  
Royal Patronage of His Majesty the King  
Endorsed Internal Auditing Program, Chulalongkorn University  
Risk management updates for board and senior management, PWC

• **Shareholding in the Company** None

• **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                      |  |                        |
|----------------------|--|------------------------|
| 4 Dec 2018 - Present | Internal Audit                                     | Grand Canal Land Plc.  |
| 2015 - Present       | Vice President,<br>Internal Audit Office           | Central Pattana Plc.   |
| 2011 - 2015          | Assistant Vice President,<br>Internal Audit Office | Big C Supercenter Plc. |

### Directorship in Other Listed Companies

None

### Directorship in Non-listed Companies

None



## 8. Miss Nizsa Mekloy

Assistant Vice President Accounting Department

**Age** 51 Years

- **Education** Bachelor Degree of Accounting, Ramkhamhaeng University
- **Training Courses** None
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

### Experience in the last 5 years

|                |  |                                |
|----------------|--|--------------------------------|
| 2020 - Present | Assistant Vice President Accounting Department | Grand Canal Land Plc.          |
| 2018 - 2019    | Vice President Finance & Back Office           | Gland Reit Management Co.,Ltd. |
| 2010 - 2017    | Assistant Vice President Accounting Department | Grand Canal Land Plc.          |

### Directorship in Other Listed Companies

None

### Directorship in Non-listed Companies

None

### Continuing Professional Development in the Accounting Profession (CPD)

2020 - TFRS 2020 Update, Central People Development Center Co., Ltd., totaling 6 hours

## The Company's Business

### 1. Policy and Overall of the Business Operation

#### 1.1 Vision and Mission

The Company aims to become one of 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 "GLAND"), 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, from the television business to the real estate development business. 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".

On 19 April 2017, the Company and its subsidiary entered into agreements to lease out the office space of The 9th Towers Grand Rama 9 Project and Unilever House Grand Rama 9 Project (together called the "Project") and to dispose moveable properties which are used in the operation of The 9th Towers Office Project and Unilever House Office Project to GLAND Office Leasehold Real Estate Investment Trust (GLANDRT), the total value throughout the lease term of this agreement in an amount of Baht 5,997.7 million.

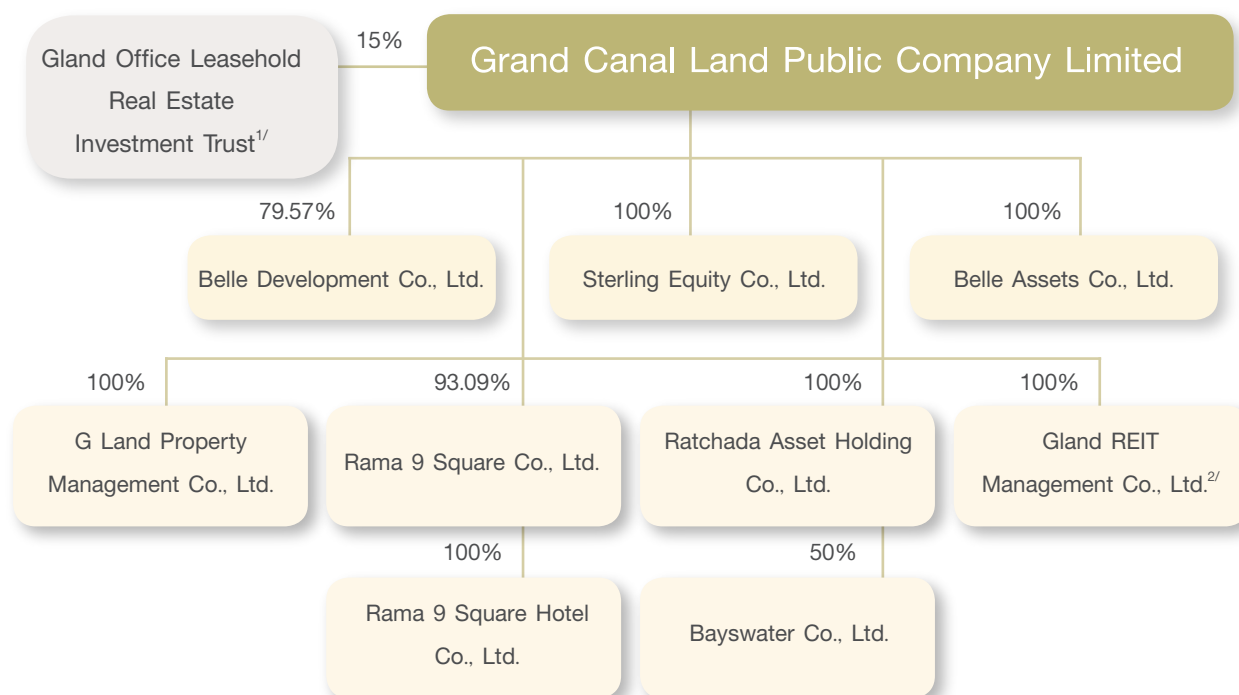
On 12 September 2018, CPN Pattaya Company Limited ("CPN Pattaya"), a subsidiary of Central Pattana Public Company Limited ("CPN"), purchased shares from the former major shareholder, Charenkrit Group, totaling 3,278,132,406 shares, representing 50.43% of the company's total number of shares. Following the Tender Offer for the remaining ordinary shares of the company, CPN Pattaya purchased an additional 1,111,286,139 shares, representing 17.10% of the company's total number of shares. CPN Pattaya currently holds a total of 4,389,418,545 shares, representing 67.53% of the company's total number of shares.

On 2 March 2020, GLANDRT transferred its leasehold rights of the The Ninth Towers Grand Rama 9 Project and Unilever House Grand Rama 9 Project to CPN Retail Growth Leasehold REIT ("CPNREIT"). At present, GLANDRT has registered its dissolution and is in the process of liquidation.

As of the end of 2020, the Company has registered capital of Baht 6,535 million and paid-up capital of Baht 6,499 million.

### 1.3 Shareholding structure

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



Remark : <sup>1/</sup> The Trust registered for the dissolution on 3 March 2020 (is in the process of liquidation)

<sup>2/</sup> The company registered for the dissolution on 29 June 2020 (is in the process of liquidation)

### 1.4 The Relation of Major Shareholder Business's Group

The Company entered into a service agreement with CPN (major shareholder in CPN Pattaya and indirect major shareholder of the Company) for advisor in the administration and policy making, as well as suggesting useful the Company's business operations. Further, the Company received financial assistance from CPN Pattaya, with the objective to reduce finance costs from other sources of funds and use for the development of the Company's investment. The Company's transactions with such major shareholders will strengthen any operation of the Company but do not affect the business structure of the Company in aspect of business competition due to the Company's business and the major shareholders have different customer groups.

# The Grand Rama 9 Project

Belle Grand Rama 9 Project



Picture of the Belle Grand Rama 9 Project



Picture of the Shoppes @ Belle Grand Rama 9 Project



The Ninth Towers Grand Rama 9 Project



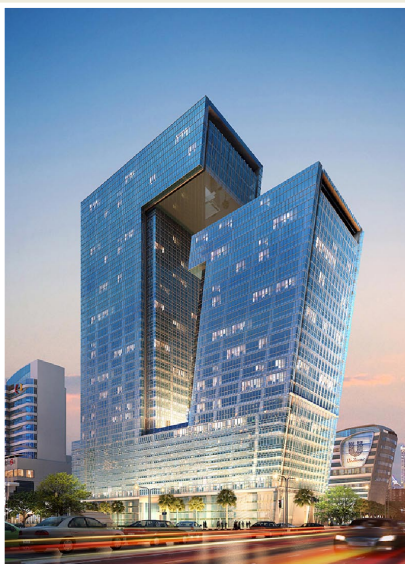
Picture of the Ninth Towers Grand Rama 9 Project

Unilever House Grand Rama 9 Project



Picture of Unilever House Grand Rama 9 Project

G Tower Grand Rama 9 Project



Picture of the G Tower Grand Rama 9 Project

## 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 6,499,829,661 divided into 6,499,829,661 ordinary shares with a par value of Baht 1 per share. The Company’s current projects, the Ninth Towers Grand Rama 9 and retail spaces for rent at the Shoppes @ the Ninth, are now open and in operation. In addition, the Company also provide services for office building management, sales management, marketing, construction work and residential project management.

On 19 April 2017, the Company entered into agreement to lease the office spaces of the Ninth Towers Grand Rama 9 Project and transfer the ownership in the movable properties for the operation of the office buildings of the Ninth Towers Grand Rama 9 Project to GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”).

On 2 March 2020, GLANDRT registered the transfer of leasehold rights in the Ninth Towers Grand Rama 9 Project to CPN Retail Growth Leasehold REIT (“CPNREIT”) and GLAND is appointed as the property manager for managing such office building to CPNREIT.

### Sterling Equity Co., Ltd. (“Sterling”)

Sterling was registered and incorporated in 1996. Currently, Sterling has a registered and paid-up capital of Baht 1,800 million, divided into 18 million ordinary shares with a par value of Baht 100 each. At present, Sterling operates office building for rent in Unilever House Grand Rama 9 Project and retail spaces for rent in The Shoppes @ Unilever House which are now open and provides office building management service.

On 19 April 2017, Sterling entered into agreement to lease the office spaces of Unilever House Grand Rama 9 Project and transfer the ownership in the movable properties for the operation of the office building of Unilever House Grand Rama 9 Project to GLANDRT.

On 2 March 2020, GLANDRT registered the transfer of leasehold rights in Unilever House Grand Rama 9 Project to CPNREIT and Sterling is appointed as the property manager for managing such office building to CPNREIT.

### 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 has operated an office building for rent in G Tower Grand Rama 9 Project and retail spaces for rent in The Shoppes @ G Tower.

### 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 Belle Grand Rama 9 Project, as well as retail spaces for rent in the Shoppes @ Belle Project.



#### G LAND 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 1,300 million, divided into 13 million ordinary shares with a par value of Baht 100 each. GPROP owns the Land in the Grand Rama 9 Project.

#### 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 is developing residential project on vacant land in Grand Canal Don Muang Project.

#### 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, Rama 9 Hotel has not conducted any business operations.

#### Bayswater Co., Ltd. (“Bayswater”)

Bayswater was registered and incorporated in 2014. Shareholding structure comprised of Ratchada Asset Holding Co., Ltd. (“Ratchada Asset Holding”), the subsidiary of the Company and Central Pattana Public Company Limited (“CPN”), 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 Ratchada Asset Holding and CPN 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 which is under development.

#### Ratchada Asset Holding Co., Ltd. (“Ratchada Asset”)

Ratchada Asset was registered and incorporated in 2016. Currently, Ratchada Asset 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, Ratchada Asset 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. Gland REIT is a REIT Manager of Gland Office Leasehold Real Estate Investment Trust (“GLANDRT”).

On 22 November 2019, the resolutions of Meeting of Trust Unitholders of GLANDRT Approved GLANDRT to dispose GLANDRT’s Assets in The Ninth Towers Grand Rama 9 Project and Unilever House Grand Rama 9 Project by transferring the leasehold rights of the Lease Assets including the rights and obligations under certain agreements relating to the Lease Assets such as lease and service agreements of the tenants, and agreement in relation to providing lease and service related to the Lease Assets and sell movable assets that are owned by GLANDRT relating to the operation of the Lease Assets to CPNREIT value of Baht 7,430 million. (Disposal value of the GLANDRT’s Assets does not include the VAT, stamp duties, and registration fees, or other fees and related expenses).

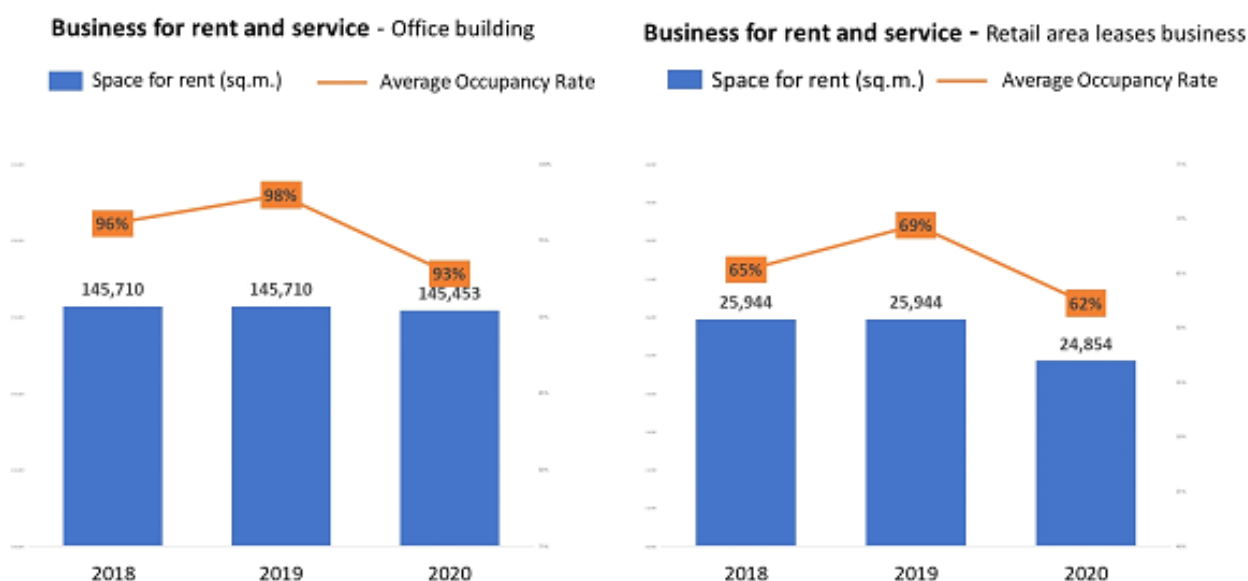
On 2 March 2020, GLANDRT registered the transfer of leasehold rights in real estates to CPNREIT and the duty as the property manager of Gland REIT to GLANDRT has been terminated as well.

On 24 June 2020, the shareholders meeting of Gland REIT passed the resolution to approve the dissolution of Gland REIT and such matter has been registered with the Ministry of Commerce on 29 June 2020.

Table on the Group's Revenue Structure for 2018 - 2020 pursuant to its Consolidated Financial Statement

| Business Category                             | Operated by                            | % of the Company's Equity as at (Dec 31, 20) | 2020     |         | 2019     |         | 2018     |         |
|---|--|--|----------|---------|----------|---------|----------|---------|
|   |  |  | Million  | %       | Million  | %       | Million  | %       |
|   |  |  |          |         |          |         |          |         |
| Real Estate - for rent and related services   | Rama 9 Square Co., Ltd.                | 93.09%                                       | 793.95   | 49.97%  | 760.50   | 28.83%  | 738.27   | 36.11%  |
|   | Grand Canal Land Plc.                  | -  | 190.54   | 11.99%  | 239.91   | 9.10%   | 277.60   | 13.58%  |
|   | Sterling Equity Co., Ltd.              | 100.00%                                      | 102.33   | 6.44%   | 113.84   | 4.32%   | 100.28   | 4.90%   |
|   | Belle Development Co., Ltd.            | 79.57%                                       | 66.62    | 4.19%   | 98.51    | 3.73%   | 101.40   | 4.96%   |
| Real Estate - for sale                        | Belle Development Co., Ltd.            | 79.57%                                       | 221.56   | 13.94%  | 315.44   | 11.96%  | 273.73   | 13.39%  |
|   | Sterling Equity Co., Ltd.              | 100.00%                                      | 0.00     | 0.00%   | 12.59    | 0.48%   | -        | 0.00%   |
| Real Estate - Project management and services | Grand Canal Land Plc.                  | -  | 0.00     | 0.00%   | 0.00     | 0.00%   | 19.35    | 0.95%   |
| Real Estate - Real estate management          | Grand Canal Land Plc.                  | -  | 23.72    | 1.49%   | 22.33    | 0.85%   | 21.8     | 1.07%   |
|   | Sterling Equity Co., Ltd.              | 100.00%                                      | 10.67    | 0.67%   | 10.20    | 0.39%   | 10.13    | 0.50%   |
| Real Estate - REIT Manager                    | Gland Reit Management Co., Ltd.        | 100.00%                                      | 59.18    | 3.72%   | 17.19    | 0.65%   | 16.5     | 0.81%   |
| Gains from changes in Fair Value and others   | Grand Canal Land Plc. and Subsidiaries | -  | 120.26   | 7.57%   | 1,047.11 | 39.70%  | 485.56   | 23.75%  |
| Total   |  |  | 1,588.83 | 100.00% | 2,637.63 | 100.00% | 2,044.62 | 100.00% |

Image: The Company's Space for rent and Occupancy rate of Office building and Retail area leases business



## 2.1 Category of Products or Services

The Company operates various real estate development projects which can be divided into 2 categories, namely real estate for rent and real estate for sale. Moreover, some parts of the Company's revenues are derived from its undertakings on project management as well. In this regard, the Company's projects 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 exit 3) with access to several major routes which is considered potential location that can serve all journeys. The Company's goal is to develop this project into the Central Business District at the heart of Bangkok. The Grand Rama 9 Project consists of office buildings, retail spaces, convention hall, hotel and condominium buildings, as follows:

| Project Name  | Project category   | Project Status as of 31 December 2017   |
|---|--|---|
| 1. Belle Grand Rama 9   | Residential Condominium  | Operated in September 2012  |
| 2. The Ninth Towers Grand Rama 9  | Office building  | Operated in February 2014   |
| 3. Unilever House Grand Rama 9  | Office building  | Operated in December 2014   |
| 4. G Tower Grand Rama 9   | Office building  | Operated in September 2016  |
| 5. Mixed Use Project<br>(Formerly known as Super Tower, Convention Hall, Arcade and Hotel Projects) | Mixed Use Project  | In process of plan review   |
| 6. The Shoppes Grand Rama 9   | Retail spaces, shops, restaurants located in the basement, 1 <sup>st</sup> floor and 2 <sup>nd</sup> floor of every projects in the Grand Rama 9 Project | Operated the Shoppes at Belle Grand Rama 9, The Ninth Towers Grand Rama 9 Project, Unilever House Grand Rama 9 Project and G Tower Grand Rama 9 Project |

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.

### 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 percent of its shares. The Belle Grand Rama 9 Project is a residential condominium for sale with retail spaces for rent (The Shoppes Grand Rama 9 @ Belle). There are 8 residential buildings which are the high-rise buildings with basements of two 27-story buildings, two 34-story buildings, two 36-story buildings and two 43-story buildings covering a total of 1,991 residential units and aggregate construction areas of 356,546 square meters. All buildings are constructed on 6-story podium with two floors developed into retail spaces for rent and the remaining four floors 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 its resort-style condominium 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 income earners.

The average selling price of the condominium units in the project is approximately 120,000 baht per square meter. The room size ranges from 146 to 193 square meters. Sales and total transfers, as of February 2021, equal to 1,979 units, respectively, representing 99.40 percent of the total number of units.

For retail spaces in the Project, the Company plans to develop a shopping area under the concept of Urban Oasis or Nature in the Centre of the Town with aggregate 10,000 square meters for rent (excluding a 2,000 square meter Food Court under the Company's own management).

### **The Ninth Towers Grand Rama 9 Project**

The Ninth Towers Grand Rama 9 Project ("The Ninth Towers") is a 2-office buildings project with retail spaces for rent ranging from Grades B+ to A- in the Grand Rama 9 Project. It consists of the 36-story Tower A and the 34-story Tower B with retail spaces and common areas at the basement floor, 1<sup>st</sup> floor and 2<sup>nd</sup> floor which are inter-connected areas between Tower A and Tower B. Car-parking spaces of 1,100 slots are provided on the 3<sup>rd</sup> - 10<sup>th</sup> floors.

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 spaces for rent, approximately 3,068 square meters allotted for convention hall (The Company has entered into the 30-year lease agreement to lease the office spaces and convention hall to GLAND Office Leasehold Real Estate Investment Trust in April 2017 which the Company received the deferred rent of Baht 4,592.5 million), approximately 5,771 square meters allotted for retail spaces, approximately 31,195 square meters allotted for car-parking spaces, approximately 102 square meters allotted for storage spaces and approximately 21,189 square meters allotted for public areas. In March 2020, GLANDRT registered the transfer of leasehold rights to CPNREIT.

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 rental rates which are in line with the demand of its target customers.

### **Unilever House Grand Rama 9 Project**

Unilever House Grand Rama 9 Project ("Unilever House") is developed by Sterling Equity Co., Ltd. (in which the Company holds 100 percent of its shares). This Project is a Grade A office building with retail spaces for rent. It is located in the Grand Rama 9 Project. This Project is a 12-story building with a basement floor and car-parking spaces of approximately 410 slots provided on the 3<sup>rd</sup> - 6<sup>th</sup> floors.

Unilever House Project covers a usable area of approximately 46,825 square meters with approximately 18,527 square meters allotted for office spaces for rent, approximately 3,741 square meters allotted for retail spaces, approximately 13,380 square meters allotted for car-parking spaces and approximately 11,177 square meters allotted for other spaces. The Company has entered into the 17-year 7-month lease agreement to lease the office spaces to GLAND Office Leasehold Real Estate Investment Trust in April 2017 which the Company received the deferred rent of Baht 1,398.2 million. In March 2020, GLANDRT registered the transfer of leasehold rights to CPNREIT.

## **G Tower Grand Rama 9 Project**

This Project is a Grade A office building project with retail spaces for rent developed by Rama 9 Square Co., Ltd. (in Which the Company holds 93.09 percent of its shares), located on the land under a 43-year long-term lease agreement. Total office and retail spaces for rent are approximately 73,000 square meters. The building was designed in the form of the alphabet G consisting of two high-rise buildings of 40-story and 30-story (8 degrees slope), based on the 14-story podium. This Project is located on the area of Ratchada-Rama 9 Intersection, connected to the Rama 9 MRT Station exit 3 and sited next to the Central Plaza Grand Rama 9 Shopping Complex.

## **Central Plaza Grand Rama 9 Shopping Complex Project**

Construction of the Central Plaza Grand Rama 9 Shopping Complex was completed and duly transferred to Central Pattana Nine Square Co., Ltd. at the end of 2011. This Project is considered a magnet to help enhancing the attractions of the areas under the Grand Rama 9 Project, in particular, the office buildings and other areas which will be developed as the more attractive trading and business hub.

### **2.1.2 Vacant land that is under review of the development model**

#### **(1) Vacant land in the Grand Rama 9 Project**

- Land located between Unilever House office building and the G Tower office building (former Super Tower Project) with an area of 14-1-36.2 rai.
- Land adjacent to the G Tower office building (Former Super Tower Project) with an area of 5-3-45.5 rai.
- Land located between Unilever House office building and The Nine Towers office building (former New World Hotel) with an area of 2-2-41.9 rai.
- Land with an area of 0-2-80 rai.
- Land with an area of 0-1-89 rai.

#### **(2) Vacant land in Grand Canal Don Muang Project**

The Company has vacant land in Grand Canal Don Muang Project, which is adjacent to the Red Line BTS with a total area of 85-1-38.7 rai. In 2021, the Company is in the process of residential project developing on such land.

#### **(3) Vacant land on Kampaeng Phet Road**

The Company has vacant land on Kamphaeng Phet Road (Former Belle Sky Condominium Project), which is adjacent to the Red Line BTS line. The land totals an area of 35 0 12.9 rai, divided into:

- Vacant land with an area of 25-1-28.2 rai
- Vacant land with an area of 9-2-84.7 rai (long-term rental by Miracle Group of 30 years)

#### **(4) Vacant land**

The Company has vacant land on Phahon Yothin Road (joint venture project with CPN with the proportion of 50:50), which is adjacent to Phahon Yothin Road and Vibhavadi Rangsit Road with an area of 48-2-96.8 rai.

### **2.1.3 Real Estate Management Services**

#### **The Ninth Towers and Unilever House Office Buildings**

After the Company entered into the lease agreement to lease The Ninth Towers and Unilever House for the period of 30 years, and 17 years and 7 months, respectively to GLAND Office Leasehold Real Estate Investment Trust (GLANDRT) in April 2017, GLANDRT also uses the Company's office building management service which the Company earns an income in the form of management fees. In March 2021,

GLANDRT registered the transfer of leasehold rights to CPNREIT while the Company and its subsidiary are appointed as the property manager for managing such office buildings to CPNREIT.

## 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 are the customers primarily requiring Grade A office spaces in G Tower Grand Rama 9, Unilever House Grand Rama 9 and 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 spaces cover every target groups: long-term, short-term or miscellaneous tenants, depending on the characteristic of particular retail spaces.

### (2) Pricing Policy

Prescription of the selling price of the real estate and space rental 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 mainly depend on market prices and project management cost.

### (3) Economic and Industry

- **2020 Thailand's Economy Overview**

The pandemic of COVID-19 situation ("the COVID-19") in the first quarter of 2020 significantly affected the Thailand's economy from the 2.0%-2.5% growth in forecast of Thailand economy from consumer and internal investment along with the relieve in trade war and the foreigner tourist volume growth forecast in 2020. However, from the COVID-19 spread effect, the Thailand's economy growth rate was expected to reduce by 7.7% per year.

After the relieve of Spread Prevention measure during May 2020, the Thailand's economy slowly recovers from the consumption and the Government investment that increase the expenditure budgets, speed the disbursement from the Government and the upside of consumer in private sector. This is resulted from economic stimulation measures such as Co-Pay, Shopping reimbursement, and Welfare card project. However, the effect from the spreading of COVID-19 has an impact to the key economy such as 1) The closure of Tourism and Hospitality business, especially Small and Medium Enterprises (SMEs), 2) The increase in unemployment rate as a result of the decrease in production and business closure and agriculture drought and, 3) The increase of household and business debts.

Moreover, there is an issue related to political stability such as a protest of "Flash Mob" which was led by the students and youths since the beginning of the year. This was enlarged to a large mob and fractions of mob in Bangkok and other provinces. Then, it was developed into the "2020 People's Party" mob which demonstrated multiple activities during the fourth quarter of 2020. There was also the second wave spreading of COVID-19 during December 2020. As a result, these circumstances have adversely affected the consumer's confidence, private sector investment, and local tourism which is being recovered.

- **2021 Thailand's Economy Trend**

Regarding Thailand's economy in 2021, the growth forecast is at 3.5%-4.5% supported by (1) The upside of local demand, (2) The recovery of world trading and economy, (3) The stimulation from the government sector by disbursement of the budget and economy measure, and (4) The irregular growth in 2020. It is expected that the export value will grow at 4.2%. The private sector's consumption and the net investment will grow at 2.4% and 6.6%, respectively. The general average inflation rate will be around 0.7%-1.7% and outweigh the Current Account balance at 2.6% of GDP.

The details of 2021 economy's forecast in many aspects consist of:

1. Consumption expenses and the expenses of consumers in Private Sector are expected to 2.4% growth which accelerates from the decrease by 0.9% in 2020. It is caused by the relieve of Spread Prevention measure from the Government sector and the increase of consumer's confidence from ability to control the spreading situation locally.
2. The net investment is expected to increase by 6.6% compared to the decrease of 3.2% in 2020. The Government Sector investment is expected to increase at 12.4% continually from 13.7% in 2020. This conforms to the investment budget in 2021 which increased by 17.0% in comparison with 2020 budget.
3. The value of export in Dollars base is expected to increase by 4.2% which is an upside from the decrease of 7.5% in 2020. It is expected that the products export will increase by 3.2% from the decrease of 6.6% in 2020 with regards to the upside of World Trade and Economy assumption in 2021.

source: Analysis report by the Office of the National Economic and Social Development Council

- **2020 Office Rental Industry situation**

The effect from the spreading of COVID-19 situation has 2 key factors to the Office Rental Industry including:

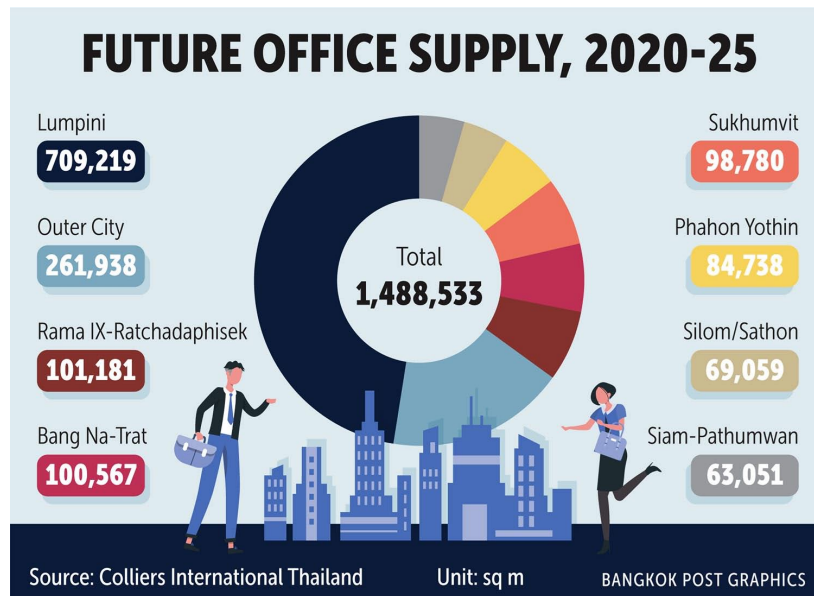
1. The overall Macro Economy in Office Rental Market demand and supply

The spreading of COVID-19 situation decreases the demand of lessees in Office Rental with pressure from delay in the Private Sector investment and trading as well as the upside of unemployment rate which results in minus of Net Office Rental rate (Move out rate is greater than move in rate, or Negative Net Absorption). This reflects the decrease in both local and foreigner Private Sector investment while the Private Sector's consumption is still balance. Most of the business has delayed the increment of Working Space to reduce the expenses and protect the cash flow, especially in Tourism and Hospitality service which has the new rise of 2% unemployment rate based on the information from the Bank of Thailand. Even the White Collar employment has minor effect. However, from the situation of COVID-19, many organizations have reduced the Office Area, respectively.

The above impact results in the vacancy rate of Office Area to increase by more than 11% from total area in Bangkok and its vicinity with upside trend in 2021 based on Jones Lang Lasalle ("JLL") analysis report.

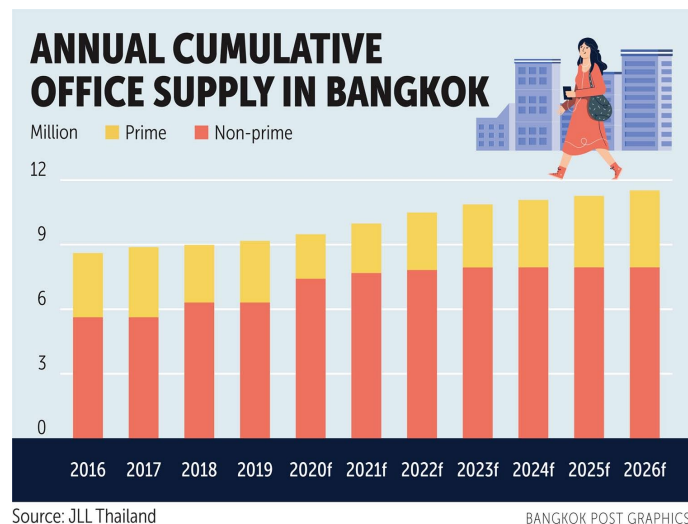


Image: The overall Office Supply in Key Business District in Bangkok



The future of Office Supply is also affected by the delay or indefinite postponement of the Office Area development project until the relief of the situation. Currently, the Office Rental area in Bangkok is 9 million square meter increasing by 2% from 2019 while the Office Demand will be increased by 1.1 million square meter in the next 5 years (source: JLL). As a result, the Office Area Developer must agree on the advance lease agreement to mitigate the risk of excessive demand which might occur in the future.

Image: Annual Cumulative Office Supply in Bangkok during 2016 - 2026



## 2. The adjustment of Office Area and On-site service need

The spreading of COVID-19 situation has indirectly affected the overall industry by changing the working area behavior in 2 aspects which are:

- 1) The distribution of fracture in working space around the main working space, Hub and Spoke, in the large scale Corporation lessees.
- 2) The roles of technology in working environment which allow employees to Work from Home or in any other place which reduces the need of traditional Office Area.

- **2021 Office Rental Industry Trend**

Regarding the trend of growth in 2021, the Office Area market is expected to slow down continually to the third quarter of 2020 resulted from the effect of COVID-19 virus and the slow-down of economy. It is expected that the rental rate and rental fee will be decreased which will change the momentum of the market to lessees. For the rest of the year, the market will still be balance. The lessee's market may develop after 2021 due to the major incensement in supply, especially in the next 3 years. The building owners need to compete in rental fee, maintenance, and building development, system, visualization and other incentives to maintain the number of lessees by focusing on the health, safety, and well-being incentives.

Source: Analysis report from Knight Frank Chartered (Thailand)

- **2020 Retail Industry Overview**

In 2020, as a result from pandemic of COVID-19 situation in Thailand and globally, the tourism, trade, consumption, investment, and household income decrease which affect the retail industry economic as well.

In the past decade, Thailand's Retail Industry has significantly increased by high growth in city area, infrastructure development, increasing wealth of mid income people, and multiplication of foreign tourists.

In the meantime, the demand of retail area increases along with the growth of economic and industry. The current net Leasable Area, "NLA", of Bangkok Retail market and its vicinity is 9 million square meters (source: Knight Frank) and Retail area all over the country is more than 20 million square meters (source: Data Analysis by Central Pattana PCL and JLL). The growth rate of Retail area is 6% annually as a result of new shopping center development.

- **2021 Retail Industry Trend**

The spread of COVID-19 changes the consumer's behaviors to use more online service and e-commerce. Even though the Thailand e-commerce market is considerably small calculated as 3%-4% of overall Retail Market, the high growth potential exists before saturation point as happening to the People's Republic of China, Great Britain, and United States of America having 20% of e-commerce ratio in comparison with total retail market. This indicates the significant business transformation in this environment with high growth of technology and outstanding of online retail industry.

- **2020 Residential Industry Overview and 2021 trend**

The decreasing demand of Bangkok Real Estate Market in 2020 has been affected by the spreading of COVID-19 situation from the decrease of local and foreigner purchasing power. Even with the decrease in policy interest and the government sector measure to support the industry, the Private Sector investment was still minus in 2020 from a moderate economic recovery. As a result, the new Real Estate Selling Price decreased by 10%-50%, respectively, from the previous year.

The new condominium demand has been decreased by 25% in 2020 in comparison with the previous year (source: CBRE Thailand Limited "CBRE"). Most of the supply come from new Midtown and Suburban Project, while the Take-up rate is still low even with the stimulation activities such as discount, free furniture, reduction in transfer fee and first phase guarantee of investment rate from the Developers. Moreover, the Thailand's Household debt is top rank in ASEAN being another risk factor of customer to cancel the booking in new Real Estate project.

#### (4) Environmental Impact

##### Single-Detached House, Semi- Detached House, and Townhome Projects

The Company's development projects will be divided into phases. Each phase will consist of the development area less than 500 houses which will not be subject to environmental laws. Nevertheless, the Company has the utility management system for the projects in order to avoid detrimental environmental effects, in particular, a system for wastewater treatment and management to ensure that there are 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 governmental agency in order to support applications for construction licenses which the Company has followed according to the prescribed laws, rules and regulations.

##### Office Building and Retail Space Projects

The Company received approval for construction of the projects before the enactment of the environmental impact assessment criteria was effective. Nevertheless, for the projects that require the environmental impact assessment, the Company has proceeded according to the prescribed 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 indirect sales through real estate brokers. For the selection of land, the Company will consider the location and the potential for development of such land and will compare the purchase price with the appraisal value and market value before every purchase, in order 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 in order 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 good history of completing good quality work as well as completing projects as scheduled and offer the 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 Condominiums: 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 better 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 also hires 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 main 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 to be used in decorating customers' projects. Thus, the Company procures some types of materials directly such as tiles, wood floor, sanitary ware, air conditioner, furniture and painting color, etc. The Company offers choices for customers to choose such materials after reserving houses or condominiums in the projects.

### **(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 House, Semi- Detached House, and Townhome: 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; and
- 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 which 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 construction of the condominium is complete and the condominium is ready for use. Customers can decide on the design of the units from the mocked-up rooms and floor plans provided by the project.

#### **(4.2) Lease of Real Estate**

4.2.1 Office Building spaces: The Company hires brokers with expertise in selling office building spaces.

4.2.2 Retail Spaces: The Company organizes a special working team to sell retail spaces of each project by selling directly to each target group of customers.

## **2.4 Undelivered Works**

Belle Grand Rama 9 Condominium Project is operated by Belle Development Company Limited. In February 2021, there are still 12 unassigned units worth Baht 263 million.

