



ANNUAL REPORT 2017





G Tower Grand Rama 9

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Message from the Chairman

To All Shareholders,

Our Company "Grand Canal Land Public Company Limited" is constantly operating to reach the goal of being the real estate developer developing integrated projects with large areas where each of them comprises the fully functional buildings for all 6 functions i.e. office buildings for rent, retail spaces for rent, hotels, condominiums, housing projects and tourist attractions. In 2017, the Company focused more on development of the office buildings for rent and retail spaces for rent projects in order to serve the demands of the continually-growing commercial lease market in order that the Company could be able to stably and constantly generate revenues.

The Company's main project is the Grand Rama 9 Project. There have been several sub-projects continually opened in the Grand Rama 9 Project, from Belle Condominium in 2012, The Shoppes retail spaces in 2013, The Ninth Towers office building for rent in 2014, Unilever House in 2015 and G Tower in 2016. These projects are successful and well-responded by the group of customers and also clearly emphasize the image of a large new CBD (Central Business District) of Bangkok as they are the fully integrated real estate projects with the facilities and mass transportation system.

In addition, in 2017, the Company also established GLAND Office Leasehold Real Estate Investment Trust (GLANDRT) which invests in The Ninth Towers and Unilever House. GLANDRT has been traded on the SET since 21 April 2017. The Company also has a large land plot with the area of more than 49 rai awaiting the development to be the New CBD in Phahonyothin area namely K8 project, the project co-developed with BTS Group. Such project's public utilities are completely developed and the project is now waiting to connect the entrance to Phahonyothin Road in order to be available for public use.

For 2018, the Company will continue developing the Grand Rama 9 Project so that the whole project will be complete. In this regard, for the Super Tower Project, the bored piling process for the retail spaces is now complete, the construction of basement floors of the parking lot is currently at the third basement floor, the bored pile testing process of the Super Tower has already begun and the bored piling process is expected to start in the second quarter of 2018. The bored piling process of the Hotel Project is now complete. For the projects located close to the red line BTS i.e. the Grand Canal Don Muang and Belle Sky projects on Kampaengpet Road, as there will be Bangkok's new city plan issued in the late 2018 which will benefit the land close to the BTS lines, the Company will then consider redesigning both projects to be in line with the new city plan.

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

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



(Mr. Yotin Boondichareon)

Chairman of the Board of Directors



Board of Directors

1. Mr. Yotin Boondicharearn

- Position : Chairman , Chairman of the Executive Committee and Chief Executive Officer
- Age : 76
- Number of Company shares held : None
- The relationship between directors and executives : Mr. Jatesiri Boondicharearn , Miss Romani Boondicharearn and Mr. Jatemongkol Boondicharearn's father .

Experience in the last 5 years

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

2. Assoc. Prof. Prapanpong Vejajiva

- Position : Vice Chairman and
Vice Chairman of the Executive Committee and
Nomination and Remuneration Committee Member
- Age : 82
- Education : Master of Social Science (MsSc) Stockholm University
Sweden

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

Experience in the last 5 years

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

2001 – Present	Director	Belle Development Co., Ltd.
1992 – Present	Director	Rama 9 Square Ltd.
1992 – Present	Member of the University Council	Huachiew Chalermprakiet University
1987 – Present	Director	The Dhamnitti Plc.
1986 – Present	Member of the Board of Property Management and Chairman	Red Cross Society of Thailand
2007 – 31 Jul 2014	Chairman	The Krungthep Thanakom Co., Ltd. (Bangkok Metropolitan's Enterprise)
2007 – Sep 2014	Member of The Board of Directors	SASIN International Business Graduate School of Chulalongkorn University

3. Mr. Nipon Wisityuthasart

• Position	:	Independent Director , Chairman of the Audit Committee and Nomination and Remuneration Committee Member
• Age	:	78
• Education	:	Master of Public Administration Program (NIDA) Bachelor of Law, Thammasart University
• Training Courses	:	Director Accreditation Program (DAP) Corporate Governance for Capital Market Intermediaries (CGI) Executive Program for Metropolitan Development (Mahanakorn 3) Navamindradhiraj University Executive Program for Energy Science No.7 Thailand Energy Academy Certificate for High Level Executive Capital Market Academy (CMA12) Certificate for Executive Thammasat Leadership Program (NMT.2) Certificate for Asian Disaster Preparedness Center (ADPC) AC HOT UPDATE Federation of Accounting Professions
• Number of Company shares held	:	None
• The relationship between directors and executives	:	None

Experience in the last 5 years

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

4. Mr. Banphot Hongthong

• Position	:	Independent Director , Audit Committee Member and Chairman of Nomination and Remuneration Committee
• Age	:	71
• Education	:	M.A. (Economics Development), Northeastern University, U.S.A. B.A. (Economics), Northeastern University, U.S.A.
• Number of Company shares held	:	1,074,224 Shares or 0.02 %
• The relationship between directors and executives	:	None

Experience in the last 5 years

Jul 2016 - Present	Advisor	P - Mart Superstore Co., Ltd.
30 Apr 2014 – Present	Chairman of Nominating and Remuneration Committee	Grand Canal Land Pcl.
June 2013 - Present	Advisor	National Power Supply Pcl.
Mar 2013 - Present	Chairman of the Board of Director	Exotic Food Pcl.
Jan 2013 – Present	Advisor to the Impelling Agriculture and	Ministry of Agriculture and

	Occupation Committee of Phu Fa Project Under the Royal Initiative of H.R.H. Princess Maha Chakri Sirindhorn	Cooperatives
Jan 2013 – Present	Advisor	Unicord Pcl.
Feb 2012 – Present	Advisor to Nominating and Corporate Governance Committee of the Royal Water Project	Office of the Royal Development Project
Aug 2011 - Present	Chairman of the Board of Director	Dhipaya Life Insurance Pcl.
Apr 2011 – Present	Director of Fund Raiser for Queen Sirikit's 80 th Anniversary Building	Queen Sirikit National Institute of Child Health
Aug 2010 – Present	Chairman of the Board of Director	Foundation for Sericulture
14 Jan 2010 - Present	Independent Director and Member of Audit Committee	Grand Canal Land Pcl.
Jan 2008 – Present	Advisor to the Committee of Chaipattana Agriculture Development Sirindhorn Project	Chaipattana Foundation
Nov 2007 – Present	Advisor on Operation of Land Development Department	Land Development Department, Ministry of Agriculture and Cooperatives
Nov 2013 – Dec 2017	Advisor	Shop Global(Thailand) Co., Ltd.
Sep 2013 – Nov 2017	Director	University Council of Eastern Asia
Apr 2013 – Apr 2015	Independent Director	Standard Chartered Bank (Thai) Pcl.
Apr 2012 – Apr 2016	President	Royal Automobile Association of Thailand under Royal Patronage
Apr 2012 – Feb 2016	Director	Foundation for Institute of Business Economics Research and Development
Apr 2011 – Feb 2017	Advisor to the Board of the Directors and the Working Group of Development Project Under the Royal Initiative , Mae Hong Son Province	Ministry of Agriculture and Cooperatives
Dec 2010 – Feb 2017	Advisor to the Board of Directors and Working Committee of the Royal Fruit Development Project, Chanthaburi Province	Ministry of Agriculture and Cooperatives
Dec 2010 – Feb 2017	Advisor to Cooperative Center of the	Office of the Royal Development

	Development Project Under the Royal Initiative	Project
Dec 2010 – Sep 2015	Advisor to the Permanent Secretary of Ministry Agriculture and Cooperatives	Ministry of Agriculture and Cooperatives
Nov 2010 – May 2011	Director of the Project to Renovate the Birth Place of Buddha, Lumpini, Nepal	Thai Pueng Thai Foundation
23 Mar 2010 – 29 Apr 2014	Member of Nominating and Remuneration Committee	Grand Canal Land Pcl.
Sep 2009 – Sep 2011	Expert Member of Civil Servant Sub-Committee	Ministry of Agriculture and Cooperatives
June 2009 – Dec 2016	Director	Evergreen Plus Co., Ltd.
May 2009 – Dec 2011	Member of Sub-Committee for Recruiting and Development of Listed Company	The Stock Exchange of Thailand
Oct 2008 – April 2011	Independent Director and Member of the Corporate Governance Committee	Thai Oil Pcl.
Apr 2008 – Feb 2017	Advisor to Working Group of Royal Project's Administration Center, Amphur Sanpathong, Chiangmai Province	Ministry of Agriculture and Cooperatives
July 2007 – June 2011	Expert Member to University Council	Rajamangala University of Technology Isan

5. Mrs. Jitmanee Suwannapool

• Position	:	Independent Director and Audit Committee Member
• Age	:	65
• Education	:	Master of Public Administration, The National Institute of Development Administration (NIDA)
		Bachelor of Business Administration (Accounting), Ramkhamhaeng University
		Bachelor of Laws, Ramkhamhaeng University
• Training Courses	:	Director Certification Program (DCP)
		Certificate for High Level Executive Capital Market Academy (CMA12)
• Number of Company shares held	:	None
• The relationship between directors and executives	:	None

Experience in the last 5 years

15 Nov 2016 – Present	Independent Director and Audit Committee Member	Country Group Holdings Plc.
2016 - Present	Honorary Advisor at the Commission of the Economy Finance and Treasury	The National Legislative Assembly
Apr 2015 - Present	Independent Director and Audit Committee Member	NCL International Logistics Plc.
30 Apr 2014 - Present	Audit Committee Member	Grand Canal Land Plc.
25 Apr 2014 - Present	Independent Director	Grand Canal Land Plc.
15 Feb 2016 – 31 Jan 2017	Independent Director and Chairman of the Audit Committee	Thailand Privilege Card Co., Ltd.
2012-2013	Principal Advisor on Tax Base Management	The Revenue Department
2010-2013	Committee and Investigation Committee	Central Laboratory (Thailand) Co., Ltd.
2010-2012	Deputy Director General	The Revenue Department

6. Mr. Jarern Jirawisan

• Position	:	Director
• Age	:	77
• Education	:	Master of Management, SASIN Graduate Institution of Business Administration Bachelor Degree in Engineering, Chulalongkorn University
• Training Courses	:	Director Accreditation Program (DAP)
• Number of Company shares held	:	None
• The relationship between directors and executives	:	None

Experience in the last 5 years

14 Jul 2010 – Present	Director	Exclusive Senior Care International Co., Ltd.
23 Dec. 2009 - Present	Director	Grand Canal Land Plc.
2009 – Present	Director	T – One Capital Co., Ltd.
2007 – Present	Director	BBTV New Media Co., Ltd.
2006 – Present	Director	Central Pattana Nine Square Co., Ltd.

2006 – Present	Director	Yook Chuan Co., Ltd.
2006 – Present	Director	The Bangkok Lighters Co., Ltd.
2006 – Present	Director	The Thai Tapioca Flour Produce Co., Ltd.
2004 – Present	Director	Dherakupt International Law Office Co., Ltd.
2003 – Present	Director	Cyber Venture Co., Ltd.
2002 – Present	Director	Great Fortune Equity Co., Ltd.
2002 – Present	Director	Grand Fortune Co., Ltd.
2002 – Present	Director	BBTV Satelvision Co., Ltd.
2001– Present	Director	BBTV Productions Co., Ltd.
1999 – Present	Director	Bangkok Broadcasting & Television Co., Ltd.
1999 – Present	Director	Sunrise Equity Co., Ltd.
1998 – Present	Director	C.K.R. Co., Ltd.
1997 – Present	Director	BBTV Equity Co., Ltd.
1997 – Present	Director	Tun Rungrueng Co., Ltd.
1997 – Present	Director	GL Assets Co., Ltd.
1997 – Present	Director	Mahakij Holding Co., Ltd.
1996 – Present	Director	Super Assets Co., Ltd.
1996 – Present	Director	Stronghold Assets Co., Ltd.
1995 – Present	Director	BBTV Asset Management Co., Ltd.
1992 – Present	Director	Siam Purimongkol Co., Ltd.
1990 – Present	Director	Khao Kheow Country Club Co.,Ltd.
1984 – Present	Director	Great Luck Equity Co., Ltd.
1982 – Present	Director	CKS Holding Co., Ltd.
2008 – 21 Feb 2017	Director	Belle Development Co., Ltd.
2008– 21 Feb 2017	Director	Rama 9 Square Hotel Co., Ltd.
2006 – 21 Feb 2017	Director	Rama 9 Square Ltd.
2002 – 21 Feb 2017	Director	Belle Assets Co., Ltd.
2000 – 21 Feb 2017	Director	G Land Property Management Co., Ltd.
1996 – 21 Feb 2017	Director	Sterling Equity Co., Ltd.
1994 – 28 Nov 2016	Director	Siam Puri Engineering Co., Ltd.

7. Miss Nopporn Tirawattanagool

• Position	:	Director
• Age	:	63
• Education	:	Master of Accounting Faculty of Commerce and Accountancy, Thammasat University Bachelor of Business Administration, Thammasat University
• Training Courses	:	Director Accreditation Program (DAP) Role of the Compensation Committee (RCC) Audit Committee Program (ACP) Director Certification Program (DCP) Financial Institutions Governance Program (FGP) Anti-Corruption for Executive Program (ACEP) Risk Management Program for Corporate Leaders (RCL) National Director Conference 2017 "Steering Governance in a Changing World" Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016 CG Forum 2/2016 "Honest, Cautious, Protective for the director", Year 2016 Seminar on "Cyber Security Awareness Training for Senior Executive" Strategic IT Governance (for non-IT)
• Number of Company shares held	:	None
• The relationship between directors and executives	:	None

Experience in the last 5 years

19 Apr 2017 - Present	Director	BBTV Asset Management Co., Ltd.
8 May 2015 - Present	Director	CKS Holding Co., Ltd.
8 May 2015 - Present	Director	Super Assets Co., Ltd.
8 May 2015 - Present	Director	C.K.R Co., Ltd.
8 May 2015 - Present	Director	The Bangkok Lighters Co., Ltd.
8 May 2015 - Present	Director	The Thai Tapioca Flour Produce Co., Ltd.
8 May 2015 - Present	Director	Cyber Venture Co., Ltd.

27 Apr 2015 – Present	Director	Grand Canal Land Pcl.
9 Apr 2015 - Present	Director	Khao Kheow Country Club Co., Ltd.
9 Apr 2015 - Present	Director	Siam Purimongkol Co., Ltd.
1 Jan 2015 - Present	Risk and Compliance Committee Member	Bank of Ayudhya Pcl.
1 Nov 2014 - Present	Director	Grand Fortune Co., Ltd.
17 Oct 2014 - Present	Director	Srivichaivejvivat Pcl.
22 Jul 2014 - Present	Director of Nomination and Compensation Committee and Director of Governance,Risk and Compliance Committee	Siam City Cement Pcl.
21 Apr 2014 - Present	Director	Bangkok Broadcasting & TV Co., Ltd.
21 Apr 2014 - Present	Director	BBTV Satelvision Co.,Ltd.
21 Apr 2014 - Present	Director	Mahakij Holdings Co.,Ltd.
21 Apr 2014 - Present	Director	BBTV Production Co.,Ltd.
21 Apr 2014 - Present	Director	GL Asset Co., Ltd.
10 Jan 2014 - Present	Director	BBTV Alliance Co., Ltd.
10 Jan 2014 - Present	Director	BBTV Bond Street Building Co., Ltd.
14 May 2013 - Present	Nomination and Remuneration Committee Member	Sri Ayudhya Capital Pcl.
22 Apr 2013 - Present	Director	Sri Ayudhya Capital Pcl.
Aug 2012 - Present	Director	ITBC Business Consultant Group Co., Ltd.
Apr 2012 - Present	Director	Siam City Cement Pcl.
Apr 2011 - Present	Director	Exclusive Senior Care International Co., Ltd.
Sep 2010 - Present	Director	BBTV International Holdings Co., Ltd.
Sep 2010 - Present	Director	Sunrise Equity Co., Ltd.
Sep 2010 - Present	Director	BBTV Equity Co., Ltd.
28 Apr 2010 - Present	Nomination and Remuneration Committee Member	Bank of Ayudhya Pcl.
8 Apr 2010 – Present	Director	Bank of Ayudhya Pcl.
9 Apr 2015 - 28 Nov 2016	Director	Siam Puri Engineering Co., Ltd.
15 Nov 2014 - 21 Feb 2017	Director	Belle Development Co., Ltd.

8. Mr. Jatesiri Boondicharem

• Position	:	Vice Chairman , Executive Director and Managing Director
• Age	:	46
• Education	:	Master of Real Estate Finance and International Business, University of Southern California Bachelor of Landscape Architect California State Polytechnic University
• Number of Company shares held	:	743,911,727 Shares or 12.50 %
• The relationship between directors and executives	:	Mr. Yotin Boondicharem's son , Ms. Romani Boondicharem and Mr. Jatamongkol Boondicharem's brother.

Experience in the last 5 years

13 Mar 2017 - Present	Vice Chairman	Grand Canal Land Plc.
12 May 2016 - Present	Executive Director	Grand Canal Land Plc.
10 Sep 2013 - Present	Director	Belle Assets Co., Ltd.
10 Sep 2013 - Present	Director	G Land Property Management Co., Ltd.
26 Oct 2012 – Present	Chief Executive Officer and Managing Director	Sterling Equity Co., Ltd.
2011 – Present	Executive Director	Charemkrit Enterprise Co., Ltd.
23 Dec 2009 - Present	Director and Managing Director	Grand Canal Land Plc.
2009 – Present	Executive Director	Rama 9 Square Hotel Co., Ltd.
2009 – Present	Managing Director	Belle Development Co., Ltd.
2009 – Present	Managing Director	Charemkrit Enterprise Co., Ltd.
2009 – Present	Managing Director	Rama 9 Square Ltd.
2008 – Present	Director and Executive Director	Belle Development Co., Ltd.
2008 – Present	Executive Director	The Future Asset Co., Ltd.
2008 – Present	Executive Director	Belle Park Residence Co., Ltd.
2008 – Present	Executive Director	Breguet Thai Co., Ltd.
2008 – Present	Executive Director	Skyway Realty Co., Ltd.
2005– Present	Director and Executive Director	Rama 9 Square Ltd.
2006 – Present	Executive Director	Central Pattana Nine Square Co., Ltd.
2004 – Present	Executive Director	G C & T Co., Ltd.

2002 – Present	Executive Director	Grand Fortune Co., Ltd.
2002 – Present	Executive Director	Pattanaburi Co., Ltd.
14 Jan 2010 – 22 Mar 2010	Nomination and Remuneration Committee Member	Grand Canal Land Plc.

9. Ms. Romani Boondicharem

• Position	:	Director, Executive Director and Deputy Managing Director of Accounting and Finance Group
• Age	:	31
• Education	:	Master of Science Degree (Finance), Chulalongkorn University Bachelor of Engineering (Civil Engineering), Thammasat University
• Training Courses	:	Director Certification Program (DCP) Director Accreditation Program (DAP) Executive Development Program (EDP) Young Entrepreneur Program (YEP) Executive Program for Metropolitan Development (Mahanakorn 3) Navamindradhiraj University Difference 2014 : How to Harness Business Creativity (ABC) Sripatum University
• Number of Company shares held	:	695,037,060 Shares or 11.68 %
• The relationship between directors and executives	:	Mr. Yotin Boondicharem's daughter, Mr. Jatesiri Boondicharem and Mr. Jatamongkol Boondicharem's sister.

Experience in the last 5 years

14 Jan 2010– Present	Director, Deputy Managing Director of Accounting and Finance Group	Grand Canal Land Plc.
12 May 2016 - Present	Executive Director	Grand Canal Land Plc.
4 July 2012 – Present	Director	Sterling Equity Co., Ltd.
11 July 2013 - Present	Director	Belle Assets Co., Ltd.
23 Aug 2013 - Present	Director	G Land Property Management Co., Ltd.
2009 – Present	Director, Deputy Managing (Acting)	Charemkrit Enterprise Co., Ltd.

6 May 2010 - Present	Director	Belle Development Co., Ltd.
6 May 2010 - Present	Director	Rama 9 Square Ltd.
6 May 2010 - Present	Director	Rama 9 Square Hotel Co., Ltd.
2008 – Present	Executive Director	Skyway Realty Co., Ltd.
2008 – Present	Executive Director	The Future Asset Co., Ltd.
2008 – Present	Executive Director	Breguet Thai Co., Ltd.
2008 – Present	Executive Director	Belle Park Residence Co.,Ltd.



Unilever House Grand Rama 9

Management Team

1. Mr. Yotin Boondicharearn	Chairman , Chief Executive Officer and Chairman of the Executive Directors (Please see the profile from the Board of Directors)
2. Mr. Jatesiri Boondicharren	Vice Chairman , Executive Director and Managing Director (Please see the profile from the Board of Directors)
3. Ms. Romani Boondicharearn	Directors , Executive Director and Deputy Managing Director of Accounting and Finance Group (Please see the profile from the Board of Directors)
4. Mr.Jatemongkol Boondicharearn	
• Position	: Executive Director and Deputy Managing Director of CEO Office
• Age	: 28
• Training Courses	: Director Certification Program (DCP) Advanced Audit Committee Program (AACP) Re-energizing Growth through Better Governance 2015
• Number of Company shares held	: 695,037,060 Shares or 11.68 %
• The relationship between directors and executives	: Mr. Yotin Boondicharearn's son , Mr. Jatesiri Boondicharearn and Ms. Romani Boondicharearn's brother.

Experience in the last 5 years

15 Aug 2016 - Present	Director	Gland Reit Management Co., Ltd.
1 June 2016 - Present	Deputy Managing Director of CEO Office	Grand Canal Land Plc.
12 May 2016 - Present	Executive Director	Grand Canal Land Plc.
2010 – Present	General Manager	Breguet Thai Co., Ltd.
2010 – Present	General Manager	Skyway Realty Co., Ltd.
2012 – Present	Executive Director and General Manager	Chareonkit Enterprise Co., Ltd.

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

5. Mr. Surakit Thantananont

• Position	:	Senior Assistant Managing Director Finance and Accounting Department
• Age	:	56
• Education	:	Master Degree in Accounting (Finance) , Chulalongkorn University Bachelor Degree in Accounting (Accounting) , Chulalongkorn University
• Training Courses	:	Director Accreditation Program (DAP) Director Certification Program (DCP)
• Number of Company shares held	:	None
• The relationship between directors and executives	:	None

Experience in the last 5 years

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

6. Mr.Sakol Pao-in

• Position	:	Senior Assistant Managing Director Legal Department
• Age	:	54
• Education	:	Bachelor of Law, Thammasat University Certificate of Thai Barristered The Thai Bar
• Training Courses	:	Director Accreditation Program (DAP) Director Certification Program (DCP) Advanced Audit Committee Program (AACP)
• Number of Company shares held	:	None
• The relationship between directors and executives	:	None

Experience in the last 5 years

1 Aug 2013- 28 Feb 2017	Senior Assistant Managing Director Legal Department	Grand Canal Land Plc.
2008 - 2011	Senior Vice President Corporate Service Division	Prinsiri Plc.
2004-2011	Director	Prinsiri Plc.
2003-2008	Assistant Managing Corporate Service Division	Prinsiri Plc.
1995-1998	Legal Vice President	Ekkapat Finance and Securities Plc.
1992-1995	Legal Manager	Ekthana Finance and Securities Plc.
1989-1991	Legal Assitant Manager	Ekthanakit Finance Plc.

