



G LAND

GRAND CANAL LAND PUBLIC COMPANY LIMITED



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To the Shareholders,

In 2019, is a year of challenge for Grand Canal Land Public Company Limited (“the Company” or “GLAND”), from the external factors, which include, economic recession on both domestic and international that effect with consumer confidence, also the internal factors, which is a result from the Company’s management restructured to be more suitable and more efficiency. Also the high competition in the property market was especially for office building business, not only from the expansion from the current entrepreneur but also incoming of the new entrepreneur. However in 2019, the Company, still maintain the business growth as defined in the strategy.

Overall business in 2019, the Company revenue generated from office building, which is the main revenue of the Company, increase from 2018, as a result of lease area and increase in leasing rate. Moreover, the Company recognizes more income from selling property, due to ownership transfer increase in Belle Grand Rama 9 condominium project. In terms of expense, the Company, implement the cost management to reduce the unnecessary cost, which reduces the lease and management cost. On the Company investment matter, apart from the current operations, the Company is considering and studying the possibility of business opportunity including Super Tower and Convention project, Retail sell area lease project (Arcade) and Hotel project.

Message from Chairman

Not only focus on business operations, but the Company also adhere to Good Corporate Governance and equally taking care of stakeholder. In 2019, the Board of Directors, revised the Company's Good Corporate Governance, standardized with listed companies in Stock Exchange of Thailand (SET) and international standard. Moreover, several policies have been considered, for instance, Anti-corruption policies, Connected Transactions policies, Business Operation Transparency policies, etc. To be adhered by the employee and stakeholder, the Company plans to communicate the Good Corporate Governance and other significant policies to employees at all levels to understand and communicate with others.

The Company believes that, Social and environmental responsibility is one of the factors for sustainable growth. One of the significant of the Company's mission is to build the recognition and awareness of employees on utilize, efficient use of resources, and recycling valuable resources. In the social manner, the Company, organize the activity to social and stakeholder in many forms, such as, "GLAND Together, Save the Environment" project, which is a project that encourage executives and employees to join together in preserving natural resources and the environment by planting a mangrove forest at Bangpu Nature Education Center, Samut Prakarn, or "Yai Soon Canal water quality improvement" by joining a collaboration between Bangkok Government and private sector for a public benefit. Etc.

On behalf of the Board of Directors, I would like to thank all shareholders and stakeholders for their trust and support for the Company's operations, including employees and executives who are dedicated to the Company, so that it can retain the growth in this economic challenge. In addition, the Company committed that the Board of Directors, executives and all employees will strive and and dedicate their physical strength and thinking power in developing the organization to achieve sustainable success in order to create wealth and stability for all shareholders and stakeholders. The Company still committed to protecting the environment, society and the community in order to balance the growth of the Company's business under the principles of good corporate governance and free from all types of corruption.



Mr. Sudhitham Chirathivat

Chairman

To the Shareholders,

Grand Canal Land Public Company Limited

The Company's Audit Committee, consists of 3 independent directors, that is Mr. Charan Mongkolchan as Chairman of the Audit Committee. The Audit Committee are including Mr. Vithaya Chavanand and Mrs. Jitmanee Suwannapool who knowledgeable and qualified experience to audit the credibility of Company's financial statements. The 3 of them have independent of operation which is given by the Board of Directors align with regulation of the Securities and Exchange Commission and announcement by Stock exchange of Thailand.

In 2019, there are 5 Audit Committee Meetings, as discussions with the Management, Internal Audit Department and Auditor in relevance matters, but also received information from another Management align with the agenda of duty, that specified in the Audit Committee Charter. The opinion and suggestion has been given independently as it should be, the Audit Committee has submitted 5 of operation reports to the Board of Directors Meetings. The summary of the operation performance and opinion in the agenda could be as follow;

Accuracy, Completeness, and Credibility of Financial Statements.

Review on the Company's Financial Statements on a quarterly and yearly basis, important policies, significant Financial Statements in a collaboration with the Management and Auditor. Conform with Financial Report standard, disclose the Company's Financial Statements with accuracy and completeness, also organize 1 meeting, which specifically with Auditor without Management Department, to discuss on freedom of operation.

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

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

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

In 2019, the Audit Committee has revised the Corporate Governance, and agreed on the Anti-corruption policy, which is an important factor that makes the Corporate Governance complete, clear, and align with the situation.

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

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

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

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

Report of the Audit Committee

Connected transactions or transactions that may lead to conflicts of interest

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

Auditor Suitability, Consideration, Selection and Appointment of Auditor

The Audit Committee assessed the independent and operation performance in 2019, also organized a meeting with Auditor without Management to ask for Auditor's opinion in audit operation and collaboration issue with related Management. The operation performance is good and sufficient independent.

Therefore, the Audit Committee, has consider and appoint Miss Vannaporn Jongperadechanon, CPA Registration No. 4098 or Miss Bongkot Amsageam, CPA Registration No. 3684 or Miss Vilaivan Pholprasert, CPA Registration No. 8420 or Mrs. Sasithorn Pongadisak, CPA Registration No. 8802, of KPMG Phoomchai Audit Limited, as Company and its subsidiary's auditor in 2020. The approved expense is not exceeding Baht 3,170,000.