### 3. Risk Factors

#### Risks from Operating Real Estate Development Business and Investment Risk of Securities Holders

The Company prioritizes sustainable risk management in order to build confidence in achieving the goals of the stakeholder and reduce the loss that may occur by reviewing the risk continually that considers both internal and external factors, consider the possibility of risk and the impact of risks on business operations, both directly and indirectly to assess the risks and to identify the significant risks of the Company then determined suitable management strategies to supervise and control various risks to be at the acceptable level of the organization. The significant risk factors affecting business operations are as follows:

#### 3.1 The risk of Economic slow-down and fierce competition

In 2020, Thai Economy was significantly affected by the spreading of COVID-19 situation which greatly reduced the economic during the spreading period. It was slowly recovered as a result of the arrival of foreigner tourist measure and from the scar of local economy as well as the concern in a chance of new spreading and fierce competition in Real Estate Development, especially the Office Rental and Residence Business. From the increase of supply resulting in the excessive supply, the outstanding unit in market and new project development occurred. Moreover, the change of some customer behavior to Work From Home or at other places which is not in the Office Building has become clearer from the COVID-19 crisis.

Based on this situation, the Company has Conservative Investment Policy by focusing on managing and improving the performance of the current project to be more efficient such as the development of Office Building in response to customer requirement, allocation of shop and improvement of the environment in and around the Office Building. From the lessee perspective, the Company has aided the lessees who are affected by the COVID-19 situation with the following measures including discount, change in lease term such as reducing the leasing period or reducing the leasing space as well as recruiting new lessees from the Business sector that can grow during this situation.

#### 3.2 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.

The Company focuses on maintaining the business operation cash flow including cost and expense control to conform to the plan. This cash flow is one of the key funding to project development. Further, 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 and holding the status as a listed company on the Stock Exchange of Thailand and CPN Pattaya, a subsidiary of CPN which is a leader in real estate development business to be a major shareholder 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.

### 3.3 Risk in relation to Leasehold Rights

The “G-Land Tower Grand Rama 9” office building project, operated by Rama 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 30 years, Rama 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.

### 3.4 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.

To manage risks, the Company has studied and monitored any changes in the laws, rules, and regulations related the real estate business together with the market situation on a regular basis, 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.

### 3.5 Risk of compliance with the Personal Data Protection Act (PDPA)

The 2019 Personal Data Protection Act was scheduled to be enforced in May 2020, however, the Cabinet has postponed some of the section for 1 year. This gives the time for the Company to prepare and improve the system. However, the Company operations is related to multiple group of stakeholders personal data including Customers, Shops, Partners, and Employees, etc. This is related to multiple departments in the organization which may incorrectly be operated and incomplete in measures such as the notification of Privacy Policy and Permission to use Personal Information, the operation according to Personal Data Rights, the handling when leak of information occurs, etc..

The Company has revised the Business Operation which is related to the Personal Information such as, collection, storage, processing, transfer, and disposal of data, etc. This can ensure the compliance with the Act as well as accountable for communicating, educating, and governing the personnel operation in the department to align with the Company policy. Moreover, the Company focuses on utilizing the technology and tools in many states of Personal Information related to the reduction of chance of error of personnel operation.

### 3.6 Risk of adaptation to support the change in technology and future emerging business (\* Emerging Risk)

Technology rapidly evolves and gives strong impact which might widely affect the Company business operation. Besides, the Company has growth strategy based on the expansion of the current operating business and finding new potential business with good return of investment. This adaptation to the change is the main factor to the Company’s achievement and reputation.

The Company has supported the change by improving knowledge and mandatory skills to the personnel, prepare for the plan of new personnel to substitute the retired personnel, and the lack of personnel that might happen in the future. The Job Rotation project and employee engagement improvement can develop the Company culture to support this upcoming change.

### 3.7 Risk of suspension in business from the crisis (\*Emerging risk)

The Company gives a priority to prepare for an appearance of crisis that might suspend the business operation by analyzing and assessing the crisis that might suspend the business continuity such as Cyber Attack and Pandemic.

#### **Risk of Cyber Attack**

Currently, the Company has relied on technology and digital system which might result in a Cyber Attack that might suspend the business operation or the Company reputation if this event has not efficiently been managed.

The Company uses the Information Security Management which conforms to the ISO27001 standard as a guidance of operation which covers the security improvement on Hardware, Software and Network. The education and raising of awareness have been made to every personnel in the organization in handling the Disaster Recovery Plan (DRP) to align with the system and current technology in use.

#### **Risk of Pandemic (COVID-19)**

The spreading of COVID-19 since early of 2020 has significantly affected the business operation. Lessees and Customers are worried in using the area. The preparation of using the service by patients or risk group in the building resulted in closure of the area for cleaning and sanitization. The Shops in Retail Area has been affected from the reduction of customers without enough income to manage the costs and expenses.

The Company closely follows up and monitors the Pandemic situation in preparation of hygiene and safety to give lessees and customers the confidence in using the service. The Emergency Plan and Business Continuity Plan are also created in case of the crisis such as service usage by risk group, an allocation of personnel into 2 teams to prevent the risk of all personnel quarantine which results in the lack of resource in operations etc. This includes the aid and relief of effects to lessees, society and employees with consideration to hygiene and survival in the crisis.

### 3.8 Risk to investment of securities holders

The Company has issued financial instruments such as debentures, bills of exchange, etc. which the securities holders may acquire the risks as follows:

#### **Credit Risk**

It is the risk that the Company issuing the financial instrument may incapable of interest payment or default the principle. If the Company issuing the financial instruments becomes bankrupt or default the debt in the financial instrument which is not covered by the Deposit Protection Agency, the holder of the financial instrument has the rights to receive the debt payment as same as not subordinate creditors and no collateral. However, in evaluating the Credit Risk, the Securities Holders can use the Credit Rating which is published by the Risk Rating Agency before making a decision. Moreover, the Securities Holders should educate on the information before investment such as the Business Operation and Financial Position of the Company and should follow the information and news including an update of Credit Rating from the Securities and Exchange Commission's website. The Company has credit rating at "BBB" by Tris Rating in 2020, with the credit trend as "stable".



**Price Risk**

It is the risk that may occur whenever the securities holders would like to redeem the securities before maturity date. The securities might have lower value than the facing value or buyer price. The securities holder shall not receive the interest and incentive or received the interest and incentive at a lower rate.

**Liquidity Risk**

It is the risk that may occur whenever the securities holders would like to redeem the securities before the maturity date. The securities holder can resell to another investor in the secondary market. The securities holder may not sell at the acceptable price immediately.

## 4. Legal Dispute

There was no litigation involving the Company which could have a material adverse impact on the assets of the Company or its subsidiaries amounting higher than 5% of shareholders' equity in consolidated financial statements at 31 December 2020 and no other cases that may send a significant impact on the Company's or its subsidiaries operations.

**Remarks:** For legal disputes, additional information can be found in the Financial Statement remarks as of 31 December 2020.

## 5. Corporate Information

| General Information         |  |
|-----------------------------|--|
| Company name                | Grand Canal Land Public Company Limited  |
| Company Registration Number | 0107538000118  |
| Business Type               | Property Development   |
| Location                    | 161 Rama 9 Road, Huay Kwang, Bangkok 10310   |
| Home Page                   | www.grandcanalland.com   |
| Authorized Share Capital    | 6,535,484,202 ordinary shares, 1.00 baht par value<br>Total 6,535,484,202 .00 Baht |
| Issued and Paid-up Capital  | 6,499,829,661 ordinary shares, 1.00 baht par value<br>Total 6,499,829,661.00 Baht  |
| Home Page                   | www.grandcanalland.com   |
| Tel                         | 66 (0) 2 246 2323  |
| Fax                         | 66 (0) 2 247 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.<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 2246 2323 Fax : 0 2246 1082          | Property<br>Development                       | 20,642,613 ordinary shares,<br>100.00 baht par value | 79.57                                  |
| Rama 9 Square Co., Ltd.<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 2246 2323 Fax : 0 2246 1082              | Property<br>Development                       | 19,000,000 ordinary shares,<br>100.00 baht par value | 93.09                                  |
| Rama 9 Square Hotel Co., Ltd.<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 2246 2323 Fax : 0 2246 1082        | Hotel<br>(there are no<br>ongoing operations) | 1,000,000 ordinary shares,<br>16.00 baht par value   | 100<br>(Held by Rama 9<br>Square Ltd.) |
| Sterling Equity Co., Ltd.<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 2246 2323 Fax : 0 2246 1082            | Property<br>Development                       | 18,000,000 ordinary shares,<br>100.00 baht par value | 100                                    |
| Belle Assets Co., Ltd.<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 2246 2323 Fax : 0 2246 1082               | Property<br>Development                       | 1,100,000 ordinary shares,<br>10.00 baht par value   | 100                                    |
| G Land Property Management Co., Ltd.<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 2246 2323 Fax : 0 2246 1082 | Property<br>Development                       | 13,000,000 ordinary shares,<br>100.00 baht par value | 100                                    |

| Company name and Location   | Business Type        | Paid-up Capital                                       | % of Share Holding   |
|---|----------------------|---|--|
| Bayswater CO., Ltd<br>999/9 Rama 1 Road, Pathum Wan,<br>Bangkok 10330<br>Tel : 0 2667 5555  | Property Development | 100,000 ordinary shares,<br>100.00 baht par value     | 50<br>(Held by<br>Ratchada Asset<br>Holding Co.,Ltd.)  |
| Ratchada Asset Holding CO., Ltd<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 246 2323 Fax : 0 246 1082   | Holding Company      | 600,000 ordinary shares,<br>10.00 baht par value      | 100  |
| Gland Reit Management CO., Ltd<br>161 Rama 9 Road, Huay Kwang,<br>Bangkok 10310<br>Tel : 0 2168 1042 Fax : 0 2168 1046  | REIT manager         | 1,000,000 ordinary shares,<br>10.00 baht par value    | 100<br>(On 29 June 2020,<br>Gland Reit registered the<br>dissolution and currently<br>is in the process of<br>liquidation) |
| Gland Office Leasehold Real Estate<br>Investment Trust<br>18 SCB Park Plaza, Floor 7 <sup>th</sup> - 8 <sup>th</sup><br>Chatuchak, Bangkok 10900<br>Tel : 0 2949 1500 Fax : 0 2949 1501 | Trust                | 499,768,600 ordinary shares,<br>0.0212 baht par value | 15<br>(On 3 March 2020,<br>the Trust registered<br>its dissolution and<br>currently is in the<br>process of liquidation)   |

## Other References

|  |   |  |
|--|---|--|
| <b>Share Registrar</b>                   | : | <b>Thailand Securities Depository Company Limited (TSD)</b><br>93 The Stock Exchange of Thailand Building<br>Rachadapisek Road, Dindang, Bangkok 10400<br>Tel 0 2009 9999<br>Fax 0 2009 9991   |
| <b>Debenture Registrar</b>               | : | <b>Bangkok Bank Public Company Limited</b><br>333 Silom Road, Bang Rak District, Bangkok 10500<br>Tel 0 2230 1478<br>Fax 0 2626 4545   |
| <b>Debenture Holders' Representative</b> | : | <b>Krungthai Bank Public Company Limited</b><br>Capital Market Department<br>977/3 SM Tower, Floor 3 <sup>rd</sup> , Phahonyotin Road<br>Samsen Nai Sub-District, Phaya Thai District, Bangkok 10400<br>Tel 0 2298 0828<br>Fax 0 2298 0835 |
| <b>Auditor</b>                           | : | <b>KPMG Phoomchai Audit Limited</b><br>1 Empire Tower, 50 <sup>st</sup> -51 <sup>st</sup> Floor, South Sathon Road,<br>Yannawa Sub-District, Sathon, Bangkok 10120<br>Tel 0 2677 2000 Fax 0 2677 2222                                      |
| <b>Investor Relation</b>                 | : | <b>Mr. Surakit Thantananont</b><br>Tel 0 2246 2323 Fax 0 2246 1082   |

# Management and Corporate Governance

## 6. Securities and Shareholder Information

### 6.1 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 6,499,829,661 Baht which consists of 6,499,829,661 common shares, at 1.00 Baht par value.

### 6.2 Shareholders

Shareholding Distributions as of 30 December 2020 were:

| Shareholders                | Shares         | Shareholding (%) |
|-----------------------------|----------------|------------------|
| Registered Capital          | 6,499,829,661  | 100.00           |
| <b>Local Shareholders</b>   |                |                  |
| - Juristic persons          | 6,340,899,656  | 97.56            |
| - Persons                   | 158,797,171    | 2.44             |
| Total                       | 6,499,696,827  | 100.00           |
| <b>Foreign Shareholders</b> |                |                  |
| - Juristic persons          | 25,002         | 0.00             |
| - Persons                   | 107,832        | 0.00             |
| <b>Total</b>                | <b>132,834</b> | <b>0.00</b>      |

List of top 10 shareholders as of 30 December 2020, the latest date the Company closed the registration book:

| Shareholders                                    | Number of Shares     | %            |
|---|----------------------|--------------|
| 1. CPN Pattaya Co., Ltd.                        | 4,389,418,545        | 67.53        |
| 2. BBTB Group                                   | 1,943,728,462        | 29.90        |
| 2.1 Bangkok Broadcasting & Television Co., Ltd. | 1,191,604,274        | 18.33        |
| 2.2 Great Fortune Equity Co., Ltd.              | 306,299,005          | 4.71         |
| 2.3 GL Assets Co. Ltd                           | 281,501,347          | 4.33         |
| 2.4 BBTB Asset Management Co. Ltd.              | 153,837,243          | 2.37         |
| 2.5 BBTB Satelvision Co., Ltd.                  | 10,486,593           | 0.16         |
| 3. Mrs. Kanthong Udommahuntisuk                 | 16,068,457           | 0.25         |
| 4. Mr. Samon Suwannarat                         | 10,055,200           | 0.15         |
| 5. Mr. Waris Pho-ob                             | 6,778,800            | 0.10         |
| 6. Thai NVDR Co.,Ltd                            | 6,740,661            | 0.10         |
| 7. Mr. Phahol Pao-in                            | 4,243,400            | 0.07         |
| 8. Mr. Preecha Thanomsaksri                     | 4,000,000            | 0.06         |
| 9. Ms. Rojana Theeravithayangkura               | 3,089,152            | 0.05         |
| 10. Mr. Paisarn Boontaweepat                    | 2,636,000            | 0.04         |
| <b>Total</b>                                    | <b>6,386,758,677</b> | <b>98.26</b> |

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

### Major shareholders who have significant de facto influence on policies or operations of company

CPN Pattaya Company Limited hold approximately 67.53% of the total shares in the company, they have significant de facto influence on its policy formulation and operations. This is because 2 out of 9 members of the Board are representatives of these major shareholders.

### Foreign Limit in Shareholding

Company has set a foreign limit of 49% of the paid-up capital. As of 30 December 2020, foreign investors altogether held less than 0.01% of Company's total paid-up capital.

## 6.3 Issuance of other securities

- Unsecured and unsubordinated Debentures

| Debenture | Debenture Holders' Representative | Amount (Baht Million) | Tenor (Year) | Issuance Date | Maturity Date | Interest Rate | Principle Payment | Interest Payment Cycle | Balance as at 31 Dec 2020 |
|-----------|-----------------------------------|-----------------------|--------------|---------------|---------------|---------------|-------------------|------------------------|---------------------------|
| GLAND224A | Yes                               | 1,150                 | 4            | 26 Apr 2018   | 26 Apr 2022   | 5.00%         | Upon maturity     | Quarterly              | 1,028                     |
| GLAND215A | Yes                               | 1,300                 | 3.5          | 9 Nov 2017    | 9 May 2021    | 4.99%         | Upon maturity     | Quarterly              | 1,163                     |
| GLAND20NB | Yes                               | 200                   | 3            | 9 Nov 2017    | 9 Nov 2020    | 4.80%         | Upon maturity     | Semi-annually          | -                         |
| GLAND209A | Yes                               | 1,100                 | 3            | 7 Sep 2017    | 7 Sep 2020    | 4.80%         | Upon maturity     | Semi-annually          | -                         |
| GLAND20NA | No                                | 100                   | 5            | 27 Nov 2015   | 26 Nov 2020   | 5.10%         | Upon maturity     | Quarterly              | -                         |

## 6.4 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.

Directors and executives holding company shares in 2020, are as follows

| Names                              | Position   | No. of Shares<br>as at 1 January 2020 |          |       | Changes in No.<br>of Shares / Increased/<br>(Decreased) during 2020 |          |       | No. of Shares<br>as at<br>31 January<br>2020 | Shareholding<br>(%) as at<br>31 December<br>2020 |
|------------------------------------|--|---------------------------------------|----------|-------|---|----------|-------|--|--|
|                                    |  | Direct                                | Indirect | Total | Direct  | Indirect | Total |  |  |
| Mr. Sudhitham Chirathivat          | Chairman   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Assoc.Prof. Prapanpong Vejajiva    | Vice Chairman  | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mr. Charan Mongkolchan             | Independent Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mrs. Jitmanee Suwannapool          | Independent Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mr. Vithaya Chavananand            | Independent Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mr. Preecha Ekkunagul              | Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mr. Pandit Mongkolkul              | Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Ms. Nopporn Tirawattanagool        | Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mr. Sansrit Yenbumrung             | Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Ms. Napat Sriwanvit                | Chief Executive Officer<br>(acting)                                    | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mrs. Panida Sooksridakul           | Deputy Managing Director   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Flt.Lt. Kree Dejchai               | Deputy Managing Director<br>(acting)                                   | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Mr. Surakit Thantananont           | Senior Assistant Managing<br>Director of Business<br>Support Workgroup | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |
| Ms.Tattayakorn<br>Benjapattaraseth | Assistant Managing Director<br>of Office Property Workgroup            | -                                     | -        | -     | -   | -        | -     | -  | 0.00   |

**Remark:** Securities held by a spouse and/or children under the legal age of directors or executive officers.



## 7. Management Structure

### 7.1 The Board of Directors

The Board of Directors comprises directors who are knowledgeable and experienced in diverse fields relevant to company's business. The Board of Directors consists of 9 directors, who sufficiently supervise company operations, as follows:

- Three independent directors or equivalent one-third of the Board of Directors. All independent directors not only perform their duties and comment independently, but also take the best interests of company, shareholders and stakeholders into account.
- The Chairman of the Board is a different person from the Chief Executive Officer, in order to have complete separation of responsibilities as well as a balance of power in operations.
- 8 non-executive directors and 1 executive director or equal to 89% and 11% of the Board of Directors, respectively.

#### Name and Position of the Board of Directors Members

##### Non-Executive Director

|    |                        |                 |  |
|----|------------------------|-----------------|--|
| 1. | Mr. Sudhitham          | Chirathivat     | Chairman   |
| 2. | Assoc.Prof. Prapanpong | Vejjajiva       | Vice Chairman and<br>Member of Nomination and Remuneration Committee   |
| 3. | Mr. Charan             | Mongkolchan     | Independent Director and Chairman of Audit and<br>Corporate Governance Committee <sup>1</sup>  |
| 4. | Mrs. Jitmanee          | Suwanapool      | Independent Director, Member of Audit and Corporate<br>Governance Committee <sup>1</sup> , Chairman of Risk Management<br>Committee and Member of Nomination and<br>Remuneration Committee |
| 5. | Mr. Vithaya            | Chavananand     | Independent Director, Member of Audit and Corporate<br>Governance Committee <sup>1</sup> and Chairman of Nomination<br>and Remuneration Committee  |
| 6. | Mr. Pandit             | Mongkolkul      | Director and Advisory of the Nomination and<br>Remuneration Committee <sup>1</sup>   |
| 7. | Ms. Nopporn            | Tirawattanagool | Director   |
| 8. | Mr. Sansrit            | Yenbumrung      | Director   |

##### Executive Director

|    |             |           |   |
|----|-------------|-----------|---|
| 9. | Mr. Preecha | Ekkunagul | Director and Chairman of Management Committee |
|----|-------------|-----------|---|

Mr. Somphoch Thitipalati is appointed as the Company Secretary.

Remark - <sup>1</sup> The Board of Directors at a Meeting No. 1/2021, held on 19 February 2021 has resolved to change the Audit Committee to the Audit and Corporate Governance Committee and to re-structure the Nomination and Remuneration Committee.

#### The Authorized Directors

The Authorized Directors of the Company are Mr. Sudhitham Chirathivat or Mr. Preecha Ekkunagul or Associate Professor Prapanpong Vejajiva or Mr. Pandit Mongkolkul, two directors from four directors above co-signed and seal with the Company Seal.

### **Composition and Nomination of the Board of Directors**

1. The Board of Directors consists of at least five directors, three or more of whom must be independent directors, equivalent to no less than one-third of the Board. At least half of the directors must reside in the Kingdom.
2. The directors elect one of them as chairman. When deemed appropriate, the directors may elect one or several directors as vice chairman. The vice chairman is responsible for assignments by the chairman under Company's regulations.
3. The Chairman of the Board is a different person from the Chief Executive Officer, in order to have complete separation of responsibilities as well as a balance of power in operations.
4. The appointment of the directors must follow relevant law, rules, and regulations based on transparency and clarity.
  - 1) If a director resigns upon term expiration, the shareholders' meeting may elect his/her replacement through the decision of the majority of votes of the present shareholders. If there are equal votes among the directors, the Chairman of the meeting must cast the decisive vote.
  - 2) If a director's post becomes vacant for reasons other than term expiration, the Board may elect a qualified candidate to replace him/her in the next Board meeting. If the remaining term of directorship is shorter than two months, the newly elected one is to stay in office for the remaining term. The resolution of the board on this matter must consist of no less than three-quarter votes of the remaining directors.

### **Terms of Directorship**

1. At every Annual General Meeting of Shareholders (AGM), one-third of the directors must retire. If the total number is not a multiple of three, the number closest to one-third must be used. Retired directors may be re-elected to the Board.
2. Other than for completion of terms, a director may retire for the following reasons:
  - 1) death
  - 2) resignation
  - 3) lacking qualifications or having any prohibited characteristics prescribed by law or company's regulations
  - 4) the meeting of shareholders may pass a resolution to remove any director from office by a vote of no less than three-fourths of the number of eligible shareholders in attendance at the meeting, and the total number of such shares must be no less than half of the number of shares held by eligible shareholders in attendance
  - 5) court order
3. Directors who wish to resign must submit their resignation letters to Chairman or Director or persons who assignment by Board of Directors. The resignation takes effect on the day the resignation letter is received by the Company.
4. Independent directors performed its duties independently from the Management and Major Shareholder. To enhance their independent input and performances, independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total, to maintain the independence of opinions and performance of duties as the Company's independent director.

The Board could extend independent directors' terms as seen fit. When independent directors complete their terms, the Board may nominate such directors to the AGM to be re-elected for the extension of their terms.

### Summary of the Appointment of Directors on Sub-Committees

| Director                           | Board of Directors | Audit and Corporate Governance Committee* | Nomination and Remuneration Committee* | Risk Management Committee | Management Committee |
|------------------------------------|--------------------|---|--|---------------------------|----------------------|
| 1. Mr. Sudhitham Chirathivat       | C                  | -   | -                                      | -                         | -                    |
| 2. Assoc.Prof. Prapanpong Vejajiva | Vice C             | -   | M                                      | -                         | -                    |
| 3. Mr. Charan Mongkolchan          | M                  | C   | -                                      | -                         | -                    |
| 4. Mr. Vithaya Chavanand           | M                  | M   | C                                      | -                         | -                    |
| 5. Mrs. Jitmanee Suwannapool       | M                  | M   | M                                      | C                         | -                    |
| 6. Mr. Preecha Ekkunagul           | M                  | -   | -                                      | -                         | C                    |
| 7. Mr. Pandit Mongkolkul           | M                  | -   | A                                      | -                         | -                    |
| 8. Ms. Nopporn Tirawattanagool     | M                  | -   | -                                      | -                         | -                    |
| 9. Mr. Sansrit Yenbunrung          | M                  | -   | -                                      | -                         | -                    |
| 10. Management Team                | -                  | -   | -                                      | M                         | M                    |

**Remark** C: Chairman

Vice C: Vice Chairman

M: Member

A: Advisory

\* The Board of Directors at a Meeting No. 1/2021, held on 19 February 2021 has resolved to change the Audit Committee to the Audit and Corporate Governance Committee and to re-structure the Nomination and Remuneration Committee.

### Details of the meeting attendance of each board and each director in 2020 are as follows:

| Director                        | Board of Directors | Audit and Corporate Governance Committee* | Nomination and Remuneration Committee* | Risk Management Committee |
|---------------------------------|--------------------|---|--|---------------------------|
|                                 | 4 Meeting          | 4 Meeting                                 | 2 Meeting                              | 4 Meeting                 |
| Mr. Sudhitham Chirathivat       | 4/4                | -   | -                                      | -                         |
| Assoc.Prof. Prapanpong Vejajiva | 4/4                | -   | 2/2                                    | -                         |
| Mr. Charan Mongkolchan          | 4/4                | 4/4                                       | -                                      | -                         |
| Mrs. Jitmanee Suwannapool       | 4/4                | 4/4                                       | 2/2                                    | 4/4                       |
| Mr. Vithaya Chavanand           | 4/4                | 4/4                                       | 2/2                                    | -                         |
| Mr. Preecha Ekkunagul           | 4/4                | -   | -                                      | -                         |
| Mr. Pandit Mongkolkul           | 4/4                | -   | 2/2                                    | -                         |
| Ms. Nopporn Tirawattanagool     | 4/4                | -   | -                                      | -                         |
| Mr. Sansrit Yenbunrung          | 4/4                | -   | -                                      | -                         |

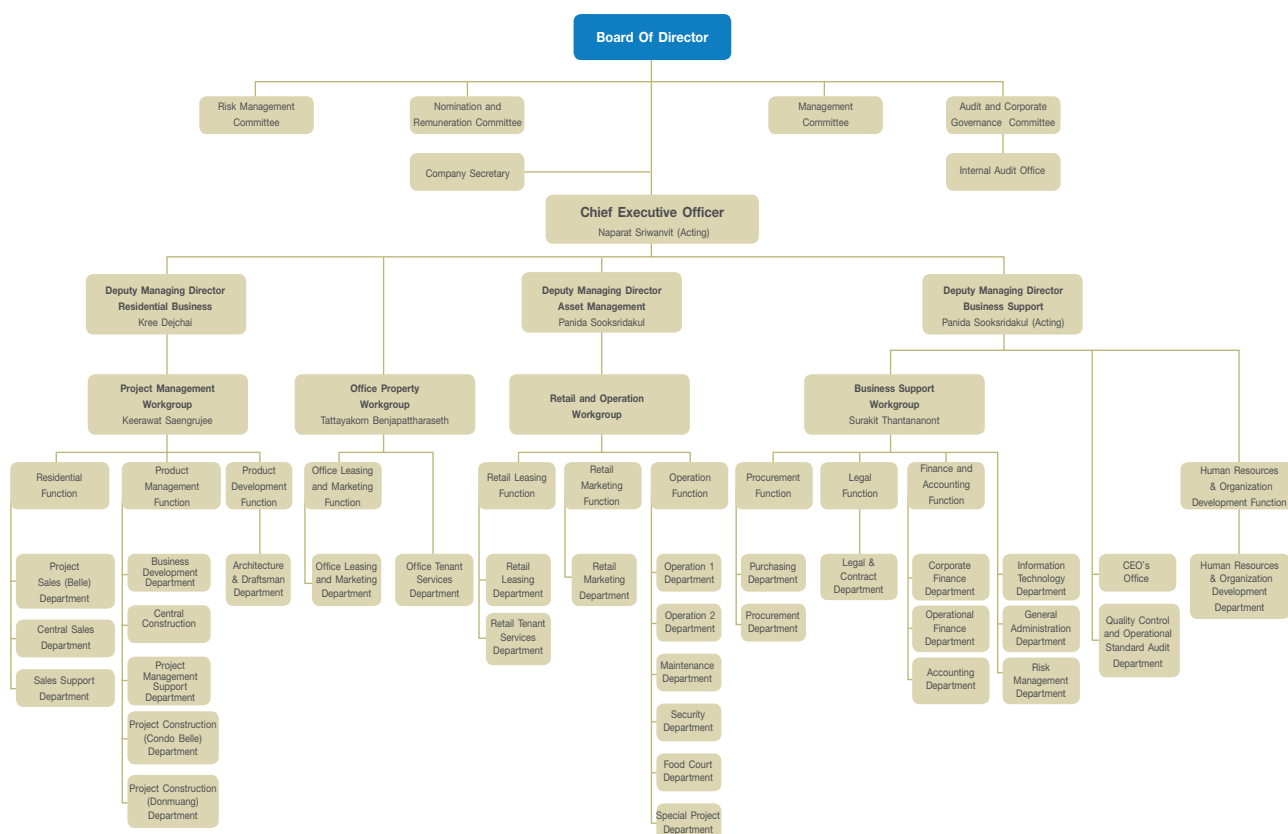
**Remark** - \* The Board of Directors at a Meeting No. 1/2021, held on 19 February 2021 has resolved to change the Audit Committee to the Audit and Corporate Governance Committee and to re-structure the Nomination and Remuneration Committee.

## 7.2 Management Team

As of 31 December 2020, the Company has 5 members of the management team as follows:

1. Ms. Naparat Sriwanvit Chief Executive Officer (acting)
2. Mrs. Panida Sooksridakul Deputy Managing Director
3. Flt.Lt. Kree Dejchai Deputy Managing Director (acting)
4. Mr. Surakit Thantananont Senior Assistant Managing Director of Business Support Workgroup
5. Ms. Tattayakorn Benjapatharaseth Assistant Managing Director of Office Property Workgroup

### Company Management Structure



## 7.3 Company Secretary and The Person Supervising Accounting

### Company Secretary

The Board of Directors appoints knowledgeable, capable and qualified person as Company Secretary to support related work and ensure the efficiency and effectiveness under laws rules applicable and good governance principles. The Board therefore appointed Mr. Somphoch Thitipalati as the Company Secretary, also performing as secretary to the Nomination and Remuneration Committee and secretary to the Management Committee. Please see the profile and work experience under “Board and Management Profile”.

Duties and responsibilities are as follows:

1. Prepare and maintain all documents relating to the Company’s statutory register of directors, Annual Reports, notices and minutes of the meetings of the Board of Directors as well as notices and minutes of the shareholders’ meetings.
2. Maintain and keep a record of vested interests as reported by directors and executives.
3. Send copies reporting vested interests of directors and executives or related persons to the Chairman and the Chairman of the Audit and Corporate Governance Committee within seven days of the receipt of each report.

4. Organize Board and shareholders' meetings according to rules and applicable laws.
5. Provide advice to company and the Board of Directors in conformance to company's memorandum of association, articles of association, Securities and Exchange Act, Public Company Limited Act, and applicable laws.
6. Act as the clearing house between the Board of Directors, executives, and the shareholders.
7. Coordinate and follow up the Board's and shareholders' resolutions.
8. Ensure that appropriate information disclosure and information reports are submitted to the regulators as required.
9. Perform other duties as specified by the regulations of the Capital Market Supervisory Board or as assigned by the Board of Directors.

#### **The Person Supervising Accounting**

The Board of Directors values and takes responsibility for the financial statements of Company and the subsidiary companies in line with general standards and practices. Company devises a policy of proper accounting based on caution, correctness, and completeness to reflect its performance. The Company therefore appointed Mrs. Nizsa Mekloy as the person supervising accounting. Please see the profile and work experience under "Board and Management Profile". Duties and responsibilities are as follows:

1. Supervise the collection of income and debt of the Company in accordance with the various agreement terms and conditions in completely.
2. Review the transactions of the Company according to the scope of approval authority specified.
3. Supervise the sufficient important information is disclosed in the notes to the financial statements.
4. Control and supervise the accounting operations in accordance with generally accepted accounting principles.

### **7.4 Remuneration of Directors and Management**

#### **Remuneration of Directors**

Company has considered the remuneration of directors, taking into account both its fairness and appropriateness, which reflects the extent of their responsibilities and performance relative to the Company's overall operational performance and related factors, inclusive of comparisons to remuneration of other companies within the same or similar industry and business sectors as the Company; whereby the Nomination and Remuneration Committee has annually considered from the survey on remuneration of directors undertaken by the Stock Exchange of Thailand (SET) and the Thai Institute of Directors (IOD) as reference.

In 2020, the Nomination and Remuneration Committee reviewed and proposed the remuneration of directors to the Board of Directors for consideration and concurrence in submitting it to the 2020 Annual General Meeting of Shareholders on 26 June 2020. Details were as follows:

| Remuneration  | Year 2020 |
|---|-----------|
| <b>1. Meeting allowances for the Board of Directors (Baht/Meeting)</b>                    |           |
| - Chairman  | 15,000    |
| - Vice Chairman   | 15,000    |
| - Chairman of the Audit Committee   | 15,000    |
| - Member of the Audit Committee   | 12,000    |
| - Director  | 12,000    |
| <b>2. Monthly Remuneration (Baht/Month)</b>   |           |
| - Chairman  | 63,500    |
| - Vice Chairman   | 63,500    |
| - Chairman of the Audit Committee   | 63,500    |
| - Member of the Audit Committee   | 57,000    |
| - Director  | 44,500    |
| <b>3. Meeting allowances for the Audit Committee (Baht/Meeting)</b>                       |           |
| - Chairman of the Audit Committee   | 12,000    |
| - Member of the Audit Committee   | 10,000    |
| <b>4. Meeting allowances for the Nomination and Remuneration Committee (Baht/Meeting)</b> |           |
| - Chairman of the Nomination and Remuneration Committee                                   | 12,000    |
| - Member of the Nomination and Remuneration Committee                                     | 10,000    |
| <b>5. Meeting allowances for the Risk Management Committee (Baht/Meeting)</b>             |           |
| - Chairman of the Risk Management Committee   | 12,000    |
| - Member of the Risk Management Committee   | 10,000    |
| <b>6. Other benefits</b>  | - None -  |

The monthly retainer for the directors and meeting allowances for directors as members of the Board and sub-committees for 2020 totaled Baht 6,518,000.00 with no benefits in other forms.

Details of meeting attendance and remuneration are as follows:

| Remuneration<br>(Baht)          | Meeting allowances (Baht)           |  |  |   | Total               |
|---------------------------------|-------------------------------------|--|--|---|---------------------|
|                                 | Board of<br>Directors<br>4 Meetings | Audit<br>Committee<br>Governance<br>Committee*<br>4 Meetings | Nomination and<br>Remuneration<br>Committee*<br>2 Meetings | Risk<br>Management<br>Committee<br>4 Meetings |                     |
| Mr. Sudhitham Chirathivat       | 762,000.00                          | 60,000.00  | -  | -   | 822,000.00          |
| Assoc.Prof. Prapanpong Vejajiva | 762,000.00                          | 60,000.00  | 20,000.00  | -   | 842,000.00          |
| Mr. Charan Mongkolchan          | 762,000.00                          | 60,000.00  | 48,000.00  | -   | 870,000.00          |
| Mrs. Jitmanee Suwannapool       | 684,000.00                          | 48,000.00  | 40,000.00  | 20,000.00                                     | 840,000.00          |
| Mr. Vithaya Chavananand         | 684,000.00                          | 48,000.00  | 40,000.00  | 24,000.00                                     | 796,000.00          |
| Mr. Preecha Ekkunagul           | 534,000.00                          | 48,000.00  | -  | -   | 582,000.00          |
| Mr. Pandit Mongkolkul           | 534,000.00                          | 48,000.00  | -  | 20,000.00                                     | 602,000.00          |
| Ms. Nopporn Tirawattanagool     | 534,000.00                          | 48,000.00  | -  | -   | 582,000.00          |
| Mr. Sansrit Yenbumrung          | 534,000.00                          | 48,000.00  | -  | -   | 582,000.00          |
| <b>Total</b>                    | <b>5,790,000.00</b>                 | <b>468,000.00</b>  | <b>128,000.00</b>  | <b>84,000.00</b>                              | <b>6,518,000.00</b> |

**Remark** - \* The Board of Directors at a Meeting No. 1/2021, held on 19 February 2021 has resolved to change the Audit Committee to the Audit and Corporate Governance Committee and to re-structure the Nomination and Remuneration Committee.

**Remuneration of Management**

For the remuneration of the management, company bases its decisions on fairness and suitability for their responsibilities proportionally to company performance and comparison with pay rates of industry peers including the performance outcomes against their responsible goal to be in line with the Company's annual strategic plans.

The total remuneration paid to the management for 2020 are as follows:

- **Salaries and Bonuses**  
Company contributed remuneration in form of salaries and bonuses paid to 5 executive management team members in 2020 amounted to Baht 15,563,909.17
- **Provident Fund**  
Company contributed the Provident Fund paid to 3 executive management team members in 2020 amounted to Baht 862,760.40

**Treatment of Employees Policy**

The Company adheres to fair and equal treatment as well as appropriateness based on its corporate governance code and human rights principles. The Company provides a process of selection, appointment, transfer, welfare, awards, remunerations, termination of employment, and punishment of employees, based on transparency, accountability, honesty, and fairness. The Company suitably manages and develops its personnel's knowledge, skills, experiences, and incentives. The Company is committed to oversee a working environment that is safe to health, life, and property of employees. The Company equally respects the rights of expression of all employees without intervention; also, sets up a process of hearings and complaints in a proper and fair manner. The Company strives for continuous employee development to respond to the Company's goals and strategy. The Company promotes supporting activities so that employees may have a balanced life, whether related to work, education, recreation, or family. And the Company encourages dialogue between the Company and the employees or representatives of the employees to present information to the Company's decision-makers so as to improve the quality of the workplace in view of joint development.