7. Mr. Choi Laup Tack Kelvin

• Position	:	Senior Assistant Managing Director Commercial Sales and Marketing Department
• Age	:	64
• Education	:	Bachelor of Arts(Economics) UNIVERSITY OF MANITOBA, MANITOBA, CANADA
• Training Courses	:	None
• Number of Company shares held	:	None

- The relationship between directors and executives : None

Experience in the last 5 years

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

8. Mr. Sataporn Asawai

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

Experience in the last 5 years

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



New World Hotel Grand Rama 9

The Company's Business

1. Policy and Overview of the company's business

1.1 Vision and Mission

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

1.2 Important Changes and Developments

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

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

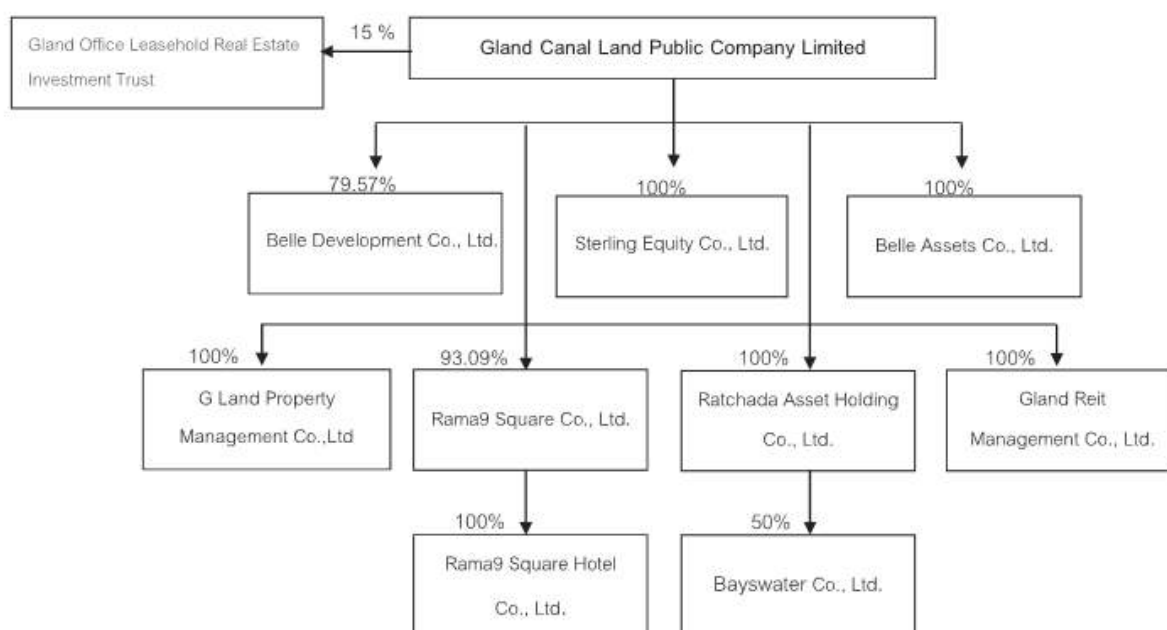
On 19 April 2017, the Company and its subsidiary entered into agreements to lease out the office space of The 9th Towers Grand Rama 9 Project and Unilever House Grand Rama 9 Project (together called the "Project") and to dispose moveable properties which are used in the operation of The 9th Towers Office 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 5,997.7 Million Baht according to the Resolution of the GLAND Board of Directors' Meeting No. 1/2017 held on 3 February 2017.

As of the end of 2017, the Company has registered capital of 6,535 million and paid-up capital of 5,951 million Baht.

1.3 Shareholding structure

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



2. Nature of Business

Grand Canal Land Public Company Limited ("GLAND")

Currently, the Company has a registered capital of Baht 6,535,484,202 and paid-up capital of Baht 5,951,449,051, divided into 5,951,449,051 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. The projects in the development process are the Super Tower, a high-rise project including its Convention Hall and the Real Estate for Sale Project, namely the Belle Sky Condominium. In addition, 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.

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, it operates office building for rent in Unilever House Project and retail spaces for rent in The Shoppes @ Unilever House which are now open and provides office building management service. In addition, it is now in the process of developing the Hotel Project in the Grand Rama 9 Project's area.

On 19 April 2017, the Company entered into agreement to lease the office spaces of Unilever House Project and transfer the ownership in the movable properties for the operation of the office building of Unilever House Project to GLAND Office Leasehold Real Estate Investment Trust.

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.

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

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

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

Belle Assets was registered and incorporated in 2002 under the name "Tonson Pleonchit Co., Ltd." and was renamed in 2014 to Belle Assets Co., Ltd. Currently, Belle Assets has a registered and paid-up capital of Baht 11 million, divided into 1,100,000 ordinary shares with a par value of Baht 10 each. At present, Belle Assets has a vacant plot of land in Grand Canal Don Muang Project which is awaiting further development into residential condominium and single-detached housing 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 as a joint venture between Ratchada Asset Holding Co., Ltd. ("Ratchada Asset Holding"), the subsidiary of the Company and BTS Group Holdings Public Company Limited (BTSG), on the basis of 50 : 50 equity. Currently, Bayswater has a registered and paid-up capital of Baht 10 million, divided into 100,000 ordinary shares with a par value of Baht 100 each. It is the intention of both Ratchada Asset Holding and BTSG 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.

Table on the Group's Revenue Structure for 2015 - 2017 pursuant to its Consolidated Financial Statement

Business Category	Operated by	% of the Company's Equity as at (Dec 31, '17)	2017		2016		2015	
			Bt. Million	%	Bt. Million	%	Bt. Million	%
Real Estate - for rent and related services	Rama 9 Square Co., Ltd.	93.09%	518.68	18.17%	114.13	3.17%	-	-
	Grand Canal Land Plc.	-	291.52	10.21%	469.95	13.04%	448.07	8.68%
	Sterling Equity Co., Ltd.	100.00%	138.86	4.86%	230.71	6.40%	230.41	4.47%
	Belle Development Co., Ltd.	79.57%	117.36	4.11%	102.20	2.84%	80.61	1.56%
	Gland Property Management Co., Ltd.	100.00%	-	-	-	0.00%	1.25	0.02%
Real Estate - for sale	Belle Development Co., Ltd.	79.57%	356.51	12.49%	1,689.00	46.87%	3,162.53	61.29%
Real Estate - Project management and services	Grand Canal Land Plc.	-	27.58	0.96%	48.24	1.34%	29.39	0.57%
Real Estate - Real estate management	Grand Canal Land Plc.	-	14.27	0.50%	-	-	-	-
	Sterling Equity Co., Ltd.	100.00%	6.76	0.24%	-	-	-	-
Real Estate - REIT Manager	Gland Reit Management Co., Ltd.	100.00%	11.88	0.41%	-	-	-	-
Gains from changes in Fair Value and others	Grand Canal Land Plc. and Subsidiaries	-	1,371.94	48.05%	949.36	26.34%	1,207.82	23.41%
Total			2,855.36	100%	3,603.59	100.00%	5,160.08	100.00%

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 sale and real estate for rent. 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. Super Tower & Convention Hall	Office building and Convention Hall	Under Development. Expected to be partially operated in the first quarter of 2021
6. Arcade Project	Retail spaces	Under Development. Expected to be partially operated in the forth quarter of 2019
7. Hotel Project	Hotel	Under Development. Expected to be operated in 2020
8. The Shoppes Grand Rama 9	Retail spaces, shops, restaurants located in the basement, 1 st floor and 2 nd floor of every projects in the Grand Rama 9 Project	Operated the Shoppes at Belle Grand Rama 9, The Ninth Towers, Unilever House and G Tower

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

Picture of the Grand Rama 9 Project





Details of the various projects in the Grand Rama 9 Project

Belle Grand Rama 9 Project

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



Picture of the Belle Grand Rama 9 Project

The Belle Grand Rama 9 Project is a residential condominium for sale with retail 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.

Average selling price of a condominium unit in this Project is approximately Baht 85,000 per square meter with a unit size ranging from 43 - 320 square meters. Volumes of sale and transfer as of December 2017 were 1,941 and 1,936 units respectively, representing 97.5 percent and 97.2 percent of total units in the Project.

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 9,922 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



Picture of The Ninth Towers Grand Rama 9 Project

The Ninth Towers Project is a 2-office buildings project with retail spaces for rent ranging from Grades B+ to A- in the Grand Rama 9 Project, located at 33/4 Rama 9 road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310. It consists of the 36-story Tower A and the 34-story Tower B with retail

spaces and common areas at the basement floor, 1st floor and 2nd floor which are inter-connected areas between Tower A and Tower B. Car-parking spaces of 1,100 slots are provided on the 3rd - 10th 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.

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



Picture of Unilever House Grand Rama 9 Project

Unilever House Grand Rama 9 Project 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 area at 161 Rama 9 Road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310. This Project is a 12-story building with a basement floor and car-parking spaces of approximately 410 slots provided on the 3rd - 6th 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.

G Tower Grand Rama 9 Office Building Project



Picture of the G Tower Grand Rama 9 Office Building 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 70,000 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. Target customers are Grade A office tenants.

This Project began its operation in the third quarter of 2016.

Super Tower and Arcade Project



Picture of Super Tower and Arcade Project

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

Project	Type and Characteristic of Utilization	Duration of Design/Construction	Expected Date of Operation
1. Super Tower	<ul style="list-style-type: none">● Premium grade office building for rent● Convention, trade fair and exhibition area● Retail spaces for rent	6 years	First Quarter of 2021
2. Arcade	<ul style="list-style-type: none">● Retail spaces for rent● Parking Area	1.5 years	Forth Quarter of 2019

In developing this Project, the Company has studied and designed the project area to be suitable for utilization in order to completely accommodate the demands of every group of its target customers and business persons, and also to respond to the demands of nearby residents. There is a total of approximately 149,083 square meters of space in this Project for rent as office space, convention hall and retail shops.

Central Plaza Grand Rama 9 Shopping Complex Project

Construction of the Central Plaza Grand Rama 9 Shopping Complex Project (with Central Pattana Group holding majority shares and Rama 9 holding 3.27 percent of its shares) 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 Belle Sky Condominium Project

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

This Project is currently under review for adjustments of its design in order to be in line with Bangkok's new city plan.

2.1.3 Real Estate Management Services

Grand Canal Don Muang Project 1 and Project 2



Picture of Grand Canal Don Muang Project

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

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

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

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

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

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 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) Industrial and Competitive Conditions

(3.1) Summary of Thailand's overall economic conditions in 2017

According to the report on Thailand's economic projections provided by the Ministry of Finance as of January 2018, it is reported that "The Thai economy in 2017 was anticipated to grow by 4.0 percent, revised upward from the previous forecast and higher than 3.2 percent growth last year, resulting from the continuous export growth and better conditions in tourism industry, following the good expansion of trading partners' economy. The continuous export growth came from many categories of goods and almost all export markets while the revenues from tourism industry kept getting better according to the high number of international tourists entering Thailand in 2017 of 35.4 million tourists. In addition, the private spending

continued to expand due to the increase in labor income in the production for export and tourism industries, including the benefit from the government support for low-income earners through welfare cards program, the tax deduction program which boost the consumption during the year-end and the 9101 project in honor of His Majesty the late King. The private investment started to recover from the previous year, consistent with the increase in industrial confidence index supported by the clarity of the governmental policies such as the investment in infrastructure projects and the approval of the draft Eastern Special Economic Zone Act while the stimulus package was continually offered by the government. For internal economic stability, the headline inflation in 2017 was at the low level of 0.7 percent, increased from the previous year following the increase in domestic demand and the upward trend in global crude oil price."

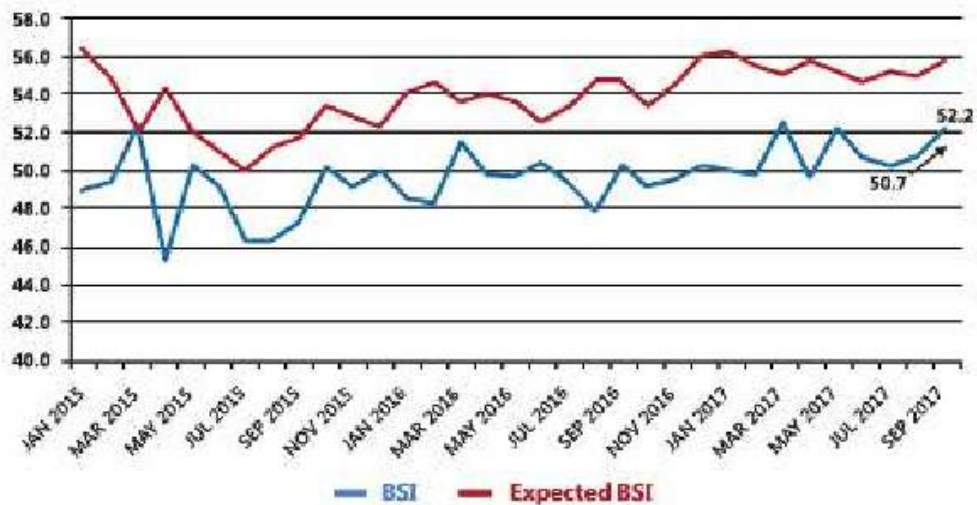


Source: Office of the National Economic and Social Development Board

For the Thai economy in 2018, the Fiscal Policy Office anticipated that Thai economy is projected to grow continuously at 4.2 percent (within a range of 3.7-4.7 percent). Public expenditure would be the key driver of Thai economy through rising capital budget framework of the government in 2018. In addition, the Additional Budget Act of 2018 with the budget of Baht 1.5 hundred billion, the progress of the investment in the key mega infrastructure projects of the government especially the key mega infrastructure projects under the Transport Infrastructure Investment Action Plan (Priority Project) for the Year 2016 and 2017 which more megaprojects are expected to be under construction process in 2018 and the clarity of election would be another supporting factors to gain business confidence and encourage more domestic investment. For external demand, it is expected that the trading partner's economy would be expanding at the rate close to the previous year which would cause Thailand's export of goods and services, a key driver of Thai economy, to gradually expand. For internal stability, the headline inflation in 2018 is estimated to be 1.2 percent (within a range of 0.7 – 1.7 percent), increased from the previous year, consistent with higher crude oil price trend."

In this regard, the Ministry of Finance mentioned about the Thai economic projections that several risk factors should be elaborately considered in 2018 such as global economic fluctuations, monetary policy run by the developed countries and fluctuations in currency exchange rate and crude oil price in global market.

Thailand Business Confidence Index



SOURCE: BANK OF THAILAND (BOT)

REMARKS:

1/ BUSINESS SENTIMENT INDEX IS COMPILED FROM BOT SURVEY DATA OF 1,500 BUSINESSES.

2/ BELOW IS THE INTERPRETATION OF THE INDEX:

INDEX = 50 INDICATES THAT BUSINESS SENTIMENT REMAINS STABLE.

INDEX > 50 INDICATES THAT BUSINESS SENTIMENT HAS IMPROVED.

INDEX < 50 INDICATES THAT BUSINESS SENTIMENT HAS WORSENE.

Source: Bank of Thailand

Real Estate Business

Real estate business in Thailand holds the product value which accounts for 7% of the gross domestic product (GDP); therefore, it is the key driver for overall economy, causing more money in circulation, more employment and income that would affect other industries such as construction business, construction material business, financial institution business, electrical appliance business and furniture and decoration business, etc.

Real estate consists of 3 major categories i.e. residential, commercial and industrial real estates of which the residential real estate accounts for two third of the total real estate market value in Thailand (Source: World Bank). The development of residential real estate business targets the domestic market as Thai laws allow the foreigners to only hold the ownership of real estate in the type of condominium, not exceeding 49% of the total sales areas of such condominium. The foreigners may hold the ownership in some types of real estate, with extensive conditions and restrictions.

(3.2) Industrial Conditions of the Residential Property Sector

Overall industrial conditions of the residential property sector in 2017

The residential property sector is comprised of the self-built housings and housing projects which are concentrated in Bangkok Metropolitan Region with 60-70% of the total units available in Thailand and have average market value of more that Baht 300,000 million during the past 5 years. However, since 2012, the developers have placed more importance on the regional market and expand the investment in housing projects in the provincial areas, most of which are houses as there is no constraints in terms of available area. The condominium projects are still mainly developed in Bangkok Metropolitan Region

Nevertheless, the high increase in the price of land in the provinces that are centers of the region and tourist destinations during the past 3-4 years has caused the launch of more condominium projects in the provincial areas.

Launching of New Projects

1. Number of new projects launched in 2017 was 402 projects, decreased by 51 projects (-11.3%) compared to 2016. If the number of projects is considered, it could be indicated that the situation in 2017 is obviously worse than in 2016.

2. However, the number of new sale units in 2017 was 114,477 units, increased by 3,900 units (3.5%) compared to 2016 which indicated that the launch of new projects with such increase in number of sale units is not considered material increase, i.e., not increase at all.

3. Nevertheless, the value of the projects in 2017 was Baht 441,661 million, increased by Baht 59,551 million (15.6%) compared to 2016 which is an obvious increase and the launch of projects with the highest value in history since 1994 that started the survey (24 years ago).

4. In this regard, it could be noted that the average sale price per unit of Baht 3.859 million in 2017 obviously increased (11.6%) from the price of Baht 3.456 million as of the end of 2016.

Classification per Types of Residence

There are 3 main types of residence i.e. single-detached houses, townhouses and condominiums. Based on the survey of the Agency for Real Estate Affairs, it finds that:

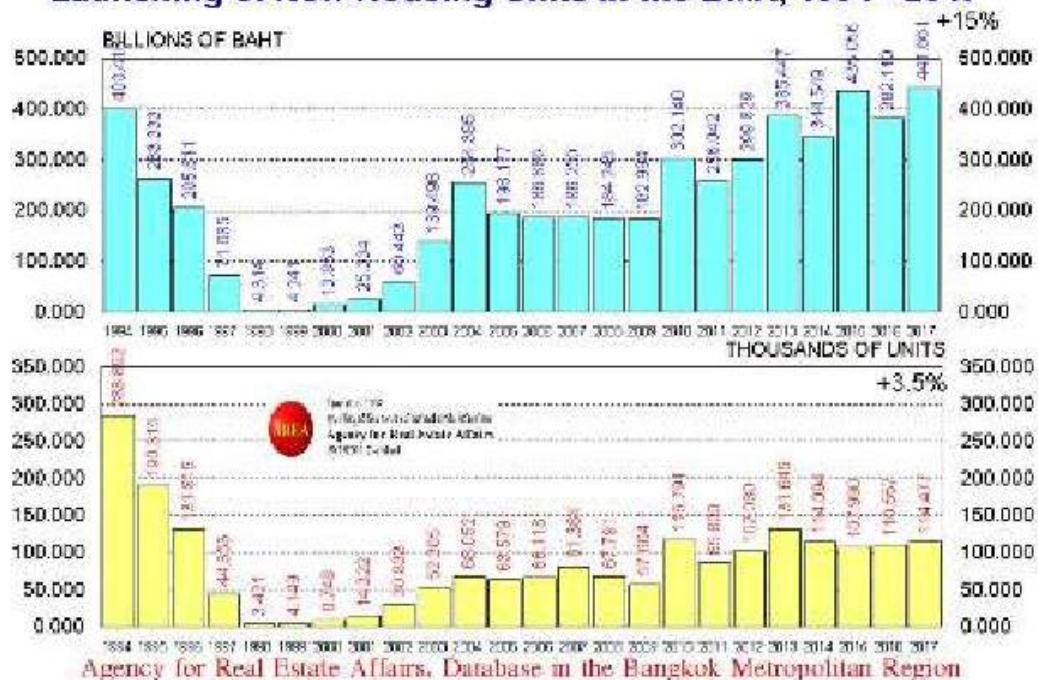
For single-detached houses, the new units for sale in 2017 were 10,217 units, decreased by 1,929 units (-19%) from 2016. The remaining units were 36,971 units, decreased by 2,556 units (-6.5%) from the end of 2016. The units sold in 2017 were 12,773 units, increased by 328 units (3%) from 2016.

For townhouses, the new units for sale were 35,462 units, increased by 5,530 unit (14%) from 2016. The remaining units were 62,571 units, increased by 7,917 units (15%) from the end of 2016. The units sold in 2017 were 27,545 units, increased by 3,268 units (14%) from 2016.

For condominiums, the new units for sale were 63,626 units, increased by 5,276 units (9%) from 2016. The remaining units were 76,790 units, increased by 6,992 units (10%) from the end of 2016. The units sold in 2017 were 56,634 units, increased by 733 units (1%) from 2016.

In summary, the overall yearly demand increased by 5,426 units or 5.5% compared to 2016.

Launching of New Housing Units in the BMR, 1994 - 2017



Source: Research and Database Division, Agency for Real Estate Affairs (AREA)

The survey result finds that the number of sale in 2017 was 103,579 units, increased by 5,426 units or 5.5% from 2016. On the one hand, it could be regarded that the situation was not worse than that in 2016 as there were continued demands for the residence offered in the market. On the other hand, such number of sale was still less than the number of new units offered in each year at 110,000 units which indicated that the cumulative supply continued to increase.

According to the survey conducted by the Agency for Real Estate Affairs, as of the end of 2017, the remaining supply increased from 2016 by 5.9%, from 184,329 units as at the end of 2016 to 195,227 units (increased by 10,898 units). In case that around 110,000 units of the new residential units are sold each year, such 195,227 units are enough for sale for almost 2 years or around 21 months without having new units offered. The developers should pay special attention to the number of such cumulative remaining units as while the developers rush to sell the new projects, there are still a lot of remaining inventories which may later cause problems to the developers.

Residence in Bangkok Metropolitan Region

Currently, more than 80% of the new residence in Bangkok Metropolitan Region are in the form of residential projects developed by the large developers (listed on the SET, including their associated companies), with market share of more than 80% of the number of units and the market value of the new residential market offered for sale in Bangkok Metropolitan Region (information as of 2016) as they have better cost management from the advanced purchase of land resulting in more land banks on hand which is the factor that drive the cost of project development to be lower. In addition, they are able to develop many projects at the same time leading to economies of scale. They are also experienced in operating the business which gain them more credits.