Opinion and overall Suggestion from operation by Charter of Audit Committee

The Audit Committee review on its performance assessment in 2019, the summarize was made on February 13rd, 2020. The assessment divided into 2 parts including 1) The Audit Committee overall operation and 2) The Audit Committee specific operation.

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



(Mr. Charan Mongkolchan)

Chairman of the Audit Committee





To the Shareholders,

In 2019, the Nomination and Remuneration Committee has organized 2 meetings and the report has been continually submitted to the Board of Directors, the summary of the significant operations are as follows:

1. Consider on an appointment of Director as a replacement to resigned Director, with an approval the appointment of Mr. Sansrit Yenbamrung as a replacement Director of Mr. Jarern Jirawisan and nominate to the Board of Director for approval.
2. Consider a qualified person for Director appointment, to nominate to the Board of Directors and 2019 Annual General Meeting, the Company has open to minority shareholders for nominating a person in nomination to the Board of Directors from 4 December 2018 to 28 December 2018, but there is no nomination. As a result, the Nomination and Remuneration Committee considered the resigned Director as annual agenda to be nominated as Director for the next agenda. The Shareholders meetings have given approval to all nominated Directors.
3. Consider the Remuneration in 2019, for the Board of Directors, and Sub-Committee which consists of the Audit Committee, the Nomination and Remuneration Committee, nominate to the Board of Director and Shareholder Meeting for approval. The consideration not only based on responsibility, performance that connected to turnover and any other related factor, but also compare the remuneration rate with another company in the same industry or related by. The Shareholders meetings approved as offered.

Report of the Nomination and Remuneration Committee

4. Consider the Company's Diversity of the Board of Directors (Board Diversity) for 2019, which consist of number of Independent Directors, gender, age, term of service, and specific skill set (Board Skill Matrix), as a supplementary information to nominate the qualified Directors, with variety of knowledge and beneficial to the Company business operation.
5. Consider the acknowledgement of self-evaluation of the Nomination and Remuneration Committee, which enforce since 2019, as an information to the Nomination and Remuneration Committee for operation improvement, which adhere to Good Corporate Governance.
6. Consider the Nomination and Remuneration Charter and revise, so that the Charter is complete and appropriate with the current situation.
7. Consider the assignment to Management to create policy and clear operation which is related to the inheritance of Chief Executive Officer and Senior Management, and present to the Nomination and Remuneration Committee for further approval.

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



(Mr. Vithaya Chavanand)

Chairman of the Nomination and Remuneration Committee

Board of Directors



Mr. Sudhitham Chirathivat

► Chairman



Assoc. Prof. Prapanpong Vejajiva

► Director



Mr. Charan Mongkolchan

► Independent Director



Mrs. Jitmanee Suwannapool

► Independent Director



Mr. Vithaya Chavananand

► Independent Director



Mr. Preecha Ekkunagul

► Director



Mr. Pandit Mongkolkul

► Director



Miss Nopporn Tirawattanagool

► Director



Mr. Sansrit Yenbamrung

► Director

Management Team



Miss Naparat Sriwanvit

► Chief Executive Officer (acting)



Mrs. Panida Sooksridakul

► Deputy Managing Director



Flt.Lt. Kree Dejchai

► Deputy Managing Director (acting)



Mr. Surakit Thantananont

► Senior Assistant Managing Director



Mr. Kelvin Laup Tack Choi

► Senior Assistant Managing Director

G Board and Management Profile

Board of Directors

BOARD OF DIRECTORS



1. Mr. Sudhitham Chirathivat

Chairman (Authorized Signature)

Age 72 Years

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

Experience in the last 5 years

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

Directorship in Other Listed Companies

Director and Member of Nomination and Remuneration Committee	Central Pattana Plc.
Independent Director	Jasmine International Plc.
Director	Robinson Plc. and Director in subsidiaries
Director	Central Plaza Hotel Plc. and subsidiaries
Independent Director and Member of Audit Committee,	TV Thunder Plc.

Directorship in Non-listed Companies

64 Companies



2. Assoc. Prof. Prapanpong Vejajiva

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

Age 84 Years

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

Experience in the last 5 years

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

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

8 Companies



3. Mr.Charan Mongkolchan

Independent Director and Chairman of Audit Committee

Age 71 Years

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

Experience in the last 5 years

4 Dec 2018-Present	Independent Director and Chairman of Audit Committee	Grand Canal Land Plc.
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Directorship in Other Listed Companies

Director, Independent Director, Member of Audit Committee and Chairman of Risk Management Committee	Robinson Plc.
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Directorship in Non-listed Companies

None



4. Mrs. Jitmanee Suwannapool

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

Age 67 Years

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

Experience in the last 5 years

14 Feb 2020-Present	Chairman of Risk Mangement Committee	Grand Canal Land Plc.
4 Dec 2018-Present	Member of Nomination and Remuneration Committee	Grand Canal Land 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-	Independent Director and	Thailand Privilege Card Co., Ltd.
31 Jan 2017	Chairman of the Audit Committee	

Directorship in Other Listed Companies

Independent Director and Member of Audit Committee	Country Group Holdings Plc.
Independent Director and Member of Audit Committee	NCL International Logistics Plc.