**Remuneration of employees**

The Company provides fair employment conditions so that employees may receive proper remunerations according to their knowledge, ability, potential, and performance, based on transparent and fair principles, in line with the Company's performance and comparable to other companies in the same business.

In 2020, Company contributed remuneration in form of salaries, the provident fund and welfare amounted to Baht 113.89 Million.



## 8. Corporate Governance

### 8.1 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. Roles of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

#### **Section 1: Rights of shareholders**

Company takes the following measures to protect the rights of every shareholder:

- Company ensures that shareholders will receive full returns from their investments by maintaining a straightforward structure of alliance among Company.
- Company equitably provides shareholders, whether major or individual ones, foreign or institutional investors, with basic shareholding rights and right protection treatment, including the right to purchase, sell, and transfer shares; to receive clear and accurate information; to attend shareholders' meetings and vote on significant transactions; to elect or dismiss Company's directors; to set the Board's compensation and remuneration; to appoint and dismiss external auditors and set their fees; to receive part of Company's profit as dividends; and to participate in and be adequately informed on decisions about Company's fundamental changes.
- Details about the exercise of these rights are distributed via the Stock Exchange of Thailand's Community Portal system (SET Community Portal), with due respect for the equitable and convenient access to information, as well as the right-exercising period. No action will be taken to limit shareholders' rights of access to Company's information system or obstruct communication between shareholders.

#### **Section 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.

## 2020 AGM:

Company recognizes the importance of giving identical rights and affording equal treatment to all shareholders. Relevant guidelines have been adopted for actual actions (before, during and after meetings) for all shareholders' meetings. The 2020 AGM was held on Friday, 26 June 2020, at 2 p.m. at the Meeting Room, 12th floor, the Ninth Towers Grand Rama 9, no. 33/4 Rama 9 Road, Huay Kwang, Bangkok. There were 13 shareholders attending the meeting in person and 15 shareholders attending by proxy, in total amounting to 97.45% of the total 6,499,829,661 shares issued. Out of 9 members of the Board, 9 directors attended the meeting, equal to 100% of the Board. The Chairman of the Board, Chairman of the Audit and Corporate Governance Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Management Committee, Chief Executive Officer (acting), Deputy Managing Director, Senior Assistant Managing Director of Business Support Workgroup, Company Secretary, and the external auditor attended the meeting. Details of the AGM proceedings are as follows:

### Before the Meeting

- Company provided individual shareholders with rights to propose in advance additional agenda items and nominate directors from 27 September 2019 to 15 January 2020. This included shareholders' rights to query meeting agenda before the meeting date by submitting their queries to the Company Secretary. Criteria for such consideration, which were agreed by the Board, can be viewed at Company's website. However, in 2020, no shareholder proposed any names or agenda items for consideration.
- Meeting notices are in Thai and English. For the 2020 AGM, the meeting notice was posted on Company's website on 25 May 2020 and was distributed to shareholders no less than 14 days ahead. This provided shareholders with enough time to examine the information.
- In the meeting notice, Company enclosed essential, adequate facts and rationales, as well as directors' comments on all items on the agenda for shareholders' consideration. The AGM agenda comprised:
  - 1) Nomination of Directors: Company provided basic information on candidates, including each one's name, age, position held in Company, education, director training/seminar courses attended, experience, positions held in other or Company's related businesses, date of being a director, number of years in each position, and participation in committees' meetings as member of such committees, shareholding in Company, and other information such as any conflict of interest incurred in the previous year.
  - 2) Compensation: Company provided information on the policy, amount, and form of compensation for each director's position and responsibility, criteria, and the procedures for determining compensation.
  - 3) Appointment of External Auditors: Company provided information on the names of auditors and their affiliations, auditors' independence, and the number of service years for the Company, the consideration of the suitability of the auditors' fee, presented separately from other fees.
  - 4) Dividend Payment: Company provided information on the dividend policy.
- There was no significant, extraordinary document distributed at the meeting, no added item, and no amendment made to material information without informing the shareholders in advance.
- Company facilitated shareholders who could not attend the meeting themselves by enclosing in the meeting notice Proxy Form B, on which they could state their voting preference, together with details about how to appoint a proxy to shareholders' meetings. Shareholders could download Proxy Forms A, B, and C from [www.grandcanalland.com](http://www.grandcanalland.com). In addition, the names and profiles of the three independent directors were provided for shareholders' voting by proxy.

#### During the Meeting

- Due to the COVID-19 Outbreak situation, the Company held the 2020 AGM under the disease control procedures and measures complying to the government sector's and other relevant regulatory bodies' announcement in order to control the COVID-19 Outbreak situation.
- Company provided at least a two-hour registration period before the meeting. Barcode and computer systems eased registration and vote counting to speed up the process and ensure information accuracy and reliability.
- Company provided shareholders with voting rights equivalent to the number of shares held. One share yields one vote. There was only one type of share, which was ordinary share.
- Shareholders were informed by Company about the vote-tallying procedures before the shareholders' meeting.
- Company introduced the use of ballots for casting votes. The ballots were prepared separately for each agenda item for shareholders' voting convenience.
- Company provided shareholders with the rights to exercise their votes on the nomination of directors by electing them one by one.
- Participants were informed of the voting result for each agenda item and presented with the voting scores.
- Company transparently conducted the AGM by following respective agenda items as stated in the meeting notice, in strict conformance to the law and Company's regulations. Independent party was invited to witness the vote counting.
- Shareholders were allowed to attend a meeting in progress and vote on remaining items.
- Company allowed shareholders to freely express their views and raise their questions at the meeting. The Chairman of the Board, Chairman of all sub-committees, Chief Executive Officer (Acting), senior executives, Company Secretary and external auditor attended the meeting to clearly answer all aspects of shareholders' questions.

#### After the Meeting

- Company submitted the resolutions of every shareholders' meeting through the SET Community Portal on the same day so that non-attending shareholders might be immediately informed.
- The quality of minutes of shareholders' meeting was emphasized by recording the following information:
  - list of directors attending and in absence at the meeting, including their positions
  - voting rights and methods, including the use of ballots for casting votes
  - shareholders' queries and recommendations, including the explanation of directors or the management
  - shareholders' meeting resolutions and voting-tally on every agenda item that includes voting.
- Minutes of each shareholders' meeting were distributed in Thai and English through the Company's website within 14 days starting from the meeting date, with a copy sent to SET within the stated period.
- The resolutions of Company's 2020 Annual General Meeting of Shareholders were provided on SET's website and disseminated via the Company's website on June 26, 2020, which was the meeting date.
- Shareholders' opinions on the organizing of shareholders' meeting were obtained through a satisfaction survey. The information acquired was then applied to improving the efficiency of future shareholders' meetings.

Company complied with the AGM quality assessment project, jointly conducted by the Thai Investors Association, the Securities and Exchange Commission (SEC), and the Thai Listed Companies Association. The assessment criteria included steps undertaken shareholders' meeting.

### **Section 3: Role of Stakeholders**

Company conducts business with fairness and adheres to the joint benefit between Company and its stakeholders, as governed by the following policies:

#### **Policy and Practices toward Stakeholders**

##### **Shareholders:**

- Stimulating growth with quality and stability for the shareholders' sustainable benefit with good and efficient performance.
- Respecting the shareholders' equal rights to receive necessary information; disclose correct and actual information.
- Conducting business based on honesty, transparency, and fairness. Relevant details appear under "Rights of Shareholders" and "Equitable Treatment of Shareholders".

##### **Employees:**

- Providing fair and proper treatment of employees, whether in opportunity, compensation, job assignment, job transfer, or competency development, as well as managing employees' workplaces to ensure the safety of their lives and properties.
- Arranging the annual performance evaluation as information accompanying consideration of compensation, such as salary increase and bonus payment. The ratio of the indicators would depend on fields of work and behavior as shown by employees at each level.
- Formulating fair compensation and welfare policy for Company's personnel at all levels, setting up the compensation structure of salary and bonus, for instance, to be in line with employee's knowledge, expertise, performance and Company's operating result.
- Provide channels for employees to express their views and suggestions, as well as fair treatment and non-discrimination of all employees.
- Setting up provident fund for employees, on a voluntary basis, to provide employees with additional funds in support of their retirement life or life after quitting.

##### **Customers:**

- Delivering satisfaction to the customers with good services and treat customers fairly and properly.
- Providing complete, correct, and actual information.
- Undertake customer satisfaction surveys, the results of which are used to continuously improve the service.

##### **Business Partners:**

- Equitable treatment of business partners and joint benefit.
- Observing Company's clearly detailed procurement procedures and practices to facilitate mutual trust and long-term relationships.

##### **Creditors:**

- Strictly respecting agreements with creditors; managing loans according to lending objectives; avoiding using the loans to cause damage to Company.
- Ensuring timely repayment of loans and interests; thoroughly honoring loan conditions as agreed.

**Business Competitors:**

- Conducting business with fairness; refraining from improperly seeking competitors' confidential information; refraining from abusing the intellectual property rights of others or those of competitors.

**Society, Communities and the Environment:**

- Respect the relevant law, and/or regulations.
- Monitoring the operation of the company and prevent it from damaging the quality of life of society, communities, and the environment; develop society in its quality of life, education, energy saving, and environmental protection for the benefit of society at large.

**Government:**

- Cooperating and supporting government policies for the benefit of the country under relevant law and criteria.
- Providing cooperation in anti-corruption.

**Independent Organizations and Related Social Organizations:**

- Upgrading cooperation and exchange information with independent organizations and other related social organizations for the joint development of society and the country on a sustainable basis. Address society's expectations in a constructive and for public benefit.

**Policy and Practices against Fraud and Corruption**

The Company has resisted all corruption and has conducted various activities related to anti-corruption as follows:

**Training and Communication**

- Orientation and training for its employees, adding to their mastery of the anti-corruption policy, measures, and procedures.
- Internal and external communication of this policy for widespread conformance, which includes notifications made to subsidiaries, associates, other companies under Company's control, and business representatives so that they may in turn implement this Company policy.
- Consistently communicating relevant policies, including No Gift Policy, via assorted channels, including the email and Company's website.

**Whistleblowing and Complaints**

In the case that employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, or code of business conduct, they can ask, alert or file complaints together with detailed evidence to the Company or relevant agencies. Then, the Audit and Corporate Governance Committee will investigate the facts related to such activities and propose its findings to the Board, independent directors, executive management, and related persons for acknowledgement and consideration of penalties as prescribed by Company's regulations if the suspect persons are found guilty. Details of communication channels are as follows:

Audit and Corporate Governance Committee  
Grand Canal Land Public Company Limited  
161 Rama 9 Road, Huay Kwang, Bangkok 10310  
Email: [whistle@grandcanalland.com](mailto:whistle@grandcanalland.com)

The rights of whistleblowers who are employees, customers, and outsourced persons will be protected. Those involved in the investigation process must keep all relevant information confidential and disclose only the parts that are necessary, taking into account the safety and interests of whistleblowers, complainants and those cooperating with the investigation, except where they have given their consent or where required by law.

**Policy and Practices on Intellectual Properties**

The Company conducts its business strictly under the law or regulations on intellectual property rights, whether in trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property, such as using only licensed software.

**Policy and Practices on Adherence to Human Rights Protection Laws and Regulations**

A key basis of the Company's business conduct is legal compliance, which includes domestic and foreign laws, as well as relevant customs, traditions, and cultures. Such as undertaking studies of relevant laws during conducting feasibility studies of projects and complying with them throughout the development stages, with constant monitoring of any legal revision that may affect its business operation.

The Company promotes and respects the protection of human rights and ensures that its business conducts have no connection with any human rights violation such as forced labor or child labor. All stakeholders are treated fairly on human dignity and non-discrimination of national origin, race, gender, age, skin color, religion, Expression of opinion, physical condition, status, or birth. It also promotes the monitoring of human rights compliance within the Company and encourages subsidiary companies, investors, business partners, and all stakeholders to observe the international standards of the principles of human rights. Another example of the Company's human rights practice is the protection of stakeholders whose rights are affected by the Company's operation by offering compensation at a rate comparable to what is stated by the law.

**Policy and Guidelines on Safety and Occupational Health**

In ensuring the safety and sound occupational health of its employees and stakeholders, the Company has defined a policy and guidelines requiring the planning and setting up within its offices and facilities of efficient, adequate security and warning systems. The purposes are to prevent and control risks of damage from accidents, injuries, work-related illnesses, damage or loss of properties, incorrect practices and other mistakes.

**Section 4: Disclosure and Transparency****1) Disclosure of Information**

Company is committed to disclosing financial and non-financial information that is accurate, complete, transparent, thorough, and timely for investors and all stakeholders worldwide to gain access to information that is reliable, always adequate for decision-making, and conveniently accessible through documents, the SET portal, the Company's website. Such information consists of:

- Company's financial information and material information, such as financial statements of Company and its subsidiaries; information on major shareholders and voting rights; information on directors and members of subcommittees; Company's dividend payment policy and Corporate Governance Policy.
- Company's major business updates and activities.
- The Company's business.
- Shareholder information.
- Form 56-1 and Annual Report
- The Notice for AGM and Minute of AGM
- Contact

## IR Activities

Recognizing the value of forging good relations with investors, the Company make time to join investor activities to elaborate the Company's performance outcomes and business directions. In 2020, the Company twice participated in opportunity day activities on quarter 2-3/2020 and the events are also broadcast live via SET's Opportunity Day Webcast Live on SET's website.

The Company has disclosed important information in both Thai and English and helpful in making investment decisions for shareholders and investors by public through various channels such as disclosure of information through the Stock Exchange of Thailand, the Office of the SEC, newspapers, etc. and public on the Company's website.

### 2) Responsible persons for disclosure of information

- CEO or the person assigned by the CEO to be responsible for the disclosure of information must adhere to correctness, completeness, timeliness, and fairness.
- The company secretary is responsible for disclosing key information to the Stock Exchange of Thailand, the Securities and Exchange Commission, shareholders, and investors.
- Top executives responsible for finance is responsible for disclosing information and answering queries of shareholders, investors, stock exchange analysts, and the general public. The information covers financial statements, performance, nature of business, Company's policy, operational plans and investment, development projects, shareholding structure, and key factors impacting performance.
- Those not responsible for disclosing company information or those not assigned by CEO must not disclose inside information that may affect Company's reputation and image, including the information that may affect the change in price and volume of Company's securities transactions.

### 3) Auditor and financial statements

The financial statements of Company and the subsidiary companies are audited by an independent auditor with knowledge, skill, and qualifications as specified to ensure the Board and the shareholders that such financial statements reflect its actual financial status and operation. It is Company's policy to change its auditors every five years to ensure complete independence.

The board values and takes responsibility for the financial statements of Company and the subsidiary companies in line with general standards and practices. Company devises a policy of proper accounting based on caution, correctness, and completeness to reflect its performance. The Board ensures that performance is reported and material information is transparently and sufficiently disclosed by regularly reporting to relevant agencies, such as the Securities and Exchange Commission and the Stock Exchange of Thailand, for the benefit of shareholders and investors. Moreover, the Board appoints the Audit and Corporate Governance Committee to be responsible for checking the reliability and accuracy of the financial statements as well as the internal control system in a sufficient and proper manner to ensure the reliability of Company's financial statements.

## Section 5: Responsibilities of the Board

### 1) The Board's Structure

The Board consists of 9 directors who are knowledgeable, experienced and skillful in diverse fields relevant to the Company's operation, with three of them, being independent directors, equivalent to one-third of the total as required by SEC's regulations. Fully qualified under Company's standard,



independent directors can effectively and efficiently discharge their duties for the full benefit of Company.

To ensure an inclusive supervision of all operational aspects under CG principles, Company has set up sub-committees and Management Committee, as well as appointing the Company Secretary to help the Board in performing its duties.

## **2) Board Diversity**

Recognizing the benefit of board diversity, Company's emphasis on the diversity of the Board's structure, its policy is clearly defined in the Charter of the Nomination and Remuneration Committee and the Code of Conduct and CG Principles. The Board considers it appropriate that its structure comprises ethical and honest experts who are knowledgeable, experienced, and skillful in diverse fields relevant to the conduct of business. Furthermore, Board members are selected with non-discrimination of gender, race, religion, age, professional skill, or other qualifications.

In addition, The Company reviews the Board Skill Matrix comprises expertise in real-estate development, architecture and engineering, accounting, finance, economics, business administration, laws and taxation, risk management, human resource management, corporate governance and information technology regularly.

## **3) Directors' Duties and Responsibilities**

The Board actively fulfills its leadership role in ensuring Company's good governance. Besides performing their duties in accordance with relevant laws and the Company's objectives and regulations, directors are responsible for resolutions of the Board and shareholders' meetings, with duty of loyalty, duty of care, accountability, ethics and equitable treatment to all shareholders without discrimination.

The Board is responsible for commenting on the defined vision, mission, long-term business goals and strategic plans to ensure the Company's sustainability, as studied by the management who turned the Board's direction into a plan. Company's vision, mission, long-term goals, strategic plans and policies which include the corporate governance policy and against fraud and corruption policy, with annual revision for compatibility with prevailing business circumstances. The Board also monitors and supervises the management to ensure that the Company's key strategies and policies are actively implemented, enhances the effectiveness of itself and senior executives to drive Company toward the goals, promotes assorted innovations that add values to business in tandem with creating stakeholder benefits by conducting business responsibly toward society and the environment, supervises the risk management and internal control systems to ensure their efficiency, which in turn guarantees that Company fully complies with the laws and standards for the supervision of systems for financial reporting and disclosing of material information to ensure their accuracy, adequacy and timeliness under applicable regulations, standards and guidelines. The Board also monitors the operation of sub-committees, such as the Audit and Corporate Governance Committee (ACGC) (ACGC has been appointed on 19 February 2021), The Nomination and Remuneration Committee (NRC), The Risk Management Committee (RMC) and The Management Committee (MC), to ensure that each fulfills the task assigned. Besides treating all shareholders equitably, Company provides them with the opportunity to participate in its decisions on important matters.

In 2020 the Board supervised Company's business in line with the corporate goals to foster sustainable growth by supplementing long-term for the business. The Board played an important role as seen below:

- Deliberated quarterly reports on Company's actual performance versus the plan and information on economic conditions, market conditions, competition, customers and related partners.
- In defining strategies, the management considered the strategic direction defined and recommended by the Board with key issues. It also analyzed the risks and opportunities that posed significant impacts on the business to define strategies and long-term action guidelines.

#### **4) Roles of the Chairman and the CEO**

For clear role segregation and checks and balances, the Chairman and the CEO are always two different persons.

As a director bound by the Charter of the Board, the Chairman is committed to the Code of Conduct and CG Principles in providing a role model for the Board, executives, and employees. The Chairman presides over the meetings of the Board as well as those of the shareholders, ensuring smooth meetings and providing directors and shareholders with opportunities to express their views and recommendations freely and creatively.

The CEO is responsible for managing and administering day-to-day Company businesses under its strategic plans, vision, and missions, with a scope of authority bound by law, objectives, and company regulations, in addition to the resolutions of the Board and shareholders' meetings.

#### **5) Directorship in Other Listed Companies**

The Charter of the Board of Directors has stipulated that directors may hold directorships in other companies but must not let them affect their work as the company's directors. It is stipulated that directors may hold directorships in no more than five listed companies.

The CEO may hold directorships in other companies but must not let them affect the work as the Company's CEO. Moreover, such entities must not operate business of the same type nor competing to that of the Company. Directorships in other listed companies must gain approval from the Board.

#### **6) Policy on Limiting the Number of Term of Directorship for Independent Directors**

The Charter of the Board of Directors has stipulated that independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total, to maintain their independence in giving opinions and performing their duties as independent directors.

The Board may consider extending the term of independent directors as deemed appropriate. In the year when any independent director is retired by rotation, the Board may propose such director to the annual general meeting of shareholders to consider reappointment of such independent director for another term.

## 7) Board Meetings

- Company's regulations require Board meetings to be held at least once every three months. The Board provides guidance and sets business directions, policies and corporate goals at Board meetings, which take place at least four times a year, and sub-committee meetings throughout the year. The Board formulated a policy on Board meetings as stipulated in Company's Corporate Governance Principles. The Board members had the duty to regularly attend Board meetings with the ratio of at least 75% of the meetings for the entire year. In 2020 there were four Board meetings, while the ratio of directors' participation was 100%.
- The Chairman, CEO and Company Secretary jointly set a clear agenda before each Board meeting. All directors can freely propose agenda items for consideration by the Chairman before inclusion in a meeting.
- The Company Secretary must submit meeting documents to the directors at least seven days in advance for consideration, together with an invitation letter specifying the meeting date, time, place, and agenda. In emergencies, to protect Company's rights or interests, appointments for such meetings can be made through other methods at shorter notice.
- During each meeting, the Chairman allocates enough time for discussion of each significant issue and encourages all directors to creatively and freely express ideas with due discretion, with the Company Secretary and Legal Department in attendance to take notes.
- Any director with a vested interest on any agenda items must abstain from the meeting and voting on that item.
- Each time the Board voted, the Board decided that the Board composition should be recorded in the meeting minutes. To date, voting on each item requiring approval was done by no less than two-thirds of the Board.
- If a situation occurs that is critically important or may have a significant impact on Company and/or any stakeholder, the management will submit full details of the incident to the Board for consideration, opinions, and suggestions, for example, market situations and project investment plans, "social interest" events or those that could involve Company's business, and CG guidelines, and so on.
- In 2020 the Board considered important issues to ensure Company's good corporate governance to meet the challenges of business operation.
- Meeting documents, minutes, information and all relevant documents are safely stored.
- For any questions arising during a meeting that requires follow-ups and/or additional information from any involved department, the Company Secretary will coordinate and submit additional details/information to the Board as soon as possible.
- Non-executive directors must hold at least one exclusive meeting a year. In 2020, one meeting was held in October to review significant business matters which may affect the Company's business, where summaries of issues for consideration and helpful recommendations were provided to the Board and the management for further action.

## 8) The Board's Self-Evaluation

### 8.1 Board's Self-Evaluation Form

- Criteria

Company Board's Self-Evaluation Form applies SET's evaluation and Listed Company approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of directors' performance and related duties. The evaluation form consists of two key components:

Component I The Board evaluates the scores given to the following five aspects of its operation:

- 1) Board structure and qualifications
- 2) The roles, duties, and responsibilities of the Board
- 3) Board meetings and board performance
- 4) Relationship with management
- 5) Director's self-improvement and executive development.

Component II The Board gives its opinions and suggestions or identifies special issues of interest about its performance or different aspects of Company's operation.

- Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, and report the summary annually to a Board meeting as an agenda item for acknowledgment and discussion.

### 8.2 Director's Self-Evaluation Form

- Criteria

Designed to assist each director in reviewing and enhancing his/her performance, this evaluation form fully aligns with the Board's legal obligation, Company's Charters and Code of Conduct, and the best-practice guidelines of the SEC and SET, by focusing on:

- 1) Director's code of conduct and performance
- 2) Strategic formulation, supervision, and monitoring of Company's operation
- 3) Responsibilities toward stakeholders

- Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, and report the summary annually to a Board meeting as an agenda item for acknowledgment and discussion.

### 8.3 Subcommittee's Self-Evaluation Form

All subcommittees including Audit and Corporate Governance Committee and Nomination and Remuneration Committee must undertake annual self-evaluation, the outcomes of which are applied to boost their input to support Company committees' work and each dimension of its business operation.

The “excellent” outcome of the Board, individual director and sub-committees performance assessment in 2020 can be summarized as follows:

| Evaluation                                  | Outcome (%) |
|---|-------------|
| <b>The Board of Directors</b>               |             |
| 1. The Board of Directors (full board)      | 94.42       |
| 2. The Board of Directors (individual))     | 94.24       |
| <b>Sub-Committees</b>                       |             |
| 3. Audit and Corporate Governance Committee | 98.50       |
| 4. Nomination and Remuneration Committee    | 94.33       |

#### 8.4 Evaluation of the CEO’s Performance

- Criteria

Based on SET’s evaluation approach, the CEO evaluation form consists of two key components:

- Component I The Board evaluates the scores given to the following ten aspects of its operation:
  - 1) Leadership skills
  - 2) Strategic identification skills
  - 3) Adherence to strategic plans
  - 4) Financial planning and outcomes
  - 5) Relationship with the Board
  - 6) Relationship with other business entities and other sectors
  - 7) Management skills and staff relationship
  - 8) Succession plan
  - 9) Products and service knowledge
  - 10) Personal qualifications.

- Component II Under the section of CEO Development, CEO’s strengths and aspects for further improvements are identified by the Board.

- Procedure

The CEO, together with the Nomination and Remuneration Committee, defined clear target KPIs at the beginning of the year. Then, the Committee reports the agreed evaluation criteria to the Board. The outcomes of the evaluation for 2020 averaged 96.76%, rated as “excellent”.

#### 9) Training and Seminars of the Board

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):

| Directors and Executive   | Topics / Curriculum / Seminars   |
|---|--|
| Mr. Sudhitham Chirathivat<br>Chairman   | <ul style="list-style-type: none"> <li>• Director Certification Program (DCP)</li> </ul>   |
| Assoc. Prof. Prapanpong Vejajiva<br>Vice Chairman and<br>Nomination and Remuneration Committee  | <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP)</li> <li>• The Role of Chairman Program (RCP)</li> <li>• Audit Committee Program (ACP)</li> <li>• The Role of Compensation Committee (RCC)</li> </ul>  |
| Mr. Charan Mongkolchan<br>Independent Director and Chairman of Audit and<br>Corporate Governance Committee  | <ul style="list-style-type: none"> <li>• Director Certification Program (DCP)</li> <li>• Audit Committee Program (ACP)</li> <li>• Monitoring the Internal Audit Function (MIA)</li> <li>• Monitoring Fraud Risk Management (MFM)</li> <li>• Monitoring the System of Internal Control and Risk Management (MIR)</li> <li>• Monitoring the Quality of Financial Reporting (MFR)</li> <li>• Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance</li> </ul>  |
| Mrs. Jitmanee Suwannapool<br>Independent Director, Member of Audit and Corporate<br>Governance Committee, Chairman of Risk Management<br>Committee and Member of Nomination and<br>Remuneration Committee | <ul style="list-style-type: none"> <li>• Director Certification Program (DCP)</li> </ul>   |
| Mr. Vithaya Chavananand<br>Independent Director, Member of Audit and<br>Corporate Governance Committee and Chairman of<br>Nomination and Remuneration Committee   | <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP)</li> <li>• Director Certification Program (DCP)</li> <li>• Audit Committee Program (ACP)</li> <li>• Monitoring Fraud Risk Management (MFM)</li> <li>• Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance</li> </ul>  |
| Mr. Preecha Ekkunagul<br>Director and Chairman of Management Committee  | <ul style="list-style-type: none"> <li>• Director Certification Program (DCP)</li> <li>• Director Accreditation Program (DAP)</li> </ul>   |
| Mr. Pandit Mongkolkul<br>Director and Advisory of the Nomination and<br>Remuneration Committee  | <ul style="list-style-type: none"> <li>• Director Certification Program (DCP)</li> <li>• Corporate Governance for Capital Market Intermediaries (CGI)</li> </ul>   |
| Ms. Nopporn Tirawattanagool<br>Director   | <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP)</li> <li>• Role of the Compensation Committee (RCC)</li> <li>• Audit Committee Program (ACP)</li> <li>• Director Certification Program (DCP)</li> <li>• Financial Institutions Governance Program (FGP)</li> <li>• Anti-Corruption for Executive Program (ACEP)</li> <li>• Risk Management Program for Corporate Leaders (RCL)</li> <li>• National Director Conference 2017 “Steering Governance in a Changing World”</li> <li>• IOD National Director Conference 2018 “Rising Above Disruption: A Call for Action”</li> </ul> |

| Directors and Executive   | Topics / Curriculum / Seminars   |
|---|--|
| Ms. Naparat Sriwanvit<br>Chief Executive Officer (acting),<br>Member of Risk Management Committee and<br>Member of Management Committee | <ul style="list-style-type: none"> <li>Company Secretary Program (CSP)</li> <li>Director Certification Program (DCP)</li> </ul>      |
| Mr. Surakit Thantananont<br>Senior Assistant Managing Director of Business Support<br>Workgroup   | <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP)</li> <li>Director Certification Program (DCP)</li> </ul> |

#### Seminars and Training Courses Attended by Each Director in 2020

| Directors                   | Detail   | Organization                                | Date              |
|-----------------------------|--|---|-------------------|
| Mr. Vithaya Chavananand     | - Board War Room Series “Personalized Marketing vs. Data Privacy: Engaging Your Customers while Protecting Their Identities” | Organized by IOD                            | 10 July 2020      |
|                             | - Director Briefing “Finding Creative Solutions to Business Dispute During Pandemic Time”                                    | Organized by IOD                            | 14 July 2020      |
|                             | - Director’s Briefing “China Economic Outlook: Pathway to Recovery”  | Organized by IOD                            | 3 August 2020     |
|                             | - Director Forum “Board’s Role in Strategy for Business Sustainability”  | Organized by IOD                            | 24 September 2020 |
|                             | - Chairman Forum “Leading Boardroom Through Disruption: What Directors should know?”   | Organized by IOD                            | 14 October 2020   |
|                             | - Independent Director Forum “Inside CEO Succession: Essential Guide for Board”  | Organized by IOD                            | 29 October 2020   |
|                             | - “Proactive Investor Relations”   | Organized by SET                            | 10 November 2020  |
|                             | - Company Secretary Forum “Virtual Board Meeting & the Evolving Role of Corporate Secretary”                                 | Organized by IOD                            | 14 December 2020  |
| Mr. Preecha Ekkunagul       | - “Consumer Behavior in the New Normal Post COVID World”   | Organized by Vitamins Quantitative Co.,Ltd. | 30 October 2020   |
|                             | - Chairman Forum “Leading Boardroom Through Disruption: What Directors should know?”   | Organized by IOD                            | 8 November 2020   |
|                             | - Director Forum “Board’s Role in Strategy for Business Sustainability”  | Organized by IOD                            | 27 November 2020  |
| Ms. Nopporn Tirawattanagool | - “ESG and Sustainability Banking Development including response to the Covid-19 Situation”                                  | Organized by BAY                            | 27 May 2020       |
|                             | - Cyber Resilience Leadership: “Tone from the Top”   | Organized by BOT                            | 24 September 2020 |



## 10) Monitoring of Conflicts of Interest

It is Company's policy to conduct business with honesty, open mindedness, transparency, and fairness. Company's directors, executives, and employees must not engage in any business in competition with Company or undertake any connected transaction related to themselves or persons/juristic persons, which could pose any conflicts of interest to Company. The Board must ensure strict conformance to the regulations and procedures for the disclosure of connected transactions specified by the law and the regulators.

If a connected transaction is unavoidable, however, such transaction must follow the general business provisions as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with outsiders, taking into account the best interests of Company. Any parties involved in a conflict of interest transaction must not take part in the consideration of such transaction. If connected transactions that breach the approved general business provisions could pose any conflicts of interest, the Audit and Corporate Governance Committee will examine such transactions and include its opinions to the Board or shareholders for approval.

The Company's directors and executives are obliged to disclose and report vested interests and connected transactions undertaken by themselves and their related parties as follows:

- Disclosure of vested interests: The directors and the executives are responsible for disclosing vested interests held by themselves and relevant people on an annual that may relate to Company's management according to the rules, conditions, and methods of the Capital Market Supervisory Board. The Company Secretary is responsible for compiling and submitting a copy of the report of such interests to the Chairman and the Chairman of the Audit and Corporate Governance Committee within seven days after receiving the report.
- Disclosure of connected transactions: Directors and executives are obliged by the laws and SEC and SET rules and regulations to report to the Company when agreeing to engage in connected transactions that may cause a conflict of interest.

In 2020, the Company did not receive any complaint about misuse of vested interests nor connected transactions committed by any director or executive.

## 11) Ethics

The Company realizes the duty and significant of the Board of Directors, the Management, and Employees according to the Company Management, to be trustworthy and transparent aligning with the Good Corporate Governance so that the Company mission can be efficiently operated according to the legitimate mission that the Board of Directors and Shareholders agree with. This is also based on the Good Corporate Governance Policy. The Board of Directors has approved the ethics of the Board of Directors, the Management and Employees to be a good guideline for the Company personnel who need to adhere to operate their duty, so that the Company operation is transparent, moral and ethical with every stakeholder taken into account. The Company also supervises for the policy and guideline on the Ethics in each subject to instruct the transparency for a guideline which leads to the development of the Company culture that supports the Good Corporate Governance covering the matters as follows:

- |  |   |
|--|---|
| • Recording, reporting, and storage of data policy                                   | • Responsibility for the Company's assets policy                |
| • Securities trading and insider trading policy                                      | • Intellectual properties policy                                |
| • Information security policy  | • Respect of law and principles of human rights policy          |
| • Internal control and internal audit policy   | • Treatment of customers policy                                 |
| • Managing conflicts of interest policy  | • Hiring & purchasing and treatment of business partners policy |
| • Tax Policy   | • Treatment of creditors policy                                 |
| • Anti-corruption policy   | • Treatment of employees policy                                 |
| • Acceptance and giving of gifts, reception, entertainment, or other benefits policy | • Business competition policy                                   |
| • Anti-money laundering policy   | • Society, communities, and the environment policy              |
| • Political participation policy   | • Safety and occupational health policy                         |
|  | • Public relations and marketing policy                         |

The Company has a procedure to announce the ethics, policy, and guidelines according to the ethics by anticipating that all level Company's staffs give an importance and adhere to the responsibility of acknowledgement to understand and follow the Corporate Governance Policy, Business Ethics and other policies.

## 8.2 Sub-committee

The structure of the Board of Directors comprises of 5 committees: Board of Directors, Audit and Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee and Management Committee. The Board has appointed sub-committees to help it fulfill its responsibilities, screen specific key operational aspects as assigned, give opinions to the Board and decide certain matters as authorized by the Board. Followings are the structure of the Board of Directors and the structure of sub-committees:

### 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 and Corporate Governance Committee members by the Board of Directors. A list of the Board of Directors and the Authorized Directors ("Management Structure - The Board of Directors")

### Duties and Responsibilities of the Board

1. Acting in the best interest of shareholders (Fiduciary Duty) by observing the following four main practices:
  - 1) Performing its duties with faithfulness and honesty (Duty of Loyalty)
  - 2) Performing its duties with responsibility and all due circumspection and caution as well as with accountability and ethics (Duty of Care)
  - 3) Performing its duties in compliance with laws, objectives, the Company's Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (Duty of Obedience)
  - 4) Disclosing information to shareholders and stakeholders accurately, completely, and transparently with verification, timeliness and equitability (Duty of Disclosure)

2. Set the vision, mission, and short-term & long-term strategies to ensure fulfillment of corporate objectives and key goals with a focus on sustainability goals agreeing with value addition to the business, stakeholders, and society at large. These elements are revised annually.
3. Consider approving key transactions under the Board's authority scope under the law and corporate regulations and approval protocol.
4. Consider approving annual plans and budget, while constantly monitoring its business performance to ensure goal achievement by suitably and safely applying innovation and technology.
5. Supervise subsidiaries and associated companies in line with the Company's policy and direction to ensure its safe and efficient investment. The Board was required to approve major operations, such as appointment of Company's representatives as directors, executives, or authorized persons in subsidiaries and joint ventures, scope of duties and responsibilities of the Company's representatives, monitoring accurate, complete disclosure of financial and operation performance, as well as efficient internal control.
6. Set and review Board structure, specifically the number of directors and ratio of independent directors, as well as diverse qualifications suiting corporate business. Review Board and committee compensation as proposed by the Nomination and Remuneration Committee.
7. Consider appointing subcommittees to provide support for the Board's performance and responsibilities where suitable and necessary and monitor the subcommittees' performance on a regular basis.
8. Disclose financial and key information to all shareholders and stakeholders on a correct, complete, transparent, reliable, timely, and equitable basis in compliance with regulations, standards, and practical guidelines.
9. Set up efficient and effective internal control and internal audit systems.
10. Develop a code of business conduct for the directors, executives, and employees to set the standards for the Company's business operation. All directors, executives, and employees shall perform their duties ethically and in strict compliance with the Company's code of conduct.
11. Ensure business operation based on good corporate governance principles and provide support to communicate to every personnel in the Company to acknowledge and strictly adhere to them.
12. Ensure clear and transparent connected transactions.
13. Ensure clear procedures of the Audit and Corporate Governance Committee's report to the directors when doubtful of transactions and actions that may seriously affect the Company's financial status and performance. The Board must rectify the problems within the timeframe deemed appropriate by the Audit and Corporate Governance Committee.
14. Institute a suitable and efficient risk management policy and procedures with regular monitoring and assessment of risk management performance.
15. Ensure the succession planning of the Company's top executives and annually arrange effective assessment of their performance.
16. Arrange for the company secretary to assist the directors' activities and ensure that the Board and the Company comply with the relevant law and regulations.
17. Annually assess Board performance and monitor Board and committee performances for joint review in the Board.
18. Constantly develop competency through training and participation in courses on Board performance or in other activities designed to enhance job expertise.
19. Steer the formulation of an anti-corruption policy and practical guidelines, strictly conform to the corporate policy and measures to set good examples for all personnel and advocate internal and external communication for genuine conformance.