The proportion of the new residence in Bangkok Metropolitan Region has changed toward more high-rise projects, while the low-rise residential projects i.e. single-detached houses and townhouses are less in proportion resulting from the following factors: 1) the expansion of MRT and BTS lines in Bangkok Metropolitan Region since 2007, 2) the great flood in late 2011, and 3) the continued increase in the price and the decrease in supply of the land in potential areas, which cause the condominium projects to have the market share of more than 60% of the total number of residential units available in the market.

(3.3) Industrial Conditions of Commercial Real Estates

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

(3.3.1) Industrial Conditions of Commercial Real Estates in the Office Building Category

The report of the Real Estate Information Center of JLL indicated that during the first half of 2017 the Bangkok's market for office buildings showed an increase in the volume of leased spaces in the total of more than 143,000 square meters, close to that of 2016 with the increase in the volume of leased spaces in the total of 144,000 square meters. The increase in the leasing activities during this year was partly caused by the increase in complete construction of new office buildings which provided an option for the mid to large sized corporations that require larger office spaces to relocate their offices to new buildings, after they were unable to expand their office spaces in the old buildings as there is not enough space available for them.

CBRE has reported that the demand of office spaces still exists. The demand during the next 2-3 years still remains at 200,000 square meters per year, resulting in the continued decrease in occupancy rate of the office spaces while the rental rate increases on the average of 4-5% for all grades of buildings in all locations. E-Commerce will be the driver that raises demand for the new warehouse spaces and distribution centers.

CBRE expected the demand of office spaces in Bangkok during the next 2-3 years to be at the level of 200,000 square meters per year and the demand will not increase drastically. As the new office spaces added to the market in 2018 will be less than 200,000 square meters, it means that the vacant spaces will continue to decrease and the rental rate will continue to increase, though at the slower rate. Currently, the vacancy rate is at 7.8% and will continue to decrease while the rental rate for the office spaces will increase on the average of 4-5% for all grades of buildings in all locations.

ปริมาณพื้นที่สำนักงานใหม่มีจำกัด อัตราพื้นที่ว่างลดลง และค่าเช่าเพิ่มสูงขึ้น ในช่วง 2 – 3 ปีข้างหน้า

ตลาดอาคารสำนักงานในกรุงเทพฯ



แนวโน้มตลาดในระยะสั้น

- อัตราพื้นที่ว่างลดลงและปริมาณพื้นที่ใหม่มีจำกัดทำให้ค่าเช่าสูงขึ้น

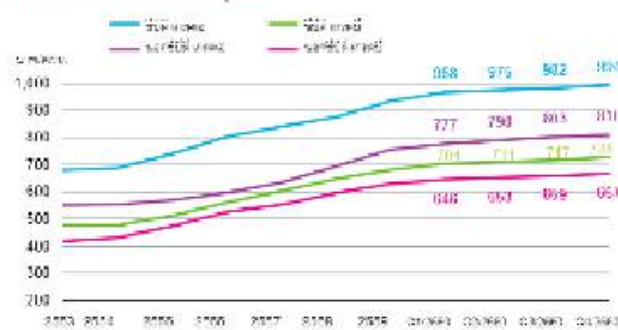
แนวโน้มตลาดในระยะยาว

- ตั้งแต่ปี 2564 เป็นต้นไปปริมาณพื้นที่ใหม่จะเพิ่มขึ้น

Source: Research Division, CBRE

ค่าเช่าเพิ่มสูงขึ้นในอัตราที่ช้าลง

ค่าเช่าเฉลี่ยต่อพื้นที่สำนักงานในกรุงเทพฯ



- ค่าเช่าเพิ่มขึ้นอย่างช้าๆ ในทุกพื้นที่

- การปรับตัวของเจ้าของอาคารให้ทันถึงความต้องการใช้ร่วมกัน การปรับลดค่าเช่า

- ณธวิ 2564 ค่าเช่า 777

อัตราผลตอบแทน

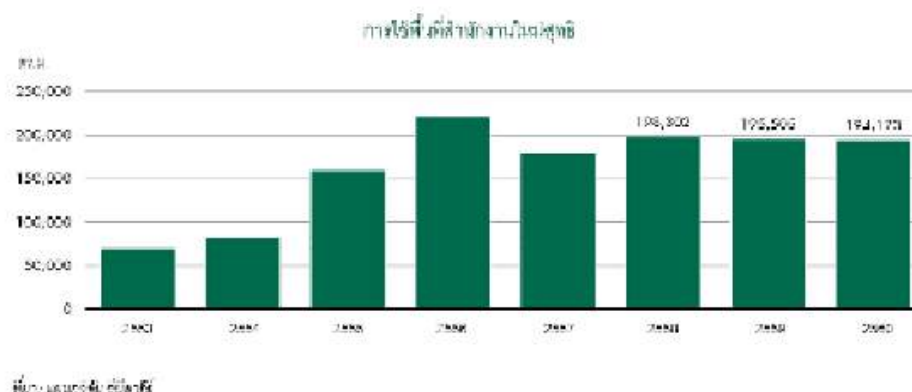


Source: Research Division, CBRE

The fact that Grade A office buildings have less available space for rent causes the rental rate to sharply increase in this year after a slow-down during last year. Some of the Grade A office buildings in the Central Business District such as Park Venture Ecoplex and Gaysorn Tower can set the rental rate at more than Baht 1,000 per square meter per month while the average rental rate for Grade A office buildings in Bangkok is Baht 821 per square meter. Most of the new tenants in Grade A buildings are the technology sector business operators such as E-Commerce, social media and online advertising companies.

The Asia-Pacific Prime Office Rental Index for Q3 2017 report provided by Knight Frank Thailand Co., Ltd. stated that Bangkok's office market's growth continued to be underpinned by genuine demand in a market with a limited supply of space resulting in continuous rental growth. Bangkok was the strongest-performing Asia-Pacific market last quarter, registering a 4.4% quarter-on-quarter increase, which was faster than its 3.9% annual growth. This upward trend is expected to continue for at least the next 2 years.

คาดการณ์ความต้องการใช้พื้นที่สำนักงาน 2 แสนตร.ม. ต่อปี



For the supply of new office spaces in 2018 – 2023, there will be office spaces for rent in the total of 1.4 million square meters, but only 300,000 square meters of such office spaces are scheduled to be complete within 2019. For the spaces for rent in the Super Tower Project and One Bangkok Project which have large spaces for rent, some parts of the office spaces in such Projects will be completely constructed and ready for rent during 2021 – 2022. In this regard, the pre-leasing demand is still high at approximately 200,000 square meters, thus the overall occupancy rate in office building market as well as the rental rate is expected to keep increasing during the next 12 months.

พื้นที่สำนักงานใหม่ราว 1.48 ล้านตร.ม.ในปี 2563 - 2566

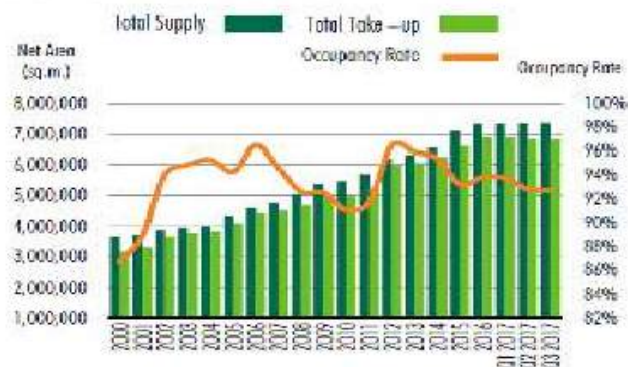


(3.3.2) Industrial Conditions of Commercial Real Estates in the Retail Space Category

Research Division, CBRE anticipated that the competition between “shops and online markets” in Thailand would become clear in 2018 which E-Commerce would materially affect the traditional retail shops.

CBRE also expected that after the renovations of the shopping malls are complete and the retail shops are open, the vacancy rate of 5% would further decrease. The new retail spaces would increase approximately 300,000 square meters in 2018, while there were new retail spaces of 100,000 square meters in 2017, which will cause more competition in retail markets to attract the customers to the shopping malls.

Figure 2: Bangkok Retail Market



Source: CBRE Research, Q3 2017

In addition, the retailers would expand their distribution channels to be in more platforms i.e. online and offline stores which means that the retailers might need less retail spaces. Both the retailers and the owner of retail spaces shall adapt themselves to not only create special experience for customers, but also to provide convenience which could not be experienced from online shopping.

There is continued investment in retail space expansion in Thailand. The report from Research Division, CBRE projected that there would be new retail spaces of 225,000 square meters in 2018, 517,000 square meters in 2019 and more than 8 million square meters in 2020, but the increase is still in slower rate due to the delay of constructions of large projects.

In addition, during the past 5-6 years, the large shopping malls have been through major renovation causing the occupancy rate to decrease, especially in 2010, the occupancy rate was only 91% of the available retail spaces of 5.5 million square meters. Up until mid-2017, the average occupancy rate in Bangkok and areas around Bangkok was only 92% of the available retail spaces of more than 7.6 million square meters.

The rental rate for retail spaces in all Bangkok areas has increased from the previous year.

Rental rate of retail spaces in 2017

Area	Ground floors (Baht/Sq.m./Month)	Upper ground floor (Baht/Sq.m./Month)
INNER BANGKOK		
(Silom, Sathorn, Ratchadamri, Lower Sukhumvit)		
Plaza areas	1,850 – 5,500	1,520 – 2,700
Community malls	1,000 – 1,200	800 – 1,000
Large-scale supercenters	1,000 – 1,500	800 – 1,200
OUTER BANGKOK		
(Ladprao, Upper Sukhumvit, Ramkhamhaeng, Bang Kapi, Chatuchak)		
Plaza areas	1,600 – 3,300	1,040 – 2,200
	1,500 – 3,000	800 – 1,000

Area	Ground floors (Baht/Sq.m./Month)	Upper ground floor (Baht/Sq.m./Month)
Community malls	1,000 – 1,500	800 – 1,200
Large-scale supercenters		
SUBURBS		
(Laksi, Don Mueang, Rangsit, Ramintra, Sukhapiban, Bang Na- Trad)		
Plaza areas	1,200 – 2,800	800 – 1,500
Community malls	800 – 1,500	400-1,200
Large-scale supercenters	1,200 – 1,500	600 – 1,000

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

(4) Environmental Impact

Single-Detached Housing Projects

The Company's development projects will be divided into phases. Each phase will consist of the development area of approximately 100 rai, with 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 Houses: Sales are conducted through a direct sale through the Company's sales office. The product can be divided into 3 categories as follow:

- Empty plot of land in the project;
- Housing estate with fixtures, in the form of constructed houses, ready to be transferred to customers; 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

The Belle Avenue Condominium Project is operated by Belle Development Co., Ltd. As of 31 December 2017, there were a total of 55 units not yet delivered, with a value of Baht 334 million.

3. Risk Factors

3.1 Real Estate Development Business Risks

3.1.1 Risk of inadequate source of finance for project development

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

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

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

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

Another point to be considered is that a higher interest rate may affect the ability to purchase, and to repay loans for minor customers. However, according to a comparative study regarding the effects of increased interest rates with liabilities for installment repayments of the Company's customers, there may not be any severe effects resulting in

the Company's customers having reduced purchasing power. This is because the Company's target customers are in the middle and upper income brackets who have only a delicate impact from such issue.

3.1.3 Risk from a shortage of contractors and quality labor pool

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

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

3.1.4 Risk of fluctuation of Construction Material Price

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

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

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

3.1.5 Risk of Land Procurement for Future Development Projects

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

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

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

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

3.1.7 Risk in relation to Leasehold Rights

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

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

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

be able to recognize rental and service income as according to plan, resulting in a lower project return on investment.

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

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

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

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

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

3.2 Investor Risk

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

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

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

4. Corporate Information

General Information

Company name	Grand Canal Land Public Company Limited
Company Registration Number	0107538000118
Location	33/4 Rama 9 Road, Huaykwang, Bangkok 10310
Business Type	Property Development
Home Page	www.grandcanalland.com
Authorized Share Capital	6,535,484,202 ordinary shares, 1.00 baht par value Total 6,535,484,202 .00 Baht
Issued and Paid-up Capital	5,951,449,051 ordinary shares, 1.00 baht par value Total 5,951,449,051.00 Baht
Home Page	www.grandcanalland.com
Tel	66 (0) 2 246 2323
Fax	66 (0) 2 246 1082

Juristic Persons the Company holding 10% shares or more

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Belle Development Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	20,642,613 ordinary shares, 100.00 baht par value	79.57
Rama 9 Square Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	19,000,000 ordinary shares, 100.00 baht par value	93.09
Rama 9 Square Hotel Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Hotel (there are no ongoing operations)	1,000,000 ordinary shares, 16.00 baht par value	100 (Held by Praram 9 Square Ltd.)
Sterling Equity Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	18,000,000 ordinary shares, 100.00 baht par value	100

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Belle Assets Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	1,100,000 ordinary shares, 10.00 baht par value	100
G Land Property Management Co., Ltd. 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 246 2323 Fax : 66 (0) 2 246 1082	Property Development	5,000,000 ordinary shares, 100.00 baht par value	100
Bayswater CO., Ltd 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel : 66 (0) 2 273 8511-5 Fax : 66 (0) 2 273 8516	Property Development	100,000 ordinary shares, 100.00 baht par value	50 (Held by Ratchada Asset Holding Co.,Ltd.)
Ratchada Asset Holding CO., Ltd 316/601 Sathu Pradit Road, Chong Nonsi, Yan Nawa, Bangkok 10120	Holding Company	600,000 ordinary shares, 10.00 baht par value	100
Gland Reit Management CO., Ltd 33/4 Rama 9 Road, Huaykwang, Bangkok 10310 Tel : 66 (0) 2 168 1042 Fax : 66 (0) 2 168 1046	REIT manager	1,000,000 ordinary shares, 10.00 baht par value	100
Gland Office Leasehold Real Estate Investment Trust 18 SCB Park Plaza , Floor 7 th – 8 th Chatuchak , Bangkok 10900 Tel : 66 (0) 2 949 1500 Fax : 66 (0) 2 949 1501	Trust	499,768,600 ordinary shares, 9.83 baht par value	15

Other References

Share Registrar

Thailand Securities Depository Company Limited (TSD)

93 The Stock Exchange of Thailand Building

Rachadapisek Road, Dindang, Bangkok 10400

Tel : 66 (0) 2 009 9999

Fax : 66 (0) 2 009 9991

Debenture Registrar

:

Bangkok Bank Public Company Limited

333 Silom Road, Bang Rak District, Bangkok 10500

Tel 66 (0) 2 230 1136

Fax 66 (0) 2 626 4545

Debenture under this debenture registrar consists of

- Debenture of Grand Canal Land Public Company Limited
No.3/2015 Due 2018
- Debenture of Grand Canal Land Public Company Limited
No.4/2015 Due 2017
- Debenture of Grand Canal Land Public Company Limited
No.5/2015 Due 2020
- Debenture of Grand Canal Land Public Company Limited
No.1/2016 Due 2018
- Debenture of Grand Canal Land Public Company Limited
No.1/2017 Due 2020
- Debenture of Grand Canal Land Public Company Limited
No.2/2017 Due 2021
- Debenture of Grand Canal Land Public Company Limited
No.3/2017 Due 2020

Debenture Holders' Representative : **Krungthai Bank Public Company Limited**

Capital Market Department

977/3 SM Tower, Floor 3rd, Phahonyotin Road

Samsen Nai Sub-District, Phaya Thai District, Bangkok 10400

Tel : 66 (0) 2 298 0828

Fax : 66 (0) 2 298 0835

Auditor

EY Office Limited

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

Tel : 66 (0) 2 264 0777 Fax : 66 (0) 2 264 0789-90

Investor Relation

Mr. Jatesiri Boondichareon

Mr. Surakit Thantananont

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



The Ninth Towers Grand Rama 9

Management and Corporate Governance

5. Securities and Shareholder Information

5.1 The number of registered capital and paid-up capital

At present, the Company has registered capital 6,535,484,202 Baht, the issued and paid-up share capital of 5,951,449,051 Baht which consists of 5,951,449,051 common shares, at 1.00 Baht par value.

5.2 Shareholders

List of top 10 shareholders as at 23 January 2018, the latest date the Company closed the registration book:

	Number of Shares	%
1. Charemkrit Group	3,025,209,020	50.83
1.1 Charemkrit Enterprise Co., Ltd. ¹⁾	581,001,523	9.76
1.2 Belle Park Residence Co., Ltd. ²⁾	264,049,716	4.44
1.3 Grand Fortune Co., Ltd. ³⁾	46,171,934	0.78
1.4 Mr. Jatesiri Boondichareern	743,911,727	12.50
1.5 Ms. Romani Boondichareern	695,037,060	11.68
1.6 Mr. Jatamongkol Boondichareern	695,037,060	11.68
2. BBT Group ⁴⁾	1,624,749,606	27.30
2.1 Bangkok Broadcasting & Television Co., Ltd.	1,082,882,838	18.20
2.2 Great Fortune Equity Co., Ltd.	278,352,423	4.68
2.3 BBT Asset Management Co. Ltd.	139,801,203	2.35
2.4 GL Assets Co. Ltd.	114,183,340	1.92
2.5 BBT Satellite Co., Ltd.	9,529,802	0.16
3. KR Group ⁵⁾	293,613,500	4.93
3.1 KR & Associates Co., Ltd	88,003,500	1.48
3.2 K Group Co., Ltd	205,610,000	3.45
4. Kim Eng Securities (Hong Kong) Limited	189,185,819	3.18
5. Mr. Chatri Sophonpanich	182,821,600	3.07
6. Mr. Kiat Srichomkwan	35,965,389	0.60
7. BTS Group	34,194,768	0.57
7.1 BTS Group Holding Pcl. ⁶⁾	15,194,768	0.26
7.2 Mr. Keeree Kanjanapas	19,000,000	0.32
8. Mr. Prakrit Laovisit	26,024,024	0.44
9. Mr. Ruengchai Hongjamrassilp	21,732,292	0.37
10. Thai NVDR Co.,Ltd	21,333,855	0.36
Total	5,454,905,873	91.66

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

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

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

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

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

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

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

/5 Owned by Mr. Krit Ratanarak

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

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

5.3 Issuance of other securities

■ Warrants to purchase the ordinary shares No.3

Warrant	G LAND – W3
Duration (Years)	2 years 343 days
Expire Date	June 30, 2017
Total issued warrants (Units)	368,610,059
Total Allotted warrants (Units)	368,610,059
Offering Date	July 23, 2014
Exercise Ratio (Update)	1 : 1.073
Exercise Price (Baht/share) (Update)	1
Total number of exercised warrants as of Dec31,2017 (Units)	367,921,597
Total number of remaining warrants, ceased by expiration(Units)	688,462

■ Warrants to purchase the ordinary shares No.4

Warrant	G LAND – W4
Duration (Years)	2 years 342 days
Expire Date	June 29, 2018
Total issued warrants (Units)	587,446,396
Total Allotted warrants (Units)	587,446,396
Offering Date	Jul 23, 2015
Exercise Ratio (Update)	1 : 1.004
Exercise Price (Baht/share) (Update)	1
Total number of exercised warrants as of Dec31,2017 (Units)	40,197,574
Total number of non-exercised warrants as of Dec31,2017 (Units)	547,248,822

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

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

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

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

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

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

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

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

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

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

■ Debenture of Grand Canal Land Public Company Limited No.1/2017 Due 2020

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	1,100,000 Units
Subscription Price	1,000 Baht
Value	1,100,000,000 Baht
Offering	Private Placement to Institute Investor and High net worth(II/HNW)
Issue Term	3 years
Issue Date	7 September 2017
Maturity Date	7 September 2020
Interest rate	Fixed coupon rate of 4.80% p.a.
Interest Payment	Semi-annually
Principal Payment	Bullet principal payment at maturity on 7 September 2020

■ Debenture of Grand Canal Land Public Company Limited No.2/2017 Due 2021

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	1,300,000 Units
Subscription Price	1,000 Baht
Value	1,300,000,000 Baht
Offering	Private Placement to Institute Investor and High net worth(II/HNW)
Issue Term	3 years 6 months
Issue Date	9 November 2017
Maturity Date	9 May 2021
Interest rate	Fixed coupon rate of 4.99% p.a.
Interest Payment	Quarterly
Principal Payment	Bullet principal payment at maturity on 9 May 2021

■ Debenture of Grand Canal Land Public Company Limited No.3/2017 Due 2020

Types of Debenture	Name registered certificate , Unsubordinated , Unsecured and without debenture holder's representative Debentures
Amount	200,000 Units
Subscription Price	1,000 Baht
Value	200,000,000 Baht
Offering	Private Placement to not more than 10 investors(PP10)
Issue Term	3 years
Issue Date	9 November 2017
Maturity Date	9 November 2020
Interest rate	Fixed coupon rate of 4.80% p.a.
Interest Payment	Semi- annually
Principal Payment	Bullet principal payment at maturity on 9 November 2020

5.4 Dividend Policy

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

6. Management Structure

6.1 The Board of Directors

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

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

Hunton & Williams (Thailand) Limited is appointed as the Company secretary.

The Authorized Directors

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

6.2 The Executive Committee

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

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

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

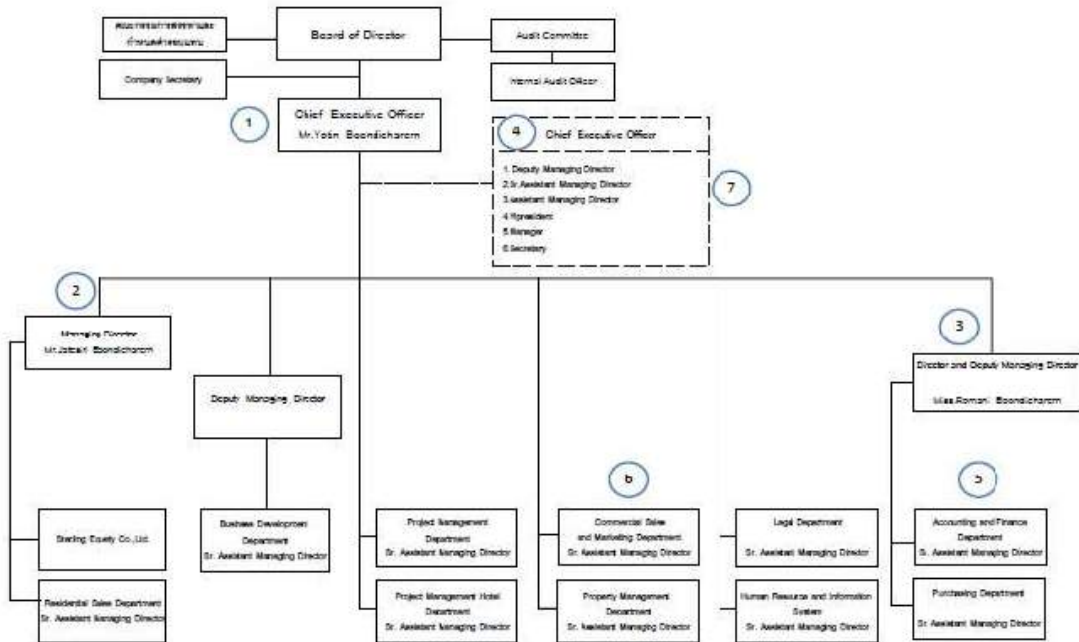
Mr. Sataporn Asawai is appointed as the Executive Committee's Secretary

6.3 Management Team

As of 31 December 2017 the Company has 7 members of the management team as follow ;

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

Company Management Structure as of 31 December 2017



6.4 The Company Secretary

Hunton & Williams (Thailand) Limited is appointed as the Company secretary.