20. Steer the institution of processes and channels for receiving and effectively handling complaints filed by those with fraud leads and all stakeholders.
21. Steer the institution of an information security system, which includes the defining of a policy and procedures for confidentiality, integrity, availability, and the handling of market-sensitive information. Ensure conformance to this system by all directors, top management, personnel, and relevant third-party personnel.
22. Review and rectify the Charter of the Board as appropriate under prevailing circumstances.
23. Seek professional opinions by hiring outside advisers paid for by the Company.
24. Perform other duties as specified by the shareholders.

#### **Roles of the Chairman**

1. Direct, monitor, and ensure Board performance for efficiency and fulfillment of corporate objectives and key goals.
2. Ensure all directors' roles in promoting a corporate culture filled with ethics and governance.
3. With the President & CEO, set Board meeting agenda and apply measures to ensure that critical matters under Board authority are included in the agenda.
4. Allocate enough time for the management to present matters and the Board to thoroughly discuss key issues. Encourage directors' exertion of discretion and expression of free views.
5. Promote cordial relations between the Board and the management, while supporting performances of the President & CEO and the management under corporate policies.
6. Ensure transparent disclosure of information and management for conflicts of interest.
7. Steer the overall performance of the Board, committees, and individual directors for efficiency and effectiveness.

#### **Audit Committee and Corporate Governance**

The Board of Directors appoints the Audit and Corporate Governance Committee\*, which is a sub-committee of the Company. The Audit Committee comprised of 3 independent directors as follows:

1. Mr. Charan Mongkolchan Chairman of Audit and Corporate Governance Committee
2. Mrs. Jitmanee Suwannapool Member of Audit and Corporate Governance Committee
3. Mr. Vithaya Chavananand Member of Audit and Corporate Governance Committee

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

Ms. Nonglak Sriwongphanawes is appointed as the Audit and Corporate Governance Committee's Secretary

Remark \* The Board of Directors at a Meeting No. 1/2021, held on 19 February 2021 has resolved to change the Audit Committee to the Audit and Corporate Governance Committee by adding the oversight of corporate governance and good governance.

#### **Duties and Responsibilities of Audit and Corporate Governance Committee**

1. Financial report
  - (1) Review the financial report preparation process for accurate, complete, credible, and timely information disclosure by coordinating with the external auditor and executives responsible for preparing quarterly and annual reports.
  - (2) Review extraordinary significant items of the past year (if any) on the basis of their sensibility, impacts on the financial standing and company performance, as well as the accuracy and completeness of the data disclosed.

2. Related party transactions or the transactions which may cause conflicts of interests
  - (1) Consider connected transactions which may cause conflicts of interest; ensure conformance to laws and SET regulations to ensure that they are reasonable and in the Company's best interests.
  - (2) Consider the accurate and complete disclosure of information in case of connected or related transactions or other transactions that may cause conflict of interest.
3. Internal control
  - (1) Review the internal control system to ensure its suitability and effectiveness, including any transactions that may cause financial fraud.
  - (2) Consider the audit outcomes and suggestions of the external auditor and Internal Audit concerning internal controls and pass on suggestions for action by the management as well as following up the implementation of such suggestions.
4. Internal audit
  - (1) Review and ensure that Internal Audit is independent and has an efficient internal audit process, in addition to ensuring Internal Audit's access to essential data.
  - (2) Review the activities and structure of Internal Audit and approve its charter.
  - (3) Provide views on the appointment, commendation, removal, transfer, or discharge, as well as adjustment of compensation of the head of the Internal Audit Office, to ensure its independence or consider for Internal Audit fee of hired Internal Auditors.
  - (4) Provide suggestions and remarks about the budget and manpower of Internal Audit for the management's approval or in case of hiring Internal Auditors, shall consist adequate manpower with Internal Audit plans.
  - (5) Review and endorse annual internal audit plans and changes subject to the assessment outcomes of enterprise risk management and Internal Audit's strategic plans.
  - (6) Review the internal audit plan with the head of the Internal Audit, especially about the internal control system and financial management process.
  - (7) Review audit plans and coordinate the scope of audit of internal auditor and the external auditor to be mutually supportive and eliminate redundancy.
  - (8) Review Internal Audit's performance outcomes against the Audit and Corporate Governance Committee-approved audit plans to ensure conformance to the Audit and Corporate Governance Committee-assigned framework of responsibility.
  - (9) Review the hiring of external experts to conduct internal audit if the internal auditor lacks essential skills or specialization needed to conduct internal audit, including IT aspects.
5. Auditing
  - (1) Select, nominate, and propose fees for the external auditor for approval so as to obtain an independent auditor, taking into account the reliability, adequacy of resources, audit volume, the experience of the personnel assigned to audit the Company as well as past work. Also, consider the removal of the external auditor.
  - (2) Review the scope and method of auditing proposed by the external auditor as well as reasons for changing the auditing method (if any).
  - (3) Provide suggestions to the external auditor to review certain transactions that may be necessary or important during the auditing process of the Company and subsidiary companies.
  - (4) Review the report of the external auditor and submit to the management for adjustments in practices as well as following up on such suggestions.
  - (5) Consider the adequacy and efficiency of coordination between the external auditor and Internal Audit.

- (6) Act on received information from the external auditor as soon as possible regarding suspicious activities of directors, managers or persons responsible for operating the Company that may constitute a breach of the second paragraph of Section 281/2, Clause 2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act and promptly check the information received and report preliminary findings in the first instance to SEC and the external auditor within 30 days from the date when a given breach was reported.
6. Compliance with the concerned laws and regulations
  - (1) Review conformance by the Company to Securities and Exchange laws, SET requirements, or the Company business-related laws and ethics.
  - (2) Review the management's performance and follow up laws and regulations in case of nonconforming.
  - (3) Review issues identified by external regulators and remarks by auditor.
  - (4) Review the communication of Code of Ethics to the employees and monitor its conformance.
  - (5) Review progressed report from management and Company's legal advisor regarding key issues on conforming to the relevant laws and regulations.
7. Report of the audit and corporate governance committee
  - (1) Report its performance for acknowledgement and consideration once every quarter.
  - (2) Review any reports prepared by the Company regarding duties and responsibilities of the Audit and Corporate Governance Committee.
  - (3) Prepare Audit and Corporate Governance Committee's annual performance report in accordance to SET's guideline and signed by the Chairman of the Audit and Corporate Governance Committee as well as disclose it in the Company's annual report.
  - (4) In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit and Corporate Governance Committee shall report the findings to the Board to make any improvement or correction in a timely manner as seen appropriate by the committee. Detailed are displayed below:
    - (4.1) Transactions regarding conflict of interests
    - (4.2) Transactions regarding frauds, irregularities or significant deficiencies in internal control system
    - (4.3) Any violation against laws on the securities and exchange, SET regulations or business-related laws relevant to the Company
  - (5) In case the Board or the management fails to take corrective actions on those transactions under (4.1), (4.2) and (4.3) within the timeframe set by the Audit and Corporate Governance Committee, any of the Audit and Corporate Governance Committee members may report of such transactions or actions directly to SEC or SET.
8. Good corporate governance
  - (1) Review the Company's continual improvement process of good corporate governance, as well as providing approaches and advices for development.
  - (2) Emphasize and promote good corporate governance as a regular agenda for the Board meetings and AGMs.
  - (3) Ensure that the Chairman of the Audit and Corporate Governance Committee receives a copy of the report of the directors' vested interests from the Company Secretary under Article 89/14 of the Securities and Exchange Act within seven days of the date when the Company receives the report.

- (4) Monitor, evaluate, and revise the Code of Conduct and Corporate Governance Policy in keeping with best practices for the Board's approval.
  - (5) Advocate and advise the Board and management on corporate governance.
  - (6) Ensure monitoring of directors' and management's performance against corporate governance.
9. Risk Management
- (1) Review the Company's risk management process to ensure standardization, effectiveness, and efficiency.
  - (2) Work with the management in considering key policies regarding risk management and risk assessment as well as risks from corruptions.
  - (3) Work with the Risk Management Committee, the Risk Management task force, and the management in considering, making recommendations, and updating reports on the Company's risk management.
10. Other Responsibilities
- (1) Conduct other Board-assigned duties. such as, to review the process of risk management.
  - (2) Regularly review the Audit and Corporate Governance Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities as well as to propose any required amendments accordingly.
  - (3) Conduct other duties assigned by SET.
  - (4) Oversee that there is an effective whistleblower system in place, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing, as well as non-compliance to any laws, regulations, business ethics, or to any corporate governance principles, so that the whistleblower has the confidence that the Company has the required and appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.
  - (5) Monitor any special investigation as necessary.
  - (6) The Company supervises the appropriate Anti-Corruption Policy for the business operations, instructs an Operational Guidelines which are related to the Company's Anti-Corruption Policy and supervises the application of operation.

### **Nomination and Remuneration Committee**

The Board of Directors appoints the Nomination and Remuneration Committee\*, which is a sub-committee of the Company. The Nomination and Remuneration Committee consist of directors shall be maintained no fewer than 3 members and independent directors shall be maintained not less than half of all director members and Chairman is shall be an independent director.

The Nomination and Remuneration Committee comprise of 2 independent directors and 2 non-executive directors as follows:

- |    |                         |             |  |
|----|-------------------------|-------------|--|
| 1. | Mr. Vithaya             | Chavananand | Chairman of Nomination and Remuneration Committee<br>(Independent Directors) |
| 2. | Assoc. Prof. Prapanpong | Vejjajiva   | Member of Nomination and Remuneration Committee                              |
| 3. | Mrs. Jitmanee           | Suwannapool | Member of Nomination and Remuneration Committee<br>(Independent Directors)   |
| 4. | Mr. Pandit              | Mongkolkul  | Advisory of the Nomination and Remuneration Committee                        |

Mr. Somphoch Thitipalatip is appointed as the Nomination and Remuneration Committee's Secretary.

Remark \* The Board of Directors at a Meeting No. 1/2021, held on 19 February 2021 has resolved to re-structure the Nomination and Remuneration Committee.



## **Duties and Responsibilities of the Nomination and Remuneration Committee**

### **Duties and Responsibilities of the Nomination**

1. Consider the appropriate structure, size, and composition of the Board to suit the organization and changing environment as well as review the criteria of independent directors' qualifications.
2. Ensure that Board structure comprises ethical and honest experts who are knowledgeable, experienced, and skillful in diverse fields relevant to the conduct of business. Furthermore, Board members are selected with non-discrimination of gender, race, religion, age, professional skill, or other qualifications
3. Consider the criteria for selecting directors, as well as select and nominate those persons qualified and appropriate to be considered by the Board of Directors before further submission to shareholders' meetings for appointment as directors.
4. Consider the criteria for selecting President & CEO, as well as select and nominate those persons qualified and appropriate to be considered by the Board of Directors for appointment as President & CEO.
5. Allow minor shareholders the opportunity to propose qualified persons for selection as directors, providing shareholders with enough time prior to shareholders' meetings being held.
6. Formulate succession plans for President & CEO and senior executive position and review such plan on a regular basis.

### **Duties and Responsibilities of the Remuneration**

1. Consider a clear compensation method and standard for directors, members of the sub-committees, as well as that for the President & CEO, so that they are equitable and appropriately corresponds to the respective assigned duties and responsibilities, current business environment and performance results of the Company as well as will facilitate an effective discharge of their responsibilities. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and also take into consideration the overall increase to the total value of the shareholders equity in the long term.
2. Consider the compensation for directors and propose it to the Board for endorsement and, in turn, tabling it for the approval of shareholders' meetings.
3. Define goals and evaluate the performance of the President & CEO to set reasonable compensation.

### **Other Duties and Responsibilities**

1. If it is considered essential and suitable to do so, the Committee may appoint regular advisor(s) or hire project advisor(s), or both, to provide advice on the Committee's performance. As seen essential and suitable, NRC may decide on such advisors' fees at the Company's expenses.
2. Revise and amend the Committee charter in line with prevailing circumstances and seeks Board approval.
3. Perform other Board-assigned duties related to nomination and remuneration.

## **Risk Management Committee**

The Board of Directors at a Meeting No. 1/2020, held on 14 February 2020 appointed the Risk Management Committee, which was a sub-committee of the Company. The Risk Management Committee consist of member shall be maintained no fewer than 3 members.

The Risk Management Committee shall consist of 1 independent director and 2 high-level executives as follows:

1. Mrs. Jitmanee Suwannapool Chairman of Risk Management Committee (Independent Directors)
2. Ms. Naparat Sriwanvit Member of Risk Management Committee
3. Mrs. Panida Sooksridakul Member of Risk Management Committee

Mr. Surakit Thantananont is appointed as the Risk Management Committee's Secretary

#### **Duties and Responsibilities of Risk Management Committee**

1. Review, refine and endorse the manageable levels of risks (Risk Appetite).
2. Review the Company's overall risk management, taking into consideration the overall short- and long-term return for shareholders, in comparison with the manageable risks to the Company.
3. Assess the effectiveness of risk management established by the management.
4. Participate in the Company's annual analysis of risk management strategies and provide recommendations.
5. Provide directions and guidance for risk management supervision.
6. Supervise to ensure that the aforementioned practices are communicated thoroughly and the employees comply with the practice continuously.
7. Supervise the identification of performance goals and key risk KPIs.
8. Report the committee's risk management activities to the Board every quarter.
9. Perform other tasks as assigned by the Board.

#### **Management Committee**

The Board of Directors appointed the Management Committee on 14 February 2020, which was a sub-committee of the Company. The Management Committee comprised of qualified persons which Board of Directors shall consider number of Management Committee as deemed appropriate.

The Management Committee shall consist of 1 executive director and 3 high-level executives as follows:

1. Mr. Preecha Ekkunagul Chairman of Management Committee (Executive Director)
2. Ms. Naparat Sriwanvit Member of Management Committee
3. Mrs. Panida Sooksridakul Member of Management Committee
4. Flt.Lt. Kree Dejchai Member of Management Committee

Mr. Somphoch Thitipalati is appointed as the Management Committee's Secretary.

#### **Duties and Responsibilities of Management Committee**

To consider the operation of any business of the Company to be in accordance with the Company's strategy, policy, and vary regulations. In addition, there is a duty to perform within the framework of authority by the Board of Directors.

#### **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 authorization 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.

### 8.3 Nomination and Appointment of Directors and Executive Officers

#### (1) Independent Directors

The independent directors have the following qualifications:

- 1) Not holding more than 0.5% of the total outstanding voting shares of the Company, its parent company, subsidiary or affiliated company, major shareholders or controlling person including shares held by related persons of the independent director.
- 2) Neither being nor having been an executive director, officer, employee, controlling person or advisor who receives a salary of the Company, its parent company, subsidiary, a same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment.
- 3) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiaries.
- 4) Not having nor having had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment.

The term 'business relationship' under the above paragraph includes any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action whose value exceeds 20 MB or more than 3% of the net tangible assets, whichever is lower. The value of each transaction is based on the calculation method for the values of connected transactions under the Notification of the Capital Market Supervisory Board. Under the regulation, all transactions occurring within a year of preceding transactions must be included in such calculation.

- 5) Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two years from the date of appointment.
- 6) Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than two years from the date of appointment
- 7) Not being a director who has been appointed as representative of the Company's directors, major shareholders, or shareholders who are related to the Company's major shareholders.
- 8) Not conducting any businesses which have the same nature as or in competition with the Company's or its subsidiaries or neither being a substantial partner, executive director, employee, officer or advisor who receives regular salary, shareholder holding more than 1% of the voting shares of businesses which have the same nature as or in competition with the Company or its subsidiaries.
- 9) Not having any characteristics that could prevent him/her from giving independent opinions concerning the Company's operation. Independent directors may be assigned by the Board to make decisions regarding the operation of the Company, its parent company, subsidiaries, associated companies, a same-level subsidiary, major shareholders or controlling person in an organization's collective decision. Independent directors should freely exert discretion on business matters and express their views on or objection to cases affecting shareholders' equitability.

## **(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.

### **(3) Recruitment of Executive Officers**

The Chief Executive Officer selects and appoints qualified and competent candidates, possessing knowledge, skills, and experience relevant to the Company's business operation, suitable for each executive position and responsibility. The recruitment will be done under Human Capital Management and Organization Development Department's regulations.

### **(4) Orientation for newly-appointed Directors**

The Company had arranged a meeting among new and existing ones, including the Company's management team. An orientation was held to develop a better understanding of their roles and to present Company's business, as follows, to the new directors:

- 1) The Company's goals, vision, and strategies
- 2) Summary of the Company's group structure, organization chart, and sub-committees
- 3) Summary of the Company's business nature
- 4) Summary of the Company's shareholding structure
- 5) Summary of the Company's policy on connected transactions
- 6) Summary of the Company's performance, recent projects, and projects under construction to provide new directors with adequate basic information to perform their duties efficiently

Additionally, the Office of the Company Secretary has prepared and provided the following documents to the new directors:

1. Director's manual, consisting of the Company's vision, mission, and values; corporate governance policy; code of conduct for directors, executives, and employees; the Company's Articles of Association; the Company's Memorandum of Association; charters of the Board of Directors and sub committees; manual of listed companies' directors; suggestions for disclosure of information; and applicable laws

2. Company profile
3. Regulations on the Company's internal information control
4. Regulations on the Company's securities portfolio
5. Policy on reporting of directors' and executives' vested interests and relevant forms for report preparation
6. Annual reports of the last one year, with information about the Company's business operation and performance, and details on risk management and internal control
7. Board meeting minutes dating back one year
8. Performance reports of the Audit and Corporate Governance Committee dating back one year
9. Performance reports of the Nomination and Remuneration Committee dating back one year
10. The regular meeting dates of the Board for the entire year

### **Succession Plan**

The Board institutes succession plans for the CEO and senior management to ensure that they are knowledgeable, skillful, experienced, and essentially qualified to drive Company toward its goals. To this end, the Nomination and Remuneration Committee ensures transparency, fairness, and suitability to Company 's prevailing business outlook. Succession plans are reviewed annually, while steps are taken to maintain and develop relevant executives' capability to groom them for their new positions.

## **8.4 Supervision of Subsidiaries and Associated Companies**

The supervision of subsidiaries and associated companies are in accordance with the same policies and direction of the Company to ensure that the investment of the Company will be safe and effective by the Board of Directors must approve important matters, such as sending representatives of the Company to be a director, executive or controlling person in the subsidiaries and associated company. Determining the scope of duties and responsibilities of the Company's representatives, supervision to disclosure the complete and accurate financial information and effective internal control.

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.

## **8.5 Control and Prevention of the Use of Inside Information**

The Board ensures that a policy is put in place to control the use of inside information and transactions on Company's shares, to ensure equitable treatment of all shareholders and assuring them that relevant directors and executives are prohibited from undertaking dishonest stock transactions for their own benefit or the benefit of others,

- Control of inside information: Directors, executives, and all employees must not use Company's inside information, significant and undisclosed, for their own benefit or the benefit of others and must strictly comply with the policy specifying the safeguarding and use of inside information.

- Holding Company's securities: Company directors, executives, and employees may invest in Company's securities. However, to prevent conflicts of interest, these personnel and their related persons (spouses and under-aged children) must not buy, sell, transfer, or accept any transfer of Company's shares during the one-month period before the public disclosure of Company's financial statements. If any of them buys, sells, transfers, or accepts transfer Company's shares, they must prepare and disclose the report of shareholding and changes to the regulators as specified. The Company Secretary must file a quarterly report on the shareholding of directors, executives, and related persons including spouse and minor children and submit it to the Board.

If a director, executive, or employee violates Company's rules on the control of inside information and on Company's securities holding, or other rules issued by applicable regulators, he or she is subject to Company's disciplinary action and punishable by law.

In 2020, Company did not receive any complaints about misuse of inside information committed by any directors or executives.

## 8.6 The Accuracy of Auditor's Remuneration Details

For the Fiscal year ended 31 December 2020

(Audit Fee)

| No.             | Company's Name                       | Auditor's Name                 | Audit fee (Baht) |
|-----------------|--------------------------------------|--------------------------------|------------------|
| 1               | Grand Canal Land Plc.                | Ms. Vannaporn Jongperadechanon | 1,550,000.-      |
| 2               | Belle Development Co., Ltd.          | Ms. Vannaporn Jongperadechanon | 400,000.-        |
| 3               | Sterling Equity Co., Ltd.            | Ms. Vannaporn Jongperadechanon | 200,000.-        |
| 4               | Belle Assets Co., Ltd.               | Ms. Vannaporn Jongperadechanon | 200,000.-        |
| 5               | G Land Property Management Co., Ltd. | Ms. Vannaporn Jongperadechanon | 200,000.-        |
| 6               | Rama 9 Square Co., Ltd.              | Ms. Vannaporn Jongperadechanon | 350,000.-        |
| 7               | Ratchada Asset Holding Co., Ltd.     | Ms. Vannaporn Jongperadechanon | 120,000.-        |
| 8               | Gland Reit Management Co., Ltd.      | Ms. Vannaporn Jongperadechanon | 80,000.-         |
| 9               | Rama 9 Square Hotel Co., Ltd.        | Ms. Vannaporn Jongperadechanon | 70,000.-         |
| Total audit fee |                                      |                                | 3,170,000.-      |

### 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 2020 and 2019, in the amount of Baht 3,170,000 and Baht 3,140,000 respectively.



## 8.7 Application of the Corporate Governance Code for Listed Companies 2017 (CG Code)

The Board has considered and reviewed SEC's CG Code and applied it to Company's business context, while requiring a constant review at least once every year. For the major development in 2020, the Board of Directors has instructed the Ethics for the Directors, the Management, and Employees including the Ethics Policy and Guidelines by defining that the Directors, the Management and the Company's Employees must strictly adhere to. These are published on the Company's Website. The Company is also supervised to provide the mechanism to ensure that the Company's activities are operated according to the laws, rules, regulation, the Shareholder's meeting resolution, Corporate Governance Policy and Ethics, along with any other policies and the Company direction that has been defined. Moreover, the structure of the Board of Director has been revised, for size and composition, the Independent Director ration that necessary to leads the Corporate towards the goal and key mission. This also includes the revision and update of the authorization power to align with the Company business operation.

## 8.8 Compliance with additional CG guidelines

Company fully observes additional CG related guidelines widely recognized, whether in the domestic or the international context. The domestic ones include the CG Code 2017. For the 2020, the Company has been assessed by the Good Corporate Governance as follows:

- The 2020 result from the assessment of Thai listed companies in Corporate Governance Rating (CGR) is Very Good score according to the assessment by Thai Institute of Directors (IOD) by increment of the score in 2019 which is good score.
- The 2020 result from the assessment of Annual General Meeting quality is 100 percent, which the assessment increases from 2019 having the score of 97 percent. The Company has an awareness of the protection of the Shareholder rights according to the Good Corporate Governance policy and will continuously improve the holding of Annual General Meeting.

## 9. Corporate Social Responsibility

### 1. Social Responsibility in Normal Business Operation (In-process)

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 reflects on business operations, such as construction process, the way of treating employees, the way of treating customers and contractors, etc. Moreover, the Company 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 shall 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 confidential information or relevant information relating to customers or contractors will remain confidential and will not be wrongfully used for the benefit of the Company or third parties.
- The Company will not conduct any action relating to the infringement of intellectual property and will encourage the Company's executives and employees to use copyrighted products and services.
- The Company will treat its contractors in accordance with the agreed commercial terms and will be obliged by the mutually agreed contracts and agreements.

#### **Anti-corruption**

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

- Build awareness and 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 their 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 such 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 with respect to safety, health and fair compensation.

#### **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 compensation to the employees and encourages them to learn and develop their own skills continuously to be more successful.

### **Responsibility towards Consumers**

The Company will conduct its business on the basis of honesty and sincerity by complying with terms and conditions under the agreements agreed 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 complete, precise, correct and fair information relating to houses or condominium to the customers. In addition, the Company provides the customer relation division to handle the after-sale services which will provide support and assist the customers to promptly solve any problem which may occur in houses or condominiums and such division will act as 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 of the Company's projects 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 with the area exceeding that specified by laws in order to provide the green space and resting and sporting area in the projects for the good environment and community leisure. The Company has also planned, managed and prevented any pollution caused by the construction of the projects by using materials that prevent dust, smoke and hazardous substances in the projects from spreading outside the construction areas and control the activities which cause noise at the level prescribed by laws.

## **2. Social Responsibility and Community Development (After Process)**

The Company guidelines in social responsibility and community development focus on collaboration with the community to create a strong community along with development in education and environment projects. In 2020, the target is to collaborate with the community and develop the focus of community living, the management plan has been divided in 3 categories as listed.

### **1. Reduce effect to community and environment**

The Company focuses on reducing the effect to traffic since before, during, after the construction, until service opening. Also reduce the effect to community and environment by setting the Company's authorities, who regularly responsible for supervising, follow up and examine the effect that might cause to the community, including search for complaints in a social media and company contact channel. In 2020, there is none of any operations that severely impact the community and environment.

### **2. Community attachment**

#### **1) Non money support.**

The Company supports and allocates the area without any cost to the Government Agency, School, Civil Society, and non-profit Organization, to hold an activity and set up a special area for people service. The Company also supports the area and facilitates Thai Red Cross for blood donation which the Company has announced and invited the Employees, lessees, customers and visitors to participate in the social event. The Company has continuously collaborated with Thai Red Cross and facilitated the blood donation for 3 times in 2020.



Illustration: The Thai Red Cross blood donation site  
At the Nine Towers Grand Rama 9

The Cover Walk Way was constructed inside the Grand Rama 9 project, for customers and for public benefit in the project. The pedestrian crossing and walkway were built with flowers decoration along the walkway. The lights and CCTV camera were installed for safety of customers and the passer-by. The overall visualization in the project and the society around the area were also improved so that everybody can maximize the benefits gain from the area.



Illustration: Cover Walk Way  
At the Grand Rama 9 project

For the allocation of space in G Tower Grand Rama 9, the shower rooms were constructed for customers who ride the bicycles to work in response to personal lifestyle and reduce the air pollution problem by the release of toxic, smoke and any other gas from the vehicle causing the global warming and disaster.

## 2) Donation

The Company supports the community, charity, appropriate and relates to the community agency, including the donation to promote the education which is the foundation of social movement. In 2020, the Company sponsored the Computer and instruments to the Royal Thai Army College for the education and media with the awareness of the importance of education, skill and experience development to promote the youth education with quality of self-development.



### 3) Project Organization and Activities

The Company permits the Management and Employee for social support activity and being a part with the community. This is a part of support of society in terms of social, cultural, and environmental aspects. In 2020, the Company has set up the activities in many forms as follows.

- “Klong Yai Soon jointly giving of clear water to the community” the Company collaborates with Bangkok Drainage Bureau, Din Daeng District, Huai Khwang District, Private Sector and local people, in order to improve the area around the Klong Yai Soon, by focusing on creating a model of canal to solve the waste and improve the landscape, such as, trimming of tree branch near the Canal, dredging canal, installing the guard rail, expanding the walkway and fixing the broken walkway so that the people can easily commute. The landscape was improved with ornamental plants and street art wall. The security was improved with the installation of the CCTV with lights along the walkway. The water quality was improved by circulating the water to systematically improve the water quality in the canal. This project is the collaboration for public benefit from the Government Sector, Private Sector, and people to sustainable improve the quality of life to the society.

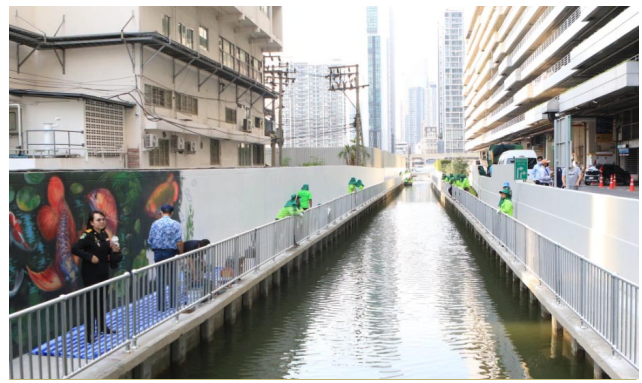


Illustration of the Klong Yai Soon jointly giving of clear water to the community  
At Klong Yai Soon, Huai Khwang - Din Daeng, Bangkok

- “Ratchada jointly reducing the pollution project”, the Company realizes the significance of the accumulation in air pollution in Bangkok area which affects the health and daily life of the people. From this circumstance, the Company cooperated with Government Sector, Private Sector, and Ratchadapisek local people, to clean the road, walkway, traffic sign, and public space, to reduce the remaining dust in the area as well as improving the landscape to be clean and nice. Moreover, it could raise an awareness to protect the community, earth and environment.



Illustration of the Ratchada jointly reducing the pollution project  
At Ratchadapisek Road, Huai Khwang-Din Daeng, Bangkok

- The “Environment Education” training activity is the activity that the Company educated the Employees on many terms of the greenhouse effect gas emission and removals, which caused by Corporate activities to realize the change in environment by the greenhouse effect gas, which affect the health of human, nature and ecosystem. The approach for using the Carbon Footprint for Organization (CFO) or Corporate Carbon Footprint (CCF) was applied to collect the greenhouse effect gas information emitted by the Company operation and assess the Corporate Carbon Footprint according to Greenhouse Effect Gas Management (ISO 14064-1) for the benefit of monitoring the emission of greenhouse effect gas for both direct and indirect. With the mission to reduce the emission of greenhouse effect gas in the future, it can also promote the awareness of the employees for social responsibility and environment for a sustainable growth.



Illustration of the Environment Education

- “60+ Earth Hour”, the Company regularly support and participate in this event annually, by collaborate with Bangkok, Foundation for Environmental Education and for Sustainable Development (Thailand), World Wildlife Fund, Government agencies, and Private sector for “60+ Earth Hour”, by turn off the light across country for 1 hour to reduce the global warming, which the Company had turn off the lights in the building area and some of the parking space as appropriate, also invite the associate and shop to participate in the event.

Moreover, the Company has supported and promoted the project in many activities to efficiently use the energy in the form of building management to promote the sustainable energy conservation and protect the environment such as:

- G Tower Grand Rama 9 (“G Tower”)
  - Green Area project is the project where the Company applies the guidelines for the development building to improve the conservation of energy and environmental friendly “Green Building” to develop the project. This is in order to manage the building with environmental friendly, efficiently manage the use of energy, take the energy preservation into an account, reduce the pollution and emission of greenhouse effect gas from the Company operation in many terms such as;
    - ▶ The installation of waste water treatment and return the treated water to the activity which the treated water can be used such as in watering the plants, cleaning the floor, etc.
    - ▶ An increase of green area by planting the plants and ornamentals plants around the front of the building and 28<sup>th</sup> floor (rooftop)
    - ▶ The installation of LED with auto switch

- ▶ The installation of new Aeration System, including the sensor for automatic activation.
- ▶ The installation of a high performance cooling system, and increasing the control efficiency by automatically adjusting the electrical motor, and installment of the cold water sensor.
- ▶ The usage of R-134a with the main air conditioning system, to reduce the ozone destruction and reduce the greenhouse effect, etc.

In 2020, the Company has received the certification of green building according to the international standard of LEED: Leadership in Energy & Environmental Design by the U.S. Green Building Council: USGBC with the rating as GOLD level in Core & Shell Development (LEED CS)



Illustration of international certification in Green Building or LEED  
G Tower Grand Rama 9

- The Nine Towers Grand Rama 9 (“The Nine”)
  - The project was to replace the lighting system from fluorescent to LED. In 2020, the Company has installed the LED in many parts of the project area, including, the parking lot area on the 5<sup>th</sup> - 10<sup>th</sup> floor (continued from 2019, which the Company installed on the 3<sup>rd</sup> and 4<sup>th</sup> floor), the common area, and the office area, etc. which is 90 percent of the total area in the project. The Company continuously replaces the LED in any other areas which aims to complete in 2021.
  - Change the on - off to the lighting system in the parking lot which covers from the 3<sup>rd</sup> to 10<sup>th</sup> floor by instructing the 100 percent on during 6:00-10:00 PM and reducing to 50 percent during 10:01-5:59 PM. This is the second year of this activity.

### 3. Community Development

The Company intends to be a part of the community and to be a pride of the community by managing and raising the marketing activity to become the central of the city, the central of the local business, the central of life, mainly focusing on joint collaboration with the Government Sector and the Civil Society. This can create the marketing activity which reflects and promotes the local pride in city uniqueness as well as creating the marketing mechanism to promote the strength of local business by focusing on the promotion of Community Market activity.



The Company continuously sponsors “Chan-Ka-Pak” which is a part of Prince Chakraband Pensiri Center for Plant Development by Her Royal Highness Princess Maha Chakri Sirindhorn under the governance of The Chaipattana Foundation, to allocate the space without cost, as a channel of product sale from the breeding of the Royal seeds in “Baan-nee-mee-rak Plook-pak-kin-eang” project to support the farmer to practice according to the rules and regulations of homegrown vegetables. This is for the safe and high quality with the Good Agriculture Practice (GPA) to promote the product of local agriculture, develop the local community business, and sustainably improve the quality of life to the farmers.



Illustration of the sale of agricultural products from “Chan-ka-pak”  
At G Tower Grand Rama 9

Moreover, the Company cooperated with Central Rama 9 for “FARM TO HOME #SaveFARMER” project, which allocates the space without cost to the farmers to sell their agricultural products which were affected by the COVID-19 situation, could not be sold in other channels in the country, and could not be exported abroad. This caused the oversupply of agricultural products. In the event, the products and agriculture products were sold such as, rice, vegetables, fruits and processed agricultural products etc. Not only for selling in the event but the products were also sold via online channel. This project agenda is to aid, promote, and support the affected farmer to create work, occupation, income, and quality of life to surpass the crisis.



Illustration of the goods and agricultural products in “FARM TO HOME #SaveFARMER” project  
At G Tower Grand Rama 9

## 10. Internal Controls and Risk Management

The Board of Directors, the Audit and Corporate Governance Committee and Management recognized the importance of having an effective and adequate internal control system by implementing internal controls in accordance with the COSO 2013 (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control–Integrated Framework. The Internal Audit Department had been assigned to evaluate the adequacy and appropriateness of the internal control system together with Management annually to ensure that the work processes, in all aspects of the company, are efficient, effective and meets international standards. In this regard, the Board of Directors has reviewed the evaluation results of the adequacy of the Company's internal control system in 5 areas:

- 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. Sub-committee comprise of Audit and Corporate Governance Committee<sup>1</sup>, Nomination and Remuneration Committee, Risk Management Committee and Management Committee. The Sub-Committee will screen the various matters of the Company before proposing to the Board of Directors for consideration, which will enable the management of various issues of the Company to be efficient and in accordance with good corporate governance principles.

In terms of good corporate governance, the Company has reviewed the principles of corporate governance, prepared a connected transaction policy, anti-corruption policy, and the code of conducts for directors, executives and employees of the Company to the business operations of the Company transparent and create more sustainable business.

In addition, the operations will have set budgets, targets and monitor the performance and goals. As well as consistently using the budget.

- 2. For the Risk Assessment:** The Risk Management Committee will supervise, analyze, assess, and manage the Company's risks. In 2020, the Risk Management Committee has revised and analyzed the risks in many aspect and reported to the Board of Directors quarterly. The Directors and the Management acknowledged the risk issues and carefully managed the risks, approved and announced the Internal Risk Management, assessed, and analyzed the external risk factors that may affect the operation. The Risk Management policy will be annually revised by the management and reported to the Audit and Governance Committee for an approval. Moreover, every Company department is supervised to execute the key risk assessment by creating a Risk Handling Measure, Risk Indicator, and regularly monitoring the progression of risk management with the risk management to prevent the risk of operation from any department and proper guide as the appropriate guidelines to reduce and mitigate the risk in operation that may occur. The communication process is also provided to the Company employees to be educated and understand the Risk by training and public relation media. The responsibility in the departments is also revised to conform to new regulation that affects the Company operation such as 2019 Personal Data Protection Act to improve the related operation in compliance with the Act.
- 3. Management Control:** In addition to the operational control by the Board of Directors and Sub-Committees, 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 Management Committee are then required.

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<sup>1</sup>Board of Directors at a meeting No. 1/2021, held on 19 February 2021 has resolved to appoint Audit and Corporate Governance Committee

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 and Corporate Governance 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.

In terms of the Company Data Security, the Company instructs the Information Security Policy to systematically collect the data and document as well as assessing the information technology to the appropriate control level, to ensure that the Company significant data is secured and has the loss prevention system. The Company also supervises the Directors, the Senior Management, and the Employees along with external partners to operate according to the information security system.

5. **Follow-up System:** The Company set operational objectives and report its actual performance in comparison with its targeted objectives. The Internal Audit reviews the compliance of the prescribed internal controls and regularly reports its findings to the Audit and Corporate Governance 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 reported to the Audit and Corporate Governance Committee and was considered in the Audit and Corporate Governance Committee Meeting no.1/2021 on 15 February 2021 and the Audit and Corporate Governance 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 and Corporate Governance Committee.

The Company's auditor, KPMG Phoomchai Audit Limited, who audited the Company's 2020 financial statement also expressed opinion that there is no material imperfection in the Company's internal control system as reported on 31 December 2020.

The Company appointed Ms. Nonglak Sriwongphanawes as the internal auditor leader of the Company. Please see the profile and work experience under "Board and Management Profile"

In this regard, the appointment, dismissal or removal of the chief of the internal audit division is subject to the approval of the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee is of the opinion that Ms. Nonglak Sriwongphanawes, the chief of the internal audit division of the Company, has the necessary qualifications for effectively performing such duties. This is because she is an expert in internal audits and operating systems, independent, and has performed her assigned duties in an excellent manner.

## 11. 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 and Corporate Governance 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 and Corporate Governance 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) as of 31 December 2020 are as follow:

| Company                                | Relationship  |
|--|---|
| - Central Pattana Plc.                 | Ultimate parent company   |
| - CPN Pattaya Co.,Ltd.                 | Parent company (67.53% shareholding)  |
| - Central Pattana Nine Square Co.,Ltd. | Co-directors  |
| - Central Insurance Services Co.,Ltd.  | Co-directors  |
| - Robinson Pcl.                        | Co-directors  |
| - Central Food Retail Co.,Ltd.         | Co-directors  |
| - COL Pcl.                             | Co-directors  |
| - Italian Thai Development Pcl.        | Held by a subsidiary  |
| - ItalThai Trevi Co.,Ltd.              | Held by a subsidiary  |
| - Grand Fortune Co.,Ltd.               | Co-directors  |
| - CKS Holding Co.,Ltd.                 | Co-directors  |
| - Super Assets Co.,Ltd.                | Co-directors  |
| - B2S Co., Ltd.                        | Co-directors  |
| - Common Ground (Thailand) Co.,Ltd.    | Joint venture of the group  |
| - CPN Village Co.,Ltd.                 | Co-directors  |
| - CPN Retail Growth Leasehold REIT     | Joint venture of Central Pattana Public Company Limited and common directors.   |
| - Key management personnel             | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. |



# Financial Status and Operational Results

## 12. Summary of Important Financial Information

### Financial Statement

#### (1) Audit Reports

The financial statements of Grand Canal Land Public Company Limited and its subsidiaries have been reviewed by Mr. Natthawut Santipet of EY Office Company Limited in 2018, Ms. Vannaporn Jongperadechanon in 2019-2020 of KPMG Phoomchai Audit Company Limited.

The auditors formed an opinion (unconditionally) on the audit report that the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP).

#### (2) Financial Ratio

Grand Canal Land Public Company Limited and subsidiaries

| (Liquidity Ratio)         | Units | 2020   | 2019   | 2018   |
|---------------------------|-------|--------|--------|--------|
| Liquidity Ratio           | times | 0.30   | 0.39   | 0.68   |
| Quick Ratio               | times | 0.06   | 0.03   | 0.17   |
| Receivable Turnover       | times | 20.02  | 15.94  | 16.62  |
| Average Collection Period | day   | 17.98  | 22.58  | 21.66  |
| Payable Turnover          | times | 1.62   | 1.08   | 0.65   |
| Payment Period            | day   | 221.80 | 334.86 | 554.98 |

| (Profitability Ratio)  | Units | 2020  | 2019  | 2018  |
|------------------------|-------|-------|-------|-------|
| Gross Profit           | %     | 78.96 | 77.04 | 67.90 |
| Net Profit             | %     | 46.56 | 51.34 | 24.64 |
| Return on Equity : ROE | %     | 5.18  | 10.39 | 4.18  |

| (Efficiency Ratio)         | Units | 2020 | 2019 | 2018 |
|----------------------------|-------|------|------|------|
| Return on Asset : ROA      | %     | 2.51 | 4.59 | 1.74 |
| Return on Fixed Asset      | %     | 3.30 | 6.13 | 2.41 |
| Total Asset Turnover Ratio | times | 0.05 | 0.09 | 0.07 |

| (Financial Policy Ratio)               | Units | 2020 | 2019 | 2018 |
|--|-------|------|------|------|
| Debt to Equity Ratio                   | times | 0.97 | 1.17 | 1.37 |
| Interest Bearing Debts to Equity Ratio | times | 0.46 | 0.58 | 0.66 |

# Data per share and growth rate

| Data per Share            | Units | 2020          | 2019          | 2018          |
|---------------------------|-------|---------------|---------------|---------------|
| Book value per share      | Baht  | 2.14          | 1.98          | 1.78          |
| Earning per share         | Baht  | 0.110         | 0.193         | 0.069         |
| Dividend per share (Baht) | Baht  | Non-Payment * | Non-Payment * | Non-Payment * |

| Growth Rate       | Units | 2020    | 2019   | 2018    |
|-------------------|-------|---------|--------|---------|
| Total Assets      | %     | (1.58)  | 1.47   | 0.71    |
| Total Liabilities | %     | (9.90)  | (5.47) | (1.48)  |
| Revenues          | %     | (7.67)  | 6.65   | 0.64    |
| Operating Expense | %     | (21.11) | 8.27   | (19.28) |
| Net Profit        | %     | (45.38) | 166.91 | (54.89) |



## 13. The Management's Discussion and Analysis

### 13.1 Results of Operations and Financial Position

#### (a) Overview

The spreading of COVID-19 situation in Thailand is decreasing with the number of infected people, also the uplift of lockdown measures in the country, results in the people's more normal living behavior. Promote the confidence of the consumer and business sector to be elevated, meanwhile the economic activities of Thailand are still under the pressure from the tourism sector due to the limited number of incoming Tourists. Even with support factors of business recovery in the 2<sup>nd</sup> half of the year, such as the progression of vaccine development, the economy stimulant measure from the Government Sector, and increase of the Consumer confidence which is slowly recovered, Thailand has facing with the 2<sup>nd</sup> wave of the spreading at the end of 2020 which affect the people life in many areas, including Bangkok. Even the Government measure is not as strict as the first wave, but the people still required to live with caution, reduce the commute outside of the residence and more Work from Home.

The Company is aware in every business management and established measures regarding hygiene and safety to all customers entering into the Company's area on the regular basis. Also, the cost and expenses in operation are efficiently controlled to be in line with the non-fully recovered income by considering the benefit to all stakeholders such as lessees, shops, customers, partners, employees and shareholders as first priority. The 2020 business events in each group can be summarized as follows:

- **Office Building Business:** operate as usual, the Company has improved the common area and other services in order to better take care and are widely accessible to employees and customers in office building. Before the 2<sup>nd</sup> wave of COVID-19 spreading, there is 90 percent of employee return to work and during the 2<sup>nd</sup> wave spreading, employees apply more Work From Home, meanwhile the Company still strictly applies the measure of cleanliness and safety, to take care of employees, whom, must enter the Office Building and customers in the Office Building.
- **Retail Area Rental:** during the 1<sup>st</sup> wave of the COVID-19 spreading, most of the shop has closure for 56 days as instructed by the Government Sector, the Company taken care of shops and operators whom effect from the spreading of COVID-19 situation for both 1<sup>st</sup> and 2<sup>nd</sup> wave, such as decreased the rental fee as appropriate and promote the marketing campaign etc..
- **Real Estate Sell Business:** the Company has promotes The Belle Grand Rama 9, with more customers attend to such project.

#### (b) 2020 Important Events

In 2020, the Company received the Dividend and Capital payback from holding the trust units in GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT") for 992 Million Baht in total, for the dissolution of GLANDRT. As the unitholders' Meeting of GLANDRT approved the transfer of leasehold rights in The Nine Towers Grand Rama 9 and Unilever House Grand Rama 9 to CPN Retail Growth Leasehold REIT ("CPNREIT"), which result in dissolution of GLANDRT (Currently during liquidation), moreover, from May to July 2020, which is the COVID-19 spreading period, the Company has repurchased debentures before their maturity (Maturity in 2021 and 2022) totaling for 259 Million Baht.

**(c) The Business Plan in the future**

The Company gave a priority to maintain, sustainability and steadily strengthen its business growth with the Business performance goal in 5 years (2021-2025) with the compound annual growth rate (CAGR) at least 10 percent annually. One of the Business Development Strategy to sustainability achieve the goal, the Company sets the guidelines by distribute the base business of development and management of Real Estate in many ways, also with support from Central Pattana PCL or “Central Pattana” which is the major Shareholders, and being the leader in the commercial of development and management of the Real Estate for more than 40 years, will give the confidence of business management to growth and sustainability in return, with benefit of every group of stakeholder taken to an account.

**(d) Performance**

1) Revenue

| Revenue by Category                        | 2020         | 2019         | Increase / (Decrease) |          |
|--|--------------|--------------|-----------------------|----------|
|  | Million Baht | Million Baht | Million Baht          | Percent  |
| Revenue from rental and rendering services | 1,247.02     | 1,262.49     | (15.47)               | (1.23%)  |
| Revenue from sales of real estate          | 221.56       | 328.03       | (106.47)              | (32.46%) |
| Total revenue                              | 1,468.58     | 1,590.52     | (121.94)              | (7.67%)  |

In 2020, the Company has revenue from rental and rendering services by 1,247.02 Million Baht compared with 2019 has amount 1,262.49 million baht or equivalent to decrease of 1.23 percent as result of the spreading of COVID-19 situation that affected the lessee stores. The Company necessary to consider giving discounts to the stores especially the stores that had to close 56 days according to government orders. For revenue from sales of real estate has 221.56 Million Baht, that was recognized revenue from the transfer of 12 units of the Belle Grand Rama 9 project compared to 2019, which could be transfer 17 units, resulting in the Company’s revenue in such respect decreased by 106.47 Million Baht or equivalent to 32.46 percent.

2) Gross Profit

In 2020, the Company has gross profit by 1,159.56 Million Baht, or gross profit margin was 78.96 percent increase from the previous year was 77.04 percent due to rental and service cost management.

3) Selling and Administrative expenses

In 2020, the Company has selling and administrative expenses by 246.09 Million Baht, decreased by 21.11 percent or 65.84 Million Baht in comparison with 2019.

4) Finance costs

In 2020, the Company has finance costs by 198.94 Million Baht, decreased by 29.24 percent or 82.22 Million Baht in comparison with 2019 due to low cost in source of fund and efficiency in cash management.

5) Net Profit

In 2020, the Company and subsidiaries have net profit (owners of the parent) 715.95 Million Baht, decreased 537.89 Million Baht or equivalent to 42.90 percent form 2019 due to non-cash and non-operation items which in 2020 the Company has loss on changes in fair value of investment properties by 94.41 Million Baht compared with 2019 was 713.48 Million Baht.

**(e) The Change of Financial Position**

- 1) Asset as of 31 December 2020, the Company and subsidiaries have total assets by 29,224.55 Million Baht decreased by 467.95 Million Baht from the end of previous year. The total assets were included;

Current assets include cash and cash equivalents, trade and other receivables and real estate projects development for sale as of 31 December 2020, the Company has current asset by 1,164.01 Million Baht decreased 468.86 Million Baht from the end of previous year as result of

- Trade and other receivables decrease (463.03) Million Baht
- Real estate projects development for sale decrease (64.48) Million Baht

Non-current assets include financial asset-long term investment, investments in associates, long term loans to related party, investment properties, property plant and equipment as of 31 December 2020, the Company has non-current asset increased 0.91 Million Baht from the end of previous year as result of

- Financial asset-long term investment increase 466.99 Million Baht from investment appraisal
- Investment properties increase 232.35 Million Baht
- Investments in associates decrease (790.35) Million Baht from receive payback of investment from GLANDRT

- 2) Liabilities as of 31 December 2020, the Company and subsidiaries have total liabilities by 14,397.34 Million Baht decreased 1,581.23 Million Baht from the end of previous year. The total liabilities were included:

Current Liabilities include Short-term loans from financial institutions, Trade and other payables, Short-term loans from related parties, Current portion of debentures, Retention payable, Contractor payables and other as of 31 December 2020, the Company has current liabilities by 3,900.30 Million Baht decreased 243.42 Million Baht from the end of previous year as result of

- Short-term loans from financial institutions (820.00) Million Baht
- Trade and other payables decrease (158.72) Million Baht
- Short-term loans from related parties increase 1,255.62 Million Baht
- Current portion of debentures decrease (236.48) Million Baht
- Retention payable and Contractor payables decrease (261.18) Million Baht

Non-current liabilities include Long-term loans from financial institutions, Lease liabilities, Debentures, Rental and service retention, Advance rental and service income and other as of 31 December 2020, the Company has non-current liabilities by 10,497.05 Million Baht decreased 1,337.81 Million Baht from the end of previous year as the result of

- Debentures decrease (1,419.54) Million Baht
- Lease liabilities increase 129.70 Million Baht

- 3) Shareholders equity as of 31 December 2020, the Company and subsidiaries have equity (owners of the parent) by 13,903.31 Million Baht increased 1,063.76 Million Baht from the previous year due to profit for the year and increase of long term investment appraisal value.

**(f) Cost Structure**

As of 31 December 2020, the Company has Debt to Equity Ratio was 0.97 times decrease from the previous year which is 1.17 times, and Interest Bearing Debts to Equity Ratio decrease from 0.58 times as the end of 2020 to 0.45 times as the end of 2019. (The Company must maintain the Interest Bearing Debts to Equity Ratio not exceeding 3 times to comply with the term and condition of the previous debenture issuance)

**13.2 Industry conditions affecting the operations**

According to the spreading of COVID-19 situation in 2020, people have changed their way of life in a new way (New Normal), such as social distancing, more hygiene care, reduce outside the accommodation, increased online shopping and Work from Home that such the change have resulted in a decrease in demand for office and retail space for rent. Therefore, there is a tendency to increase the rental rate at a lower rate or maintain the rental rate.

However, consumer's demand for housing tends to require a larger area of residence or is a low-rise accommodation rather than a high-rise. The Company's condominium projects are a project with a large area. Currently, there are 12 units remaining with a unit area of 170-200 square meters. In addition, in 2021 the Company will launch single detached houses, detached houses and townhomes in Don Mueang area, adjacent to the Red Line train that expect the revenue from the sale of the Company's accommodation to be increase.

## Responsibility of the Board of Directors for Financial Reporting

The Board of Directors of Grand Canal Land Public Company Limited (“the Company”) 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 impartially. All important financial information about the Company has been sufficiently disclosed in the notes to the financial statements by considering the best interest and transparency to shareholders and general investors.

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

The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of 31 December 2020. All these financial statements have been prepared in accordance with Thai Financial Reporting Standards and related regulations and fair in all material respects.



(Assoc. Prof. Prapanpong Vejajiva)

Authorized Director



(Mr. Pandit Mongkolkul)

Authorized Director

Grand Canal Land Public Company Limited  
and its subsidiaries

**Financial statements for the year ended 31 December 2020  
and  
Independent Auditor's Report**

# Independent Auditor's Report

## **To the Shareholders of Grand Canal Land Public Company Limited**

### *Opinion*

I have audited the consolidated and separate financial statements of Grand Canal Land Public Company Limited and its subsidiaries (the “Group”) and of Grand Canal Land Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### *Basis for Opinion*

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

### *Key Audit Matters*

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



| Valuation of investment properties   |  |
|--|--|
| Referred to Notes to financial statements 4(h) and 13  |  |
| The key audit matter   | How the matter was addressed in the audit  |
| Investment properties are measured at fair value and material to the financial statements of the Group. The fair value of investment properties is estimated by income approach using discounted cash flows. The Group engaged independent external valuer to assist in valuing the fair value of these investment properties. Identification and assessment of the fair value require significant judgment in determining the key assumptions. Therefore, such matter is an area that my audit is particularly concentrated on. | <p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding and evaluating the basis upon which the Group identified and assessed the fair value of assets;</li> <li>• evaluating the independence, qualification and competence of the valuer of the Group;</li> <li>• the external expert engaged by KPMG helped on considering whether the measurement basis and key assumptions underlying the estimate of the fair values were reasonable by taking account of similar assets in other comparable situations and the work performed by the valuer engaged by the Group;</li> <li>• considering the key assumptions by comparing assumptions in appraisal report with actual occurrence, testing calculation and considering the reasonableness of significant movement in the asset valuation from the prior year;</li> <li>• considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.</li> </ul> |

| Revenue recognition  |  |
|--|--|
| Refer to Notes to financial statements 4(r) and 19   |  |
| The key audit matter   | How the matter was addressed in the audit  |
| Revenue from rental and service are significant amounts in the financial statements. Those revenues are based on a large number of tenancy agreements and service agreements, each with variety of contractual terms and conditions including rental and service discounts given to tenants. Consequently, the accuracy and completeness of revenue recognition relating to tenancy agreements and service agreements are areas of focus for my audit. | <p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding the revenue recognition process by inquiring these activities with the relevant management and reading a sample of tenancy agreements and service agreements to understand the key contractual terms and conditions to assist in identifying the risks of inappropriate income recognition pertaining to the various revenue streams;</li> <li>• testing of internal control over the revenue process including key manual controls, including but not limited to, the controls on the approval of lease contracts and changes to lease terms and the input of this information to the accounting system, controls on the invoice billings and collection processes, controls on the approval of rental discount granted and credit note issued;</li> <li>• testing of systems-based controls over the revenue process with assistance of KPMG IT specialists including testing of controls over system configuration of rental pricing data and billing process and the linkage to usage data that drives revenue recognition;</li> </ul> |

| Revenue recognition                                |  |
|--|--|
| Refer to Notes to financial statements 4(r) and 19 |  |
| The key audit matter                               | How the matter was addressed in the audit  |
|  | <ul style="list-style-type: none"> <li>• testing the recording of revenue from rental and service using a sampling basis and agreeing contractual terms and conditions stipulated in the lease agreements with related documents including collection; and</li> <li>• assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.</li> </ul> |

### *Emphasis of Matters*

I draw attention to the matters as following;

- a) I draw attention to note 3 which describes the impact of the adoption of certain new accounting policies from 1 January 2020.
- b) I draw attention to notes 2 and 5 which describes the impact of the COVID-19 outbreak on the Group's and the Company's business together with management's plan to address these circumstances, and the adoption of the guidance on temporary accounting relief measures providing additional accounting options for the treatment of the impact of COVID-19 outbreak in the financial statements for the year ended 31 December 2020.

My opinion is not modified in respect of this matter.

### *Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

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

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

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

#### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

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

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

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

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



(Vannaporn Jongperadechanon)  
Certified Public Accountant  
Registration No. 4098

KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2021

# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of financial position

|   |           | Consolidated financial statements |                | Separate financial statements |                |
|---|-----------|-----------------------------------|----------------|-------------------------------|----------------|
|   |           | 31 December                       |                | 31 December                   |                |
| Assets  | Note      | 2020                              | 2019           | 2020                          | 2019           |
|   |           |                                   | (in Baht)      |                               |                |
| Current assets  |           |                                   |                |                               |                |
| Cash and cash equivalents   | 7         | 69,755,078                        | 51,233,259     | 39,267,421                    | 35,077,568     |
| Trade and other receivables   | 6, 25     | 164,562,255                       | 627,588,910    | 113,736,405                   | 472,130,360    |
| Short-term loans to related parties   | 6         | -                                 | -              | 1,630,066,780                 | 1,502,335,600  |
| Real estate projects development for sale   | 8, 16     | 889,572,710                       | 954,049,946    | 623,562,702                   | 623,562,702    |
| Other current financial assets - investment in debt securities                              | 25        | 40,123,263                        | -              | 40,123,263                    | -              |
| Total current assets  |           | 1,164,013,306                     | 1,632,872,115  | 2,446,756,571                 | 2,633,106,230  |
| Non-current assets  |           |                                   |                |                               |                |
| Other non-current financial asset - long term investment (2562: Other long-term investment) | 3, 11, 25 | 571,510,076                       | 104,520,000    | -                             | -              |
| Restricted bank deposits  | 16        | 1,000,000                         | 1,000,000      | -                             | -              |
| Investments in associates   | 9         | 1,107,676                         | 791,459,463    | 89,958                        | 683,773,494    |
| Investments in subsidiaries   | 10        | -                                 | -              | 6,807,674,514                 | 6,817,374,495  |
| Investments in joint venture  | 9         | -                                 | -              | -                             | -              |
| Long-term loans to related parties  | 6         | 4,552,604,160                     | 4,432,903,078  | 5,213,673,094                 | 4,977,566,612  |
| Investment properties   | 3, 13, 16 | 22,341,680,716                    | 22,109,333,207 | 10,364,905,224                | 10,382,912,696 |
| Property, plant and equipment   | 14, 16    | 485,830,700                       | 488,490,222    | 28,781,074                    | 15,531,917     |
| Land leasehold right from related parties   | 3, 6      | -                                 | 97,526,651     | -                             | -              |
| Intangible assets   |           | 2,752,230                         | 3,720,178      | 2,726,664                     | 3,569,736      |
| Deferred tax assets   | 23        | 92,539,362                        | 19,374,515     | -                             | -              |
| Other non-current assets  | 6         | 11,510,722                        | 11,298,761     | 4,233,557                     | 4,208,396      |
| Total non-current assets  |           | 28,060,535,642                    | 28,059,626,075 | 22,422,084,085                | 22,884,937,346 |
| Total assets  |           | 29,224,548,948                    | 29,692,498,190 | 24,868,840,656                | 25,518,043,576 |

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

# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of financial position

| Liabilities and equity                               | Note   | Consolidated financial statements |                       | Separate financial statements |                       |
|--|--------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|  |        | 31 December                       |                       | 31 December                   |                       |
|  |        | 2020                              | 2019                  | 2020                          | 2019                  |
|  |        | <i>(in Baht)</i>                  |                       |                               |                       |
| <b>Current liabilities</b>                           |        |                                   |                       |                               |                       |
| Short-term loans from financial institutions         | 16, 25 | 550,000,000                       | 1,370,000,000         | 550,000,000                   | 1,370,000,000         |
| Trade and other payables                             | 6, 25  | 259,370,416                       | 418,090,483           | 248,115,919                   | 292,180,343           |
| Current portion of lease liabilities                 | 3, 25  | 4,380,000                         | -                     | 4,552,627                     | -                     |
| Short-term loans from related parties                | 6, 16  | 1,426,366,438                     | 170,745,000           | 4,847,905,287                 | 3,218,432,297         |
| Current portion of debentures                        | 16, 25 | 1,162,596,707                     | 1,399,080,821         | 1,162,596,707                 | 1,399,080,821         |
| Current portion of advance rental and service income | 6      | 234,079,801                       | 234,468,580           | 154,534,067                   | 154,941,483           |
| Retention payable                                    | 6      | 67,165,506                        | 181,695,493           | 4,196,386                     | 3,842,280             |
| Deposits and advance received from customers         |        | 200,000                           | 13,218,691            | -                             | -                     |
| Contractor payables                                  |        | 162,026,670                       | 308,676,704           | 14,365,396                    | 10,519,624            |
| Current income tax payable                           |        | 30,331,713                        | 38,213,305            | 1,356,758                     | -                     |
| Other current liabilities                            |        | 3,778,434                         | 9,529,302             | 1,468,218                     | 6,150,389             |
| <b>Total current liabilities</b>                     |        | <b>3,900,295,685</b>              | <b>4,143,718,379</b>  | <b>6,989,091,365</b>          | <b>6,455,147,237</b>  |
| <b>Non-current liabilities</b>                       |        |                                   |                       |                               |                       |
| Long-term loans from financial institutions          | 16, 25 | 2,531,906,300                     | 2,531,906,300         | -                             | -                     |
| Lease liabilities                                    | 3, 25  | 129,700,239                       | -                     | 4,954,694                     | -                     |
| Debentures   | 16, 25 | 1,026,788,606                     | 2,446,330,610         | 1,026,788,606                 | 2,446,330,610         |
| Deferred tax liabilities                             | 23     | 1,599,242,567                     | 1,410,583,162         | 881,845,902                   | 870,534,819           |
| Rental and service retention                         | 6      | 203,826,491                       | 212,585,351           | 10,861,146                    | 11,902,877            |
| Non-current provisions for employee benefits         | 17     | 20,710,439                        | 19,472,681            | 19,073,627                    | 17,239,425            |
| Advance rental and service income                    | 6      | 4,984,875,211                     | 5,213,978,133         | 3,961,464,084                 | 4,110,837,963         |
| <b>Total non-current liabilities</b>                 |        | <b>10,497,049,853</b>             | <b>11,834,856,237</b> | <b>5,904,988,059</b>          | <b>7,456,845,694</b>  |
| <b>Total liabilities</b>                             |        | <b>14,397,345,538</b>             | <b>15,978,574,616</b> | <b>12,894,079,424</b>         | <b>13,911,992,931</b> |

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

# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of financial position

| Liabilities and equity  | Note | Consolidated financial statements |                       | Separate financial statements |                       |
|---|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|   |      | 31 December                       |                       | 31 December                   |                       |
|   |      | 2020                              | 2019                  | 2020                          | 2019                  |
|   |      | <i>(in Baht)</i>                  |                       |                               |                       |
| <b>Equity</b>   |      |                                   |                       |                               |                       |
| Share capital:  | 18   |                                   |                       |                               |                       |
| Authorised share capital  |      |                                   |                       |                               |                       |
| <i>(6,535,484,202 ordinary shares, par value at Baht 1 per share)</i>     |      | 6,535,484,202                     | 6,535,484,202         | 6,535,484,202                 | 6,535,484,202         |
| Issued and paid-up share capital  |      |                                   |                       |                               |                       |
| <i>(6,499,829,661 ordinary shares, par value at Baht 1 per share)</i>     |      | 6,499,829,661                     | 6,499,829,661         | 6,499,829,661                 | 6,499,829,661         |
| Share premium   | 18   | 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 | 18   | -423,185,000                      | -423,185,000          | -                             | -                     |
| Adjustment of equity interests under reverse acquisition                  | 18   | -129,336,263                      | -129,336,263          | -                             | -                     |
| Retained earnings   |      |                                   |                       |                               |                       |
| Appropriated  |      |                                   |                       |                               |                       |
| Legal reserve   | 18   | 790,448,420                       | 519,900,000           | 653,548,420                   | 383,000,000           |
| Unappropriated  |      | 5,310,347,100                     | 4,864,946,708         | 3,289,062,721                 | 3,190,900,554         |
| Other components of equity  |      | 322,886,757                       | -24,927,451           | -                             | -                     |
| <b>Equity attributable to owners of the parent</b>                        |      | <b>13,903,311,105</b>             | <b>12,839,548,085</b> | <b>11,974,761,232</b>         | <b>11,606,050,645</b> |
| Non-controlling interests   | 12   | 923,892,305                       | 874,375,489           | -                             | -                     |
| <b>Total equity</b>   |      | <b>14,827,203,410</b>             | <b>13,713,923,574</b> | <b>11,974,761,232</b>         | <b>11,606,050,645</b> |
| <b>Total liabilities and equity</b>                                       |      | <b>29,224,548,948</b>             | <b>29,692,498,190</b> | <b>24,868,840,656</b>         | <b>25,518,043,576</b> |

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



# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of comprehensive income

|   | Note      | Consolidated financial statements |                      | Separate financial statements |                    |
|---|-----------|-----------------------------------|----------------------|-------------------------------|--------------------|
|   |           | Year ended 31 December            |                      | Year ended 31 December        |                    |
|   |           | 2020                              | 2019                 | 2020                          | 2019               |
|   |           | <i>(in Baht)</i>                  |                      |                               |                    |
| <b>Revenue</b>  | <b>6</b>  |                                   |                      |                               |                    |
| Revenue from rental and rendering services  | 19        | 1,247,022,398                     | 1,262,490,706        | 315,796,926                   | 348,565,619        |
| Revenue from sales of real estate   | 19        | 221,556,185                       | 328,028,641          | -                             | -                  |
| Gain on changes in fair value of investment properties                            | 13        | -                                 | 713,477,471          | -                             | 103,678,287        |
| Dividend income   | 9, 10     | -                                 | -                    | 368,119,552                   | 52,992,971         |
| Interest income   |           | 104,316,868                       | 132,717,517          | 221,575,438                   | 271,199,927        |
| Other income  |           | 15,935,578                        | 200,912,575          | 1,781,429                     | 64,433,920         |
| <b>Total revenue</b>  |           | <b>1,588,831,029</b>              | <b>2,637,626,910</b> | <b>907,273,345</b>            | <b>840,870,724</b> |
| <b>Expenses</b>   | <b>6</b>  |                                   |                      |                               |                    |
| Cost of rent and services   |           | 231,634,270                       | 252,915,555          | 44,316,041                    | 33,123,169         |
| Cost of sales of real estate  | 8         | 77,385,661                        | 112,322,136          | -                             | -                  |
| Loss on changes in fair value of investment properties                            | 13        | 94,411,176                        | -                    | 49,449,790                    | -                  |
| Selling expenses  | 20, 21    | 13,884,191                        | 8,419,344            | 26,607,301                    | 492,106            |
| Administrative expenses   | 20, 21    | 232,209,599                       | 303,513,777          | 171,599,310                   | 163,762,892        |
| <b>Total expenses</b>   |           | <b>649,524,897</b>                | <b>677,170,812</b>   | <b>291,972,442</b>            | <b>197,378,167</b> |
| <b>Profit from operating activities</b>   |           | <b>939,306,132</b>                | <b>1,960,456,098</b> | <b>615,300,903</b>            | <b>643,492,557</b> |
| Finance costs   | 6, 22     | (198,939,146)                     | (281,162,070)        | (154,647,095)                 | (251,491,703)      |
| Share of profit of joint venture and associates accounted for using equity method | 9         | 206,151,806                       | 66,416,537           | -                             | -                  |
| <b>Profit before income tax expense</b>   |           | <b>946,518,792</b>                | <b>1,745,710,565</b> | <b>460,653,808</b>            | <b>392,000,854</b> |
| Tax expense   | 23        | (206,831,017)                     | (391,588,749)        | (91,943,221)                  | (70,502,864)       |
| <b>Profit for the year</b>  |           | <b>739,687,775</b>                | <b>1,354,121,816</b> | <b>368,710,587</b>            | <b>321,497,990</b> |
| <b>Profit attributable to:</b>  |           |                                   |                      |                               |                    |
| Owners of the parent  |           | 715,948,812                       | 1,253,845,473        | 368,710,587                   | 321,497,990        |
| Non-controlling interests   |           | 23,738,963                        | 100,276,343          | -                             | -                  |
|   |           | <b>739,687,775</b>                | <b>1,354,121,816</b> | <b>368,710,587</b>            | <b>321,497,990</b> |
| <b>Earnings per share (in Baht)</b>   | <b>24</b> |                                   |                      |                               |                    |
| Basic earnings per share  |           | <b>0.110</b>                      | <b>0.193</b>         | <b>0.057</b>                  | <b>0.049</b>       |

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

**Grand Canal Land Public Company Limited and its subsidiaries**  
Statement of changes in equity

|  | Consolidated financial statements |               |   |  |               |                        |   |   |
|--|-----------------------------------|---------------|---|--|---------------|------------------------|---|---|
|  | Retained earnings                 |               | Other components of equity  |  |               |                        |   |   |
|  | Issued and paid-up share capital  | Share premium | Adjustment to present assets purchased under common control at book value | Adjustment of equity interests under reverse acquisition | Legal reserve | Unappropriated reserve | Adjustment for change in interest in the subsidiary | Equity attributable to owners of the parent |
|  |                                   |               |   |  |               |                        |   | Non-controlling interests                   |
|  |                                   |               |   |  |               |                        |   | Total equity                                |
| <i>(in Baht)</i>                               |                                   |               |   |  |               |                        |   |   |
| <b>Year ended 31 December 2019</b>             |                                   |               |   |  |               |                        |   |   |
| Balance at 1 January 2019                      | 6,499,829,661                     | 1,532,320,430 | (423,185,000)   | (129,336,263)  | 503,800,000   | 3,627,201,235          | (24,927,451)  | 11,585,702,612                              |
|  |                                   |               |   |  |               |                        |   | 774,099,146                                 |
|  |                                   |               |   |  |               |                        |   | 12,359,801,758                              |
| <b>Comprehensive income for the year</b>       |                                   |               |   |  |               |                        |   |   |
| Profit   | -                                 | -             | -   | -  | -             | 1,253,845,473          | -   | 1,253,845,473                               |
|  |                                   |               |   |  |               |                        |   | 100,276,343                                 |
|  |                                   |               |   |  |               |                        |   | 1,354,121,816                               |
| <b>Total comprehensive income for the year</b> | -                                 | -             | -   | -  | -             | 1,253,845,473          | -   | 1,253,845,473                               |
|  |                                   |               |   |  |               |                        |   | 100,276,343                                 |
|  |                                   |               |   |  |               |                        |   | 1,354,121,816                               |
| Transfer to legal reserve                      | -                                 | -             | -   | -  | 16,100,000    | (16,100,000)           | -   | -   |
| <b>Balance at 31 December 2019</b>             | 6,499,829,661                     | 1,532,320,430 | (423,185,000)   | (129,336,263)  | 519,900,000   | 4,864,946,708          | (24,927,451)  | 12,839,548,085                              |
|  |                                   |               |   |  |               |                        |   | 874,375,489                                 |
|  |                                   |               |   |  |               |                        |   | 13,713,923,574                              |

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# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of changes in equity

|   | Consolidated financial statements |               |   |  |               |                |   |   |                                  |   |                           |              |
|---|-----------------------------------|---------------|---|--|---------------|----------------|---|---|----------------------------------|---|---------------------------|--------------|
|   | Retained earnings                 |               |   | Other components of equity                               |               |                |   |   |                                  |   |                           |              |
|   | Issued and paid-up share capital  | Share premium | Adjustment to present assets purchased under common control at book value | Adjustment of equity interests under reverse acquisition | Legal reserve | Unappropriated | Adjustment for change in interest in the subsidiary | Gain on investments in equity instruments designated at fair value through other comprehensive income | Total other components of equity | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|   |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
|   |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| (in Baht)                                 |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| Year ended 31 December 2020               |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| Balance at 31 December 2019 - as reported |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| Impact of changes in accounting policies  | 3                                 |               |   |  |               |                |   |   |                                  |   |                           |              |
| Balance at 1 January 2020                 |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| Comprehensive income for the year         |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| Profit                                    |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| Total comprehensive income for the year   |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |
| Transfer to legal reserve                 | 18                                |               |   |  |               |                |   |   |                                  |   |                           |              |
| Balance at 31 December 2020               |                                   |               |   |  |               |                |   |   |                                  |   |                           |              |

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

# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of changes in equity

|  | Separate financial statements    |                      |                    |                       |
|--|----------------------------------|----------------------|--------------------|-----------------------|
|  | Issued and paid-up share capital | Share premium        | Legal reserve      | Retained earnings     |
|  |                                  |                      |                    | Unappropriated equity |
| <i>Note</i>                                    |                                  |                      |                    |                       |
|  |                                  |                      | (in Baht)          |                       |
| <b>Year ended 31 December 2019</b>             |                                  |                      |                    |                       |
| <b>Balance at 1 January 2019</b>               | <b>6,499,829,661</b>             | <b>1,532,320,430</b> | <b>366,900,000</b> | <b>2,885,502,564</b>  |
| <b>Comprehensive income for the year</b>       |                                  |                      |                    | <b>11,284,552,655</b> |
| Profit   | -                                | -                    | -                  | 321,497,990           |
| <b>Total comprehensive income for the year</b> | -                                | -                    | -                  | <b>321,497,990</b>    |
| Transfer to legal reserve                      | -                                | -                    | 16,100,000         | (16,100,000)          |
| <b>Balance at 31 December 2019</b>             | <b>6,499,829,661</b>             | <b>1,532,320,430</b> | <b>383,000,000</b> | <b>3,190,900,554</b>  |
|  |                                  |                      |                    | <b>11,606,050,645</b> |