Company name : Hunton & Williams (Thailand) Limited

Company Registration : 0105540068300

Number

Business Type : Law Consultant and Advisory in Management, Commercial and Industrial

Location : 1 Q.House Lumpini Building, Floor 34th, South Sathon Road, Thungmahamek, Sathon, Bangkok 10120

Authorized Share Capital : 20,000,000.00 Baht

Home Page : www.hunton.com

Tel : 66 (0) 2 645 8800

Fax : 66 (0) 2 645 8880

6.5 Remuneration for Directors and Executives

In 2017, the Company paid the remunerations to Directors and Executives as follow:

- (1) Remuneration in form of cash
 - (a) Remuneration for the Company Directors

(Unit : Baht)

Directors	Transportation Allowances for Directors	The meeting Allowances for Directors	Total
Assoc. Prof. Prapanpong Vejjajiva	762,000.00	140,000.00	902,000.00
Mr. Nipon Visityuthasart	762,000.00	212,000.00	974,000.00
Mr. Bunphot Hongtong	684,000.00	180,000.00	864,000.00
Mrs. Jitmanee Suwannapool	684,000.00	132,000.00	816,000.00
Mr. Jarern Jirawisan	534,000.00	84,000.00	618,000.00
Ms. Nopporn Tirawattanagool	534,000.00	84,000.00	618,000.00
Mr. Jatesiri Boondichareon	534,000.00	12,000.00	546,000.00
Ms. Romani Boondichareon	534,000.00	84,000.00	618,000.00
Total	5,028,000.00	928,000.00	5,956,000.00

- (b) Total remuneration for Directors as an Executive and Executives in total 6 persons is:

Salary 20,169,546.00 Baht

- (2) Other remunerations:

- (a) Other remunerations for Directors – None

- (b) Other remuneration for Directors as an Executive and Executives in total 6 persons is:

Provident Fund 570,166.38 Baht

7. Corporate Governance

7.1 Policy of corporate governance

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

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

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

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

1. Rights of Shareholders

The Company recognizes the importance of the rights of shareholders to attend meetings to obtain the Company's information. The Company discloses the financial statements and the annual overview of the Company's operations to shareholders through SET. The Company will distribute invitation notice and documents for the Shareholders' Meeting to shareholders at least 7 days prior to the meeting date, of which include opinion of the Board of Directors in every session. The Company also advertises the invitation notice on its website: www.grandcanalland.com. In addition, the Company will organize the meeting place, date, time of the meeting, and coordinate the advance registration period of 1 hour prior to the beginning of the meeting. During the meeting, the Company facilitates each session, allowing shareholders to express their opinions and ask their questions. On 28 April 2017 the Company held an Annual General Shareholders' Meeting, shareholders and proxies attended representing 4,365,439,345 shares, accounting for 73.8787 percent of the total number of paid-up ordinary shares.

2. Equitable Treatment of Shareholders

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

2.1 Shareholders' meetings

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

Besides the invitation notice and list of documents submitted to shareholder, the Company also provides proxy forms to shareholders unable to attend the meeting. The proxy form is prepared such that shareholders can dominate the direction of the vote and assign proxies to attend the meeting to vote on their behalf. For the meeting in 2017, the Company offered additional alternatives to shareholders by proposing a list of Independent Directors for shareholders to choose as proxies to attend the meeting.

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

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

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

2.2 Measures to curb inside trading

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

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

3. Role of Stakeholders

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

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

4. Disclosure and Transparency

4.1 Disclosure of information

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

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

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

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

4.1.2 Policy and Implementation on Corporate Governance

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

4.1.3 Policy and Compensation given to Directors and Executives

The Nomination and Remuneration Committee proposes directors' remuneration for the shareholders' approval on a yearly basis. Compensation for top executives is proposed by the Nomination and Remuneration Committee to the Board of Directors for approval, depending on the responsibilities and the Company's annual earnings performance. In 2017, remuneration payment to the Board of Directors and the Executives are mentioned under the topic of "Remuneration for Directors and Executives".

4.2 Relationship with Investors

The Company assigns the tasks of information dissemination with both existing shareholders and potential shareholders. Interested investors could contact the Company's Investor Relation Department at 0-2246-2323 for more details. During 2017, the Investor Relation Department together with the Company's top executives, occasionally organized analysts meetings

5. Responsibilities of the Board

5.1 Committee Structures

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

- **Board of Directors** - In 2017, there are 9 members of the Board of Directors, consisting of 3 independent directors. The Board of Directors has limited period ruled by the Company's regulation and is able to be re-appointed after retirement.
- **Audit Committee** - consists of 3 independent directors. Each member is in charge for a period of 3 years, the member may be re-appointed after retirement.
- **Nomination and Remuneration Committee** - consists of 2 independent directors and 1 director. Each member is in charge for a period of 3 years, the member may be re-appointed after retirement.

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

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

5.2 Roles, duties and responsibilities of the Board of Directors

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

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

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

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

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

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

5.3 The Board of Directors' Meeting

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

In 2017, there were a total of 8 meetings and the number of the Board of Directors attended is as follow:

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

Remark Mr.Jatesiri Boondicharem was appointed by the Board of Directors for the assignment abroad in concern of the Design Work with the foreign consulting

As for the Audit Committee's meeting, there is an Audit Committee Charter indicating that the meeting will be held at least 4 times a year. In 2017, there were a total of 7 meetings and the number of Audit Committee attended is as follow:

Name		Number of Meeting Attended /Number of Meeting
1. Mr. Nipon	Wisityuthasart	7 / 7
2. Mr. Banphot	Hongtong	7 / 7
3. Mrs. Jitmanee	Suwannapool	7 / 7

As for the Nomination and Remuneration Committee's meeting, there is a rule from the Committee indicating that the meeting will be held at least 2 times a year or as necessary and appropriately. In 2017, there were 2 meetings and the number of Nomination and Remuneration Committee attended is as follow:

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

For the Executive Committee's meeting, in 2017, there were 14 meetings and the number of Executive Committee attended is as follow:

Name		Number of Meetings Attended/Number of Meeting
1. Mr. Yothin	Boondicharearn	14 / 14
2. Assoc. Prof. Prapanpong	Vejjajiva	14 / 14
3. Mr. Jatesiri	Boondicharearn	6 / 14
4. Ms. Romani	Boondicharearn	13 / 14
5. Mr. Jatamongkol	Boondicharearn	13 / 14

5.4 Remuneration

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

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

5.5 Development of Directors and Executives

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

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

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

Directors and Executive	Topics / Curriculum / Seminars
Assoc. Prof. Prapanpong Vejjajiva Director, Vice Chairman, Nomination and Remuneration Committee	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • The Role of Chairman Program (RCP) • Audit Committee Program (ACP) • The Role of Compensation Committee (RCC)
Mr. Nipon Wisityuthasart Independent Director, Chairman of Audit Committee and Nomination and Remuneration Committee Member	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Corporate Governance for Capital Market Intermediaries Thai Institute of Directors , Securities and Exchange Commission • Certificate for Executive Thammasart Leadership Program (NMT.2) • Certificate for Asian Disaster Preparedness Center (ADPC) • Executive Program for Energy Science No.7 • Executive Program for Metropolitan Development (Mahanakorn 3) Navamindradhiraj University
Mrs. Jitmanee Suwannapool Independent Director and Audit Committee Member	<ul style="list-style-type: none"> • Director Certification Program (DCP)
Mr. Jareem Jirawisan Director	<ul style="list-style-type: none"> • Director Accreditation Program (DAP)
Ms. Noppom Tirawattanagool Director	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Role of the Compensation Committee (RCC) • Audit Committee Program (ACP) • Director Certification Program (DCP) • Financial Institutions Governance Program (FGP) • Anti-Corruption for Executive Program (ACEP) • Risk Management Program for Corporate Leaders (RCL) • National Director Conference 2017 "Steering Governance in a Changing World" • Strategic IT Governance (for non-IT)

Directors and Executive	Topics / Curriculum / Seminars
Ms. Romani Boondichareern Director, Deputy Managing Director of Accounting and Finance Group	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Director Certification Program (DCP) • Executive Development Program (EDP) • Young Entrepreneur Program (YEP) • Executive Program for Metropolitan Development (Mahanakorn 3) Navamindradhiraj University • Deference 2014 : How to Harness Business Creative (ABC)
Mr. Jatamongkol Boondichareern Senior Assistant Managing Director CEO Office	<ul style="list-style-type: none"> • Director Certification Program (DCP) • Advanced Audit Committee Program (AACP) • Re-energizing Growth through Better Governance 2015
Mr. Surakit Thantananont Senior Assistant Managing Director of Finance and Accounting Department	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Director Certification Program (DCP)
Mr. Sataporn Asawai Senior Assistant Managing Director CEO Office	<ul style="list-style-type: none"> • Director Certification Program (DCP)

7.2 Sub-committee

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

The Board of Directors

The Board of Directors (qualified under Section 68 of the Companies Act 2535 and announcement according by the Office of Securities and Exchange Commission) comprise of 9 members, 3 of whom are independent directors and appointed as Audit Committee members by the Board of Directors. A list of the Board of Directors and the Authorized Directors (- "Management Structure - 6.1 The Board of Directors" (page 67)

The Roles and Duties of the Board of Directors

1. To perform with honest and careful, under the law, objectives, and rules of the Company and the legally resolution of the Shareholders, expect those matters which priory granted approval from the shareholders' meeting as well as regulations of the Stock Exchange of Thailand (SET) and / or other related matters, e.g., connected transaction, acquisition and disposal of major assets.
2. To have authorities to designate directors and/or top executives as a management team to operate one and/or multi duties delegated from Board of Directors. Moreover, their authorities include the designation for Chief Executive Offer who is authorized to appoint Managing Director and any management committees such as audit committees and nomination and remuneration committees as appropriated. Furthermore, their authorities can be appointed and delegated to any persons to

perform on behalf of Board of Directors with control by Board of Directors to cancel, revoke, amend and charge any authorities and roles as appropriated.

3. To appoint and replace the Director who is authorized to sign Company documents.
4. To order sub-committees to monitor and control the Company's management and internal control as regulated by the Company's policies.
5. To determine the Company's policies, methods, strategies and budget, as well as, to conduct the management and other authorized persons' work to comply with the Company's policies.
6. To consider, reconsider, investigate and approve the Company's policies, directions, strategies and plans for operations as proposed by the Management.
7. To follow up the Company's operation to continually comply with the strategies and budget.
8. To consider and approve investments, diversify, and thoroughly join investment with other companies.
9. To consider and approve other matters for the Company's benefits and interest.
10. To regulate and oversee conflict of interests between the Company and interested persons.
11. To consider and approve borrowing, pledge, mortgage, guaranty and financial transaction with financial institution, shareholders or related persons with approval credit line.
12. To consider and approve to pay the shareholders such interim dividends as appeared to the directors to be justified by the profits of the company and report such interim dividends to the next shareholders' meeting.

Audit Committee

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

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

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

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

Mr. Sakol Pao-in is appointed as the Audit Committee's Secretary, in a position till 28 February 2017.

Duties and Responsibilities of Audit Committee

- 1 Carry out auditing to verify that the quarterly and annually financial reports correctly follow the accounting standard and are sufficiently disclosed to co-operate between the Company management and the auditor. The Audit committee has duties to highlight financial statement, accounting practice, continuing of firm, the major change of accounting standards, and indicating reasons of change to Management before presentation and publication to the shareholders and investors.
- 2 Develop internal control guidelines and carry out internal auditing to ensure that the Company has appropriate and effective internal control and auditing in cooperation with both external and internal auditors. Review the internal control year plan (Audit Plan) and evaluate the result with auditors and internal controller on the problem and constrain of the financial statement, including computer security systems to prevent the corruption and un-lawful activities of employees.
- 3 To review the Company and its subsidiaries to ensure that their operations are in accordance with the security laws and the Stock Exchange of Thailand's ("SET") legal requirements, the SET rules and regulations, as well as other laws that may be related to the Company's business.
- 4 Consider the selection and proposals to appoint an independent person as an auditor of the Company and consider the auditors' remuneration by highlighting on the trustiness, resourceful, and workload of that audit firm with the auditor's experience. The Audit committee needs to set up meetings with the auditor by having no management team's involvement at least once a year.
- 5 Consider the completeness and correctness of the disclosure of Company information regarding the transactions, transactions with conflicts of interest and the acquiring/disposal of asset. Also to approve the transaction and reporting to the Board of Director and/or shareholder's meeting in accordance to related rule and regulation.
- 6 Consider the independency of the internal control division or related division; appoint, transfer, and termination of the contract.
- 7 Carry legally audit committee report to be disclosed in the Company's annual report which shall consist of complete information and be signed by Chairman of audit committees.
- 8 To take care of any other matters assigned by the Board of Directors approved by audit committee.

Nomination and Remuneration Committee

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

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

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

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

Duties and Responsibilities of the Nomination and Remuneration Committee

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

The Executive Committee

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

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

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

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

Duties and Responsibilities of the Executive Committee

1. To be responsible for the management of the Company's relating to the business operation under the policy of the Board of Directors and under the scope of laws, conditions, regulations, the Company's memorandum of association and articles of association;
2. To determine the Company's business policies and business strategies including determine the administrative structure and administrative authorities of the Company presented to the Board of Directors;
3. To control and ensure its efficiency of, the Company's business operation to be in accordance with the annual business policies, operating plans, business strategies and budgets approved by the Board of Directors;
4. To consider and approve the project operation of the Company and its subsidiaries, including:
 - 4.1 to consider and approve the entering into any transactions in a day-to-day business operation of the Company subject to the budget approved by the Board of Directors;
 - 4.2 to consider and approve the investment and divestment in the business both in relation to and not in relation to the core business of the Company subject to the scope of policies approved by the Board of Directors;
 - 4.3 to consider and approve the amendment and increase of the annual budget in the amount not exceeding 10 (ten) percent of the annual budget, in an urgent case which has a significant impact to business operation of the Company, and to propose such issues to the Board of Directors for acknowledgement during the next Board of Directors' meeting;
 - 4.4 to consider and approve borrowing, applying for loan, or loan payment with financial institutions; and
 - 4.5 to consider and approve the distribution of the Company's assets;
5. to manage the overall risk of the organization, evaluate risks, determine the structure of risk control management, monitor and control risks and factors which may cause a significant impact to the Company, and report the issues, as such, to the Board of Directors;
6. to evaluate the Company's operation in the aspects of asset and financial management, so that the Company's operation will be efficient and effective;
7. to perform other duties as assigned by the Board of Directors, and may appoint or assign any person or persons to perform any acts in place of the Executive Committee, as it deems appropriate, provided that the Executive Committee shall be able to revoke, revise, or amend such authorities, as it deems appropriate to the situation.

Duties and Responsibilities of the Chief Executive Officer

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

7.3 Nominations and Appointment of Directors and Executive Officers

(1) Independent Directors

The independent directors have the following qualifications:

1. Not holding shares in their own names or on behalf of the related persons in the amount exceeding 0.5 percent of voting shares in the Company, its subsidiaries or affiliated companies.
2. Not participating in the management, not being employees or consultants who receive regular salary or any other benefit from the Company, its subsidiaries or affiliated companies, not having a

control over the Company, its subsidiaries or affiliated companies, not having a conflict of interest with the said entities, including not having a relationship with persons who provide professional services to the Company, its subsidiaries or affiliated companies. If a nominated person has been in any above mentioned positions, such person must have vacated such positions for at least one year.

3. Not having a business relationship, benefit or interest, neither direct nor indirect, both in terms of finance and management of the Company, its subsidiaries or affiliated companies or persons who may have conflict of interest, in a way that can lead to the lack of independence.

4. Not being relatives of executives or major shareholders of the Company, its subsidiaries or affiliated companies or persons who may have conflict of interest and not being nominated as representatives to ensure the benefit of directors or major shareholders.

(2) Recruitment of Directors and Executive Officers

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

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

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

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

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

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

7.4 Governance over Operations of Subsidiaries and Affiliated Companies

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

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

7.5 Monitoring the Handling of Information

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

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

7.6 The Accuracy of Auditor's Remuneration Details

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2017

(Audit Fee)

NO.	Company's Name	Auditor's Name	Audit fee (Baht)
1	Grand Canal Land Plc.	Mr. Narong Puntawong	1,685,000.-
2	Belle Development Co., Ltd.	Mr. Natthawut Santipet	970,000.-
3	Praram 9 Square Co., Ltd.	Mr. Natthawut Santipet	675,000.-
4	Praram 9 Square Hotel Co., Ltd.	Mr. Natthawut Santipet	70,000.-
5	Sterling Equity Co., Ltd.	Mr. Natthawut Santipet	400,000.-
6	Belle Assets Co., Ltd.	Mr. Natthawut Santipet	230,000.-
7	G Land Property Management Co., Ltd.	Mr. Natthawut Santipet	300,000.-
8	Ratchada Asset Holding Co., Ltd.	Mr. Natthawut Santipet	150,000.-
9	Gland Reit Management Co., Ltd.	Mr. Natthawut Santipet	300,000.-
Total audit fee			4,185,000.-

Non-Audit Fee

- None -

Remuneration of auditor

The Company and its subsidiaries paid the remuneration for auditing to the audit firm, in which the auditor was employed, in the years of 2017 and 2016, in the amount of Baht 4,780,000 and Baht 4,185,000 respectively

8. 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. In 2017, the Company arranged the workshop on Effective Communication by Dr. Manachai Inkaew so that the employees could improve their communication skills in the multi-cultural communication.



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 and Environmental Activities (After process)

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

- 1) Religious - Holding the merit events to offer food to the monks in various occasions, for example, New Year Festival, Song Kran Festival and other religious days, etc.
- 2) Traditional and Cultural - Organizing the traditional events such as Song Kran festival, etc.
- 3) Public Contributions – for example "GLAND Together, Save the Environment" project which allows the Company's executives and employees to work together on protecting the natural resources and environment and contribute back to the community and residences.



Photos of "GLAND Together, Save the Environment" Project

9. Internal Controls and Risk Management

During the Company's Board of Directors' Meeting No. 2/2017 held on 16 March 2018, three members of the Audit Committee also participated in this meeting. The Board reviewed and assessed the adequacy and competency of the Company's internal control system in the five following aspects;

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

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

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

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

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

The review of the internal control as abovementioned, the Internal Audit Unit reported to the Audit Committee and was considered in the Audit Committee Meeting no.1/2018 on 27 February 2018 and the Audit Committee views that the Company adequately and effectively follows the prescribed guidance and assessment criteria set by SEC. In addition, it also concludes that the Company has adequate internal controls that govern transactions with its major shareholders, directors, executives, and their related parties, without further comments from the Audit Committee.

The Company's auditor, EY Office Limited, who audited the Company's 2017 financial statement also expressed opinion that there is no material imperfection in the Company's internal control system as reported on 31 December 2017.

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

Educational Background / Experience / Training of Mr.Pravit WongKanit

Degree / Certificate

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

Experience

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

Training

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

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

10. Related Transactions

Policy or Tendency to Engage in Related Transactions

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

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

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

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

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

Company	Relationship
- BBTV Equity Co., Ltd.	Co – directors / Co - shareholders
- Bangkok Broadcasting & Television Co., Ltd.	Co – directors / Co - shareholders
- Brequet Thai Co., Ltd.	Co – directors / Co - shareholders
- Charemkrit Enterprise Co., Ltd.	Co – directors / Co - shareholders
- Dhipaya Life Assurance Pcl.	Co – directors
- C.K.S Holding Co., Ltd. and Super Asset Co., Ltd.	Co – directors / Co - shareholders
- Italian - Thai Development Pcl.	Co – shareholders in subsidiary company
- BBTV Asset Management Co., Ltd.	Co – directors
- GL Assets Co., Ltd.	Co – directors
- Great Fortune Equity Co., Ltd.	Co - directors / Co-shareholders' related Company
- Grand Fortune Co., Ltd.	Co – directors / Co - shareholders
- K Group Co., Ltd.	Shareholders
- Tun Rungrueng Co., Ltd.	Co – directors
- Belle Park Residence Co., Ltd.	Co – directors / Co - shareholders
- Ms. Romani Boondicharem	Director of the Company and Director of subsidiary company
- Mr. Krit Ratanarak	Director of Shareholders
- Assoc. Prof. Prapanpong Vejajiva	Director of the Company
Subsidiary which its shares held by Praram 9 Square Ltd.	
- Praram 9 Square Hotel Co., Ltd.	Co - directors / Co – shareholders
Associated Company	
- Gland Office Leasehold Real Estate Investment Trust	Real Estate Investment Trust held 15% of unit trusts by the Company / the Property Manager in the Office Area of the Ninth Towers
Joint Venture which its shares held by Ratchada Asset Holding Co., Ltd.	
- Bayswater Co., Ltd.	Shareholder
Subsidiary's director by Belle Development Co.,Ltd	
- Mr. Pak To Leung	Director / Shareholder



The Shoppes At Belle Grand Rama 9

Financial Status and Operational Results

11. Summary of Important Financial Information

Financial Ratios

Grand Canal Land Public Limited Company and its subsidiaries

<u>(Liquidity Ratio)</u>	Units	2017	2016	2015
Liquidity Ratio	times	0.62	0.27	0.63
Quick Ratio	times	0.19	0.09	0.19
Receivable Turnover	times	22.69	16.69	13.63
Average Collection Period	day	15.86	21.57	26.41
Payable Turnover	times	1.15	0.79	1.64
Payment Period	day	313.23	159.34	219.24

<u>(Profitability Ratio)</u>	Units	2017	2016	2015
Gross Profit	%	62.43	58.56	52.21
Net Profit	%	39.39	34.22	37.14
Return on Equity : ROE	%	9.69	10.82	17.66

<u>(Efficiency Ratio)</u>	Units	2017	2016	2015
Return on Asset : ROA	%	4.06	4.84	8.69
Return on Fixed Asset	%	5.54	6.78	12.26
Total Asset Turnover Ratio	times	0.10	0.14	0.23

<u>(Financial Policy Ratio)</u>	Units	2017	2016	2015
Debt to Equity Ratio	times	1.44	1.33	1.14
Interest Bearing Debts to Equity Ratio	times	0.70	1.06	0.91

Data per share and growth rate

Data per Share	Units	2017	2016	2015
Book value per share	Baht	1.88	1.81	1.82
Earning per share	Baht	0.180	0.189	0.304
Dividend per share (Baht)	Baht	(Waiting for approval)*	0.10	0.25

Growth Rate	Units	2017	2016	2015
Total Assets	%	10.07	7.52	24.27
Total Liabilities	%	13.81	15.25	37.43
Revenues	%	(44.11)	(32.84)	(9.98)
Operating Expense	%	(11.00)	(6.03)	(18.31)
Net Profit	%	(8.79)	(35.66)	(1.45)

12. Analysis of Operational Results and Financial Status

12.1 Overview

(a) Operating Results

In 2017, the Company and its subsidiaries obtained net profit of Baht 1,069.89 million, decreased from the previous year by Baht 42.32 million, as the Company considered that lately the sales projects may be over supplied, therefore, the Company shifted the focus to lease projects which are the projects with recurring revenues and stable growth.