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

# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of changes in equity

| Statement of changes in equity          |                                  |               |               |                |                |
|---|----------------------------------|---------------|---------------|----------------|----------------|
|   | Separate financial statements    |               |               |                |                |
|   | Retained earnings                |               |               |                | Total equity   |
|   | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated |                |
|   | (in Baht)                        |               |               |                |                |
| Year ended 31 December 2020             |                                  |               |               |                |                |
| Balance at 1 January 2020               | 6,499,829,661                    | 1,532,320,430 | 383,000,000   | 3,190,900,554  | 11,606,050,645 |
| Comprehensive income for the year       |                                  |               |               |                |                |
| Profit                                  | -                                | -             | -             | 368,710,587    | 368,710,587    |
| Total comprehensive income for the year | -                                | -             | -             | 368,710,587    | 368,710,587    |
| Transfer to legal reserve               | -                                | -             | 270,548,420   | (270,548,420)  | -              |
| Balance at 31 December 2020             | 6,499,829,661                    | 1,532,320,430 | 653,548,420   | 3,289,062,721  | 11,974,761,232 |

Note

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

# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of cash flows

|   | Consolidated financial statements |                    | Separate financial statements |                  |
|---|-----------------------------------|--------------------|-------------------------------|------------------|
|   | Year ended 31 December            |                    | Year ended 31 December        |                  |
|   | 2020                              | 2019               | 2020                          | 2019             |
|   | <i>(in Baht)</i>                  |                    |                               |                  |
| <b><i>Cash flows from operating activities</i></b>                |                                   |                    |                               |                  |
| Profit for the year   | 739,687,775                       | 1,354,121,816      | 368,710,587                   | 321,497,990      |
| <i>Adjustments to reconcile profit to cash receipt (payments)</i> |                                   |                    |                               |                  |
| Tax expense   | 206,831,017                       | 391,588,749        | 91,943,221                    | 70,502,864       |
| Finance costs   | 198,939,146                       | 281,162,070        | 154,647,095                   | 251,491,703      |
| Depreciation and amortisation                                     | 10,207,522                        | 11,377,594         | 6,726,568                     | 3,148,105        |
| (Reversal of) impairment loss recognised in profit or loss        | 1,816,293                         | (7,080,689)        | 89,086                        | (5,738,040)      |
| Gain on fair value adjustment - investment in debt securities     | 272                               | -                  | 272                           | -                |
| Gain on sales of investment in debt securities                    | (123,535)                         | -                  | (123,535)                     | -                |
| Loss (gain) on changes in fair value of investment properties     | 94,411,176                        | (713,477,471)      | 49,449,790                    | (103,678,287)    |
| Real estate development for sale decrease                         |                                   |                    |                               |                  |
| from transfer to cost of sale                                     | 77,385,661                        | -                  | -                             | -                |
| Amortisation of land leasehold right                              | -                                 | 8,378,292          | -                             | -                |
| Gain on sales of property, plant and equipment                    | (341,919)                         | (1,888,722)        | (327,232)                     | (640,735)        |
| Provision for employee benefits                                   | 2,941,284                         | 4,673,969          | 3,537,728                     | 4,098,309        |
| Realisation of advance rental and service income                  | (230,637,447)                     | (234,032,522)      | (155,493,935)                 | (154,522,342)    |
| Amortisation of prepaid expense of debentures                     | -                                 | 3,350,620          | -                             | 3,350,620        |
| Share of profit of associates, net of tax                         | (207,506,957)                     | (71,010,081)       | -                             | -                |
| Share of loss of joint venture, net of tax                        | 1,355,151                         | 4,593,544          | -                             | -                |
| Dividend income   | -                                 | -                  | (368,119,552)                 | (52,992,971)     |
| Interest income   | (104,316,868)                     | (132,717,517)      | (221,575,438)                 | (271,199,927)    |
| <b><i>Change in operating assets and liabilities</i></b>          |                                   |                    |                               |                  |
| Trade and other receivables                                       | 125,510,833                       | 245,333,874        | 110,272,869                   | 40,431,656       |
| Real estate development for sale                                  | (88,855,156)                      | 56,301,411         | -                             | -                |
| Other non-current assets  | (211,961)                         | 16,134,787         | (25,161)                      | 7,795,092        |
| Trade and other payables  | 43,525,844                        | (568,577,445)      | (20,320,918)                  | (64,894,030)     |
| Retention payables  | (114,529,987)                     | (31,637,007)       | 354,106                       | 165,851          |
| Advance rental and service income                                 | 1,145,746                         | (440,508)          | 5,712,640                     | (640,275)        |
| Deposits and advance received from customers                      | (13,018,691)                      | (4,197,815)        | -                             | -                |
| Other current liabilities   | (100,573,766)                     | (12,820,275)       | (12,847,906)                  | (7,610,330)      |
| Provision for employee benefits                                   | (1,703,526)                       | (2,828,376)        | (1,703,526)                   | (2,828,376)      |
| Contractor payables   | (146,650,034)                     | 37,778,815         | 3,845,772                     | (5,952,149)      |
| Rental and service retention                                      | (8,758,860)                       | (18,025,648)       | (1,041,731)                   | (3,306,601)      |
| Other non-current liabilities                                     | -                                 | (2,140,000)        | -                             | (2,140,000)      |
| Net cash generated from operating                                 | 486,529,013                       | 613,921,465        | 13,710,800                    | 26,338,127       |
| Taxes received  | 335,699,529                       | 1,652,139          | 248,032,000                   | -                |
| Taxes paid  | (192,616,067)                     | (211,586,542)      | (79,275,380)                  | (24,756,354)     |
| <b>Net cash flows from operating activities</b>                   | <b>629,612,475</b>                | <b>403,987,062</b> | <b>182,467,420</b>            | <b>1,581,773</b> |

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

# Grand Canal Land Public Company Limited and its subsidiaries

## Statement of cash flows

|  | Consolidated financial statements |                     | Separate financial statements |                     |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
|  | Year ended 31 December            |                     | Year ended 31 December        |                     |
|  | 2020                              | 2019                | 2020                          | 2019                |
|  | <i>(in Baht)</i>                  |                     |                               |                     |
| <b><i>Cash flows from investing activities</i></b>             |                                   |                     |                               |                     |
| Acquisition of property, plant and equipment                   | (8,882,258)                       | (2,122,034)         | (6,975,034)                   | (2,042,779)         |
| Proceeds from sales of equipment                               | 1,344,659                         | 4,057,355           | 1,221,542                     | 1,766,941           |
| Acquisition of investment properties                           | (38,115,282)                      | (14,877,805)        | (24,349,467)                  | (11,786,473)        |
| Proceeds from sales investment properties                      | 4,548,330                         | 357                 | 1,060,990                     | 357                 |
| Acquisition of intangible assets                               | (52,903)                          | (3,676,086)         | (52,903)                      | (3,676,086)         |
| Proceeds from repayment of short-term loans to related parties | -                                 | -                   | 19,074,094                    | 865,232,454         |
| Payment for short-term loans to related parties                | -                                 | -                   | (146,933,558)                 | (1,081,846,918)     |
| Proceeds from repayment of long-term loans to related parties  | -                                 | -                   | 1,363,661                     | 95,982,054          |
| Payment for long-term loans to related parties                 | (11,000,000)                      | (2,504,493)         | (16,043,188)                  | (374,257,328)       |
| Proceed from sale of other current financial assets            |                                   |                     |                               |                     |
| - investment in debt securities                                | 306,238,367                       | -                   | 306,238,367                   | -                   |
| Acquisition of other current financial assets                  |                                   |                     |                               |                     |
| - investment in debt securities                                | (346,238,367)                     | -                   | (346,238,367)                 | -                   |
| Acquisition of investment in subsidiary                        | -                                 | -                   | -                             | (800,000,000)       |
| Proceed from capital reduction of associate                    | 683,683,536                       | -                   | 683,683,536                   | -                   |
| Proceed from capital reduction of subsidiary                   | -                                 | -                   | 9,699,981                     | -                   |
| Interest received  | 188,924                           | 865,188             | 69,489,979                    | 412,247,475         |
| Dividends received   | 308,242,321                       | 52,992,967          | 368,119,552                   | 52,992,971          |
| <b>Net cash from (used in) investing activities</b>            | <b>899,957,327</b>                | <b>34,735,449</b>   | <b>919,359,185</b>            | <b>-845,387,332</b> |
| <b><i>Cash flows from financing activities</i></b>             |                                   |                     |                               |                     |
| Decrease in restricted bank deposits                           | -                                 | 10,222,888          | -                             | 1,020,910           |
| Proceeds from short-term loan from related parties             | 1,710,000,000                     | 500,000,000         | 2,722,486,718                 | 1,539,204,509       |
| Repayment of short-term loans from related parties             | (460,000,000)                     | (330,000,000)       | -1,094,494,883                | -1,187,622,679      |
| Proceeds from short-term loan from financial institutions      | 2,110,000,000                     | 4,750,000,000       | 2,110,000,000                 | 4,750,000,000       |
| Repayment of short-term loans from financial institutions      | (2,930,000,000)                   | (3,900,000,000)     | -2,930,000,000                | -3,900,000,000      |
| Repayment of long-term loans from financial institutions       | -                                 | (1,313,006,291)     | -                             | -                   |
| Repayment of debentures  | (1,659,000,000)                   | -                   | (1,659,000,000)               | -                   |
| Payment of lease liabilities                                   | (4,380,000)                       | -                   | (3,793,856)                   | -                   |
| Interest paid  | (277,667,982)                     | (283,073,682)       | -242,834,731                  | -371,362,674        |
| <b>Net cash flows from (used in) financing activities</b>      | <b>-1,511,047,982</b>             | <b>-565,857,085</b> | <b>-1,097,636,752</b>         | <b>831,240,066</b>  |
| <b>Net increase (decrease) in cash and cash equivalents</b>    | <b>18,521,820</b>                 | <b>-127,134,574</b> | <b>4,189,853</b>              | <b>-12,565,493</b>  |
| Cash and cash equivalents at 1 January                         | 51,233,259                        | 178,367,833         | 35,077,568                    | 47,643,061          |
| <b>Cash and cash equivalents at 31 December</b>                | <b>69,755,079</b>                 | <b>51,233,259</b>   | <b>39,267,421</b>             | <b>35,077,568</b>   |

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



**Grand Canal Land Public Company Limited and its subsidiaries****Statement of cash flows*****Non-cash transactions***

*During the year ended 31 December 2020 and 2019.*

The Group acquired investment properties, property, plant and equipment, and right of use of assets at cost, totalling Baht 109 million (2019: Baht 17 million), the Group paid by cash by Baht 47 million (2019: Baht 17 million), and capitalised interest related to acquisition of assets, totalling Baht 45 million (2019: Baht 71 million) and amounted to contractor payable as at 31 December 2020 totalling Baht 17 million (2019: nil).

The Company acquired investment properties, property, plant and equipment, and right of use of assets at cost, totalling Baht 39 million (2019: Baht 14 million), the Company paid by cash by Baht 31 million (2019: Baht 14 million), and amounted to contractor payable as at 31 December 2020 totalling Baht 8 million (2019: nil).

The Group built the real estate projects under development at cost, totalling Baht 122 million (2019: Baht 81 million), the Company paid by cash by Baht 89 million (2019: Baht 56 million), and capitalised interest related to acquisition of assets, totalling Baht 24 million (2019: Baht 25 million) and amounted to trade payable as at 31 December 2020 totalling Baht 9 million (2019: nil).

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

**Grand Canal Land Public Company Limited and its subsidiaries**  
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**Grand Canal Land Public Company Limited and its subsidiaries**  
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 February 2021.

**1 General information**

Grand Canal Land Public Company Limited (“the Company”) is incorporated in Thailand and was listed on the Stock of Thailand. The Company’s registered office at 33/4 Rama 9 Road, Huaykwang, Huaykwang, Bangkok.

The immediate and ultimate parent companies during the financial year were CPN Pattaya Company Limited and Central Pattana Public Company Limited. Both were incorporated in Thailand.

The principal activities of the Company and subsidiaries is real estate development in Thailand. Details of the Company’s subsidiaries, associate and joint venture as at 31 December 2020 and 2019 are given in notes 9 and 10.

**2 Basis of preparation of the financial statements**

*(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. In addition, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options for the year ended 31 December 2020, in response to impact from the situation of COVID-19 outbreak.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initial applied standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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.

# Grand Canal Land Public Company Limited and its subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

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 |        |
|--------------------------------------|---|----------------------------|--------|
|                                      |   | 2020                       | 2019   |
|                                      |   | %                          | %      |
| <b>Owned by the Company</b>          |   |                            |        |
| 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                     | 100.00 |
| GLAND REIT Management Co., Ltd.      | Manager of the Real Estate Investment Trust | 100.00                     | 100.00 |
| <b>Owned by Praram 9 Square Ltd.</b> |   |                            |        |
| Praram 9 Square Hotel Ltd.           | Hotel business                              | 99.99                      | 99.99  |

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

### (b) Functional and presentation currency

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

### (c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### (i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

#### 4(k) and 15 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
- 5                      Impact of COVID-19 Outbreak

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4(k)              Determining the incremental borrowing rate to measure lease liabilities;
- 5                      Impact of COVID-19;
- 13                      Measurement of investment properties;
- 17                      Measurement of defined benefit obligations: key actuarial assumptions;
- 23                      Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
- 26                      Determining the fair value of financial instruments on the basis of significant unobservable inputs.

**3        Changes in accounting policies**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

**(a) TFRS - Financial instruments standards**

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities. The details of accounting policies are disclosed in note 4(d) and 4(m). The impact from adoption of TFRS – Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

**Grand Canal Land Public Company Limited and its subsidiaries**  
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The Group intends to hold non-marketable equity securities amounted of Baht 572 million, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain on measurement of these investments will not be reclassified to profit or loss.

| <b>Consolidated financial statements</b>  |   |   |
|---|---|---|
|   | Classification under<br>previous standards at<br>31 December 2019 | Classification under<br>TFRS 9<br>at 1 January 2020 |
|   | Carrying amounts  | Fair value through<br>other comprehensive<br>income |
|   | <i>(in million Baht)</i>  |   |
| Other non-current financial assets        |   |   |
| - Other non-marketable equity instruments | <b>105</b>  | <b>572</b>  |

(2) Impairment – Financial assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments. The change of accounting policies has no material impact on the consolidated and separate financial statements.

**(b) TFRS 16 Leases**

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised gain (loss) from change in fair value of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

**Grand Canal Land Public Company Limited and its subsidiaries**  
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|  | <b>Consolidated<br/>financial<br/>statements</b> | <b>Separate<br/>financial<br/>statements</b> |
|--|--|--|
|  | <i>(in million Baht)</i>                         |  |
| <b><i>Impact from the adoption of TFRS 16</i></b>  |  |  |
| <b><i>At 1 January 2020</i></b>  |  |  |
| Decrease in land leasehold right from related parties  | (97)   | -  |
| Increase in investment properties  | 230  | -  |
| Increase in lease liabilities  | (133)  | -  |
| <b><i>Measurement of lease liability</i></b>   |  |  |
| Operating lease commitment at 31 December 2019   | 286  | -  |
| Less recognition exemption for short-term lease  | (4)  | -  |
|  | <b>282</b>                                       | <b>-</b>                                     |
| Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020 | 133  | -  |
| Finance lease liability recognised as at 31 December 2019  | -  | -  |
| <b>Lease liabilities recognised at 1 January 2020</b>  | <b>133</b>                                       | <b>-</b>                                     |
| Weighted-average incremental borrowing rate (% per annum)  | <b>4.36</b>                                      | <b>-</b>                                     |

Right-of-use assets and lease liabilities shown above were presented as part of real estate for rental and service business segment.

*As a lessor*

The accounting policy under TFRS16 that the Group applied as a lessor are not different from those under TAS 17.

#### **4 Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all period presented in these financial statements, except as explained in note 3.

##### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate and joint venture.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### *Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.



**Grand Canal Land Public Company Limited and its subsidiaries**  
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*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Interests in equity - accounted investees*

The Group's interests in equity-accounted investees comprise interests in associate and joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associate and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) *Investments in subsidiaries, associates and joint ventures***

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

*Disposal of investments in the separate financial statements*

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

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment

**Grand Canal Land Public Company Limited and its subsidiaries**  
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**(c) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the foreign exchange rates ruling at that date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

**(d) Financial instruments**

***Accounting policies applicable from 1 January 2020***

*(d.1) Recognition and initial measurement*

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

*(d.2) Classification and subsequent measurement*

*Financial assets - classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **Grand Canal Land Public Company Limited and its subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2020**

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Financial assets – business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Financial assets – subsequent measurement and gains and losses*

|                             |  |
|-----------------------------|--|
| Financial assets at FVTPL   | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However,  |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. |

*Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Accounting policies applicable before 1 January 2020*

Equity securities which are not marketable are stated at cost less any impairment losses.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment

**(e) *Cash and cash equivalents***

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

**(f) *Trade and other accounts receivable and contract assets***

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(g) *Revenue from sale of real estate***

Real estate development for sale is real estate that is held with the intention to sell in the ordinary course of business. This real estate is measured at the lower of cost and net realisable value.

The cost of real estate development for sale comprises the cost of land, including acquisition costs, land improvement cost, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised as part of the cost of the property until the completion of development. Cost of real estate development for sale includes an allocation of common area property development expenditure based on saleable area.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

When real estate development for sale are sold, the cost of that real estate is recognised as an expense in the period in which the related revenue is recognised.

# Grand Canal Land Public Company Limited and its subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### (h) *Investment properties*

Investment properties are properties include properties that are held as right-of-use assets, as well as properties that are owned by the Group which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

### (i) *Property, plant and equipment*

#### *Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

#### *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to cost and reclassified as investment property.

#### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. The estimated useful lives are as follows:

|                           |              |
|---------------------------|--------------|
| Buildings and system work | 20 years     |
| Equipment and fixtures    | 5 - 20 years |
| Vehicles                  | 5 years      |

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Intangible assets**

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

|                   |         |
|-------------------|---------|
| Software licences | 5 years |
|-------------------|---------|

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(k) Leases**

***Accounting policies applicable from 1 January 2020***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.



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*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment/intangible assets' and lease liabilities in 'long-term loan' in the statement of financial position.

*As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

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The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income/other income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(h)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

***Accounting policies applicable before 1 January 2020***

As a lessee, leases in terms, lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**(l) *Impairment of financial assets***

***Accounting policies applicable from 1 January 2020***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

***Measurement of ECLs***

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

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Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract.

*Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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*Accounting policies applicable before 1 January 2020*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

**(m) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(n) Contract liabilities**

Contract liabilities represented advance received from customers is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

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**(o) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Actuarial gains or loss arising from remeasurements of the net defined benefit liability, are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(p) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

**(q) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(r) Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

**Rental**

Rental income from investment in leasehold property is recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

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*Service*

Service income is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates. Service income is recognised over time when services are rendered to customer.

*Sale of real estate*

Revenue from sale of real estate is recognised when a customer obtains control of the real estate in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any discounts and consideration payable to the customer.

For bundled packages, the Group accounts for individual real estate and other products separately if they are distinct and a customer can get benefit from it separately. The consideration received is allocated based on their relative stand-alone selling prices.

Deposits and instalments received from customers on real estate sold prior to the date of revenue recognition are presented as contract liabilities in the statement of financial position. Deposits and instalments received from customers are recognised as revenue when the Group transfers control over the real estate to the customers. For advances that contain a significant financing component interest expense. Interest expense is recognized using the effective interest method. The Group uses the practical expedient which allows not to adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

**(s) Other income**

Other income comprises dividend and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(t) Interest**

***Accounting policies applicable from 1 January 2020***

***Effective Interest Rate (EIR)***

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

***Accounting policies applicable before 1 January 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.



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Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(u) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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**(v) *Earnings per share***

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

**(w) *Related parties***

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity

**(x) *Segment reporting***

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

**5 Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has affected to the Group's businesses as follows:

*Rental and services in office buildings and retail shop*

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's retail shop in the enforced locations for specific periods of time. The retail shop remains to open the restaurants (take-away), and some businesses according to provincial government orders. During temporarily shut down, the Group considered to provide rental discounts to tenants that has affected. In May 2020, the Group's retail shop had reopened according to governance announcement.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak. The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account and fair value under TFRS13. Non-financial assets and non-marketable equity securities : The Group can choose to exclude the factor of COVID-19 situation, which may affect future financial forecast, in fair value measurement technique.

**6 Related parties**

Relationships with subsidiaries, associates and joint ventures are described in notes 9 and 10. Relationship with key management and other related parties were as follows:

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| <b>Name of entities</b>                          | <b>Country of incorporation/<br/>nationality</b> | <b>Nature of relationships</b>  |
|--|--|---|
| Central Pattana Public Company Limited           | Thailand   | Ultimate parent company   |
| CPN Pattaya Company Limited                      | Thailand   | Parent company (67.53% shareholding)  |
| Central Pattana Nine Square Company Limited      | Thailand   | Common directors  |
| Central Insurance Services Inc.                  | Thailand   | Common directors  |
| Robinson Department Store Public Company Limited | Thailand   | Common directors  |
| Central Food Retail Co., Ltd.                    | Thailand   | Common directors  |
| COL Public Company Limited                       | Thailand   | Common directors  |
| Italianthai Development Public Company Limited   | Thailand   | Held by a subsidiary  |
| ItalThai Trevi Company Limited                   | Thailand   | Held by a subsidiary  |
| Grand Fortune Company Limited                    | Thailand   | Common directors  |
| CKS Holding Company Limited                      | Thailand   | Common directors  |
| Super Assets Company Limited                     | Thailand   | Common directors  |
| B2S Co., Ltd.                                    | Thailand   | Common directors  |
| Common Ground (Thailand) Co., Ltd.               | Thailand   | Joint venture of the group  |
| CPN Village Company Limited                      | Thailand   | Common directors  |
| CPN Retail Growth Leasehold REIT                 | Thailand   | Joint venture of Central Pattana Public Company Limited and common directors  |
| Key management personnel                         | Thai   | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. |

The pricing policies for transactions with related parties are explained further below:

| <b>Transactions</b>           | <b>Pricing policies</b>          |
|-------------------------------|----------------------------------|
| Project management income     | Agreed prices                    |
| Selling management income     | Agreed prices                    |
| Rental income                 | Agreed prices                    |
| Property management income    | Agreed prices                    |
| Trust management income       | Agreed prices                    |
| Sales of investment property  | Agreed prices                    |
| Sales of equipment            | Cost plus margin                 |
| Interest income               | Rate stipulated in the agreement |
| Other income                  | Agreed prices                    |
| Dividend income               | The declared amount              |
| Rental and service expenses   | Agreed prices                    |
| Construction service expenses | Agreed prices                    |
| Insurance expenses            | Agreed prices                    |
| Interest expense              | Rate stipulated in the agreement |

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Significant transactions for year ended 31 December with related parties were as follows:

| <i>Year ended 31 December</i>         | <b>Consolidated<br/>financial statements</b> |         | <b>Separate<br/>financial statements</b> |         |
|---------------------------------------|--|---------|--|---------|
|                                       | 2020   | 2019    | 2020                                     | 2019    |
|                                       | <i>(in thousand Baht)</i>                    |         |  |         |
| <b>Ultimate parent company</b>        |  |         |  |         |
| Rental and service cost               | 6,647  | -       | 6,647                                    | -       |
| Management fee                        | 58,362                                       | 56,494  | 57,022                                   | 55,060  |
| <b>Parent company</b>                 |  |         |  |         |
| Interest Expense                      | 14,090                                       | 2,718   | 14,090                                   | 2,718   |
| <b>Subsidiaries</b>                   |  |         |  |         |
| Project management income             | -  | -       | 71,671                                   | 53,562  |
| Selling management income             | -  | -       | 13,418                                   | 19,522  |
| Construction management income        | -  | -       | 2,335                                    | -       |
| Interest income                       | -  | -       | 221,427                                  | 270,662 |
| Interest expense                      | -  | -       | 28,892                                   | 92,979  |
| Rental and service income             | -  | -       | 3,294                                    | -       |
| Dividend income                       | -  | -       | 59,877                                   | -       |
| <b>Associates</b>                     |  |         |  |         |
| Rental income                         | 36,764                                       | 234,482 | 24,445                                   | 163,743 |
| Property management income            | 5,484  | 32,849  | 3,744                                    | 22,644  |
| Trust management income               | 2,886  | 17,192  | -  | -       |
| Income for proceed disposal of asset  | 56,290                                       | -       | -  | -       |
| Rental and service income             | 2,170  | 17,189  | 2,170                                    | 17,189  |
| Dividend income                       | -  | -       | 308,242                                  | 52,993  |
| Interest income                       | 59,364                                       | -       | -  | -       |
| <b>Joint venture</b>                  |  |         |  |         |
| Interest income                       | 44,759                                       | 131,800 | -  | -       |
| <b>Other related parties</b>          |  |         |  |         |
| Rental income                         | 238,295                                      | 20,771  | 125,299                                  | 37      |
| Project management income             | 27,066                                       | -       | 18,139                                   | -       |
| Other Income                          | 167  | 8       | -  | -       |
| Rental and service income             | 1,659  | -       | 1,659                                    | -       |
| <b>Key management personnel</b>       |  |         |  |         |
| Key management personnel compensation |  |         |  |         |
| Short-term employee benefit           | 40,169                                       | 38,661  | 39,859                                   | 37,186  |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Significant balances as at 31 December with related parties were as follows:

|  | <b>Consolidated<br/>financial statements</b> |               | <b>Separate<br/>financial statements</b> |               |
|--|--|---------------|--|---------------|
|  | 2020   | 2019          | 2020                                     | 2019          |
|  | <i>(in thousand Baht)</i>                    |               |  |               |
| <b>Trade accounts receivable</b>   |  |               |  |               |
| Subsidiaries   | -  | -             | 14,904                                   | 49,745        |
| Associates   | -  | 30,993        | -  | 17,246        |
| Other related parties  | 20,464                                       | 21,832        | 8,680                                    | 20,706        |
| <b>Total</b>   | <b>20,464</b>                                | <b>52,825</b> | <b>23,584</b>                            | <b>87,697</b> |
| <b>Other receivables</b>   |  |               |  |               |
| Ultimate parent company  | 739  | -             | 739                                      | -             |
| Subsidiaries   | -  | -             | 51,642                                   | 54,340        |
| Associates   | -  | 42,216        | -  | 27,300        |
| Other related parties  | 2,604  | -             | 1,644                                    | -             |
| <b>Total</b>   | <b>3,343</b>                                 | <b>42,216</b> | <b>54,025</b>                            | <b>81,640</b> |
| <b>Land leasehold right</b>  |  |               |  |               |
| Other related parties  | -  | 97,527        | -  | -             |
| <b>Property, plant and equipment</b>   |  |               |  |               |
| Subsidiaries   | -  | -             | 9,368                                    | -             |
| <b>Investment Properties</b>   |  |               |  |               |
| Other related parties  | 231,607                                      | -             | -  | -             |
| <b>Rental and service deposit<br/>(shown under other non-current<br/>assets)</b> |  |               |  |               |
| Associates   | -  | 3,074         | -  | 3,074         |
| Other related parties  | 3,074  | -             | 3,074                                    | -             |
| <b>Total</b>   | <b>3,074</b>                                 | <b>3,074</b>  | <b>3,074</b>                             | <b>3,074</b>  |

|  | <b>Interest<br/>rate</b> | <b>Consolidated financial statements</b> |                           |             |                      |
|--|--------------------------|--|---------------------------|-------------|----------------------|
|  | As at 31<br>December     | As at 1<br>January                       | Increase                  | Decrease    | As at 31<br>December |
|  | <i>(% per<br/>annum)</i> |  | <i>(in thousand Baht)</i> |             |                      |
| <b>2020</b>  |                          |  |                           |             |                      |
| <b>Long-term loans to</b>  |                          |  |                           |             |                      |
| Joint venture  | -                        | 4,979,062                                | 89,518                    | (5,068,580) | -                    |
| <i>Less</i> The excess of<br>accumulated share of<br>loss from investment in<br>joint venture over cost<br>of investment |                          | (414,359)                                | (1,356)                   | 415,715     | -                    |
| <i>Less</i> The elimination of<br>interest income  |                          | (131,800)                                | (44,758)                  | 176,558     | -                    |
| <b>Net</b>   |                          | <b>4,432,903</b>                         |                           |             | <b>-</b>             |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

|   | Interest rate<br>As at 31<br>December<br>(% per annum) | As at 1<br>January | Consolidated financial statements |          | As at 31<br>December |
|---|--|--------------------|-----------------------------------|----------|----------------------|
|   |  |                    | Increase                          | Decrease |                      |
|   |  |                    | (in thousand Baht)                |          |                      |
| <b>2020</b>   |  |                    |                                   |          |                      |
| <b>Long-term loans to</b>   |  |                    |                                   |          |                      |
| Associate   | 4.03   | -                  | 5,198,308                         | -        | 5,198,308            |
| Less The excess of accumulated share of loss from investment in associate over cost of investment     |  | -                  | (409,780)                         | -        | (409,780)            |
| Less The elimination of interest income   |  | -                  | (235,924)                         | -        | (235,924)            |
| <b>Net</b>  |  | -                  |                                   |          | <u>4,552,604</u>     |
| <b>2019</b>   |  |                    |                                   |          |                      |
| <b>Long-term loans to</b>   |  |                    |                                   |          |                      |
| Joint venture   | MLR - 0.5  | 4,712,956          | 266,106                           | -        | 4,979,062            |
| Less The excess of accumulated share of loss from investment in joint venture over cost of investment |  | (409,765)          | (4,594)                           | -        | (414,359)            |
| Less The elimination of interest income   |  | -                  | (131,800)                         | -        | (131,800)            |
| <b>Net</b>  |  | <u>4,303,191</u>   |                                   |          | <u>4,432,903</u>     |

|                         | Interest rate<br>As at 31<br>December<br>(% per annum) | As at 1<br>January | Separate financial statements |           | As at 31<br>December |
|-------------------------|--|--------------------|-------------------------------|-----------|----------------------|
|                         |  |                    | Increase                      | Decrease  |                      |
|                         |  |                    | (in thousand Baht)            |           |                      |
| <b>2020</b>             |  |                    |                               |           |                      |
| <b>Short-term loans</b> |  |                    |                               |           |                      |
| Subsidiaries            | 4.03   | 1,502,336          | 216,147                       | (88,416)  | 1,630,067            |
| <b>Long-term loans</b>  |  |                    |                               |           |                      |
| Subsidiaries            | 4.03   | 4,977,567          | 237,470                       | (1,364)   | 5,213,673            |
| <b>2019</b>             |  |                    |                               |           |                      |
| <b>Short-term loans</b> |  |                    |                               |           |                      |
| Subsidiaries            | MLR - 0.5, 5.25  | 1,352,153          | 1,081,847                     | (931,664) | 1,502,336            |
| <b>Long-term loans</b>  |  |                    |                               |           |                      |
| Subsidiaries            | MLR - 0.75   | 4,707,306          | 490,549                       | (220,288) | 4,977,567            |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

|  | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|--|--|------------------|--|------------------|
|  | 2020   | 2019             | 2020                                     | 2019             |
|  | <i>(in thousand Baht)</i>                    |                  |  |                  |
| <b>Trade accounts payable</b>            |  |                  |  |                  |
| Ultimate parent company                  | 4,557  | -                | 4,439                                    | -                |
| Subsidiaries                             | -  | -                | 135,799                                  | 137,007          |
| Associates                               | -  | 155              | -  | 155              |
| Other related parties                    | 2,807  | 602              | 2,422                                    | 449              |
| <b>Total</b>                             | <b>7,364</b>                                 | <b>757</b>       | <b>142,660</b>                           | <b>137,611</b>   |
| <b>Other payables</b>                    |  |                  |  |                  |
| Ultimate parent company                  | 8,700  | -                | 8,460                                    | -                |
| Subsidiaries                             | -  | -                | 50                                       | -                |
| Associates                               | -  | 33,753           | -  | -                |
| Other related parties                    | 82   | 11,445           | 21                                       | 11,372           |
| <b>Total</b>                             | <b>8,782</b>                                 | <b>45,198</b>    | <b>8,531</b>                             | <b>11,372</b>    |
| <b>Retention payable</b>                 |  |                  |  |                  |
| Other related parties                    | <b>1,296</b>                                 | <b>42,293</b>    | <b>457</b>                               | <b>457</b>       |
| <b>Advance rental and service income</b> |  |                  |  |                  |
| Associates                               | -  | 5,177,188        | -  | 4,061,942        |
| Other related parties                    | 4,948,650                                    | -                | 3,908,548                                | -                |
| <b>Total</b>                             | <b>4,948,650</b>                             | <b>5,177,188</b> | <b>3,908,548</b>                         | <b>4,061,942</b> |
| <b>Rental and service retention</b>      |  |                  |  |                  |
| Other related parties                    | <b>6,109</b>                                 | <b>-</b>         | <b>-</b>                                 | <b>-</b>         |

|                         | <b>Interest rate</b>                         | <b>Consolidated financial statements</b> |                           |           |                      |
|-------------------------|--|--|---------------------------|-----------|----------------------|
| <b>Short-term loans</b> | As at 31<br>December<br><i>(% per annum)</i> | As at 1<br>January                       | Increase                  | Decrease  | As at 31<br>December |
|                         |  |  | <i>(in thousand Baht)</i> |           |                      |
| <b>2020</b>             |  |  |                           |           |                      |
| Parent company          | 2.75   | 170,745                                  | 1,724,090                 | (468,469) | 1,426,366            |
| <b>2019</b>             |  |  |                           |           |                      |
| Parent company          | MLR - 0.75                                   | -  | 502,718                   | (331,973) | 170,745              |



**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

| <i>Short-term loans</i> | Interest rate                                    | Separate financial statements |                    |             |                   |
|-------------------------|--|-------------------------------|--------------------|-------------|-------------------|
|                         | As at 31 December<br>(% per annum)               | As at 1 January               | Increase           | Decrease    | As at 31 December |
|                         |  |                               | (in thousand Baht) |             |                   |
| <b>2020</b>             |  |                               |                    |             |                   |
| Subsidiaries            | Fixed deposit rate 6M+2, +0.25                   | 3,047,687                     | 1,041,355          | (667,503)   | 3,421,539         |
| Parent company          | 2.75   | 170,745                       | 1,724,090          | (468,469)   | 1,426,366         |
| <b>Total</b>            |  | <b>3,218,432</b>              |                    |             | <b>4,847,905</b>  |
| <b>2019</b>             |  |                               |                    |             |                   |
| Subsidiaries            | MLR - 0.5, -1.5, Fixed deposit rate 6M +2, +0.25 | 2,919,832                     | 1,132,570          | (1,004,715) | 3,047,687         |
| Parent company          | MLR - 0.75                                       | -                             | 502,718            | (331,973)   | 170,745           |
| <b>Total</b>            |  | <b>2,919,832</b>              |                    |             | <b>3,218,432</b>  |

***Significant agreements with related parties***

As at 31 December 2020,

The subsidiary had commitments with Super Assets Company Limited and CKS Holding Company Limited totaling Baht 278 million under a land lease agreement and right of using area (31 December 2019: Baht 282 million). These agreements expire in June 2050 and June 2029, respectively.

***Project management agreements***

The Company and subsidiaries have project management agreements which provide construction and operation management for 1 year. The Company charges construction management fee at 2% from progress from construction and operation management fee at 5% from operating income.

***Property management and trust manager agreements***

In April 2017, the Company and Sterling Equity Co., Ltd. were appointed to be property management company of GLAND Office Leasehold Real Estate Investment Trust (associate). According to the agreement, the Company and Sterling Equity Co., Ltd. will receive property management and GLAND REIT Management Co., Ltd. will receive trust management fee.

***Loan agreements***

The subsidiary and joint venture had loan agreements for the loan lines totaling Baht 4,950 million which interest rate at 4.03% per annum and are repayable on demand.

***Service agreement***

The Company entered into service agreement with Central Pattana Public Company Limited for business consulting, setting policies, and advising on business operation. The agreement will be effective for two years from 1 January 2019 with rate 3% of revenue from rental and rendering services of the Company.

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**7 Cash and cash equivalents**

|                                  | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |              |
|----------------------------------|--|-------------------|--|--------------|
|                                  | 2020   | 2019              | 2020                                     | 2019         |
|                                  |  | (in million Baht) |  |              |
| Cash on hands                    | 0.10   | 0.10              | 0.03                                     | 0.03         |
| Call deposits                    | 69.66  | 51.13             | 39.24                                    | 35.03        |
| <b>Cash and cash equivalents</b> | <b>69.76</b>                                 | <b>51.23</b>      | <b>39.27</b>                             | <b>35.06</b> |

**8 Real estate development for sale**

|   | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |            |
|---|--|-------------------|--|------------|
|   | 2020   | 2019              | 2020                                     | 2019       |
|   |  | (in million Baht) |  |            |
| Land and construction under Development | 878  | 818               | 624                                      | 624        |
| Land and construction developed         | 12   | 136               | -  | -          |
| <b>Total</b>                            | <b>890</b>                                   | <b>954</b>        | <b>624</b>                               | <b>624</b> |

|   | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |      |
|---|--|-------------------|--|------|
|   | 2020   | 2019              | 2020                                     | 2019 |
|   |  | (in million Baht) |  |      |
| Finance costs capitalised during the year   | 24   | 25                | -  | -    |
| Rates of interest capitalised (% per annum)   | 4.03   | 4.52              | -  | -    |
| Real estate projects under development recognised as an expense in 'cost of sales of real estate project' |  |                   |  |      |
| - Cost  | 77   | 112               | -  | -    |

The Group has mortgaged its land and construction thereon with banks to secure loans from the banks.

At 31 December 2020, real estate under development of the Group amounted of Baht 489 million (2019; Baht 770 million) are expected to be completed more than one year after the reporting period.

**9 Investment in associate and joint venture**

During the period ended 31 December 2020 and 2019, there was no acquisitions or disposals of investments in associates and joint venture.

*Classification from investment in joint venture to be investment in associate*

During the year 2020, Central Pattana Public Company Limited obtained the control over Bayswater Co., Ltd. from purchase the ordinary shares of BTS Group Holding Public Company Limited. Investment in such company was classified from indirect joint venture to indirect associate.



**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

| Type of business             | Separate financial statements |      |                 |       |                   |      |
|------------------------------|-------------------------------|------|-----------------|-------|-------------------|------|
|                              | Ownership interest            |      | Paid-up capital |       | Cost              |      |
|                              | 2020                          | 2019 | 2020            | 2019  | 2020              | 2019 |
|                              | (%)                           |      |                 |       | (in million Baht) |      |
| <b>Associates</b>            |                               |      |                 |       |                   |      |
| GLAND Office Leasehold       |                               |      |                 |       |                   |      |
| Real Estate Investment Trust |                               |      |                 |       |                   |      |
| (Under liquidation process)  |                               |      |                 |       |                   |      |
|                              | 15                            | 15   | 1               | 4,558 | 0.1               | 684  |
|                              |                               |      |                 |       |                   | 997  |
|                              |                               |      |                 |       |                   | 308  |
|                              |                               |      |                 |       |                   | 53   |

All associates and joint venture were incorporated and operated in Thailand.

None of the Group's and the Company's associates and joint venture is publicly listed and consequently do not have published price quotations.

## Grand Canal Land Public Company Limited and its subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2020

At 31 December 2020, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 645.7 million as a deduction from long-term loan to associates (*31 December 2019: Baht 546.1 million as a deduction from long-term loan to joint venture*) in the consolidated financial position.

On 8 May 2019, the Board of Directors meeting of the REIT manager which is a subsidiary of the Group held approved the distribution of benefit from the result of operation from 1 January 2019 to 31 March 2019 to the Trust unitholders of Baht 0.1767 per unit, amounting to Baht 88.31 million. The benefit will be paid to the Trust unitholders on 6 June 2019.

On 7 August 2019, the Board of Directors meeting of the REIT manager held approved the distribution of benefit from the result of operation from 1 April 2019 to 30 June 2019 to the Trust unitholders of Baht 0.1780 per unit, amounting to Baht 88.96 million. The benefit was paid to the Trust unitholders on 6 September 2019.

On 29 October 2019, the Board of Directors meeting of the REIT manager held approved the distribution of benefit from the result of operation from 1 July 2019 to 30 September 2019 to the Trust unitholders of Baht 0.1800 per unit, amounting to Baht 89.96 million. The benefit was paid to the Trust unitholders on 29 November 2019.

On 22 November 2019 GLAND REIT Management Company Limited (“REIT Manager”) as the REIT manager of GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) acknowledge the transfer of GLANDRT’s main assets schedule, early repayment of loan to financial institution, the schedule for the SP and the delisting from the Stock Exchange of Thailand’s Securities GLANDRT. The Board of Directors meeting also approved the dissolution, liquidation, capital reduction and delisting of GLANDRT from being listed securities on the Stock Exchange of Thailand on 3 March 2020.

In May 2019, the Board of Directors passed the resolution to approve Ratchada Asset Holding Company Limited (a subsidiary) to refuse the right to purchase ordinary shares from BTS Group Holding Public Company Limited holding in Bayswater Company Limited in a total amount of 50,000 shares or accounted for 50% of the total issued and paid-up shares, which is in accordance with the Right of First Refusal stated in the Shareholders’ Agreement. However, Central Pattana Public Company Limited, ultimate parent company, acquired the remaining shares. The share purchase agreement and all related liabilities were completed when Central Pattana Public Company Limited comply with the conditions according to share purchase agreement and related agreement.

#### *Associate and Joint Venture*

The following table summarises the financial information of the associate and joint venture as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group’s interest in these companies.

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

The summary of the financial information as follows:

|   | GLAND Office Leasehold<br>Real Estate Investment Trust |            | Bayswater Co., Ltd. |          |
|---|--|------------|---------------------|----------|
|   | 2020   | 2019       | 2020                | 2019     |
|   | <i>(in million Baht)</i>                               |            |                     |          |
| <b>Associates</b>   |  |            |                     |          |
| Revenue   | 1,913  | 701        | 12                  | -        |
| Total comprehensive income (100%)                             | 1,807  | 493        | 12                  | -        |
| <b>Total comprehensive income of<br/>the Group's interest</b> | <b>202</b>   | <b>74</b>  | <b>6</b>            | <b>-</b> |
| Current assets  | 7  | 485        | 14                  | -        |
| Non-current assets  | -  | 5,541      | 9,656               | -        |
| Current liabilities   | -  | (95)       | (8)                 | -        |
| Non-current liabilities                                       | -  | (1,118)    | (10,397)            | -        |
| Net assets  | 7  | 4,813      | (735)               | -        |
| <b>Shareholding percentage (%)</b>                            | <b>15</b>  | <b>15</b>  | <b>50</b>           | <b>-</b> |
| Share of net assets   | 1  | 721        | (368)               | -        |
| Less: Elimination entries                                     | -  | 70         | (42)                | -        |
| <b>Carrying amounts of associates</b>                         | <b>1</b>   | <b>791</b> | <b>(410)</b>        | <b>-</b> |

|   | Bayswater Co., Ltd.      |              |
|---|--------------------------|--------------|
|   | 2020                     | 2019         |
|   | <i>(in million Baht)</i> |              |
| <b>Joint venture</b>  |                          |              |
| Revenue   | -                        | -            |
| Total comprehensive income (100%)                             | (2)                      | (9)          |
| <b>Total comprehensive income of<br/>the Group's interest</b> | <b>(1)</b>               | <b>(5)</b>   |
| Current assets  | -                        | 9,216        |
| Non-current assets  | -                        | -            |
| Current liabilities   | -                        | (789)        |
| Non-current liabilities                                       | -                        | (9,171)      |
| Net assets  | -                        | (744)        |
| <b>Shareholding percentage (%)</b>                            | <b>-</b>                 | <b>50</b>    |
| Share of net assets   | -                        | (372)        |
| Less: Elimination entries                                     | -                        | (42)         |
| <b>Carrying amounts of joint venture</b>                      | <b>-</b>                 | <b>(414)</b> |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**10 Investments in subsidiaries**

During the period ended 31 December 2020 and 2019, there was no acquisitions or disposals of investments in subsidiaries.

At the annual general meeting of shareholders of GLAND REIT Management Co., Ltd. held on 24 June 2020, approved a resolution to dissolve the company. The company registered for the dissolution to the Ministry of Commerce on 29 June 2020. Moreover, the meeting has resolved to approve as follows;

- Dividend payment from operating result from 1 January - 29 June 2020 (the Dissolution date) and dividend from retained earnings of the company of Baht 59.9 million.
- Reduce capital of Baht 9.7 million.
- Payment for dividend and capital reduction on 23 July 2020.

On 8 October 2019, a subsidiary registered the increase share capital from Baht 500 million by Baht 800 million. The share capital was increased to Baht 1,300 million to reduce finance cost by issuing 8 million ordinary shares at Baht 100 per value each. The subsidiary offered the share capital to existing shareholder at the same proportion and called for fully paid-up shares capital.



**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

| Separate financial statements                                  |                                      |                                   |                         |       |                                       |                                 |
|--|--------------------------------------|-----------------------------------|-------------------------|-------|---------------------------------------|---------------------------------|
|  | Type of business                     | Ownership interest<br>2020<br>(%) | Paid-up capital<br>2020 | 2019  | Cost method<br>2020<br>(million Baht) | 2019                            |
|  |                                      |                                   |                         |       |                                       | Dividend income<br>2020<br>2019 |
| <b>Subsidiaries</b>  |                                      |                                   |                         |       |                                       |                                 |
| <b>Direct</b>  |                                      |                                   |                         |       |                                       |                                 |
| Belle Development Ltd.   | Real estate development              | 79.57                             | 2,064                   | 2,064 | 1,920                                 | 1,920                           |
| Praram 9 Square Ltd.   | Real estate for rent and development | 93.09                             | 1,900                   | 1,900 | 1,771                                 | 1,771                           |
| Sterling Equity Co., Ltd.                                      | Real estate development              | 100.00                            | 1,800                   | 1,800 | 1,765                                 | 1,765                           |
| Belle Assets Co., Ltd.   | Real estate development              | 100.00                            | 11                      | 11    | 11                                    | 11                              |
| G Land Property Management Co., Ltd.                           | Real estate development              | 100.00                            | 1,300                   | 1,300 | 1,334                                 | 1,334                           |
| Ratchada Asset Holding Co., Ltd.                               | Investment company                   | 100.00                            | 6                       | 6     | 6                                     | 6                               |
| GLAND REIT Management Co., Ltd.<br>(under liquidation process) | Trust manager                        | 100.00                            | 0.3                     | 10    | 0.3                                   | 10                              |
| <b>Indirect</b>  |                                      |                                   |                         |       |                                       |                                 |
| Praram 9 Square Hotel Ltd.                                     | Hotel                                | 100.00                            | 16                      | 16    | -                                     | -                               |
| <b>Total</b>   |                                      |                                   |                         |       | <b>6,807</b>                          | <b>6,817</b>                    |
|  |                                      |                                   |                         |       | <b>60</b>                             | <b>-</b>                        |

All subsidiaries were incorporated in Thailand.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**11 Other non-current financial asset - long term investment**

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.

**Grand Canal Land Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2020**

**12 Non-controlling interest**

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

|  | 31 December 2020            |                      | 31 December 2019            |                      |
|--|-----------------------------|----------------------|-----------------------------|----------------------|
|  | Belle development Co., Ltd. | Praram 9 Square Ltd. | Belle development Co., Ltd. | Praram 9 Square Ltd. |
|  | <b>Total</b>                |                      | <b>Total</b>                |                      |
|  | (in million Baht)           |                      |                             |                      |
| Non-controlling interest percentage  | 20.4%                       | 6.9%                 | 20.4%                       | 6.9%                 |
| Current assets   | 2,557                       | 847                  | 2,704                       | 561                  |
| Non-current assets   | 521                         | 7,671                | 709                         | 6,822                |
| Current liabilities  | (92)                        | (330)                | (331)                       | (470)                |
| Non-current liabilities  | (75)                        | (3,421)              | (79)                        | (3,136)              |
| <b>Net assets</b>  | <b>2,911</b>                | <b>4,767</b>         | <b>3,003</b>                | <b>3,777</b>         |
| Carrying amount of non-controlling interest  | 594                         | 329                  | 613                         | 261                  |
| Revenue  | 316                         | 1,049                | 443                         | 1,758                |
| Profit for the year  | (92)                        | 615                  | 109                         | 1,129                |
| <b>Total comprehensive income</b>  | <b>(92)</b>                 | <b>615</b>           | <b>109</b>                  | <b>1,129</b>         |
| Profit allocated to non-controlling interest   | (19)                        | 42                   | 22                          | 78                   |
| Cash flows (used in) from operating activities   | (173)                       | 320                  | 263                         | 719                  |
| Cash flows (used in) from investing activities   | 188                         | (382)                | 76                          | (635)                |
| Cash flows (used in) from financing activities (dividends to non-controlling interest: none) | (4)                         | 62                   | (383)                       | (129)                |
| <b>Net decrease in cash and cash equivalents</b>   | <b>11</b>                   | <b>-</b>             | <b>(44)</b>                 | <b>(45)</b>          |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**13 Investment properties**

|   | <b>Consolidated financial statements</b> |               | <b>Separate financial statements</b> |               |
|---|--|---------------|--------------------------------------|---------------|
|   | 2020                                     | 2019          | 2020                                 | 2019          |
|   | <i>(in million Baht)</i>                 |               |                                      |               |
| At 1 January                                    | 22,109                                   | 21,446        | 10,383                               | 10,267        |
| Recognised right of use from adoption of TFRS16 | 230                                      | -             | -                                    | -             |
| <b>At 1 January 2020 - adjusted</b>             | <b>22,339</b>                            | <b>21,446</b> | <b>10,383</b>                        | <b>10,267</b> |
| Additions                                       | 56                                       | 15            | 32                                   | 12            |
| Disposals                                       | (5)                                      | (136)         | (1)                                  | -             |
| Finance cost capitalised                        | 45                                       | 71            | -                                    | -             |
| Loss on fair value adjustment                   | (94)                                     | 713           | (49)                                 | 104           |
| <b>At 31 December</b>                           | <b>22,341</b>                            | <b>22,109</b> | <b>10,365</b>                        | <b>10,383</b> |

The investment properties consist of land, office rental project and land awaiting development.

Information about the lease is disclosed in Note 15.

| <b>Year ended 31 December</b>               | <b>Consolidated financial statements</b> |       | <b>Separate financial statements</b> |      |
|---|--|-------|--------------------------------------|------|
|   | 2020                                     | 2019  | 2020                                 | 2019 |
|   | <i>(in million Baht)</i>                 |       |                                      |      |
| <b>Amounts recognised in profit or loss</b> |  |       |                                      |      |
| Rental income                               | 1,247                                    | 1,262 | 316                                  | 349  |
| Unrealised gains on fair value adjustments  | (94)                                     | 713   | (49)                                 | 104  |
| Repair and maintenance expense              |  |       |                                      |      |
| - property that generate rental income      | 21                                       | 18    | 5                                    | 3    |
| <b>Measurement of fair values</b>           |  |       |                                      |      |

*Fair value hierarchy*

The fair value of investment properties was determined by independent professional valuers.

The fair value of investment property has been categorised as a Level 3 fair value.

*Valuation technique*

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 based on various assumptions, including the rate of return, discount rate and occupancy rate.

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Key assumptions used in the valuation of office rental project units for rent, land for rent and land awaiting development as at 31 December 2020 are summarised below.

|  | Consolidated<br>financial statements | Separate<br>financial statements     | Result to fair value where<br>as an increase in<br>assumption value |
|--|--------------------------------------|--------------------------------------|---|
| Discount rate  | 9.5% - 11%                           | 9.5% - 10%                           | Decrease in fair value  |
| Occupancy rate<br>(depending on location of assets)        | 30 % - 100%                          | 30 % - 80 %                          | Increase in fair value  |
| Rental rate per month<br>(depending on location of assets) | Baht 630 - 1,100<br>per square meter | Baht 720 - 1,100<br>per square meter | Increase in fair value  |

**14 Property, plant and equipment**

|   | Consolidated financial statements |                             |   |           |                              |            |
|---|-----------------------------------|-----------------------------|---|-----------|------------------------------|------------|
|   | Land                              | Building and<br>improvement | Office<br>equipment<br>and furniture<br>fixture | Vehicles  | Assets under<br>installation | Total      |
|   | <i>(in million Baht)</i>          |                             |   |           |                              |            |
| <b>Cost</b>                                       |                                   |                             |   |           |                              |            |
| At 1 January 2019                                 | 339                               | 21                          | 155   | 19        | 68                           | 602        |
| Additions   | -                                 | 1                           | -   | -         | -                            | 1          |
| Disposals   | -                                 | -                           | (10)  | (9)       | -                            | (19)       |
| <b>At 31 December 2019 and<br/>1 January 2020</b> | <b>339</b>                        | <b>22</b>                   | <b>145</b>                                      | <b>10</b> | <b>68</b>                    | <b>584</b> |
| Additions   | -                                 | 7                           | 1   | -         | 1                            | 9          |
| Disposals   | -                                 | (1)                         | (2)   | -         | (1)                          | (4)        |
| <b>At 31 December 2020</b>                        | <b>339</b>                        | <b>28</b>                   | <b>144</b>                                      | <b>10</b> | <b>68</b>                    | <b>589</b> |
| <b>Depreciation</b>                               |                                   |                             |   |           |                              |            |
| At 1 January 2019                                 | -                                 | 14                          | 74  | 15        | -                            | 103        |
| Depreciation charge for the year                  | -                                 | 1                           | 8   | 2         | -                            | 11         |
| Disposals   | -                                 | -                           | (10)  | (8)       | -                            | (18)       |
| <b>At 31 December 2019 and<br/>1 January 2020</b> | <b>-</b>                          | <b>15</b>                   | <b>72</b>                                       | <b>9</b>  | <b>-</b>                     | <b>96</b>  |
| Depreciation charge for the year                  | -                                 | 2                           | 7   | -         | -                            | 9          |
| Disposals   | -                                 | -                           | (2)   | -         | -                            | (2)        |
| <b>At 31 December 2020</b>                        | <b>-</b>                          | <b>17</b>                   | <b>77</b>                                       | <b>9</b>  | <b>-</b>                     | <b>103</b> |
| <b>Net book value</b>                             |                                   |                             |   |           |                              |            |
| At 31 December 2019                               | 339                               | 7                           | 73  | 1         | 68                           | 488        |
| At 31 December 2020                               | 339                               | 11                          | 67  | 1         | 68                           | 486        |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

| Separate financial statements                 |                          |   |          |                           |           |
|---|--------------------------|---|----------|---------------------------|-----------|
|   | Building and improvement | Furniture, fixtures, office and equipment | Vehicles | Assets under installation | Total     |
|   | <i>(in million Baht)</i> |   |          |                           |           |
| <b>Cost</b>                                   |                          |   |          |                           |           |
| At 1 January 2019                             | -                        | 39  | 8        | 7                         | 54        |
| Additions                                     | 1                        | -   | -        | -                         | 1         |
| Disposals                                     | -                        | (9)                                       | (3)      | -                         | (12)      |
| <b>At 31 December 2019 and 1 January 2020</b> | <b>1</b>                 | <b>30</b>                                 | <b>5</b> | <b>7</b>                  | <b>43</b> |
| Additions                                     | 20                       | 1   | -        | -                         | 21        |
| Disposals                                     | (1)                      | (1)                                       | -        | -                         | (2)       |
| <b>At 31 December 2020</b>                    | <b>20</b>                | <b>30</b>                                 | <b>5</b> | <b>7</b>                  | <b>62</b> |
| <b>Depreciation</b>                           |                          |   |          |                           |           |
| At 1 January 2019                             | -                        | 30  | 7        | -                         | 37        |
| Depreciation charge for the year              | -                        | 1   | 1        | -                         | 2         |
| Disposals                                     | -                        | (8)                                       | (3)      | -                         | (11)      |
| <b>At 31 December 2019 and 1 January 2020</b> | <b>-</b>                 | <b>23</b>                                 | <b>5</b> | <b>-</b>                  | <b>28</b> |
| Depreciation charge for the year              | 4                        | 2   | -        | -                         | 6         |
| Disposals                                     | -                        | (1)                                       | -        | -                         | (1)       |
| <b>At 31 December 2020</b>                    | <b>4</b>                 | <b>24</b>                                 | <b>5</b> | <b>-</b>                  | <b>33</b> |
| <b>Net book value</b>                         |                          |   |          |                           |           |
| <b>At 31 December 2019</b>                    | <b>1</b>                 | <b>7</b>                                  | <b>-</b> | <b>7</b>                  | <b>15</b> |
| <b>At 31 December 2020</b>                    | <b>16</b>                | <b>6</b>                                  | <b>-</b> | <b>7</b>                  | <b>29</b> |
| Owned assets                                  | 6                        | 6   | -        | 7                         | 19        |
| Right-of-use assets                           | 10                       | -   | -        | -                         | 10        |
|   | <b>16</b>                | <b>6</b>                                  | <b>-</b> | <b>7</b>                  | <b>29</b> |

## 15 Leases

*As a lessee*

|                            | Consolidated financial statements | Separate financial statements |
|----------------------------|-----------------------------------|-------------------------------|
| <b>At 31 December 2020</b> | <i>(in million Baht)</i>          |                               |
| <b>Right-of-use assets</b> |                                   |                               |
| Land                       | <b>231</b>                        | <b>-</b>                      |

In 2020, additions to the right-of-use assets of the Group were Baht 231 million.

The Group leases a land for 30 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

**Grand Canal Land Public Company Limited and its subsidiaries**  
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*Extension options*

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

| <i>For the year ended 31 December</i>           | <b>Consolidated financial statements</b> |      | <b>Separate financial statements</b> |      |
|---|--|------|--------------------------------------|------|
|   | 2020                                     | 2019 | 2020                                 | 2019 |
|   | <i>(in million Baht)</i>                 |      |                                      |      |
| <b>Amounts recognised in profit or loss</b>     |  |      |                                      |      |
| Interest expenses on lease liabilities          | 5,787                                    | -    | 314                                  | -    |
| Expenses relating to short-term leases          | 6,246                                    | -    | 6,763                                | -    |
| Expenses associated with low-value asset leases | 551                                      | -    | 295                                  | -    |

In 2020, total cash outflow for leases of the Group were Baht 4.38 million and Baht 3.79 million, respectively.

*As a lessor*

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 1-5 years. Subsequent renewals are negotiated with the lessee.

| <i>At 31 December</i>  | <b>Consolidated financial statements</b> |              | <b>Separate financial statements</b> |            |
|--|--|--------------|--------------------------------------|------------|
|  | 2020                                     | 2019         | 2020                                 | 2019       |
|  | <i>(in million Baht)</i>                 |              |                                      |            |
| <b>Minimum lease payments under non-cancellable operating lease are receivable</b> |  |              |                                      |            |
| Within 1 year  | 900                                      | 619          | 33                                   | 29         |
| 1 - 5 years  | 978                                      | 674          | 53                                   | 23         |
| After 5 years  | -  | 115          | -                                    | 112        |
| <b>Total</b>   | <b>1,878</b>                             | <b>1,408</b> | <b>86</b>                            | <b>164</b> |

On 19 April 2017, the Company and Sterling Equity Company Limited (a subsidiary) entered into agreements to lease the investment properties to GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT"). The details are as follows:

- a) The Company entered into an agreement to lease the office rental areas, conventional room areas, storage areas, common areas related to the aforesaid areas, parking areas and utility systems of The 9th Towers Grand Rama 9 Project ("The 9th Towers Office Project") to GLANDRT for a period of 30 years. GLANDRT paid Baht 4,592.5 million to the Company for this leasehold right.



# Grand Canal Land Public Company Limited and its subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

- b) Sterling Equity Company Limited entered into an agreement to lease the office rental areas, common areas related to the aforesaid areas, parking areas and utility systems of Unilever House Grand Rama 9 Project (“Unilever House Office Project”) to GLANDRT for a period of 17 years and 7 months. GLANDRT paid Baht 1,398.2 million to Sterling Equity Company Limited for this leasehold right.
- c) The Company and its subsidiary present the cash received for the leasehold rights net of expense incurred directly in arranging the lease agreements, as advance rental income in the statement of financial position.

However, GLAND office Leasehold Real Estate Investment Trust had transferred such right in leasehold to CPN Retail Growth Leasehold REIT in 2020.

### 16 Interest bearing liabilities

|  | Consolidated financial statements |              |              |              |              |              |
|--|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
|  | 2020                              |              |              | 2019         |              |              |
|  | Secured                           | Unsecured    | Total        | Secured      | Unsecured    | Total        |
|  | <i>(in million Baht)</i>          |              |              |              |              |              |
| Debentures                                   | -                                 | 2,189        | 2,189        | -            | 3,845        | 3,845        |
| Short-term loans from financial institutions | -                                 | 550          | 550          | -            | 1,370        | 1,370        |
| Short-term loans from related parties        | -                                 | 1,426        | 1,426        | -            | 171          | 171          |
| Long-term loans from financial institutions  | 2,532                             | -            | 2,532        | 2,532        | -            | 2,532        |
| Lease liabilities                            | -                                 | 134          | 134          | -            | -            | -            |
| <b>Total interest-bearing liabilities</b>    | <b>2,532</b>                      | <b>4,299</b> | <b>6,831</b> | <b>2,532</b> | <b>5,386</b> | <b>7,918</b> |

|  | Separate financial statements |              |              |          |              |              |
|--|-------------------------------|--------------|--------------|----------|--------------|--------------|
|  | 2020                          |              |              | 2019     |              |              |
|  | Secured                       | Unsecured    | Total        | Secured  | Unsecured    | Total        |
|  | <i>(in million Baht)</i>      |              |              |          |              |              |
| Debentures                                   | -                             | 2,189        | 2,189        | -        | 3,845        | 3,845        |
| Short-term loans from financial institutions | -                             | 550          | 550          | -        | 1,370        | 1,370        |
| Short-term loans from related parties        | -                             | 4,848        | 4,848        | -        | 3,218        | 3,218        |
| Lease liabilities                            | -                             | 10           | 10           | -        | -            | -            |
| <b>Total interest-bearing liabilities</b>    | <b>-</b>                      | <b>7,597</b> | <b>7,597</b> | <b>-</b> | <b>8,433</b> | <b>8,433</b> |

| <i>Assets pledged as security for liabilities as at 31 December</i> | Consolidated financial statements |               | Separate financial statements |              |
|---|-----------------------------------|---------------|-------------------------------|--------------|
|   | 2020                              | 2019          | 2020                          | 2019         |
|   | <i>(in million Baht)</i>          |               |                               |              |
| Real estate development for sale                                    | 624                               | 624           | 624                           | 624          |
| Investment properties   | 11,240                            | 10,907        | 4,600                         | 4,514        |
| Property plant and equipment  | -                                 | 403           | -                             | -            |
| Land leasehold right  | -                                 | 98            | -                             | -            |
| <b>Total</b>  | <b>11,864</b>                     | <b>12,032</b> | <b>5,224</b>                  | <b>5,138</b> |

Restricted bank deposit represented fixed deposit of the Group as collateral for credit facilities.

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As at 31 December 2020, the Group had unutilised credit facilities totalling Baht 940 million (2019: Baht 738 million).

***Long-term loans from financial institutions***

In September 2010, the Group entered into a loan agreement within credit line not exceeding Baht 3,100 millions with financial institution. Such agreement stipulated the Group to repay the remaining principal within 3 years from 17 July 2020. As at 31 December 2020, the Group had utilised Baht 2,532 million (2019: Baht 2,532 million).

***Debentures***

The Group's debentures as at 31 December 2020 and 2019, were registered, unsubordinated, unsecured, with no debenture holders' representative (except for the second to fifth series, which have a debenture holders' representative) and no early redemption provisions. These debentures have a face value of Baht 1,000. At shareholders' meetings of the Company, the shareholders approved the issuance and offer for sale of debt securities as follows:

- 1) In November 2015, the Group issued debentures with a maturity of 5 years amounting to Baht 100 million. Those debentures paid interest every quarter and due to maturity on 26 November 2020.
- 2) In September 2017, the Group issued debentures with a maturity of 3 years amounting to Baht 1,100 million. Those debentures paid interest every 6 months and due to maturity on 7 September 2020.
- 3) In November 2017, the Group issued debentures with a maturity of 3.5 years amounting to Baht 1,300 million. Those debentures paid interest every quarter and due to maturity on 9 May 2021.
- 4) In November 2017, the Group issued debentures with a maturity of 3 years amounting to Baht 200 million. Those debentures paid interest every 6 months and due to maturity on 9 November 2020.
- 5) In April 2018, the Group issued debentures with a maturity of 4 years amounting to Baht 1,150 million. Those debentures paid interest every quarter and due to maturity on 26 April 2022.

The conditions regarding loan agreements and the rights and obligations of the debenture issuer stipulate certain covenants which, among other things, require the Group to maintain debt-to-equity ratio at the rate described in the agreements.

At the annual general meeting of the shareholders of the Company held on 5 April 2019, the shareholders considered and approved the additional issuance of debenture in the amount not exceeding Baht 6,000 million. The debentures are secured and/or unsecured, unsubordinated and/or subordinated, callable and/or non-callable and convertible and/or non-convertible debentures with a fixed redemption date and/or without a fixed redemption date, in accordance with the Notification of the Securities and Exchange Commission or as to be amended and notified by the Securities and Exchange Commission.

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**Effective interest rates and reprising / maturing analysis**

|                                  | Consolidated financial statements           |  |   |              |              |
|----------------------------------|---|--|---|--------------|--------------|
|                                  | Effective<br>Interest rate<br>(% per annum) | The periods in which<br>those liabilities mature |   | Book value   | Fair value   |
|                                  |   | Within one year                                  | After one year but<br>Within five years |              |              |
|                                  |   | (in million baht)                                |   |              |              |
| <i>As at 31 December 2020</i>    |   |  |   |              |              |
| <i>Financial liabilities</i>     |   |  |   |              |              |
| Debentures                       | 4.9 – 5.0                                   | 1,163  | 1,026                                   | 2,189        | 2,215        |
| Loan from financial institutions | 2.2 – 2.5                                   | 550  | 2,532                                   | 3,082        | 3,071        |
| Loan from related parties        | MLR-0.75                                    | 1,426  | -                                       | 1,426        | 1,426        |
| <b>Total</b>                     |   | <b>3,139</b>                                     | <b>3,558</b>                            | <b>6,697</b> | <b>6,712</b> |
| <i>As at 31 December 2019</i>    |   |  |   |              |              |
| <i>Financial liabilities</i>     |   |  |   |              |              |
| Debentures                       | 4.8 - 5.1                                   | 1,399  | 2,446                                   | 3,845        | 3,905        |
| Loan from financial institutions | 2.8 - 3.15                                  | 1,370  | 2,532                                   | 3,902        | 1,367        |
| Loan from related parties        | MLR-0.75                                    | 171  | -                                       | 171          | 171          |
| <b>Total</b>                     |   | <b>2,940</b>                                     | <b>4,978</b>                            | <b>7,918</b> | <b>5,443</b> |

**Grand Canal Land Public Company Limited and its subsidiaries**  
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|                                  | Effective<br>Interest rate<br>(% per annum) | Separated financial statements                   |                    |              |              |
|----------------------------------|---|--|--------------------|--------------|--------------|
|                                  |   | The periods in which<br>those liabilities mature |                    | Book value   | Fair value   |
|                                  |   | Within one year                                  | After one year but |              |              |
|                                  |   |  | Within five years  |              |              |
|                                  |   | (in million Baht)                                |                    |              |              |
| <i>As at 31 December 2020</i>    |   |  |                    |              |              |
| <i>Financial liabilities</i>     |   |  |                    |              |              |
| Debentures                       | 4.9 – 5.0                                   | 1,163  | 1,026              | 2,189        | 2,215        |
| Loan from financial institutions | 2.2 – 2.3                                   | 550  | -                  | 550          | 548          |
| Loan from related parties        | MLR-0.75                                    |  |                    |              |              |
|                                  | Fixed deposit<br>rate 6M+2,<br>+0.25        | 4,848  | -                  | 4,848        | 4,848        |
| <b>Total</b>                     |   | <b>6,561</b>                                     | <b>1,026</b>       | <b>7,587</b> | <b>7,611</b> |
| <i>As at 31 December 2019</i>    |   |  |                    |              |              |
| <i>Financial liabilities</i>     |   |  |                    |              |              |
| Debentures                       | 4.8 - 5.1                                   | 1,399  | 2,446              | 3,845        | 3,905        |
| Loan from financial institutions | 2.8 - 3.15                                  | 1,370  | -                  | 1,370        | 1,367        |
| Loan from related parties        | 1.25 - 3.15                                 | 3,218  | -                  | 3,218        | 3,218        |
| <b>Total</b>                     |   | <b>5,987</b>                                     | <b>2,446</b>       | <b>8,433</b> | <b>8,490</b> |

**Grand Canal Land Public Company Limited and its subsidiaries**  
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**17 Non-current provisions for employee benefits**

|   | <b>Consolidated<br/>financial statements</b> |           | <b>Separate<br/>financial statements</b> |           |
|---|--|-----------|--|-----------|
|   | 2020   | 2019      | 2020                                     | 2019      |
|   | <i>(in million Baht)</i>                     |           |  |           |
| <b>Financial statement</b>                          |  |           |  |           |
| <b>Non-current provisions for employee benefits</b> |  |           |  |           |
| Defined benefit plan                                | <b>21</b>                                    | <b>19</b> | <b>19</b>                                | <b>17</b> |
| <b>As at 31 December</b>                            |  |           |  |           |
| <b>Statement of comprehensive income:</b>           |  |           |  |           |
| <b>Recognised in profit or loss:</b>                |  |           |  |           |
| Termination benefits                                |  |           |  |           |
| Defined benefit plan                                | <b>4</b>                                     | <b>5</b>  | <b>4</b>                                 | <b>4</b>  |

**Defined benefit plan**

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

|   | <b>Consolidated<br/>financial statements</b> |           | <b>Separate<br/>financial statements</b> |           |
|---|--|-----------|--|-----------|
| <b>Present value of the defined benefit obligations</b> | 2020   | 2019      | 2020                                     | 2019      |
|   | <i>(in million Baht)</i>                     |           |  |           |
| At 1 January  | 19   | 17        | 17                                       | 16        |
| <b>Include in profit or loss:</b>                       |  |           |  |           |
| Current service cost                                    | 3  | 5         | 3  | 4         |
| Interest on obligation                                  | 1  | -         | 1  | -         |
|   | 4  | 5         | 4  | 4         |
| Benefit paid  | (2)  | (3)       | (2)                                      | (3)       |
| <b>At 31 December</b>                                   | <b>21</b>                                    | <b>19</b> | <b>19</b>                                | <b>17</b> |

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

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**For the year ended 31 December 2020**

| <i>Principal actuarial assumptions</i>  | <b>Consolidated and Separate financial statements</b> |            |
|---|---|------------|
|   | 2020  | 2019       |
|   | (%)   |            |
| Discount rate                           | 2.3 – 2.8   | 2.3 - 2.8  |
| Future salary growth                    | 6.0   | 6.0        |
| Employee turnover (Depend on age range) | 1.0 – 35.0  | 1.0 - 35.0 |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020 and 2019 the weighted-average duration of the defined benefit obligation was 10 years

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

|  | Consolidated financial statements |          | Separate financial statements |          |
|--|-----------------------------------|----------|-------------------------------|----------|
|  | (in million Baht)                 |          |                               |          |
| Effect to the defined benefit obligation | Increase                          | Decrease | Increase                      | Decrease |
| At 31 December 2020                      |                                   |          |                               |          |
| Discount rate (0.5% Change)              | (1)                               | 1        | (1)                           | 1        |
| Future salary growth (1% Change)         | 2                                 | (2)      | 2                             | (2)      |
| Employee turnover (10% Change)           | (2)                               | 2        | (2)                           | 2        |
| At 31 December 2019                      |                                   |          |                               |          |
| Discount rate (0.5% Change)              | (1)                               | 1        | (1)                           | 1        |
| Future salary growth (1% Change)         | 2                                 | (2)      | 2                             | (2)      |
| Employee turnover (10% Change)           | (2)                               | 2        | (2)                           | 2        |

**18 Share capital**

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:

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

|   | 2020                     | 2019         |
|---|--------------------------|--------------|
|   | <i>(in million Baht)</i> |              |
| <b>Issued equity interests of the legal subsidiaries (net of non-controlling interests due to business combination)</b> |                          |              |
| Issued equity interests of the legal subsidiaries as at the acquisition date  |                          |              |
| - Belle Development Co., Ltd.   | 1,622                    | 1,622        |
| - Praram 9 Square Co., Ltd.   | 781                      | 781          |
|   | <b>2,403</b>             | <b>2,403</b> |
| Change of issued equity interests of the legal subsidiaries from the acquisition date                                   |                          |              |
| - Praram 9 Square Co., Ltd.   | (312)                    | (312)        |
| <b>Total</b>  | <b>2,091</b>             | <b>2,091</b> |
| <b>Cost of business combination</b>   |                          |              |
| Cost of business combination as at the acquisition date   | 1,611                    | 1,611        |
| Change of accounting acquirer's equity from the acquisition date  | (271)                    | (271)        |
| <b>Total</b>  | <b>1,340</b>             | <b>1,340</b> |
| Adjustment to present assets purchased under common control at book value   | (423)                    | (423)        |
| <b>Equity interests of the legal parent company issued after the business combination</b>                               |                          |              |
| - Share capital issued during 2010 - 2019   | 3,519                    | 3,519        |
| - Increase in share premium due to share issue in 2011 - 2014   | 953                      | 953          |
| <b>Total</b>  | <b>4,472</b>             | <b>4,472</b> |
| <b>Equity interests in the consolidated financial statements</b>  | <b>7,480</b>             | <b>7,480</b> |

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:

|   | 2020                     | 2019         |
|---|--------------------------|--------------|
|   | <i>(in million Baht)</i> |              |
| Issued and fully paid share capital                                       | 6,500                    | 6,500        |
| Share premium   | 1,532                    | 1,532        |
| Adjustment to present assets purchased under common control at book value | (423)                    | (423)        |
| Adjustment of equity interest under reverse acquisition                   | (129)                    | (129)        |
| <b>Total</b>  | <b>7,480</b>             | <b>7,480</b> |

**Warrants to purchase shares**

In June 2018, 546,195,935 warrants (GLAND-W4) were exercised. The Company has issued ordinary shares to support the exercise of these warrants.