In 2017, the Company continuously received higher revenues from rental and service fees, with the revenues from rental and service fees of Baht 1,126.91 million, increased by Baht 161.68 million from the previous year due to the rent of all leasable areas in the office building i.e. G Tower - the third office building among the buildings which the Company has started renting for the three consecutive years after the Company rented the 9th Tower and Unilever House.

In addition, in 2017, the Company still had the profits from the fair value adjustment of Baht 1,114.67 million, increased by Baht 414.08 from 2016 which had the profits from the fair value adjustment of Baht 700.59 million. The revenues from the sale of condominium units in 2017 was Baht 1,332.49 million lower than the previous year which was caused by the decrease in the sale of condominium units.

(b) Industrial Situation Affecting Operating Results

Due to the fact that there is relatively limited supply of the office building areas in the central business district of Bangkok, together with the fact that the rental rate and the price of real estates are relatively high compared with the outer areas in proximity to the central business district, it is obvious to see constructions of the office buildings in such outer areas on an upward trend. Rama 9 and Ratchadapisek are areas with potential as the location allows convenient access to the areas around the central business district and inner areas within the central business district through public transportation such as the Mass Rapid Transit (MRT) with only two stations from Asoke which is connected to the Bangkok Mass Transit System (BTS). Furthermore, Rama 9 and Ratchadapisek are areas with high growth in terms of construction of residential projects, shopping malls, offices, and hotels that will bring in more Thais and foreigners to reside, live or conduct businesses in such areas.

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

(c) Auditors' Notes

With reference to the fact that Bayswater Co., Ltd. (associated company), was a winning bidder and entitled to buy the lands of bankrupt debtors through the sale by auction, the bankrupt debtors submitted a petition to the competent court to order a revocation on such sale of lands by auction. The Central Bankruptcy Court has already ordered to dismiss such petition of the bankrupt

debtors and the case is now in consideration of the Supreme Court with prediction that the case outcomes would not cause any material damages.

12.2 Operating Results and Profitability

(a) revenue structure

	2017		2016		increase/(decrease)	
	Baht million	%	Baht million	%	Baht million	%
Revenues from rental and service fees	1,126.91	39.47%	965.23	26.79%	161.68	16.75%
Revenues from the sale of condominium units	356.51	12.49%	1,689.00	46.87%	(1,332.49)	(78.89%)
Profits from the fair value adjustment	1,114.67	39.04%	700.59	19.44%	414.08	59.10%
Other revenues	257.27	9.01%	248.77	6.90%	8.50	3.42%
Total Revenues	2,855.36	100.00%	3,603.59	100.00%	(748.23)	(20.76%)

Revenues from rental and service fees

In 2017, the Company received revenues from rental and service fees, totaling Baht 1,126.91 million, increased by 16.75 percent from revenues of Baht 965.23 million in 2016. Such increased revenues came from the rent of office areas in the G Tower from the third quarter of 2016 and the increase in revenues from such rent in 2017.

Revenues from the sale of condominium units

In 2017, the Company received revenues from the transfer of condominium units, totaling Baht 356.51 million. Compared with the year 2016, the Company suffered a decrease in revenues from Baht 1,689.00 million by 78.89 percent.

Profits from the fair value adjustment

In 2017, the Company still earned profits from the fair value adjustment of Baht 1,114.67 million, increased by 59.10 percent compared to profits of Baht 700.59 million in 2016.

Other revenues

In 2017, the Company received other revenues of Baht 257.27 million, which is close to that of 2016, most of which are from the interest incomes resulting from the fact that the Company provided the loan to Bayswater Co., Ltd. for the purpose of purchasing lands for development.

(b) Gross Profit

In 2017, the Company earned gross profit of Baht 926.13 million, equivalent to gross profit margin of 62.43 percent, increased from the previous year gross profit margin of 58.56 percent, resulting from leasable office areas in the G Tower were fully open. This causes an increase in gross profit margin from 60.87 percent in 2016 to 64.54 percent in 2017.

(c) Expenses

In 2017, the Company had selling expenses of Baht 57.24 million, decreased by Baht 81.83 million compared to 2016 due to a decrease in transfer of condominium units. The administrative expenses were Baht 269.05 million, increased by Baht 24.58 million as the Company established the GLAND Office Leasehold Real Estate Investment Trust and GLAND REIT Management Company Limited (GLAND RM) was appointed as a REIT Manager which resulted in the increase in expenses for the establishment of the Trust and the administrative expenses of GLAND RM.

(d) Net profit

In 2017, the Company earned net profit (shareholder's equity) of Baht 1,069.89 million, lower than net profit of Baht 1,112.21 million in 2016.

(e) Change in Financial Status

1) Assets In 2017, the Company and its subsidiaries had current assets of Baht 2,319.52 million, higher than those of Baht 2,051.21 million in the previous year, resulting from the lease of the office buildings i.e. the 9th Towers and the Unilever House for the period of 30 years, and 17 years and 7 months, respectively which caused the other current assets (withholding tax from lease) to increase by Baht 330.92 million.

The non-current assets in 2017 were Baht 26,736.91 million, increased by Baht 2,390.25 million from the previous year. Main causes of the increase came from:

- investing in investment properties (office buildings and retail spaces) Baht 273.39 million
- fair value appraisal causing an increase in non-current assets Baht 1,114.67 million; and
- investing in GLANDRT Baht 735.96 million.

2) Liabilities The Company suffered current liabilities of Baht 17,157.21 million, increased by Baht 2,081.39 million from the previous year, mostly resulting from the lease of the office buildings i.e. the 9th Towers and the Unilever House to GLANDRT which caused:

- the increase in deferred rent and service fees (accounting liabilities) Baht 5,624.48 million
- the decrease in Bill of Exchange (B/E) Baht (1,847.69) million; and
- the decrease in loans from banks Baht (1,972.00) million

3) Shareholder's equity In 2017, the Company had shareholders' equity (only equity attribute to owners of the Company) of Baht 11,199.91 million, increased by Baht 522.31 million from the previous year. Main causes of the increase came from:

- capital increase from the exercised warrants Baht 42.52 million
- dividend payment Baht (590.89) million; and
- net profit during the period Baht 1,069.89 million

4) Summary

In 2017, the Company entered into the long-term lease agreement for the office buildings i.e. the 9th Towers and the Unilever House by leasing them to GLANDRT which caused the liabilities of the Company to decrease, both in terms of loans from banks and Bill of Exchange (B/E) leading to less interest expenses. In this regard, the Company had net profit of Baht 1,069.89 million.

According to the financial statements, the increase of Company's liabilities of 5,624.48 million from the increase in the deferred rental and service fees, caused an increase in the Debt to Equity Ratio from 1.33 times to 1.44 times. Nevertheless, the Company has no liability to make the repayment. Therefore, in case such liabilities were not considered in the financial statements, the Debt to Equity Ratio would reduce to only 0.97 times. In addition, the Interest Bearing Debts to Equity Ratio decreased from 1.06 times 0.70 times.

12.3 Capability of Asset Management

The Company's inventories or project development cost as of the end of the year 2016, totaling Baht 1,118.49 Baht (lower than those of Baht 1,197.01 million in the previous year), consist of:

- lands and construction under development Baht 777.13 million; and
- lands and construction already developed Baht 341.36 million.

The lands and construction already developed are mainly condominium units in the Grand Rama 9 Project; the selling price of which is approximately Baht 130,000 per square meter. Over the past years, the condominium units in the Grand Rama 9 Project have been sold at the increasingly high price on a continuous basis. This indicates the high demand of consumers, which consider that such project is still in good condition and there is market demand for the project.

12.4 Liquidity and Capital Adequacy

(units : Baht million)

Cash Flow Statement	2017	2016
Net cash flows from (used in) operating activities	5,343.69	1,400.84
Net cash flows from (used in) investing activities	(946.28)	(1,978.47)
Net cash flows from (used in) financing activities	(4,275.72)	239.71
Cash and cash equivalents as of 31 December	493.76	372.07

In 2017 and 2016, the Company's cash and cash equivalent at the end of the year were Baht 493.76 million and Baht 372.07 million, respectively.

- Net cash flows from operating activities

In 2017, the Company's net cash flows from operating activities were Baht 5,343.69 million, mostly from the deferred rental received from the long-term lease of the office buildings i.e. the 9th Towers and the Unilever House to GLANDRT, including the sales of condominium units and, rental and service fees of G Tower office buildings.

In 2016, the net cash flows from operating activities were Baht 1,400.84 million from the sales of condominium units and, rental and service fees of office buildings.

- Net cash flows used in investing activities

- In 2017, the Company's net cash used in investing activities was Baht 946.28 million. Most of which was used as investment in GLANDRT at the amount of Baht 749.65 million and as investments in constructions of office buildings and retail spaces.

- In 2016, the Company's net cash used in investing activities was Baht 1,978.47 million. Most of which was used as investments in constructions of office buildings and retail spaces at the amount of Baht 2,001.29 million.

- Net cash flows used in financing activities

- In 2017, the Company's net cash used in financing activities was Baht 4,275.72 million. Most of which was used to make the repayment of loans from banks of Baht 1,972 million, repayment of Bill of Exchange (B/E) of Baht 1,847 million and dividend payment of Baht 590 million.

- In 2016, the Company's net cash from financing activities of Baht 239.71 million came from the issuance of debentures, the bills of exchange, and the loans obtained from financial institutions as well as the dividend payment.

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

12.5 Contingent Liabilities and Off-Balance Sheet Arrangements

The contingent liabilities and off-balance sheet arrangements have been shown in the item no. 35 of notes to the financial statements for the year 2017, which has been verified by the auditor.

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

The Company and its subsidiaries have leased the office areas, meeting rooms, parking areas, and project systems of the 9th Towers Grand Rama 9 Project and the Unilever House Grand Rama 9 Project for the period of 30 years, and 17 years and 7 months, respectively to "GLAND Office Leasehold Real Estate Investment Trust" in April 2017 which caused the revenues from such projects to be decreased.

Nevertheless, the Company still has the G Tower office building, a Grade-A office building, which is now fully rented. In addition, the Company also has the projects for sale located in good locations. All 3 projects are located adjacent to the BTS lines i.e. Don Mueang plot with land area of more than 100 Rai, local road plot with land area of 35 Rai are adjacent to BTS Red Line and the land plot adjacent to Phahonyothin Road and Vibhavadi Rangsit Road with the land area of 49 Rai are close to the intersection between BTS Yellow Line and Green Line, all of which awaiting development. In addition, in 2018, there will be change in city plan causing an increase in FAR which the Company's projects for sale will receive more benefit from such change.



Audit Committee Report

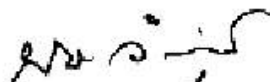
To Shareholders of Grand Canal Land Public Company Limited

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

In 2017, the Audit Committee held total of 7 meetings, 3 Audit Committees members attended 7 meeting, together with internal auditor and auditor joined in related matters. Therefore, there was one special agenda with auditor without the Company's managements attended the meeting. The Audit Committee regularly reported to the Board of Directors which can be summarized as follow:

1. Reviewed the quarterly and annual financial statements and notes to the financial statements of the Company to accurately and completely in accordance with the accounting standards.
2. Reviewed and approved annual internal audit plan and, thus, monitored internal audit results and improvement of the Management in according to the Internal Auditor and Auditor's recommendations in order to achieve targeted plan.
3. Reviewed the Company to follow rules, regulation and laws related to listed company. The Audit Committee considered that there was no important issue regarding to this matter.
4. Considered and recommended Mr. Narong Puntawong CPA License # 3315 or Ms. Siraporn Ouannunkun CPA License # 3844 or Mr. Supachai Phanyawattano CPA License # 3930 of EY Office Limited (Formerly known as Ernst & Young Office Limited) to be the Company's auditor in 2017 including the appropriated audit fee which had been approved in the Annual General Meeting of Shareholders.
5. Reviewed the connected transactions or conflict-of-interest transactions to operate reasonably in accordance with normal business practice and complied with related rules, regulations and laws, and also disclosed accurate, sufficient and transparent information.
6. Considered, selected and approved Chutikarn Audit Co.,Ltd., by Mr. Pravit Vongkanit, Director as Team Leader, to be the Company's Internal Auditor in 2017 and proposed pros and cons between hiring outsource and in-house to be Internal Auditor to the Board of Directors.
7. Reviewed and monitored the adequacy, sufficiency and appropriation of the internal control system.

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



(Mr.Nipon Visityuthasart)

Chairman of Audit Committee

27 February 2018



Grand Canal Donmuang

Responsibility of the Board of Directors for Financial Reporting

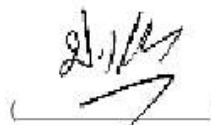
The Board of Directors is responsible for the Company's financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with generally accepted accounting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

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



(Mr. Yotin Boondichareon)

Authorized Director



(Assoc. Prof. Prapanpong Vejajiva)

Authorized Director

The Accuracy of Auditor's Remuneration Details

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2017

(Audit Fee)

NO.	Company's Name	Auditor's Name	Audit fee (Baht)
1	Grand Canal Land Plc.	Mr. Narong Puntawong	1,685,000.-
2	Belle Development Co., Ltd.	Mr. Natthawut Santipet	970,000.-
3	Praram 9 Square Co., Ltd.	Mr. Natthawut Santipet	675,000.-
4	Praram 9 Square Hotel Co., Ltd.	Mr. Natthawut Santipet	70,000.-
5	Sterling Equity Co., Ltd.	Mr. Natthawut Santipet	400,000.-
6	Belle Assets Co., Ltd.	Mr. Natthawut Santipet	230,000.-
7	G Land Property Management Co., Ltd.	Mr. Natthawut Santipet	300,000.-
8	Ratchada Asset Holding Co., Ltd.	Mr. Natthawut Santipet	150,000.-
9	Gland Reit Management Co., Ltd.	Mr. Natthawut Santipet	300,000.-
Total audit fee			4,185,000.-

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 2017 and 2016, in the amount of Baht 4,780,000 and Baht 4,185,000 respectively.

Non-Audit Fee

- None -

The foregoing information

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

☐ is not complete and not accurate in respect of

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




(Mr. Narong Puntawong) (Mr. Natthawut Santipet)

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Auditor of Grand Canal Land Public Co., Ltd.



The Shoppes At Belle Grand Rama 9

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Grand Canal Land Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Grand Canal Land Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Grand Canal Land Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Canal Land Public Company Limited and its subsidiaries and of Grand Canal Land Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 35.5 a) to the financial statements regarding the litigation in which a debtor under a bankruptcy case filed a petition requesting the court to revoke the auction of the land which the joint venture had purchased through that auction. My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

The valuation of investment properties

As mentioned in Note 5 and 16 to the financial statements, the Group presented investment properties at the fair value estimated by independent appraisers, and recognised changes in the fair value in profit or loss. As at 31 December 2017, the Company presented investment properties amounting to Baht 20,901 million and Baht 10,027 million in the consolidated statement of financial position and the separate statement of financial position, respectively. In addition, in 2017 the Company recognised gain from changes in the fair value of investment properties amounting to Baht 1,115 million and Baht 765 million in the consolidated statements of comprehensive income and the separate statement of comprehensive income, respectively. The fair value assessments mentioned above are transactions which were calculated under the assumptions and judgment of both the management and the independent appraisers, and significantly affected the financial statements overall.

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

Compliance with covenants stipulated in loan and debenture agreements

As at 31 December 2017, the consolidated statement of financial position and the separate statement of financial position presented long-term loans and debentures as part of non-current liabilities totaling Baht 6,491 million and Baht 2,693 million, respectively. In classifying the current portion of long-term loans and debentures and the portion presented as non-current liabilities, the management needed to exercise judgment in evaluating whether the Group could comply with the covenants and conditions stipulated in loan agreements and the conditions regarding the rights and obligations of the debenture issuer, and to classify long-term loans and debentures as current liabilities and non-current liabilities in accordance with the terms and covenants stipulated in the loan agreements, as well as the conditions regarding the rights and obligations of the debenture issuer, as mentioned in Note 22 and 23 to the financial statements.

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

Recognition of revenue from rental and services

In 2017, the Group recognised revenue from rental and services amounting to Baht 1,127 million and Baht 486 million in the consolidated statement of comprehensive income and the separate statement of comprehensive income, respectively. As these transactions were significant, I focused my audit on the completeness and the correctness of revenue recognition in accordance with the Group's policy, as stated in Note 4.1 to the financial statements.

On a sampling basis, I selected revenue transactions to examine the rental and service agreements, documents supporting rental and service transactions and documentation of the transfer of areas, in order to assess whether revenue recognition complied with the terms stipulated in the rental and service agreements and was in accordance with the revenue recognition policy of the Group. I also reviewed for possible irregularities in rental and service transactions throughout the accounting period, particularly accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

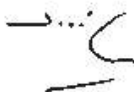
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Narong Puntawong
Certified Public Accountant (Thailand) No. 3315

EY Office Limited
Bangkok: 27 February 2018





Grand Canal Land Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016	
Assets					
Current assets					
Cash and cash equivalents	7	493,764,089	372,072,916	146,724,039	104,230,583
Current investments	8	-	40,540,280	-	40,540,280
Trade and other receivables	6, 9	233,079,784	288,301,973	187,623,971	167,711,544
Short-term loans to related parties	6	-	-	1,232,000,000	2,998,000,000
Project development costs	10	1,118,490,020	1,197,011,394	623,562,702	621,255,547
Advance payment to contractors	6	43,104,016	53,119,162	1,972,749	4,599,379
Other current assets		431,077,545	100,160,968	256,166,298	7,281,089
Total current assets		2,319,515,454	2,051,206,693	2,448,049,759	3,943,618,422
Non-current assets					
Restricted bank deposits	11	11,222,888	91,290,789	1,020,910	1,020,910
Long-term loan to related parties	6	4,305,868,839	4,106,424,108	4,451,000,000	4,171,000,000
Investments in subsidiaries	12	-	-	6,017,374,495	4,717,374,495
Investment in associate	13	735,956,758	-	736,908,899	-
Investment in joint venture	14	-	-	-	-
Other long-term investments	15	104,520,000	104,520,000	-	-
Investment properties	16	20,901,348,040	19,354,999,478	10,027,334,130	9,236,276,276
Property, plant and equipment	17	501,825,915	479,241,159	45,104,441	47,652,087
Land leasehold right from related parties	18	114,547,713	123,190,483	-	-
Deferred tax assets	29	39,032,610	45,827,127	-	-
Intangible assets	19	1,187,089	2,267,720	729,397	1,671,996
Other non-current assets	6	21,404,849	38,900,810	10,661,026	5,438,487
Total non-current assets		26,736,914,701	24,346,661,674	21,290,133,298	18,180,434,251
Total assets		29,056,430,155	26,397,868,367	23,738,183,057	22,124,052,673

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Bill of exchange		-	1,847,692,863	-	1,847,692,863
Trade and other payables	6, 21	1,350,982,574	1,361,550,280	415,054,711	375,601,830
Retention payable	6	233,711,034	267,678,900	4,261,562	37,056,498
Short-term loans from related parties	6	-	-	2,700,000,000	1,300,000,000
Current portion of long-term loans					
from financial institutions	22	442,910,877	565,000,000	-	355,000,000
Current portion of debentures	23	1,299,458,655	2,497,730,128	1,299,458,655	2,497,730,128
Current portion of advance rental income	6	223,645,274	-	148,707,017	-
Deposits and advance received					
from customers		27,544,577	4,485,831	-	-
Corporate income tax payable		17,148,663	59,532,715	-	-
Other current liabilities		44,139,928	32,575,358	26,876,708	13,346,741
Total current liabilities		3,739,541,582	7,636,246,075	4,694,358,653	7,426,428,060
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	22	3,798,655,398	4,748,482,200	-	1,399,155,900
Debentures - net of current portion	23	2,692,681,323	1,397,444,482	2,692,681,323	1,397,444,482
Provision for long-term employee benefits	24	15,553,968	11,957,125	14,144,723	10,446,640
Deferred tax liabilities	29	995,635,946	727,905,978	740,631,532	572,511,324
Advance rental and service income	6	5,690,025,990	293,863,287	4,420,313,513	215,491,201
Other non-current liabilities					
Rental and service retention	6	223,024,586	257,396,826	15,129,242	111,447,147
Others		2,090,000	2,528,692	2,090,000	2,528,692
Total non-current liabilities		13,417,667,211	7,439,578,590	7,884,990,333	3,709,025,386
Total liabilities		17,157,208,793	15,075,824,665	12,579,348,986	11,135,453,446