The last exercise date of warrants (GLAND-W4) was on 30 June 2018, and 1,052,887 warrants (GLAND-W4) expired without being exercised. As a result, as at 31 December 2019, there were no outstanding unexercised warrants.

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*Share premium*

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription money received in excess of the par value of the shares issued as a reserve account (“share premium”). Share premium is not available for dividend distribution.

*Reserves*

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**19 Segment information and disaggregation of revenue**

The Group’s operations and main revenue streams are described in the last annual financial statements. The Group’s main revenue is derived from contracts with customers.

*Geographical segments*

The Company operates real estate for sale business and real estate for rental and service business principally in Thailand.

*Business segments*

The Company and its subsidiaries have 2 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.

Management considers that the Company operates in a single line of business, namely real estate for rental and service business, and has, therefore, only one reportable segment.

Management considers the Company’s timing of revenue recognition which is mainly recognised overtime.

Segment information disclosures with disaggregation of revenue and timing of revenue recognition as follow:

| <i>Year ended 31 December</i>                | <b>Real estate for sale business</b> |            | <b>Real estate for rental and service business</b> |              | <b>Total</b> |              |
|--|--------------------------------------|------------|--|--------------|--------------|--------------|
|  | 2020                                 | 2019       | 2020   | 2019         | 2020         | 2019         |
|  | <i>(in million Baht)</i>             |            |  |              |              |              |
| <b>Information about reportable segments</b> |                                      |            |  |              |              |              |
| External revenues                            | 222                                  | 328        | 1,247  | 1,262        | 1,469        | 1,590        |
| Inter-segment revenue                        | -                                    | -          | 123  | 90           | 123          | 90           |
| <b>Total revenue</b>                         | <b>222</b>                           | <b>328</b> | <b>1,370</b>                                       | <b>1,352</b> | <b>1,592</b> | <b>1,680</b> |



**Grand Canal Land Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2020**

| <i>Year ended 31 December</i>        | Real estate for sale business |            | Real estate for rental and service business |              | Total        |              |
|--------------------------------------|-------------------------------|------------|---|--------------|--------------|--------------|
|                                      | 2020                          | 2019       | 2020  | 2019         | 2020         | 2019         |
|                                      |                               |            | <i>(in million Baht)</i>                    |              |              |              |
| Interest income                      | 14                            | 132        | 90  | -            | 104          | 132          |
| Finance costs                        | -                             | 274        | 199   | 7            | 199          | 281          |
| Profit before income tax expense     | 144                           | 216        | 1,138                                       | 1,100        | 1,282        | 1,316        |
| <b>Timing of revenue recognition</b> |                               |            |   |              |              |              |
| At a point in time                   | 222                           | 328        | -   | -            | 222          | 328          |
| Over time                            | -                             | -          | 1,370                                       | 1,352        | 1,370        | 1,352        |
| <b>Total revenue</b>                 | <b>222</b>                    | <b>328</b> | <b>1,370</b>                                | <b>1,352</b> | <b>1,592</b> | <b>1,680</b> |

|   | 2020                     | 2019         |
|---|--------------------------|--------------|
|   | <i>(in million Baht)</i> |              |
| <b>Profit or loss</b>   |                          |              |
| Total revenue from reportable segments                        | 1,282                    | 1,316        |
| Other revenue   | 120                      | 333          |
|   | 1,402                    | 1,649        |
| Elimination of inter-segment revenue                          | (123)                    | (90)         |
| Unallocated amounts:  |                          |              |
| Gain (loss) on changes in fair value of investment properties | (94)                     | 714          |
| Other expenses  | (444)                    | (593)        |
| Share of profit (loss) of associates and joint venture        | 206                      | 66           |
| <b>Total profit before tax</b>                                | <b>947</b>               | <b>1,746</b> |

**Major customer**

In 2020, the Group has revenue from major customer is CPN Retail Growth Leasehold REIT (other related party) approximately Baht 187 million (2019: GLAND Office Leasehold Real Estate Investment Trust (associate) Baht 234 million) in the consolidated financial statements and Baht 125 million (2019: Baht 164 million) in the separate financial statements from office building for rent.

**Balance of contract liability**

Major changes of contract liability during the year are as follows.

|                                       | Consolidated financial statements contract liability |                |
|---------------------------------------|--|----------------|
|                                       | 2020   | 2019           |
|                                       | <i>(in million Baht)</i>                             |                |
| At 1 January                          | (13.13)  | (16.94)        |
| Recognised as revenue during the year | 62.53  | 84.20          |
| Advance received from customer        | (49.60)  | (80.39)        |
| <b>At 31 December</b>                 | <b>(0.20)</b>  | <b>(13.13)</b> |

**Grand Canal Land Public Company Limited and its subsidiaries**  
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**20 Employee benefit expenses**

|                            | <b>Consolidated<br/>financial statements</b> |            | <b>Separate<br/>financial statements</b> |           |
|----------------------------|--|------------|--|-----------|
|                            | 2020   | 2019       | 2020                                     | 2019      |
|                            | <i>(in million Baht)</i>                     |            |  |           |
| Wages and salaries         | 113  | 134        | 57                                       | 57        |
| Defined benefit plans      | 3  | 5          | 3  | 5         |
| Defined contribution plans | 3  | 3          | 3  | 3         |
| Other welfares             | 19   | 29         | 16                                       | 23        |
| <b>Total</b>               | <b>138</b>                                   | <b>171</b> | <b>79</b>                                | <b>88</b> |

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**21 Expenses by nature**

|   | <b>Consolidated<br/>financial statements</b> |      | <b>Separate<br/>financial statements</b> |      |
|---|--|------|--|------|
|   | 2020   | 2019 | 2020                                     | 2019 |
|   | <i>(in million Baht)</i>                     |      |  |      |
| Finance costs                                       | 199  | 281  | 155                                      | 251  |
| Salaries, wages and other employee benefit expenses | 138  | 172  | 79                                       | 88   |
| Utility expenses                                    | 145  | 169  | 10                                       | 12   |
| Cost of sale of real estate                         | 77   | 112  | -  | -    |
| Consulting and other fees                           | 91   | 101  | 78                                       | 76   |
| Rental expenses                                     | 7  | 27   | 7  | 17   |
| Maintenances and repairs                            | 28   | 22   | 7  | 5    |
| Advertising expenses                                | 14   | 8    | 26                                       | -    |
| Write off of doubtful debt                          | -  | (7)  | (2)                                      | (6)  |

**22 Finance costs**

|  | <b>Consolidated<br/>financial statements</b> |             | <b>Separate<br/>financial statements</b> |            |
|--|--|-------------|--|------------|
|  | 2020   | 2019        | 2020                                     | 2019       |
|  | <i>(in million Baht)</i>                     |             |  |            |
| Interest expense and other                           | 259  | 369         | 152                                      | 247        |
| Financial institutions and institutional investors   | 9  | 8           | 3  | 4          |
| <b>Total finance costs</b>                           | <b>268</b>                                   | <b>377</b>  | <b>155</b>                               | <b>251</b> |
| <i>Less: amounts included in the cost of assets:</i> |  |             |  |            |
| - Real estate development for sale                   | (24)   | (25)        | -  | -          |
| - Investment properties                              | (45)   | (71)        | -  | -          |
|  | <b>(69)</b>                                  | <b>(96)</b> | <b>-</b>                                 | <b>-</b>   |
| <b>Net</b>   | <b>199</b>                                   | <b>281</b>  | <b>155</b>                               | <b>251</b> |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**23 Income tax**

*Income tax recognised in profit or loss*

|                                    | <b>Consolidated financial statements</b> |            | <b>Separate financial statements</b> |           |
|------------------------------------|--|------------|--------------------------------------|-----------|
|                                    | 2020                                     | 2019       | 2020                                 | 2019      |
|                                    | <i>(in million Baht)</i>                 |            |                                      |           |
| <b>Current tax expense</b>         |  |            |                                      |           |
| Current year                       | 185                                      | 116        | 81                                   | 8         |
| <b>Deferred tax expense</b>        |  |            |                                      |           |
| Movements in temporary differences | 22                                       | 276        | 11                                   | 62        |
| <b>Total income tax expense</b>    | <b>207</b>                               | <b>392</b> | <b>92</b>                            | <b>70</b> |

*Reconciliation of effective tax rate*

|   | <b>Consolidated financial statements</b> |                   |           |                   |
|---|--|-------------------|-----------|-------------------|
|   | 2020                                     |                   | 2019      |                   |
|   | Rate (%)                                 | (in million Baht) | Rate (%)  | (in million Baht) |
| Profit before income tax expense                  |  | 947               |           | 1,746             |
| Income tax using the Thai corporation tax rate    | 20                                       | 189               | 20        | 349               |
| Income tax reduction - current                    |  | (38)              |           | -                 |
| Expenses not deductible for tax purposes          |  | 15                |           | 25                |
| Under (over) provided in prior years              |  | 19                |           | -                 |
| Income tax reduction - deferred                   |  | 22                |           | 16                |
| Recognition of previously unrecognised tax losses |  | -                 |           | 1                 |
| <b>Total</b>                                      | <b>22</b>                                | <b>207</b>        | <b>22</b> | <b>391</b>        |

|  | <b>Separate financial statements</b> |                   |           |                   |
|--|--------------------------------------|-------------------|-----------|-------------------|
|  | 2020                                 |                   | 2019      |                   |
|  | Rate (%)                             | (in million Baht) | Rate (%)  | (in million Baht) |
| Profit before income tax expense               |                                      | 461               |           | 392               |
| Income tax using the Thai corporation tax rate | 20                                   | 92                | 20        | 78                |
| Income not subject to tax                      |                                      | (12)              |           | (11)              |
| Income tax reduction - deferred                |                                      | 11                |           | 1                 |
| Under provided in prior years                  |                                      | 16                |           | -                 |
| Income tax reduction - current                 |                                      | (24)              |           | -                 |
| Expenses not deductible for tax purposes       |                                      | 9                 |           | 2                 |
| <b>Total</b>                                   | <b>20</b>                            | <b>92</b>         | <b>18</b> | <b>70</b>         |

|                                 | <b>Consolidated financial statements</b> |                | <b>Separate financial statements</b> |              |
|---------------------------------|--|----------------|--------------------------------------|--------------|
| <i>At 31 December</i>           | 2020                                     | 2019           | 2020                                 | 2019         |
|                                 | <i>(in million Baht)</i>                 |                |                                      |              |
| Deferred income tax assets      | 93                                       | 19             | -                                    | -            |
| Deferred income tax liabilities | (1,605)                                  | (1,410)        | (882)                                | (871)        |
|                                 | <b>(1,512)</b>                           | <b>(1,391)</b> | <b>(882)</b>                         | <b>(871)</b> |

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Movement of deferred tax assets and liabilities during the year as follows

|  | Consolidated financial statements |                   |                           |
|--|-----------------------------------|-------------------|---------------------------|
|  | (Charged) / credited to:          |                   |                           |
|  | At 1<br>January<br>2020           | Profit or<br>loss | At 31<br>December<br>2020 |
|  | <i>(in million Baht)</i>          |                   |                           |
| <b>Deferred tax assets</b>                               |                                   |                   |                           |
| Real estate projects development for sale                | 3                                 | -                 | 3                         |
| Gain on sales of assets to related party                 | 1                                 | -                 | 1                         |
| Advance service income                                   | 5                                 | 1                 | 6                         |
| Provisions for employee benefits                         | -                                 | 4                 | 4                         |
| Revenue and expense recognitions of real estate business | 2                                 | -                 | 2                         |
| Loss carry forward                                       | 26                                | (13)              | 13                        |
| <b>Total</b>   | <b>37</b>                         | <b>(8)</b>        | <b>29</b>                 |
| <b>Deferred tax liabilities</b>                          |                                   |                   |                           |
| Deferred debenture issuing costs                         | (1)                               | -                 | (1)                       |
| Unrealized gain from investment                          | -                                 | (99)              | (99)                      |
| Value of investment properties                           | (1,427)                           | (14)              | (1,441)                   |
| <b>Total</b>   | <b>(1,428)</b>                    | <b>(113)</b>      | <b>(1,541)</b>            |
| <b>Net</b>   | <b>(1,391)</b>                    | <b>(121)</b>      | <b>(1,512)</b>            |

|  | Consolidated financial statements |                   |                           |
|--|-----------------------------------|-------------------|---------------------------|
|  | (Charged) / credited to:          |                   |                           |
|  | At 1<br>January<br>2019           | Profit or<br>loss | At 31<br>December<br>2019 |
|  | <i>(in million Baht)</i>          |                   |                           |
| <b>Deferred tax assets</b>                               |                                   |                   |                           |
| Real estate projects development for sale                | 3                                 | -                 | 3                         |
| Gain on sales of assets to related party                 | 1                                 | -                 | 1                         |
| Advance service income                                   | 4                                 | 1                 | 5                         |
| Revenue and expense recognitions of real estate business | 9                                 | (7)               | 2                         |
| Loss carry forward                                       | 51                                | (25)              | 26                        |
| <b>Total</b>   | <b>68</b>                         | <b>(31)</b>       | <b>37</b>                 |
| <b>Deferred tax liabilities</b>                          |                                   |                   |                           |
| Deferred debenture issuing costs                         | (1)                               | -                 | (1)                       |
| Value of investment properties                           | (1,182)                           | (245)             | (1,427)                   |
| <b>Total</b>   | <b>(1,183)</b>                    | <b>(245)</b>      | <b>(1,428)</b>            |
| <b>Net</b>   | <b>(1,115)</b>                    | <b>(276)</b>      | <b>(1,391)</b>            |

# Grand Canal Land Public Company Limited and its subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

|                                  | Separate financial statements<br>(Charged) /<br>credited to: |                   |                           |
|----------------------------------|--|-------------------|---------------------------|
|                                  | At 1<br>January<br>2020                                      | Profit or<br>loss | At 31<br>December<br>2020 |
|                                  | <i>(in million Baht)</i>                                     |                   |                           |
| <b>Deferred tax assets</b>       |  |                   |                           |
| Provisions for employee benefits | -  | 4                 | 4                         |
| <b>Total</b>                     | <b>-</b>   | <b>4</b>          | <b>4</b>                  |
| <b>Deferred tax liabilities</b>  |  |                   |                           |
| Deferred debenture issuing costs | (1)  | -                 | (1)                       |
| Value of investment properties   | (870)  | (15)              | (885)                     |
| <b>Total</b>                     | <b>(871)</b>   | <b>(15)</b>       | <b>(886)</b>              |
| <b>Net</b>                       | <b>(871)</b>   | <b>(11)</b>       | <b>(882)</b>              |

|                                  | Separate financial statements<br>(Charged) /<br>credited to: |                   |                           |
|----------------------------------|--|-------------------|---------------------------|
|                                  | At 1<br>January<br>2019                                      | Profit or<br>loss | At 31<br>December<br>2019 |
|                                  | <i>(in million Baht)</i>                                     |                   |                           |
| <b>Deferred tax assets</b>       |  |                   |                           |
| Provisions for employee benefits | -  | -                 | -                         |
| Loss carry forward               | 19   | (19)              | -                         |
| <b>Total</b>                     | <b>19</b>  | <b>(19)</b>       | <b>-</b>                  |
| <b>Deferred tax liabilities</b>  |  |                   |                           |
| Deferred debenture issuing costs | (2)  | 1                 | (1)                       |
| Value of investment properties   | (825)  | (45)              | (870)                     |
| <b>Total</b>                     | <b>(827)</b>   | <b>(44)</b>       | <b>(871)</b>              |
| <b>Net</b>                       | <b>(808)</b>   | <b>(63)</b>       | <b>(871)</b>              |

As at 31 December 2020, the Group has deductible temporary differences and tax losses totaling Baht 0.4 million (2019: Baht 18 million), on which deferred tax assets have not been recognised as the management believes that they might not be used to offsets taxable income in the future. As at 31 December 2020, the Company's unused tax losses totaling Baht 2 million (2019: Baht 92 million), on which deferred tax assets have not been recognised, will expire by 2023.

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**24 Basic earnings per share**

Basic earnings per share for the year ended 31 December 2020 and 2019 are calculated from the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year as below calculation:

|   | <b>Consolidated<br/>financial statements</b> |              | <b>Separate<br/>financial statements</b> |              |
|---|--|--------------|--|--------------|
|   | 2020   | 2019         | 2020                                     | 2019         |
|   | <i>(in million Baht / million shares)</i>    |              |  |              |
| <b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b> | <b>716</b>                                   | <b>1,254</b> | <b>368</b>                               | <b>321</b>   |
| <b>Number of ordinary shares outstanding</b>                                      | <b>6,500</b>                                 | <b>6,500</b> | <b>6,500</b>                             | <b>6,500</b> |
| <b>Earnings per share (basic) (in Baht)</b>                                       | <b>0.110</b>                                 | <b>0.193</b> | <b>0.057</b>                             | <b>0.049</b> |

**25 Financial instruments**

**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

|   | <b>Consolidated financial statement</b> |   |  |                   |         |         |
|---|---|---|--|-------------------|---------|---------|
|   | <b>Carrying amount</b>                  |   |  | <b>Fair value</b> |         |         |
|   | Financial instruments measured at FVTPL | Financial instruments measured at FVOCI | Financial instruments measured at amortised cost | Level 1           | Level 2 | Level 3 |
| <b>At 31 December 2020</b>                                      |   |   |  |                   |         |         |
|   | <i>(in million Baht)</i>                |   |  |                   |         |         |
| <b>Financial assets</b>   |   |   |  |                   |         |         |
| Other current financial assets - investments in debt securities | 40                                      | -                                       | -  | -                 | 40      | -       |
| Other non-current financial assets - Long-term investments      | -                                       | 572                                     | -  | -                 | -       | 572     |
| Investment properties   | 22,342                                  | -                                       | -  | -                 | -       | 22,342  |
| <b>Financial liabilities</b>                                    |   |   |  |                   |         |         |
| Short-term loans from financial institutions                    | -                                       | -                                       | (550)  | -                 | -       | (548)   |
| Long-term loans from financial institutions                     | -                                       | -                                       | (2,532)  | -                 | -       | (2,523) |
| Debentures  | -                                       | -                                       | (2,189)  | -                 | (2,215) | -       |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

|   | Carrying amount | Separate financial statements |         |         |
|---|-----------------|-------------------------------|---------|---------|
|   |                 | Fair value                    |         |         |
|   |                 | Level 1                       | Level 2 | Level 3 |
| <b>At 31 December 2020</b>                                      |                 | <i>(in million Baht)</i>      |         |         |
| <b>Financial assets</b>   |                 |                               |         |         |
| Other current financial assets - investments in debt securities | 40              | -                             | 40      | -       |
| Investment properties   | 10,364          | -                             | -       | 10,364  |
| <b>Financial liabilities</b>                                    |                 |                               |         |         |
| Short-term loans from financial institutions                    | (550)           | -                             | -       | (548)   |
| Debentures  | (2,189)         | -                             | (2,215) | -       |

|                                      | Carrying amount | Consolidated financial statement |         |         |
|--------------------------------------|-----------------|----------------------------------|---------|---------|
|                                      |                 | Fair value                       |         |         |
|                                      |                 | Level 1                          | Level 2 | Level 3 |
| <b>At 31 December 2019</b>           |                 | <i>(in million Baht)</i>         |         |         |
| <b>Assets measured at fair value</b> |                 |                                  |         |         |
| Investment properties                | 22,109          | -                                | -       | 22,109  |
| <b>Financial liabilities</b>         |                 |                                  |         |         |
| Loans from financial institutions    | (3,902)         | -                                | -       | (3,870) |
| Loans from related parties           | (171)           | -                                | -       | (171)   |
| Debentures                           | (3,845)         | -                                | (3,903) | -       |

|                                      | Carrying amount | Separate financial statements |         |         |
|--------------------------------------|-----------------|-------------------------------|---------|---------|
|                                      |                 | Fair value                    |         |         |
|                                      |                 | Level 1                       | Level 2 | Level 3 |
| <b>31 December 2019</b>              |                 | <i>(in million Baht)</i>      |         |         |
| <b>Assets measured at fair value</b> |                 |                               |         |         |
| Investment properties                | 10,383          | -                             | -       | 10,383  |
| <b>Financial liabilities</b>         |                 |                               |         |         |
| Loans from financial institutions    | (1,370)         | -                             | -       | (1,370) |
| Loans from related parties           | (3,218)         | -                             | -       | (3,218) |
| Debentures                           | (3,845)         | -                             | (3,903) | -       |

The Group and the Company have not disclosed the fair value of financial instruments, such as trade accounts receivable, other receivables, loans to related parties, trade accounts payable, other payables, Contractor payables, loans from related parties, leasehold payables, deposit received, advance income is taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

There were no transfers between the fair value hierarchies during the year.

**Grand Canal Land Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2020**

*Financial instruments measured at fair value*

| Type   | Valuation technique                           |
|--|---|
| Investments in marketable unit trusts classified as financial assets measured at FVTPL (2019:None) | The net asset value as of the reporting date. |

*Financial instruments not measured at fair value*

| Type  | Valuation technique                                |
|---|--|
| Debt securities and other financial liabilities | Adjusted net asset value as of the reporting date. |

**(b) Movement of marketable debt securities**

|                                   | Consolidated financial statements |          |          |                       |                |
|-----------------------------------|-----------------------------------|----------|----------|-----------------------|----------------|
|                                   | At 1 January                      | Purchase | Disposal | Fair value adjustment | At 31 December |
| <i>Marketable debt securities</i> |                                   |          |          |                       |                |
|                                   | <i>(in million Baht)</i>          |          |          |                       |                |
| <b>2020</b>                       |                                   |          |          |                       |                |
| <b>Current financial assets</b>   |                                   |          |          |                       |                |
| Debt securities measured at       |                                   |          |          |                       |                |
| - FVTPL                           | -                                 | 346      | (306)    | -                     | 40             |

|  | Separate financial statements |          |          |                       |                |
|--|-------------------------------|----------|----------|-----------------------|----------------|
|  | At 1 January                  | Purchase | Disposal | Fair value adjustment | At 31 December |
| <i>Marketable equity and debt securities</i> |                               |          |          |                       |                |
|  | <i>(in million Baht)</i>      |          |          |                       |                |
| <b>2020</b>                                  |                               |          |          |                       |                |
| <b>Current financial assets</b>              |                               |          |          |                       |                |
| Debt securities measured at                  |                               |          |          |                       |                |
| - FVTPL                                      | -                             | 346      | (306)    | -                     | 40             |

**(c) Financial risk management policies**

**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



**Grand Canal Land Public Company Limited and its subsidiaries**  
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The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**(c.1) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities

**(c.1.1) Trade accounts receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

| <i>At 31 December 2020</i>                         | <b>Consolidated<br/>financial statements</b> |  | <b>Separate<br/>financial statements</b> |  |
|--|--|--|--|--|
|  | Trade<br>accounts<br>receivables             | Allowance<br>for expected<br>credit loss | Trade<br>accounts<br>receivables         | Allowance<br>for expected<br>credit loss |
|  | <i>(in million Baht)</i>                     |  |  |  |
| <b>Individual - Other parties</b>                  |  |  |  |  |
| Within credit terms                                | 0.01   | -  | 0.01                                     | -  |
| Overdue:   |  |  |  |  |
| Less than 3 months                                 | 2.81   | (0.12)                                   | 0.21                                     | (0.01)                                   |
| 3-6 months   | 0.07   | -  | 0.04                                     | -  |
| 6-12 months  | 0.07   | -  | 0.07                                     | -  |
| Over 12 months                                     | 0.05   | (0.01)                                   | -  | -  |
| <b>Total</b>                                       | <b>3.01</b>                                  | <b>(0.13)</b>                            | <b>0.33</b>                              | <b>(0.01)</b>                            |
| <i>Less allowance for expected<br/>credit loss</i> | <b>(0.13)</b>                                |  | <b>(0.01)</b>                            |  |
| <b>Net</b>   | <b>2.88</b>                                  |  | <b>0.32</b>                              |  |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

| <i>At 31 December 2020</i>                 | <b>Consolidated<br/>financial statements</b> |  | <b>Separate<br/>financial statements</b> |  |
|--|--|--|--|--|
|  | Trade<br>accounts<br>receivables             | Allowance<br>for expected<br>credit loss | Trade<br>accounts<br>receivables         | Allowance<br>for expected<br>credit loss |
|  | <i>(in million Baht)</i>                     |  |  |  |
| <b>Corporate - Other parties</b>           |  |  |  |  |
| Within credit terms                        | 22.70  | (1.02)                                   | 13.42                                    | (0.18)                                   |
| Overdue:                                   |  |  |  |  |
| Less than 3 months                         | 18.45  | (0.83)                                   | 0.68                                     | (0.01)                                   |
| 3-6 months                                 | 0.04   | -  | 0.04                                     | -  |
| 6-12 months                                | 0.05   | -  | 0.04                                     | -  |
| Over 12 months                             | 0.10   | (0.01)                                   | -  | -  |
| <b>Total</b>                               | <b>41.34</b>                                 | <b>(1.86)</b>                            | <b>14.18</b>                             | <b>(0.19)</b>                            |
| Less allowance for expected<br>credit loss | (1.86)                                       |  | (0.19)                                   |  |
| <b>Net</b>                                 | <b>39.48</b>                                 |  | <b>13.99</b>                             |  |

| <i>Trade accounts receivable</i> | <b>Consolidated<br/>financial<br/>statements</b> | <b>Separate<br/>financial<br/>statements</b> |
|----------------------------------|--|--|
|                                  | <i>(in million Baht)</i>                         |  |
| <b>At 31 December 2020</b>       |  |  |
| <b>Related parties</b>           |  |  |
| Within credit terms              | 11.84  | 23.58  |
| Overdue:                         |  |  |
| Less than 3 months               | 4.53   | -  |
| 3 - 6 months                     | 4.10   | -  |
| <b>Total</b>                     | <b>20.47</b>                                     | <b>23.58</b>                                 |
| <b>Other accounts receivable</b> | <b>101.73</b>                                    | <b>75.85</b>                                 |

| <i>Trade accounts receivable</i>     | <b>Consolidated<br/>financial<br/>statements</b> | <b>Separate<br/>financial<br/>statements</b> |
|--------------------------------------|--|--|
|                                      | <i>(in million Baht)</i>                         |  |
| <b>Other parties</b>                 |  |  |
| Within credit terms                  | 10.18  | 0.40   |
| Overdue:                             |  |  |
| Less than 3 months                   | 18.34  | 1.62   |
| 3 - 6 months                         | 0.91   | 0.04   |
| 6 - 12 months                        | 0.54   | -  |
| Over 12 months                       | 3.35   | 3.28   |
|                                      | 33.32  | 5.34   |
| Less allowance for doubtful accounts | (2.26)   | (2.26)                                       |
| <b>Net</b>                           | <b>31.06</b>                                     | <b>3.08</b>                                  |
| <b>Total</b>                         | <b>83.88</b>                                     | <b>90.78</b>                                 |

**Grand Canal Land Public Company Limited and its subsidiaries**  
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| <i>Trade accounts receivable</i> | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
|----------------------------------|---|-------------------------------------|
|                                  | <i>(in million Baht)</i>                |                                     |
| <b>At 31 December 2019</b>       |   |                                     |
| <b>Related parties</b>           |   |                                     |
| Within credit terms              | 28.29                                   | 23.50                               |
| Overdue:                         |   |                                     |
| Less than 3 months               | 1.99                                    | 30.22                               |
| 3 - 6 months                     | -                                       | -                                   |
| 6 - 12 months                    | 3.48                                    | 14.93                               |
| Over 12 months                   | 19.06                                   | 19.04                               |
|                                  | <b>52.82</b>                            | <b>87.69</b>                        |
| <b>Other accounts receivable</b> | <b>543.70</b>                           | <b>381.35</b>                       |

(c.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with a minimum credit rating of A and A+ assigned by rating agency A and A+, for which the Group considers to have low credit risk.

(c.2) *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and reduce the impact of netting agreements

| <b>Consolidated financial statements</b>    |                          |                   |                     |              |
|---|--------------------------|-------------------|---------------------|--------------|
| <b>Contractual cash flows</b>               |                          |                   |                     |              |
| <i>At 31 December 2020</i>                  | Carrying<br>amount       | 1 year<br>or less | More than<br>1 year | Total        |
|   | <i>(in million Baht)</i> |                   |                     |              |
| <b>Non-derivative financial liabilities</b> |                          |                   |                     |              |
| Loans from financial institutions           | 3,082                    | 550               | 2,532               | 3,082        |
| Trade and other payables                    | 93                       | 93                | -                   | 93           |
| Lease liabilities                           | 134                      | 4                 | 130                 | 134          |
| Loans from related parties                  | 1,426                    | 1,426             | -                   | 1,426        |
| Debentures                                  | 2,189                    | 1,163             | 1,026               | 2,189        |
| Deposit and advance received from customers | 204                      | 76                | 128                 | 204          |
| Contractor payables                         | 162                      | 162               | -                   | 162          |
|   | <b>7,290</b>             | <b>3,474</b>      | <b>3,816</b>        | <b>7,290</b> |

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
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| <i>At 31 December 2020</i>                         | <b>Separate financial statements</b> |                |                  |              |
|--|--------------------------------------|----------------|------------------|--------------|
|  | Contractual cash flows               |                |                  |              |
|  | Carrying amount                      | 1 year or less | More than 1 year | Total        |
|  | <i>(in million Baht)</i>             |                |                  |              |
| <b><i>Non-derivative financial liabilities</i></b> |                                      |                |                  |              |
| Loans from financial institutions                  | 550                                  | 550            | -                | 550          |
| Trade and other payables                           | 151                                  | 151            | -                | 151          |
| Lease liabilities                                  | 10                                   | 5              | 5                | 10           |
| Loans from related parties                         | 4,848                                | 4,848          | -                | 4,848        |
| Debentures   | 2,189                                | 1,163          | 1,026            | 2,189        |
| Deposits and advance received from customers       | 11                                   | 6              | 5                | 11           |
| Contractor payables                                | 14                                   | 14             | -                | 14           |
|  | <b>7,773</b>                         | <b>6,737</b>   | <b>1,036</b>     | <b>7,773</b> |

| <i>At 31 December 2019</i>                    | <b>Consolidated financial statements</b> |                          |                                 |               |              |
|---|--|--------------------------|---------------------------------|---------------|--------------|
|   | Maturity period                          |                          |                                 |               |              |
|   | Effective interest rate                  | Within 1 year            | After 1 year but within 5 years | After 5 years | Total        |
|   | <i>(% per annum)</i>                     | <i>(in million Baht)</i> |                                 |               |              |
| <b><i>Financial Assets</i></b>                |  |                          |                                 |               |              |
| Loans receivables from financial institutions | 2.8 – 3.15                               | 1,370                    | 2,532                           | -             | 3,902        |
| Loans receivables from other parties          | 4.8 – 5.1                                | 1,399                    | 2,446                           | -             | 3,845        |
| <b>Total</b>                                  |  | <b>2,769</b>             | <b>4,978</b>                    | <b>-</b>      | <b>7,747</b> |
| <b><i>Financial Liabilities</i></b>           |  |                          |                                 |               |              |
| Loans payable - Financial institutions        | 2.8                                      | 1,370                    | -                               | -             | 1,370        |
| Loans payable - Other parties                 | 4.8 – 5.1                                | 1,399                    | 2,446                           | -             | 3,845        |
| <b>Total</b>                                  |  | <b>2,769</b>             | <b>2,466</b>                    | <b>-</b>      | <b>5,215</b> |

**(c.3) Market risk**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

**(c.3.1) Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. However, most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

# Grand Canal Land Public Company Limited and its subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### 26 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital.

### 27 Commitments with non-related parties

|   | Consolidated<br>financial statements |            | Separate<br>financial statements |           |
|---|--------------------------------------|------------|----------------------------------|-----------|
|   | 2020                                 | 2019       | 2020                             | 2019      |
|   | <i>(in million Baht)</i>             |            |                                  |           |
| <b>Contracted but not provided for:</b>         |                                      |            |                                  |           |
| Building and utility system                     | <b>27</b>                            | <b>95</b>  | <b>3</b>                         | <b>4</b>  |
| <b>Other commitments</b>                        |                                      |            |                                  |           |
| Real estate projects under development contract | 91                                   | 89         | -                                | -         |
| Services contract                               | 48                                   | 156        | 1                                | 55        |
| Other contracts                                 | 16                                   | 18         | -                                | -         |
| <b>Total</b>                                    | <b>155</b>                           | <b>263</b> | <b>1</b>                         | <b>55</b> |

#### Others

As at 31 December 2020

- The Group and the Company have outstanding bank guarantees of approximately Baht 19 million and Baht 8 million, respectively issued by the banks in respect of certain performance in the normal course of businesses.

### 28 Litigations

- During 2017, Bayswater Company Limited was being sued in a civil lawsuit by an individual person who request joint venture to register use of the entrance as a prescriptive servitude or as the public road. In March 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in January 2020. However, such individual person has the right to make a final appeal to the Supreme Court. The Supreme Court made an appointment to listen of court decree in August 2020, the Supreme Court dismissed such request and did not accept the plaintiff's petition, so the case was final.
- During 2020, a subsidiary was being sued in a civil by a juristic person ("Complainant") requesting the payment from breach of management and construction contract of approximately 1.1 million Baht. The court made an appointment to determine the guidelines for the trial and mediation in August 2020, so the case was final.
- During 2020, a subsidiary was being sued in a civil by a juristic person ("Complainant") requesting the payment from breach of management and construction contract. The court made an appointment to determine the guidelines for the trial and mediation in January 2021, but according to the situation of COVID-19, the court demanded to postpone the trial and mediation.

**Grand Canal Land Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**29 Events after the reporting period**

According to the Board of Directors' Meeting of Grand Canal Land Public Company Limited (the "Company") held on 19 February 2021, the Board of Directors passed the resolution to approve the entering into the Service Agreement with Central Pattana Public Company Limited, a parent company, for business consulting, setting policies, as well as, advising on business operation. The agreement will be effective for two years from 1 January 2021 to 31 December 2022.

*Impact of COVID-19*

As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

**30 Reclassification of accounts**

Certain accounts in the statement of financial position as at 31 December 2019 and the statement of comprehensive income for year ended 31 December 2019, which are included in the 2020 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2020 financial statements.

|  | 2019                              |          |                |                               |          |                |
|--|-----------------------------------|----------|----------------|-------------------------------|----------|----------------|
|  | Consolidated financial statements |          |                | Separate financial statements |          |                |
|  | Before reclass.                   | Reclass. | After reclass. | Before reclass.               | Reclass. | After reclass. |
|  | <i>(in million Baht)</i>          |          |                |                               |          |                |
| <b>Statement of financial position</b> |                                   |          |                |                               |          |                |
| Trade accounts receivable              | 84                                | (84)     | -              | 91                            | (91)     | -              |
| Other receivables                      | 363                               | (363)    | -              | 355                           | (355)    | -              |
| Other current assets                   | 180                               | (180)    | -              | 26                            | (26)     | -              |
| Trade and other receivables            | -                                 | 627      | 627            | -                             | 472      | 472            |
| Other non-current assets               | 405                               | (394)    | 11             | 4                             | -        | 4              |
| Long-term loans to related parties     | 4,039                             | 394      | 4,433          | 4,978                         | -        | 4,978          |
| Trade accounts payables                | (256)                             | 256      | -              | (161)                         | 161      | -              |
| Other payables                         | (162)                             | 162      | -              | (131)                         | 131      | -              |
| Trade and other payables               | -                                 | (418)    | (418)          | -                             | (292)    | (292)          |
|  |                                   | <u>-</u> |                |                               | <u>-</u> |                |

**Grand Canal Land Public Company Limited and its subsidiaries**  
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The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

## AUDITOR'S REMUNERATION

### AUDITOR'S REMUNERATION

In 2020 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to 3,170,000 Baht

### OTHER SERVICE FEE

-None-







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