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Shareholders' equity					
Share capital					
Registered					
	6,535,484,202 ordinary shares of Baht 1 each	<u>6,535,484,202</u>	<u>6,535,484,202</u>	<u>6,535,484,202</u>	<u>6,535,484,202</u>
Issued and fully paid					
	5,951,449,051 ordinary shares of Baht 1 each				
	(2016: 5,908,928,627 ordinary shares				
	of Baht 1 each)	25	5,951,449,051	5,908,928,627	5,951,449,051
					5,908,928,627
	Share premium	25	1,532,320,430	1,532,320,430	1,532,320,430
Adjustment to present assets purchased					
	under common control at book value	25	(423,185,000)	(423,185,000)	-
Adjustment of equity interests					
	under reverse acquisition	25	<u>(129,336,263)</u>	<u>(129,336,263)</u>	-
					-
	Total equity interests		6,931,248,218	6,888,727,794	7,483,769,481
					7,441,249,057
Retained earnings					
	Appropriated - statutory reserve	27	495,000,000	459,000,000	358,100,000
					322,100,000
	Unappropriated		3,798,587,022	3,354,368,585	3,316,964,590
					3,224,817,946
	Other components of shareholders' equity		<u>(24,927,451)</u>	<u>(24,495,227)</u>	-
					432,224
	Equity attributable to owners of the Company		11,199,907,789	10,677,601,152	11,158,834,071
					10,988,599,227
	Non-controlling interests of the subsidiaries		<u>699,313,573</u>	<u>644,442,550</u>	-
					-
	Total shareholders' equity		<u>11,899,221,362</u>	<u>11,322,043,702</u>	<u>11,158,834,071</u>
					<u>10,988,599,227</u>
	Total liabilities and shareholders' equity		<u>29,056,430,155</u>	<u>26,397,868,367</u>	<u>23,738,183,057</u>
					<u>22,124,052,673</u>

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

Directors

Grand Canal Land Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Rental and service income	28	1,126,914,071	965,226,169	486,228,840	711,670,485
Revenues from sales of real estate		356,505,385	1,689,002,327	-	-
Gain on changes in fair value of investment properties	16	1,114,669,729	700,587,133	765,089,039	403,171,687
Dividend income	12, 13	-	-	10,495,142	936,246,831
Interest income		245,903,337	237,344,577	326,045,793	342,578,422
Other income		11,368,341	11,429,619	4,713,039	6,106,856
Total revenues		<u>2,855,360,863</u>	<u>3,603,589,825</u>	<u>1,592,571,853</u>	<u>2,399,774,281</u>
Expenses					
Cost of rent and services		399,640,105	377,715,783	196,043,598	267,633,530
Cost of sales of real estate		157,645,376	722,094,637	-	-
Selling expenses		57,242,216	139,068,565	9,792,775	10,338,799
Administrative expenses		269,053,004	244,470,187	121,013,178	96,527,358
Total expenses		<u>883,580,701</u>	<u>1,483,349,172</u>	<u>326,849,551</u>	<u>374,499,687</u>
Profit before share of gain from investment in associate and joint venture, finance cost and income tax expenses					
		1,971,780,162	2,120,240,653	1,265,722,302	2,025,274,594
Share of gain from investment in associate	13	9,543,001	-	-	-
Share of loss from investment in joint venture	14	(81,344,673)	(33,003,297)	-	-
Profit before finance cost and income tax expenses		<u>1,899,978,490</u>	<u>2,087,237,356</u>	<u>1,265,722,302</u>	<u>2,025,274,594</u>
Finance cost		(464,249,140)	(494,916,640)	(378,070,889)	(432,248,118)
Profit before income tax expenses		<u>1,435,729,350</u>	<u>1,592,320,716</u>	<u>887,651,413</u>	<u>1,593,026,476</u>
Income tax expenses	29	(310,970,709)	(359,206,664)	(168,838,432)	(132,717,783)
Profit for the year		<u>1,124,758,641</u>	<u>1,233,114,052</u>	<u>718,812,981</u>	<u>1,460,308,693</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on change in value of available-for-sale investments - net of income tax		(432,224)	(710,890)	(432,224)	(710,890)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain - net of income tax		1,217,582	-	220,426	-
Other comprehensive income for the year		<u>785,358</u>	<u>(710,890)</u>	<u>(211,798)</u>	<u>(710,890)</u>
Total comprehensive income for the year		<u>1,125,543,999</u>	<u>1,232,403,162</u>	<u>718,601,183</u>	<u>1,459,597,803</u>

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2017

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to:				
Equity holders of the Company	1,069,887,618	1,112,213,783	<u>718,812,981</u>	<u>1,460,308,693</u>
Non-controlling interests of the subsidiaries	<u>54,871,023</u>	<u>120,900,269</u>		
	<u>1,124,758,641</u>	<u>1,233,114,052</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	1,070,672,976	1,111,502,893	<u>718,601,183</u>	<u>1,459,597,803</u>
Non-controlling interests of the subsidiaries	<u>54,871,023</u>	<u>120,900,269</u>		
	<u>1,125,543,999</u>	<u>1,232,403,162</u>		
Earnings per share	31			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.180</u>	<u>0.189</u>	<u>0.121</u>	<u>0.248</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.171</u>	<u>0.177</u>	<u>0.115</u>	<u>0.233</u>

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

Grand Canal Land Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity
 For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements												
Equity attributable to the parent's shareholders												
Issued and fully paid share capital	Share premium	Adjustment to present assets purchased under common control at book value	Adjustment of equity interest under reverse acquisition	Retained earnings		Other components of shareholders' equity			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
				Appropriated	Unappropriated	Gain (loss) on change in value of available-for-sale investments	Adjustment for change in interest in the subsidiary	Total other components of shareholders' equity				
Balance as at 1 January 2016	5,874,518,879	1,532,320,430	(423,185,000)	(129,336,263)	339,300,000	3,536,748,098	1,143,114	(24,927,451)	(23,784,337)	10,706,581,807	763,924,371	11,470,506,178
Profit for the year	-	-	-	-	-	1,112,213,783	-	-	-	1,112,213,783	120,900,269	1,233,114,052
Other comprehensive income for the year	-	-	-	-	-	-	(710,890)	-	(710,890)	(710,890)	-	(710,890)
Total comprehensive income for the year	-	-	-	-	-	1,112,213,783	(710,890)	-	(710,890)	1,111,502,893	120,900,269	1,232,403,162
Increase share capital (Note 25)	34,409,748	-	-	-	-	-	-	-	-	34,409,748	-	34,409,748
Dividend paid (Note 33)	-	-	-	-	-	(1,174,893,296)	-	-	-	(1,174,893,296)	-	(1,174,893,296)
Dividend paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(240,382,110)	(240,382,110)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	73,100,000	(73,100,000)	-	-	-	-	-	-
Transfer subsidiary's unappropriated retained earnings to statutory reserve	-	-	-	-	46,600,000	(46,600,000)	-	-	-	-	-	-
Increase in non-controlling interest of the subsidiary	-	-	-	-	-	-	-	-	-	-	20	20
Balance as at 31 December 2016	5,908,928,627	1,532,320,430	(423,185,000)	(129,336,263)	459,000,000	3,354,368,585	432,224	(24,927,451)	(24,495,227)	10,677,601,152	644,442,550	11,322,043,702

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

Grand Canal Land Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity (continued)
 For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements (continued)												
Equity attributable to the parent's shareholders												
Issued and fully paid share capital	Share premium	Adjustment to present assets purchased under common control at book value	Adjustment of equity interest under reverse acquisition	Retained earnings		Gain (loss) on change in value of available-for-sale investments	Adjustment for change in interest in the subsidiary	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
				Appropriated	Unappropriated							
Balance as at 1 January 2017	5,908,928,627	1,532,320,430	(423,185,000)	(129,336,263)	459,000,000	3,354,368,585	432,224	(24,927,451)	(24,495,227)	10,677,601,152	644,442,550	11,322,043,702
Profit for the year	-	-	-	-	-	1,069,887,618	-	-	-	1,069,887,618	54,871,023	1,124,758,641
Other comprehensive income for the year	-	-	-	-	-	1,217,582	(432,224)	-	(432,224)	785,358	-	785,358
Total comprehensive income for the year	-	-	-	-	-	1,071,105,200	(432,224)	-	(432,224)	1,070,672,976	54,871,023	1,125,543,999
Increase share capital (Note 25)	42,520,424	-	-	-	-	-	-	-	-	42,520,424	-	42,520,424
Dividend paid (Note 33)	-	-	-	-	-	(590,886,763)	-	-	-	(590,886,763)	-	(590,886,763)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	(36,000,000)	(36,000,000)	-	-	-	-	-	-
Balance as at 31 December 2017	5,951,449,051	1,532,320,430	(423,185,000)	(129,336,263)	495,000,000	3,799,587,022	-	(24,927,451)	(24,927,451)	11,199,607,789	699,313,573	11,899,221,362

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

Grand Canal Land Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of shareholders' equity	
			Appropriated	Unappropriated	Gain (loss) on change in value of available-for-sale investments	
Balance as at 1 January 2016	5,874,518,879	1,532,320,430	249,000,000	3,012,502,549	1,143,114	10,669,484,972
Profit for the year	-	-	-	1,460,308,693	-	1,460,308,693
Other comprehensive income for the year	-	-	-	-	(710,890)	(710,890)
Total comprehensive income for the year	-	-	-	1,460,308,693	(710,890)	1,459,597,803
Increase share capital (Note 25)	34,409,748	-	-	-	-	34,409,748
Dividend paid (Note 33)	-	-	-	(1,174,893,296)	-	(1,174,893,296)
Unappropriated retained earnings transferred to statutory reserve	-	-	73,100,000	(73,100,000)	-	-
Balance as at 31 December 2016	<u>5,908,928,627</u>	<u>1,532,320,430</u>	<u>322,100,000</u>	<u>3,224,817,946</u>	<u>432,224</u>	<u>10,988,599,227</u>
						-
Balance as at 1 January 2017	5,908,928,627	1,532,320,430	322,100,000	3,224,817,946	432,224	10,988,599,227
Profit for the year	-	-	-	718,812,981	-	718,812,981
Other comprehensive income for the year	-	-	-	220,426	(432,224)	(211,798)
Total comprehensive income for the year	-	-	-	719,033,407	(432,224)	718,601,183
Increase share capital (Note 25)	42,520,424	-	-	-	-	42,520,424
Dividend paid (Note 33)	-	-	-	(590,886,763)	-	(590,886,763)
Unappropriated retained earnings transferred to statutory reserve	-	-	36,000,000	(36,000,000)	-	-
Balance as at 31 December 2017	<u>5,951,449,051</u>	<u>1,532,320,430</u>	<u>358,100,000</u>	<u>3,316,964,590</u>	<u>-</u>	<u>11,158,834,071</u>

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

Grand Canal Land Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	1,435,729,350	1,592,320,716	887,651,413	1,593,026,476
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	16,925,074	18,000,609	6,454,453	8,170,005
Allowance for doubtful accounts	1,105	10,943,213	1,105	479,535
Gain on sales of property, plant and equipment	-	-	-	(138,254)
Loss on write off of property, plant and equipment	-	273,959	-	-
Gain from changes in fair value of investment properties	(1,114,669,729)	(700,587,133)	(765,089,039)	(403,171,687)
Amortisation of land leasehold right	8,642,770	2,160,692	-	-
Provision for long-term employee benefits	5,118,821	4,042,122	3,973,616	3,496,069
Realisation of advance service income	(161,970,532)	(4,237,542)	(104,706,036)	-
Amortisation of deferred debenture issuing costs	4,706,614	5,533,296	4,706,614	5,533,296
Share of gain form investment in associate	(9,543,001)	-	-	-
Share of loss form investment in joint venture	81,344,673	33,003,297	-	-
Dividend income	-	-	(10,495,142)	(936,246,831)
Interest income	(245,903,337)	(237,344,577)	(326,045,793)	(342,578,422)
Interest expenses	456,270,992	489,213,939	370,092,741	426,545,418
Profit from operating activities before changes in operating assets and liabilities	476,652,800	1,213,322,591	66,543,932	355,115,605
Operating assets decrease (increase)				
Trade and other receivables	(88,752,110)	(130,028,693)	(50,930,260)	114,336,644
Project development costs	78,521,374	719,140,025	(2,307,155)	(4,676,506)
Advance payment to contractors	10,015,146	103,550,770	2,626,630	6,369,831
Other current assets	8,243,865	(24,358,686)	(1,333,809)	2,605,947
Other non-current assets	17,495,961	1,581,830	(5,222,539)	(526,182)
Operating liabilities increase (decrease)				
Trade and other payables	(12,268,043)	267,771,874	21,261,667	15,052,234
Retention payable	(33,967,866)	33,887,550	(32,794,936)	(205,058)
Deposits and advance received from customers	23,058,746	(128,491,716)	-	-
Other current liabilities	11,564,570	4,832,828	13,529,967	(8,168,305)
Advance rental and service income	5,781,778,509	(1,092,630)	4,458,235,365	(5,827,050)
Other non-current liabilities	(34,810,932)	102,080,869	(96,756,597)	6,729,127
Cash flows from operating activities	6,237,532,020	2,162,196,612	4,372,852,265	480,806,287
Cash paid for interest expenses	(475,658,319)	(550,018,915)	(351,901,527)	(413,796,104)
Proceed from refund of corporate income tax	2,923,144	2,824,926	-	2,824,926
Cash paid for corporate income tax	(421,110,202)	(214,158,756)	(248,216,675)	(42,047,389)
Net cash flows from operating activities	5,343,686,643	1,400,843,867	3,772,734,063	27,787,720

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

Grand Canal Land Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Decrease in current investments	40,000,000	-	40,000,000	-
Decrease in restricted bank deposits	80,067,901	30,120,170	-	-
Decrease (increase) in short-term loans to related parties	-	-	1,766,000,000	(2,050,000,000)
Increase in long-term loans to related parties	(280,000,000)	(269,700,000)	(280,000,000)	(269,700,000)
Interest received	245,267,147	270,778,271	352,468,650	327,021,324
Dividend received	10,495,142	-	10,495,142	936,246,831
Cash payment for investments in subsidiaries	-	-	(1,300,000,000)	(15,999,950)
Cash payment for investment in associate	(749,653,000)	-	(749,653,000)	-
Proceed from capital reduction of associate	12,744,101	-	12,744,101	-
Proceed from sales of investment in joint venture	-	-	-	4,999,900
Acquisition of property, plant and equipment	(33,895,586)	(8,043,019)	(2,964,208)	(6,431,945)
Proceed from sales of property, plant and equipment	-	-	-	1,520,789
Increase in investment properties	(273,390,929)	(2,001,285,781)	(21,374,944)	(61,639,412)
Proceed from sales of investment properties	2,182,917	-	-	-
Increase in intangible assets	(96,790)	(339,842)	-	(107,652)
Net cash flows used in investing activities	(946,279,097)	(1,978,470,201)	(172,284,259)	(1,134,090,115)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(900,000,000)	(400,000,000)	(900,000,000)	700,000,000
Increase (decrease) in bill of exchange	(1,847,692,863)	363,992,597	(1,847,692,863)	363,992,597
Increase in short-term loans from related parties	-	-	1,400,000,000	200,000,000
Increase in long-term loans from financial institutions	2,250,000,000	850,000,000	-	-
Repayment of long-term loans from financial institutions	(3,321,915,925)	(240,000,000)	(1,754,155,900)	(140,000,000)
Proceed from issuance of debentures	2,592,258,754	1,146,497,884	2,592,258,754	1,146,497,884
Repayment of debentures	(2,500,000,000)	(100,000,000)	(2,500,000,000)	(100,000,000)
Proceed from increase in share capital	42,520,424	34,409,768	42,520,424	34,409,748
Dividend paid	(590,886,763)	(1,174,812,630)	(590,886,763)	(1,174,812,630)
Dividend paid by subsidiary to non-controlling interests	-	(240,382,110)	-	-
Net cash flows from (used in) financing activities	(4,275,716,373)	239,705,509	(3,557,956,348)	1,030,087,599
Net increase (decrease) in cash and cash equivalents	121,691,173	(337,920,825)	42,493,456	(76,214,796)
Cash and cash equivalents at beginning of the year	372,072,916	709,993,741	104,230,583	180,445,379
Cash and cash equivalents at end of the year	493,764,089	372,072,916	146,724,039	104,230,583

Supplemental cash flows information:

Non-cash transactions

Transfer investment properties to property, plant and equipment	4,436,824	-	-	-
Transfer property, plant and equipment to investment properties	-	16,308,054	-	8,965,543

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

Grand Canal Land Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2017

1. General information

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

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

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

Company's name	Nature of business	Percentage of shareholding	
		<u>2017</u>	<u>2016</u>
		Percent	Percent
Owned by the Company			
Sterling Equity Co., Ltd.	Property development	100.00	100.00
Belle Assets Co., Ltd.	Property development	100.00	100.00
G Land Property Management Co., Ltd.	Property development	100.00	100.00
Ratchada Asset Holding Co., Ltd.	Holding company	100.00	100.00
GLAND REIT Management Co., Ltd.	Manager of the Real Estate Investment Trust	100.00	100.00
Owned by Praram 9 Square Ltd.			
Praram 9 Square Hotel Ltd.	Hotel business	99.99	99.99

- b) The consolidated financial statements as at the date of the reverse acquisition were prepared as follows:
1. The assets and liabilities of the legal subsidiaries are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts.
 2. Deficit and the outstanding balance of other equities in the consolidated financial statements are recognised at the last amounts of deficit and outstanding balance of other equities of the legal subsidiaries before the business combination.
 3. Equity interests, as presented in the consolidated financial statements, represent the sum of the issued equity interests of the legal subsidiaries (accounting acquirers) outstanding before the business combination and the cost of the business combination (Note 25.2).
- c) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- d) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

- g) Non-controlling interests represent the shares of profit or loss and net assets of the subsidiaries that do not belong to the group of the Company (including the shares of shareholders of the legal subsidiaries that do not exchange their equity interests with the legal parent company under the reverse acquisition) and are presented separately in consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method.

3. New financial reporting standards

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

During the current year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

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

This standard does not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Rental and related service income

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

Sales of houses and residential condominium units

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

Project management fee, selling management fee and other service income

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

Interest income

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

Dividends

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

4.2 Cost of houses and residential condominium units sold

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

4.3 Cash and cash equivalents

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

4.4 Trade accounts receivable

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

4.5 Project development costs

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

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

4.6 Investments

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

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

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

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

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

4.7 Investment properties

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

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

4.8 Property, plant and equipment/ Depreciation

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.9 Borrowing costs

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

4.10 Intangible assets and amortisation

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

4.11 Leasehold rights and amortisation

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

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

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

4.12 Long-term leases

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

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

4.13 Related party transactions

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

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

4.14 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.17 Provisions

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

4.18 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.19 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by independent appraisers, and recognise changes in the fair value in profit or loss. The independent appraisers valued the investment properties, which are land for rent and land awaiting development, using the market approach, while valued the investment properties, which are office rental projects and units for rent, using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 16 to the financial statements.

Property plant and equipment/ Depreciation

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

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

Deferred tax assets

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

Classification of entity in which the Company holds less than 20 percent interest as associated company

The management of the Company determined that the Company has significant influence over GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT"), even though the Company holds 15% of shares and voting rights in GLANDRT. This is because GLAND REIT Management Co., Ltd. (a subsidiary) has been appointed as the REIT Manager of GLANDRT, which enables the Company to participate in GLANDRT's policy-making processes, and decisions about dividends or other distributions of GLANDRT. As a result, GLANDRT is deemed to be an associated company of the Company, and the Company recoded investment in the associated company in the consolidated financial statements using the equity method.

Classification of long-term loans from financial institutions and debentures

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

Post-employment benefits under defined benefit plans

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

Litigation

The Company and subsidiaries have contingent liabilities as a result of claims and litigation. A debtor under a bankruptcy case has filed petitions with the Central Bankruptcy Court relating to the land that a joint venture purchased through an auction, as described in Note 35.5 to the financial statements. The Company and subsidiaries' management has used judgement to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Project management fee	-	-	141	143	As stipulated in agreements
Selling management fee	-	-	11	51	As stipulated in agreements
Interest income	-	-	324	197	5.25%, MLR - 0.5 and MLR - 0.75 per annum
Interest expenses	-	-	100	68	5%, MLR - 0.5 and MLR - 1.0 per annum
Sales of property, plant and equipment	-	-	-	1	As stipulated in agreements
<u>Transactions with associate</u>					
Rental income	157	-	105	-	As stipulated in agreements
Property management fee	21	-	14	-	As stipulated in agreements
Trust management fee	12	-	-	-	As stipulated in agreements
Rental and service expenses	18	-	18	-	As stipulated in agreements
Sales of equipment	1	-	1	-	As stipulated in agreements

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with joint venture</u>					
Project management fee	-	13	-	13	As stipulated in agreements
Design fee	-	6	-	6	As stipulated in agreements
Interest income	242	231	-	142	MLR - 0.5 per annum
<u>Transactions with related companies</u>					
Project management fee	26	26	26	26	As stipulated in agreements
Selling management fee	2	3	2	3	As stipulated in agreements
Rental and related service income	1	1	-	-	As stipulated in agreements
Insurance expenses	2	2	2	2	As stipulated in agreements
Service expenses	-	1	-	1	Similar to market price
Revenue from sales of residential condominium units	-	92	-	-	Similar to market price
Purchases of residential condominium units	-	301	-	-	As stipulated in agreements
Decoration expenses for residential condominium units	41	-	-	-	As stipulated in agreements
Construction service expenses (capitalised as assets)	49	304	-	-	As stipulated in agreements
<u>Transactions with subsidiary's director</u>					
Revenue from sales of residential condominium units	-	101	-	-	Similar to market price

In April 2017, the Company and Sterling Equity Co., Ltd. were appointed as property managers of GLAND Office Leasehold Real Estate Investment Trust (an associate). The Company and Sterling Equity Co., Ltd. are entitled to receive remuneration in the form of property management fees. In addition, GLAND REIT Management Co., Ltd., as the REIT Manager of the Trust, is entitled to receive remuneration in the form of a trust management fee.

As at 31 December 2017 and 2016, the balances of the accounts between the Company, subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade and other receivables - related parties				
Subsidiaries	-	-	81,634	111,097
Associate	80,576	-	65,713	-
Related companies (related by common directors)	22,445	22,750	22,405	22,750
Total	<u>103,021</u>	<u>22,750</u>	<u>169,752</u>	<u>133,847</u>
Advance payment to contractors				
Related company (related by common directors)	<u>1,702</u>	<u>250</u>	<u>-</u>	<u>-</u>
Other non-current assets - deposit for rental and services				
Associate	<u>5,223</u>	<u>-</u>	<u>5,223</u>	<u>-</u>
Trade and other payables - related parties				
Subsidiaries	-	-	166,106	148,455
Associate	4,879	-	4,879	-
Related companies (related by common directors)	215,421	209,548	40	61
Total	<u>220,300</u>	<u>209,548</u>	<u>171,025</u>	<u>148,516</u>
Retention payable				
Related companies (related by common directors)	<u>46,149</u>	<u>43,782</u>	<u>-</u>	<u>-</u>
Advance rental and service income				
Associate	5,624,478	-	4,359,356	-
Related companies (related by common directors)	3,024	3,209	-	-
Total	<u>5,627,502</u>	<u>3,209</u>	<u>4,359,356</u>	<u>-</u>
Other non-current liabilities - rental and service retention				
Subsidiary	<u>-</u>	<u>-</u>	<u>130</u>	<u>130</u>

Loans to related parties and loans from related parties

As at 31 December 2017 and 2016, the balance of loans to related parties and loans from related parties and the movement of these loans are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
Short-term loans		31 December	during	during	31 December
to related parties	Related by	2016	the year	the year	2017
Praram 9 Square Ltd.	Subsidiary	530,000	220,000	(670,000)	80,000
Belle Assets Co., Ltd.	Subsidiary	440,000	50,000	-	490,000
Sterling Equity Co., Ltd.	Subsidiary	668,000	16,000	(684,000)	-
G Land Property					
Management Co., Ltd	Subsidiary	1,360,000	50,000	(750,000)	660,000
GLAND REIT					
Management Co., Ltd.	Subsidiary	-	2,000	-	2,000
Total		2,998,000	338,000	(2,104,000)	1,232,000

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

		(Unit: Thousand Baht)			
		Consolidated financial statements			
		Balance as at	Increase	Decrease	Balance as at
Long-term loans		31 December	during	during	31 December
to related parties	Related by	2016	the year	the year	2017
Bayswater Co., Ltd.	Joint venture				
Loan		4,171,000	280,000	-	4,451,000
Interest receivables		1,314	241,515	(240,725)	2,104
Total		4,172,314	521,515	(240,725)	4,453,104
Less: The excess of					
accumulated share of					
loss from investment					
in joint venture over					
cost of investment		(65,890)	(81,345)	-	(147,235)
Net		4,106,424	440,170	(240,725)	4,305,869

Long-term loan to Bayswater Co., Ltd. is an unsecured loan and carries interest at MLR - 0.5 per annum.

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loan to related party	Related by	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
Ratchada Asset Holding Co., Ltd.	Subsidiary	4,171,000	280,000	-	4,451,000

Long-term loan to Ratchada Asset Holding Co., Ltd. is an unsecured loan and carries interest at MLR - 0.75 per annum.

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans from related parties	Related by	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
Belle Development Ltd.	Subsidiary	1,300,000	1,325,000	(125,000)	2,500,000
Sterling Equity Co., Ltd.	Subsidiary	-	200,000	-	200,000
Total		1,300,000	1,525,000	(125,000)	2,700,000

Short-term loans from the subsidiaries carry interest at 5%, MLR - 0.5 and MLR - 1.0 per annum and repayable at call.

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	31	33	29	31

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with their related parties, as described in Note 35.4 to the financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	140	111	26	14
Bank deposits	493,624	371,962	146,698	104,217
Total	493,764	372,073	146,724	104,231

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interests between 0.10 to 1.00 percent per annum (2016: between 0.01 to 1.15 percent per annum).

8. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Subordinated debentures	-	40,000	-	40,000
Add: Gain on valuation of available-for-sale securities	-	540	-	540
Total	-	40,540	-	40,540

Current investments represented investments in subordinated debentures of Bangkok Bank Public Company Limited that carried interest at a rate of 4.375% per annum and were to mature in 2022. However, on 7 December 2017 Bangkok Bank Public Company Limited exercised its option to redeem the debentures, and the Company has already received full settlement of principal and interest.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	17,459	7,599	51,480	52,708
Past due				
Up to 3 months	6,782	6,741	11,197	9,156
3 - 6 months	6,741	6,741	10,086	12,326
6 - 12 months	-	-	3,345	-
Total trade receivables - related parties	<u>30,982</u>	<u>21,081</u>	<u>76,108</u>	<u>74,190</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	24,291	19,715	4,277	7,533
Past due				
Up to 3 months	12,581	34,033	828	3,904
3 - 6 months	2,216	19,642	256	92
6 - 12 months	545	21	65	21
Over 12 months	58,856	58,851	58,408	58,408
Total	<u>98,489</u>	<u>132,262</u>	<u>63,834</u>	<u>69,958</u>
Less: Allowance for doubtful debts	<u>(57,218)</u>	<u>(57,217)</u>	<u>(57,218)</u>	<u>(57,217)</u>
Total trade receivables - unrelated parties, net	<u>41,271</u>	<u>75,045</u>	<u>6,616</u>	<u>12,741</u>
Total trade receivables - net	<u>72,253</u>	<u>96,126</u>	<u>82,724</u>	<u>86,931</u>
<u>Other receivables</u>				
Accrued income - related parties	-	-	15	22
Accrued income - unrelated parties	79,026	177,255	7,756	13,012
Other receivables - related parties	70,328	-	60,260	-
Advances - unrelated parties	3,513	3,434	3,419	3,371
Interest receivables - related parties	-	-	31,658	57,966
Interest receivables - unrelated parties	-	153	-	115
Prepaid expenses to related party	1,711	1,669	1,711	1,669
Others	19,926	23,342	13,316	17,861
Total	<u>174,504</u>	<u>205,853</u>	<u>118,135</u>	<u>94,016</u>
Less: Allowance for doubtful debts	<u>(13,677)</u>	<u>(13,677)</u>	<u>(13,235)</u>	<u>(13,235)</u>
Total other receivables - net	<u>160,827</u>	<u>192,176</u>	<u>104,900</u>	<u>80,781</u>
Total trade and other receivables - net	<u>233,080</u>	<u>288,302</u>	<u>187,624</u>	<u>167,712</u>

10. Project development costs

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and construction under development	777,129	772,412	623,563	621,256
Land and construction developed	341,361	424,599	-	-
Total	1,118,490	1,197,011	623,563	621,256

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

11. Restricted bank deposits

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

12. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)							
	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
			(%)	(%)				
Belle Development Ltd.	2,064,261	2,064,261	79.57	79.57	1,920,104	1,920,104	-	936,247
Praram 9 Square Ltd.	1,900,000	1,900,000	93.09	93.09	1,771,016	1,771,016	-	-
Sterling Equity Co., Ltd.	1,800,000	500,000	100.00	100.00	1,765,464	465,464	-	-
Belle Assets Co., Ltd.	11,000	11,000	100.00	100.00	11,000	11,000	-	-
G Land Property Management Co., Ltd.	500,000	500,000	100.00	100.00	533,791	533,791	-	-
Ratchada Asset Holding Co., Ltd.	6,000	6,000	100.00	100.00	6,000	6,000	-	-
GLAND REIT Management Co., Ltd.	10,000	10,000	100.00	100.00	10,000	10,000	-	-
Total investments in subsidiaries					6,017,375	4,717,375	-	936,247

In March 2017, Sterling Equity Co., Ltd. increased its registered and paid-up share capital by Baht 1,300 million, through the issuance of 13 million additional ordinary shares with a par value of Baht 100 each, for offer to existing shareholders at Baht 100 per shares. The Company has invested in all additional ordinary shares.

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

Company's name	(Unit: Million Baht)							
	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(%)	(%)						
Belle Development Ltd.	20.43	20.43	548	513	35	101	-	240

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

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	<u>2017</u>	<u>2016</u>
Current assets	3,046	2,244
Non-current assets	813	801
Current liabilities	700	434
Non-current liabilities	478	101

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	<u>2017</u>	<u>2016</u>
Revenue	575	1,916
Profit for the year	171	498
Total comprehensive income for the year	171	498

Summarised information about cash flow

(Unit: Million Baht)		
For the years ended 31 December		
	<u>2017</u>	<u>2016</u>
Cash flow from operating activities	127	1,007
Cash flow from (used in) investing activities	(804)	889
Cash flow from (used in) financing activities	656	(2,177)
Net decrease in cash and cash equivalents	<u>(21)</u>	<u>(281)</u>

13. Investment in associate

13.1 Details of associate

(Unit: Million Baht)							
Company's name	Nature of business	Country of incorporation	Shareholding percentage	Consolidated		Separate	
				financial statements		financial statements	
				Carrying amounts		Cost	
				based on equity method			
			(%)	31 December 2017	31 December 2016	31 December 2017	31 December 2016
GLAND Office Leasehold	Real Estate						
Real Estate Investment	Investment						
Trust	Trust	Thailand	15	736	-	737	-

On 12 April 2017, GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT") was established, with a registered capital of Baht 4,998 million (499.8 million trust units of Baht 10 each). The Company has invested Baht 749.7 million in GLANDRT, representing 15 percent of all investment units of GLANDRT. Subsequently, on 7 November 2017 a meeting of the Board of Directors of the REIT Manager of GLANDRT passed a resolution to approve a capital reduction of Baht 0.17 per unit trust, or a total of Baht 85 million. The Company received Baht 12.7 million as a result of this capital reduction.

During the current year, the Company recognised share of gain from investment in associate of Baht 9.5 million in the consolidated statement of comprehensive income and received an interim distribution from GLANDRT amounting to Baht 10.5 million.

As at 31 December 2017, the fair value of GLANDRT amounted to Baht 862.1 million.

13.2 Financial information of associate

Summarised information about financial position

	(Unit: Million Baht)
	As at 31 December 2017
Current assets	361
Non-current assets	5,258
Current liabilities	(89)
Non-current liabilities	(1,126)
Net assets	4,404
Shareholding percentage (%)	15%
Share of net assets	661
Less: Elimination entries	75
Carrying amount of associate based on equity method	736

Summarised information about income statement (before inter-company elimination)

	(Unit: Million Baht)
	For the period ended
	31 December 2017
Revenue	466
Net loss	(439)

14. Investment in joint venture

14.1 Details of investment in joint venture

As at 31 December 2017 and 2016, investment in joint venture represents investment in entity which is jointly controlled by Ratchada Asset Holding Co., Ltd. (a subsidiary) and Unicorn Enterprise Co., Ltd. Details of this investment are as follows:

				(Unit: Thousand Baht)			
Company's name	Nature of business	Country of incorporation	Shareholding percentage	Consolidated	Separate		
				financial statements	financial statements		
				Carrying amounts based on equity method	Cost		
			Percent	2017	2016	2017	2016
Bayswater Co., Ltd.	Property development	Thailand	50	-	-	-	-

During the current year, the Company and its subsidiaries recognised share of loss from investment in joint venture of Baht 81.3 million (2016: Baht 33.0 million) in the consolidated statement of comprehensive income. As at 31 December 2017, the Company and its subsidiaries presented the excess of accumulated share of loss over cost of investment, amounting to Baht 147.2 million (2016: Baht 65.9 million), as a deduction from long-term loan to joint venture in the consolidated statement of financial position (Note 6).

14.2 Financial information of the Bayswater Co., Ltd.

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	19	15
Other current assets	1	-
Land awaiting development	8,687	8,255
Short-term loans from related parties	(8,906)	(8,342)
Other current liabilities	(11)	(5)
Net assets	(210)	(77)
Shareholding percentage (%)	50%	50%
Share of net assets	(105)	(39)
Less: Elimination entries	(42)	(27)
Carrying amounts of joint venture based on equity method	(147)	(66)

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	<u>2017</u>	<u>2016</u>
Profit or loss:		
Administrative expenses	(10)	(12)
Interest expenses	(122)	-
Loss for the year	(132)	(12)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(132)	(12)

- 14.3 On 16 November 2015, the ownership of land under the Bangkok Dome project was transferred to Bayswater Co., Ltd. as the winner of an auction of assets of the debtor under a bankruptcy case held by the official receiver. However, the debtor under the bankruptcy case is petitioning the court seeking an order to cease the auction of land, as described in Note 35.5 a) to the financial statements.

15. Other long-term investments

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

16. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land, office project		Project under construction		Land awaiting	
	and unit for rent				development	Total
	Land	Office buildings	Land	Office buildings		
Balance						
1 January 2016	310,845	8,148,000	4,567,696	3,063,495	471,000	16,561,036
Additions	-	18,569	-	1,982,717	-	2,001,286
Transfers	-	4,562,392	-	(4,546,084)	-	16,308
Capitalised interest	-	-	-	69,052	-	69,052
Capitalised amortisation of leasehold right	-	-	-	6,730	-	6,730
Gains (loss) on fair value adjustment	(7,290)	306,897	362,298	-	38,682	700,587
31 December 2016	303,555	13,035,858	4,929,994	575,910	509,682	19,354,999
Additions	-	80,984	-	192,407	-	273,391
Transfers	-	(3,206)	-	(1,231)	-	(4,437)
Capitalised interest	-	-	-	21,088	-	21,088
Disposals	-	(2,183)	-	-	-	(2,183)
Gains (loss) on fair value adjustment	33,541	540,686	671,214	(139,589)	8,818	1,114,670
Decrease in accrued rental income	-	143,820	-	-	-	143,820
31 December 2017	337,096	13,795,959	5,601,208	648,585	518,500	20,901,348

(Unit: Thousand Baht)

	Separate financial statements					
	Land, office project and unit for rent		Project under construction		Land awaiting	Total
	Land	Office buildings	Land	Office buildings	development	
Balance						
1 January 2016	310,845	4,872,000	2,861,606	247,049	471,000	8,762,500
Additions	-	1,894	-	59,744	-	61,638
Transfers	-	8,966	-	-	-	8,966
Gains (loss) on fair value adjustment	(7,290)	120,709	251,071	-	38,682	403,172
31 December 2016	303,555	5,003,569	3,112,677	306,793	509,682	9,236,276
Additions	-	528	-	20,847	-	21,375
Gains on fair value adjustment	33,541	254,553	468,177	-	8,818	765,089
Decrease in accrued rental income	-	4,594	-	-	-	4,594
31 December 2017	337,096	5,263,244	3,580,854	327,640	518,500	10,027,334

16.1 On 19 April 2017, the Company and Sterling Equity Co., Ltd. (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.
- b) Sterling Equity Co., Ltd. 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 Co., Ltd. for this leasehold right.
- c) The Company and its subsidiary presented the cash received for the leasehold rights net of expenses incurred directly in arranging the lease agreements, as advance rental income in the statement of financial position.

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

Key assumptions used in the valuation of office rental project, units for rent, land for rent and land awaiting development as at 31 December 2017 are summarised below:

	Consolidated	Separate	Result to fair value
	financial statements	financial statements	where as an increase in assumption value
Discount rate	6.5% - 10.5%	6.5% - 9.0%	Decrease in fair value
Occupancy rate	51% - 100%	55% - 100%	Increase in fair value
(depending on location of assets)			
Rental rate per month	Baht 115 - 1,390	Baht 616 - 994	Increase in fair value
(depending on location of assets)	per square metre	per square metre	
Land price	Baht 19,000 -	Baht 19,000 -	Increase in fair value
(depending on location of assets)	1,000,000	1,000,000	
	per square wah	per square wah	

- 16.3 The Company and its subsidiaries have mortgaged their investment properties as at 31 December 2017 of Baht 12,420 million (2016: Baht 13,388 million) (The Company only: Baht 3,908 million, 2016: Baht 8,423 million) to secure their credit facilities obtained from financial institutions.

17. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Buildings	Furniture, Mock-up room and fence	fixtures and office equipment	Swimming pools and equipment	Motor vehicles	Assets under installation	Total
Cost:								
1 January 2016	339,296	11,207	1,707	60,462	95,980	18,645	30,754	558,051
Additions	25	-	-	2,720	-	-	5,297	8,042
Write off	-	-	-	(887)	-	-	-	(887)
Transfers	-	-	-	(21,890)	-	-	(111)	(22,001)
31 December 2016	339,321	11,207	1,707	40,405	95,980	18,645	35,940	543,205
Additions	-	-	-	8,740	284	-	24,872	33,896
Transfers	-	-	-	5,575	-	-	(1,138)	4,437
31 December 2017	339,321	11,207	1,707	54,720	96,264	18,645	59,674	581,538
Accumulated depreciation:								
1 January 2016	-	1,066	1,641	24,680	20,295	6,780	-	54,462
Depreciation for the year	-	1,066	5	5,543	5,621	3,573	-	15,808
Write off	-	-	-	(613)	-	-	-	(613)
Transfers	-	-	-	(5,693)	-	-	-	(5,693)
31 December 2016	-	2,132	1,646	23,917	25,916	10,353	-	63,964
Depreciation for the year	-	1,066	5	5,731	5,618	3,328	-	15,748
31 December 2017	-	3,198	1,651	29,648	31,534	13,681	-	79,712
Net book value:								
31 December 2016	339,321	9,075	61	16,488	70,064	8,292	35,940	479,241
31 December 2017	339,321	8,009	56	25,072	64,730	4,964	59,674	501,826
Depreciation for the year								
2016 (Baht 10 million included in cost of rent and services, and the balance in administrative expenses)								15,808
2017 (Baht 10 million included in cost of rent and services, and the balance in administrative expenses)								15,748

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:				
1 January 2016	46,790	7,789	28,103	82,682
Additions	1,685	-	4,747	6,432
Disposals	-	-	(1,382)	(1,382)
Transfers	(12,140)	-	(111)	(12,251)
31 December 2016	36,335	7,789	31,357	75,481
Additions	2,017	-	947	2,964
31 December 2017	38,352	7,789	32,304	78,445
Accumulated depreciation:				
1 January 2016	20,496	4,451	-	24,947
Depreciation for the year	4,764	1,403	-	6,167
Transfers	(3,285)	-	-	(3,285)
31 December 2016	21,975	5,854	-	27,829
Depreciation for the year	4,355	1,157	-	5,512
31 December 2017	26,330	7,011	-	33,341
Net book value:				
31 December 2016	14,360	1,935	31,357	47,652
31 December 2017	12,022	778	32,304	45,104
Depreciation for the year				
2016 (Baht 3 million included in cost of rent and services, and the balance in administrative expenses)				6,167
2017 (Baht 3 million included in cost of rent and services, and the balance in administrative expenses)				5,512

Two subsidiaries have mortgaged their property, plant and equipment with net book value as at 31 December 2017 of Baht 391 million (2016: Baht 395 million) to secure their credit facilities obtained from financial institutions.

18. Land leasehold right from related parties

Land leasehold right from related parties, as presented in the consolidated financial statements, were advance rental fees that a subsidiary paid to two related companies under a land lease agreement with a term of 43 years, which matures on 30 June 2050. The outstanding balances as at 31 December 2017 and 2016 can be summarised as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Land leasehold right	221,000	221,000
Less: Accumulated amortisation	(53,965)	(48,826)
Net	167,035	172,174
Less: Undue rental expenses	(52,487)	(48,984)
Total	114,548	123,190

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

19. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Computer software - cost	14,107	14,010	12,909	12,909
Less: Accumulated amortisation	(12,920)	(11,742)	(12,180)	(11,237)
Net book value	1,187	2,268	729	1,672

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	2,268	4,120	1,672	3,567
Additions	97	340	-	108
Amortisation expenses for the year	(1,178)	(2,192)	(943)	(2,003)
Net book value at end of year	1,187	2,268	729	1,672

20. Short-term loans from financial institutions

As at 31 December 2017, short-term loans from financial institutions represent promissory notes, carrying interest at rates based on MLR. These loans are guaranteed by the Company's project development costs.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - related parties	215,361	209,467	-	-
Trade payables - unrelated parties	798,299	882,812	40,093	47,477
Other payables for purchase of assets				
- related party	-	-	143,263	143,263
Other payable - related parties	4,939	81	4,919	61
Other payable - unrelated parties	24	-	-	-
Accrued interest expenses to related parties	-	-	22,843	5,192
Accrued interest expenses to unrelated parties	43,521	41,820	41,272	40,731
Accrued expenses	269,387	200,856	149,470	121,591
Advance received from customers	10,818	13,520	8,207	11,530
Others	8,634	12,994	4,988	5,757
Total trade and other payables	<u>1,350,983</u>	<u>1,361,550</u>	<u>415,055</u>	<u>375,602</u>

22. Long-term loans from financial institutions

			(Unit: Thousand Baht)			
Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2017	2016	2017	2016
1	MLR - 1.25 for the 1 st - 4 th years and MLR - 1 for the remaining years	Quarterly installments starting from the last business day of November 2014	-	1,574,156	-	1,574,156
2	MLR - 1.5	Repayment at 70% of the value of properties redeemed from mortgage, with the loan to be repaid in full no later than April 2017	-	180,000	-	180,000
3	MLR - 1 for the 1 st - 3 rd years, MLR - 0.5 for the 4 th - 7 th years and MLR - 1 for the remaining years	Quarterly installments starting from the last business day of June 2016	2,785,806	2,260,806	-	-
4	MLR - 2 for the 1 st - 3 rd years and MLR - 1 for the remaining years	Quarterly installments starting from the last business day of June 2014	-	1,298,520	-	-
5	MLR - 1.5 for the 1 st - 5 th years and MLR - 1.25 for the remaining years	Quarterly installments starting from the 39 th month after the first draw down date	800,000	-	-	-
6	MLR - 1.0	Repayment at 85% of the value of properties redeemed from mortgage, and not less than Baht 127,500 per square metre redeemed, with a minimum payment requirement of not less than Baht 50 million every 6 months	635,760	-	-	-
7	MLR - 1.0	Quarterly installments of Baht 5 million, starting from the first business day of October 2017. If loan no. 6 has already been repaid in full, at 85% of the value of properties redeemed from mortgage, and not less than Baht 127,500 per square metre redeemed	20,000	-	-	-
Total			4,241,566	5,313,482	-	1,754,156
Less: Current portion			(442,911)	(565,000)	-	(355,000)
Long-term loans, net of current portion			3,798,655	4,748,482	-	1,399,156

As at 31 December 2016, the Company's loans were secured by the mortgage of the land and construction thereon of The 9th Towers Grand Rama 9 Project and the Belle Sky Condominium Project. During the current year, the Company released this land and construction thereon from mortgage.

During the current year, the Company and a subsidiary made early repayment of loans totaling Baht 1,714 million and Baht 1,279 million, respectively.

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

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

As at 31 December 2017, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 1,174 million (2016: Baht 2,419 million) (The Company only: Nil, 2016: Baht 820 million).

23. Debentures

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2017</u>	<u>2016</u>
Debentures	4,000,000	3,900,000
Less: Deferred debenture issuing costs	(7,860)	(4,826)
Total	3,992,140	3,895,174
Less: Current portion	(1,299,459)	(2,497,730)
Debentures - net of current portion	<u>2,692,681</u>	<u>1,397,444</u>

As at 31 December 2017 and 2016, the Company's debentures were registered, unsubordinated, unsecured, with no debenture holders' representative (except for the sixth to eighth series, which have a debenture holders' representative) and no early redemption provisions. These debentures have a face value of Baht 1,000 and interest is payable every three months (except for the sixth to eighth series, for which interest is payable every six months). The other significant details are as follows:

Series	Consolidated/Separate financial statements		Details		
	2017	2016	Unit	Interest rate	Maturity date
	(Million Baht)	(Million Baht)		(% per annum)	
1.	-	1,000	1,000,000	5.00	8 April 2017
2.	150	150	150,000	4.70	24 September 2018
3.	-	1,500	1,500,000	4.85	22 October 2017
4.	100	100	100,000	5.10	26 November 2020
5.	1,150	1,150	1,150,000	4.80	7 April 2018
6.	1,100	-	1,100,000	4.80	7 September 2020
7.	1,300	-	1,300,000	4.99	9 May 2021
8.	200	-	200,000	4.80	9 November 2020
	<u>4,000</u>	<u>3,900</u>			

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

As at 31 December 2017, a commercial bank is considering whether to approve a loan of Baht 1,150 million for the Company to use in redemption of its debentures that mature in April 2018.

24. Provision for long-term employee benefits

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Provision for long-term employee benefits				
at beginning of year	11,957	7,915	10,447	6,951
Included in profit or loss:				
Current service cost	4,617	3,723	3,533	3,177
Interest cost	502	319	440	319
Included in other comprehensive income:				
Actuarial gain arising from				
Demographic assumptions changes	(1,216)	-	329	-
Financial assumptions changes	767	-	853	-
Experience adjustments	(1,073)	-	(1,457)	-
Provision for long-term employee benefits				
at end of year	<u>15,554</u>	<u>11,957</u>	<u>14,145</u>	<u>10,447</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of rent and services	2,996	2,340	2,590	2,340
Administrative expenses	2,123	1,702	1,383	1,156
Total expenses recognised in profit or loss	5,119	4,042	3,973	3,496

The Company and its subsidiaries expect that long-term employee benefits will be paid during the next year, approximately Baht 1.4 million. (The Company only: Baht 1.4 million) (2016: Nil).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 11 years (The Company only: 11 years) (2016: 19 - 21 years, The Company only: 19 years).

Significant actuarial assumptions are summarised below.

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.2 - 2.8	2.8 - 3.2	2.2	3.2
Salary increase rate	6.0	6.0 - 7.0	6.0	7.0
Staff turnover rate				
(depending on age)	1.0 - 35.0	1.9 - 37.6	1.0 - 35.0	3.5 - 37.6

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 are summarised below.

	(Unit: Million Baht)					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	1.0%	1.0%	10.0%	10.0%
Consolidated financial statements	(0.6)	0.7	1.2	(1.1)	(0.9)	1.3
Separate financial statements	(0.6)	0.6	1.1	(1.0)	(1.0)	1.1

25. Share capital

- 25.1 As at 31 December 2017, the Company's issued and fully paid share capital amounted to Baht 5,951,449,051, consisting of 5,951,449,051 ordinary shares of Baht 1 each (2016: Baht 5,908,928,627, consisting of 5,908,928,627 ordinary shares of Baht 1 each). The increase of Baht 42,520,424 is the result of the exercise of warrants (GLAND-W3) and warrants (GLAND-W4) in June 2017. On 13 July 2017, the Company registered the increase in its issued and fully paid share capital to Baht 5,951,449,051 with the Ministry of Commerce.
- 25.2 In the preparation of the consolidated financial statements for a reverse acquisition (which occurred in 2009), for which Grand Canal Land Public Company Limited is the legal parent company (accounting acquiree) and Belle Development Ltd. and Praram 9 Square Ltd. are the legal subsidiaries (accounting acquirers), equity interests, as presented in the consolidated financial statements, represent the sum of the issued equity interests of the legal subsidiaries (accounting acquirers) outstanding before the business combination, the cost of business combination and the equity interests of the legal parent company (accounting acquiree) issued after the business combination. The details are as follows:

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Issued equity interests of the legal subsidiaries, net of non-controlling interests due to business combination		
Issued equity interests of the legal subsidiaries as at the acquisition date		
- Belle Development Ltd.	1,621,967	1,621,967
- Praram 9 Square Ltd.	781,250	781,250
	<u>2,403,217</u>	<u>2,403,217</u>
Change of issued equity interests of the legal subsidiaries from the acquisition date		
- Praram 9 Square Ltd.	(312,500)	(312,500)
Total	<u>2,090,717</u>	<u>2,090,717</u>
Cost of business combination		
Cost of business combination as at the acquisition date	1,611,416	1,611,416
Change of accounting acquiree's equity from the acquisition date	(271,617)	(271,617)
Total	<u>1,339,799</u>	<u>1,339,799</u>
Adjustment to present assets purchased under common control at book value		
	<u>(423,185)</u>	<u>(423,185)</u>

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Equity interests of the legal parent company issued after the business combination		
- Share capital issued during 2017	42,520	-
- Share capital issued during 2010 - 2016	2,928,665	2,928,665
- Increase in share premium due to share issue in 2011 - 2014	952,732	952,732
Total	<u>3,923,917</u>	<u>3,881,397</u>
Equity interests in the consolidated financial statements	<u>6,931,248</u>	<u>6,888,728</u>

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

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Issued and fully paid share capital	5,951,449	5,908,929
Share premium	1,532,321	1,532,321
Adjustment to present assets purchased under common control at book value	(423,185)	(423,185)
Adjustment of equity interests under reverse acquisition	<u>(129,337)</u>	<u>(129,337)</u>
Total	<u>6,931,248</u>	<u>6,888,728</u>

- 25.3 In 2016, the Company's issued and fully paid -up capital increased by Baht 34,409,748 as a result of the exercise of warrants (GLAND-W2), warrants (GLAND-W3) and warrants (GLAND-W4) in June 2016.

26. Warrants

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

As at 31 December 2017 and 2016, the details of the outstanding warrants are as follows:

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

26.2 In June 2017, 22,979,564 warrants (GLAND-W3) and 17,792,294 warrants (GLAND-W4) were exercised. The Company has issued shares to support the exercise of these warrants, as mentioned in Note 25.1 to the financial statements.

26.3 The last exercise date of warrant No. 3 (GLAND-W3) was on 30 June 2017, and 688,462 warrants (GLAND-W3) expired without being exercised.

26.4 As at 31 December 2017, a total of 547,248,822 warrants (GLAND-W4) (2016: 23,668,026 warrants (GLAND-W3) and 565,041,116 warrants (GLAND-W4)) remained unexercised.

27. Statutory reserve

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

28. Rental and service income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Rental and related service income	1,066,420	916,989	291,946	470,119
Project management fee and selling management fee	27,579	41,837	180,012	235,151
Property management fee	21,033	-	14,271	-
Trust management fee	11,882	-	-	-
Design fee	-	6,400	-	6,400
Total	<u>1,126,914</u>	<u>965,226</u>	<u>486,229</u>	<u>711,670</u>

As at 31 December 2017 and 2016, the details of future rental income of the Company and its subsidiaries under lease agreements are as follows:

	(Unit: Million Baht)			
	The Company		The Company only	
	and its subsidiaries			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Receivable:				
In up to 1 year	387	421	18	146
In over 1 and up to 5 years	497	842	29	68
In over 5 years	118	3,514	118	117

29. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	35,978	172,318	-	28,476
Adjustment in respect of income tax of previous year	665	890	665	890
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>274,328</u>	<u>185,999</u>	<u>168,173</u>	<u>103,352</u>
Income tax expense reported in the statements of comprehensive income	<u>310,971</u>	<u>359,207</u>	<u>168,838</u>	<u>132,718</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to loss on change in value of available-for-sale investments	(108)	(178)	(108)	(178)
Deferred tax relating to actuarial gain	304	-	55	-
Total	<u>196</u>	<u>(178)</u>	<u>(53)</u>	<u>(178)</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	<u>1,435,729</u>	<u>1,592,321</u>	<u>887,651</u>	<u>1,593,026</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	287,146	318,464	177,530	318,605
Adjustment in respect of income tax of previous year	665	890	665	890
Adjustment in respect of deferred tax assets for tax losses of previous year	(2,690)	16,915	-	-
Effects of:				
Income which is not taxable	-	-	(2,099)	(187,249)
Non-deductible expenses	25,325	15,499	311	733
Additional expense deductions allowed	(149)	(132)	(149)	(132)
Tax losses	9,359	7,696	1,262	-
Other	(8,685)	(125)	(8,682)	(129)
Total	<u>25,850</u>	<u>22,938</u>	<u>(9,357)</u>	<u>(186,777)</u>
Income tax expenses reported in the statement of comprehensive income	<u>310,971</u>	<u>359,207</u>	<u>168,838</u>	<u>132,718</u>

As of 31 December 2017 and 2016, the components of deferred tax assets (liabilities) are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Allowance for doubtful accounts	12,205	12,205	12,205	12,205
Allowance for diminution in value of project development costs	7,339	6,837	3,054	3,054
Accumulated depreciation - property, plant and equipment	327	683	327	683
Value of Investment properties	(1,074,063)	(795,013)	(757,475)	(589,469)
Advance service income	3,086	2,365	-	-
Provision for long-term employee benefits	2,918	2,199	2,829	2,089
Revenue and expense recognitions of real estate business	4,066	485	-	-
Deferred debenture issuing costs	(1,572)	(965)	(1,572)	(965)
Unused tax losses	89,091	89,233	-	-
Unrealised gain on change in value of investments	-	(108)	-	(108)
Deferred tax assets (liabilities) - net	<u>(956,603)</u>	<u>(682,079)</u>	<u>(740,632)</u>	<u>(572,511)</u>

Deferred tax assets (liabilities) are presented in the statements of financial position as at 31 December 2017 and 2016 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets	39,033	45,827	-	-
Deferred tax liabilities	(995,636)	(727,906)	(740,632)	(572,511)
	<u>(956,603)</u>	<u>(682,079)</u>	<u>(740,632)</u>	<u>(572,511)</u>

As at 31 December 2017, the Company and subsidiaries have deductible temporary differences and unused tax losses totaling Baht 715 million (2016: Baht 686 million) (The Company only: Baht 16 million, 2016: Baht 10 million), on which deferred tax assets have not been recognised as the management of the Company and its subsidiaries believes that they might not be used to offset taxable income in the future.

As at 31 December 2017, the Company and subsidiaries' unused tax losses totaling Baht 286 million (2016: Baht 295 million) (The Company only: Baht 6 million, 2016: Nil), on which deferred tax assets have not been recognised, will expire by 2022.

30. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salaries, wages and other employee				
benefits	159,749	147,168	138,567	132,904
Depreciation and amortisation	16,925	18,001	6,454	8,170
Utilities expenses	130,741	139,396	30,181	74,719
Property tax	51,976	67,295	15,269	36,113
Specific business tax and transfer fees	15,049	70,622	-	-
Cost of sales of real estate	157,645	722,095	-	-

31. Earnings per share

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

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

The following table sets forth the computation of basic and diluted earnings per share for the years ended 31 December 2017 and 2016:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	1,069,888	1,112,214	5,930,364	5,891,818	0.180	0.189
Effect of dilutive potential ordinary shares						
Warrants (GLAND-W4) 547,248,822 units						
(2016: Warrants (GLAND-W3) 23,668,026 units						
and Warrants (GLAND-W4) 565,041,116 units)	-	-	334,584	386,009		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares	1,069,888	1,112,214	6,264,948	6,277,827	0.171	0.177
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	718,813	1,460,309	5,930,364	5,891,818	0.121	0.248
Effect of dilutive potential ordinary shares						
Warrants (GLAND-W4) 547,248,822 units						
(2016: Warrants (GLAND-W3) 23,668,026 units						
and Warrants (GLAND-W4) 565,041,116 units)	-	-	334,584	386,009		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares	718,813	1,460,309	6,264,948	6,277,827	0.115	0.233

32. Segment information

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

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

The revenue and profit information by segment in the consolidated financial statements for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Million Baht)

	Real estate for sale business		Real estate for rental and service business		Elimination of inter-segment revenues		Consolidation	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues from external customers	357	1,689	1,279	1,159	(153)	(194)	1,483	2,654
Segment profit	199	967	727	587	-	-	926	1,554
Unallocated income (expenses):								
Other income							256	249
Gain on changes in fair value of investment properties							1,115	701
Other expenses							(326)	(384)
Share of gain from investment in associate							10	-
Share of loss from investment in joint venture							(81)	(33)
Finance cost							(464)	(495)
Income tax expenses							(311)	(359)
Profit for the year							<u>1,125</u>	<u>1,233</u>

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

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

In 2017, the Company and its subsidiaries had revenue of Baht 157 million from a major customer, GLAND Office Leasehold Real Estate Investment Trust (associated company), (The Company only: Baht 105 million), arising from leases of office buildings, as described in Note 16.1 to the financial statements.

33. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	1,174.9	0.20
Total dividends for 2016		<u>1,174.9</u>	
Final dividends for 2016	Annual General Meeting of the shareholders on 28 April 2017	590.9	0.10
Total dividends for 2017		<u>590.9</u>	

34. Provident fund

The Company, subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Ayudhaya Master Fund Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contribution of the Company and its subsidiaries for the year 2017 amounting to approximately Baht 3.3 million (2016: Baht 3.2 million) were recognised as expenses (The Company only: Baht 2.9 million, 2016: Baht 3.0 million).

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2017, the Company and its subsidiaries had commitments of approximately Baht 486 million (2016: Baht 1,614 million) in respect of design and building construction work services and project construction contracts (The Company only: Baht 174 million, 2016: Baht 629 million).

35.2 Operating lease commitments

As at 31 December 2017, a subsidiary had commitments totaling Baht 312 million under a land lease agreement and right of using area (2016: Baht 294 million). These agreements expire in June 2050 and June 2029, respectively. The details are as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2017</u>	<u>2016</u>
Payable:		
In up to 1 year	6	4
In over 1 and up to 5 years	25	17
In over 5 years	281	273

35.3 Service agreements

As at 31 December 2017, the Company and its subsidiaries had commitments totaling Baht 145 million under various service agreements (2016: Baht 163 million) (The Company only: Baht 60 million, 2016: Baht 72 million).

35.4 Guarantees

- As at 31 December 2017, the Company has provided guarantees of Baht 1,960 million (2016: Baht 4,580 million) for the long-term loans and bank overdrafts obtained by a subsidiary.
- As at 31 December 2017, a subsidiary has provided guarantees totaling Baht 0.5 million (2016: Baht 0.5 million) for a loan repayment on behalf of a related company.
- As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 55 million (2016: Baht 22 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of businesses (The Company only: Baht 1 million, 2016: Baht 1 million).

35.5 Litigation

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

- 1) In 2015, the debtor filed a petition to the Central Bankruptcy Court ("the Court") seeking an order to cease the auction of assets of the debtor and to auction all land as a single lot, but the Court dismissed the petition. Subsequently, the debtor lodged an appeal against the Court's order with the Supreme Court, and the Supreme Court dismissed the appeal in 2016. As a result, the case was finalised.
- 2) In 2015, the debtor filed petitions asking the Court to order the official receiver to accept an application for a composition of debt for processing in accordance with the law, and to order the postponement or cessation of the auction until the Court issued an order. In 2016, the Court dismissed the petitions, and the debtor lodged an appeal against the Court's order with the Supreme Court. During the current year, the Supreme Court ruled in favor of the Court. As a result, the case was finalised.
- 3) In 2015, the debtor and its 2 unsecured creditors (the creditors) filed petitions asking the Court to order the cancelation of the auction of assets and to cease compulsory execution while the petition seeking the cancelation of the auction of assets was being considered. The grounds for the petitions are that the official receiver approved the joint venture's successful bid at auction at a price significantly lower than the market price. The Court issued an order to temporarily dispose of the case to await the Supreme Court's decision in case 1) above. Subsequently, in 2016 the Supreme Court issued a judgement in case 1) and the official receiver is in the process of bringing the case to the Court for reconsideration. Based on the opinion of the legal advisor of the Company and joint venture, the management is confident that no significant losses will be incurred as a result of this case.

In addition, in 2017 the joint venture was sued in civil cases by individuals petitioning the Civil Court to issue an order to have the joint venture register easement granting a right of way or an order declaring the disputed way a public way. The cases are currently being considered by the Civil Court. The Company and the joint venture believe that no significant losses will result from these cases.

- b) As at 31 December 2017 and 2016, the Company was being sued by a company seeking compensation of approximately Baht 193.2 million for losses resulting from a rental and service agreement. Subsequently, on 19 April 2017, the Appeal Court ruled that the Company was not liable for such losses, but order the Company to pay back to the plaintiff rental and service retention with interest, totaling approximately Baht 2.6 million. However, the Company and the plaintiff lodged appeals against this ruling with the Supreme Court. As of the date of authorisation of the issuance of the financial statements, the case is still being considered by the Supreme Court. Although the final outcome of this lawsuit cannot be determined at this stage, the management is of the opinion that its resolution will not have any material effect on the financial statements as a whole.
- c) As at 31 December 2017, a subsidiary was being sued by a company seeking compensation of approximately Baht 13.0 million for losses resulting from a rental agreement. Although the final outcome of this lawsuit cannot be determined at this stage, the Company and subsidiary's management is of the opinion that its resolution will not have any material effect on the financial statements as a whole.

36. Fair value hierarchy

As at 31 December 2017 and 2016, the Company and its subsidiaries had the assets and liabilities that were measured at fair value or their fair values were disclosed, using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements							
2017				2016			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value							
Available-for-sale investments - debt instruments	-	-	-	-	41	-	41
Investment properties	-	-	20,901	-	-	19,355	19,355
Liabilities for which fair value are disclosed							
Debentures	-	4,005	-	-	3,907	-	3,907

(Unit: Million Baht)

Separate financial statements							
2017				2016			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value							
Available-for-sale investments - debt instruments	-	-	-	-	41	-	41
Investment properties	-	-	10,027	-	-	9,236	9,236
Liabilities for which fair value are disclosed							
Debentures	-	4,005	-	-	3,907	-	3,907

37. Financial instruments

37.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

As at 31 December 2017 and 2016, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements

	Consolidated financial statements														
	2017							2016							
	Fixed interest rates			Floating interest rates	Non- interest bearing	Total	Effective interest rate	Fixed interest rates			Floating Interest Rates	Non- interest bearing	Total	Effective interest rate	
	Within	1 - 5	Over 5					Within	1 - 5	Over 5					
	1 year	years	years					1 year	years	years					
(Million Baht)							(Million Baht)							(% per annum)	
Financial assets															
Cash and cash equivalents	-	-	-	494	-	494	See Note 7	-	-	-	372	-	372	See Note 7	
Current investments	-	-	-	-	-	-	See Note 8	-	-	41	-	-	41	See Note 8	
Trade and other receivables	-	-	-	-	233	233	-	-	-	-	-	288	288	-	
Restricted bank deposits	-	-	-	11	-	11	0.37 - 1.00	-	-	-	91	-	91	0.85 - 1.00	
Long-term loan to related party	-	-	-	4,304	2	4,306	See Note 6	-	-	-	4,105	1	4,106	See Note 6	
	-	-	-	4,809	235	5,044		-	-	41	4,568	289	4,898		
Financial liabilities															
Short-term loans from financial institutions	-	-	-	100	-	100	See Note 20	-	-	-	1,000	-	1,000	See Note 20	
Bill of exchange	-	-	-	-	-	-	-	1,848	-	-	-	-	1,848	3.20 - 3.50	
Trade and other payables	-	-	-	-	1,351	1,351	-	-	-	-	-	1,362	1,362	-	
Retention payable	-	-	-	-	234	234	-	-	-	-	-	268	268	-	
Long-term loans from financial institutions	-	-	-	4,242	-	4,242	See Note 22	-	-	-	5,313	-	5,313	See Note 22	
Debentures	1,299	2,693	-	-	-	3,992	See Note 23	2,498	1,397	-	-	-	3,895	See Note 23	
	1,299	2,693	-	4,342	1,585	9,919		4,346	1,397	-	6,313	1,630	13,686		

Separate financial statements

	Separate financial statements													
	2017							2016						
	Fixed interest rates			Floating	Non-	Total	Effective	Fixed interest rates			Floating	Non-	Total	Effective
	Within	1 - 5	Over 5	interest	interest		interest	Within	1 - 5	Over 5	interest	interest		interest
	1 year	years	years	rates	bearing		rate	1 year	years	years	rates	bearing		rate
(Million Baht)						(% per annum)	(Million Baht)						(% per annum)	
Financial assets														
Cash and cash equivalents	-	-	-	147	-	147	See Note 7	-	-	-	104	-	104	See Note 7
Current investments	-	-	-	-	-	-	-	-	-	41	-	-	41	See Note 8
Trade and other receivables	-	-	-	-	188	188	-	-	-	-	-	168	168	-
Short-term loans to related parties	660	-	-	572	-	1,232	See Note 6	1,360	-	-	1,638	-	2,998	See Note 6
Restricted bank deposits	-	-	-	1	-	1	1.00	-	-	-	1	-	1	0.875
Long-term loans to related party	-	-	-	4,451	-	4,451	See Note 6	-	-	-	4,171	-	4,171	See Note 6
	660	-	-	5,171	188	6,019		1,360	-	41	5,914	168	7,483	
Financial liabilities														
Short-term loans from financial institutions	-	-	-	100	-	100	See Note 20	-	-	-	1,000	-	1,000	See Note 20
Bill of exchange	-	-	-	-	-	-	-	1,848	-	-	-	-	1,848	3.20 - 3.50
Trade and other payables	-	-	-	-	415	415	-	-	-	-	-	376	376	-
Retention payable	-	-	-	-	4	4	-	-	-	-	-	37	37	-
Short-term loans from related parties	1,775	-	-	925	-	2,700	See Note 6	1,300	-	-	-	-	1,300	See Note 6
Long-term loans from financial institutions	-	-	-	-	-	-	-	-	-	-	1,754	-	1,754	See Note 22
Debentures	1,299	2,693	-	-	-	3,992	See Note 23	2,498	1,397	-	-	-	3,895	See Note 23
	3,074	2,693	-	1,025	419	7,211		5,646	1,397	-	2,754	413	10,210	

Foreign currency risk

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

37.2 Fair values of financial instruments

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

		(Unit: Million Baht)			
		Consolidated/Separate financial statements			
		Carrying amount		Fair value	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
Financial liabilities					
Debentures		3,992	3,895	4,005	3,907

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

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

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

38. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 1.4:1 (2016: 1.3:1) and the Company's debt-to-equity ratio was 1.1:1 (2016: 1.0:1).

39. Event after the reporting period

On 23 February 2018, a meeting of the Board of Directors of the REIT Manager of GLAND Office Leasehold Real Estate Investment Trust (an associate) passed a resolution to approve the capital reduction at the rate of Baht 0.2109 per unit trust, or a total of Baht 105.40 million. The Trust will pay the capital reduction to its unitholders on 28 March 2018.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2018.



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