Directorship in Non-listed Companies

Non



5. Mr.Vithaya Chavanand

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

Age 62 Years

- **Date of Being a Director of the Company** 4 December 2018
- **Education** Bachelor Degree (Political Science Finance),
Chulalongkorn University
MBA, Webster University, U.S.A.
- **Training Courses** Director Accreditation Program (DAP), Class 52/2006
Director Certification Program (DCP), Class 84/2006
Audit Committee Program (ACP), Class 32/2010
Monitoring Fraud Risk Management (MFM), Class 4/2010
Updated COSO Enterprise Risk Management:
Integrating with Strategy and Performance, Year 2017
Thai Institute of Directors (IOD)
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

Experience in the last 5 years

4 Dec 2018-Present	Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee	Grand Canal Land Plc.
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Directorship in Other Listed Companies

Director, Independent Director, Member of Audit Committee, Member of the Risk Policy Committee, Member of Nomination and Remuneration Committee Vice Chairman and Company Secretary	Robinson Plc. Vichitbhan Palm Oil Plc.
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Directorship in Non-listed Companies

6 Companies



6. Mr. Preecha Ekkunagul

Director (Authorized Signature) and Chairman of Management Committee

Age 61 Years

- **Date of Being a Director of the Company** 12 September 2018
- **Education** B.Sc. in Chemical Engineering, Chulalongkorn University
M.Eng., Asian Institute of Technology
- **Training Courses** Director Certification Program (DCP), Class 62/2005
Director Accreditation Program (DAP), Class 8/2004
Thai Institute of Directors (IOD)
Capital Market Academy Leadership Program, Class 7
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

Experience in the last 5 years

14 Feb 2020-Present	Chairman of Mangement Committee	Grand Canal Land Plc.
28 Sep 2018-Present	Director	Rama 9 Square Co., Ltd.
21 Sep 2018-Present	Director	G Land Property Management Co., Ltd.
21 Sep 2018-Present	Director	Belle Development Co., Ltd.
21 Sep 2018-Present	Director	Belle Assets Co., Ltd.
21 Sep 2018-Present	Director	Rama 9 Square Hotel Co., Ltd.
21 Sep 2018-Present	Director	Sterling Equity Co., Ltd.
12 Sep 2018-Present	Director	Grand Canal Land Plc.
2 Oct 2018-	Chairman of	Grand Canal Land Plc.
13 Feb 2020	Executive Committee	
2012-2014	Director	Officemate Plc.

Directorship in Other Listed Companies

Director, President & CEO and Member of the Risk Policy Committee	Central Pattana Plc.
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Directorship in Non-listed Companies

34 Companies



7. Mr. Pandit Mongkolkul

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

Age 56 Years

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

Experience in the last 5 years

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

Directorship in Other Listed Companies

Director, Member of Nomination and Remuneration Committee and Risk Management Committee	Consultant, COL Plc.
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Directorship in Non-listed Companies

14 Companies



8. Miss Nopporn Tirawattanagool

Director

Age 65 Years

- **Date of Being a Director of the Company** 27 April 2015
- **Education** Bachelor of Business Administration (in Accounting), Thammasat University
Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- **Training Courses** Director Accreditation Program (DAP), Year 2003
Role of the Compensation Committee (RCC), Year 2009
Audit Committee Program (ACP), Year 2010
Director Certification Program (DCP), Year 2010
Financial Institutions Governance Program (FGP), Year 2011
Anti-Corruption for Executive Program (ACEP), Year 2013
Risk Management Program for Corporate Leaders (RCL), Year 2015
National Director Conference 2017 “Steering Governance in a Changing World”, Year 2017
IOD National Director Conference 2018 “Rising Above Disruptions: A Call for Action”, Year 2018
Thai Institute of Directors (IOD)
Training on International Financial Reporting Standard 9 (IFRS 9), 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”, Year 2016
Strategic IT Governance (for non-IT), Year 2017
Future customer experience in financial and banking services, Year 2018
IT security trend update, Year 2018
Cyber Resilience, Year 2019
Bangkok Sustainable Banking Forum 2019 “An Industry Wake-up Call”, Year 2019
Agile Leadership for Board of Directors, Year 2019
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

Experience in the last 5 years

27 Apr 2015-Present	Director	Grand Canal Land Pcl.
9 Apr 2015-28 Nov 2016	Director	Siam Puri Engineering Co., Ltd.
15 Nov 2014-21 Feb 2017	Director	Belle Development Co., Ltd.

Directorship in Other Listed Companies

Director, Member of Nomination and Remuneration Committee and Member of Risk and Compliance Committee	Bank of Ayudhya Pcl.
Director	Srivichaivejvivat Pcl.
Director, Member of Nomination and Compensation Committee and Member of Governance and Risk Committee	Siam City Cement Pcl.
Director and Member of Nomination and Remuneration Committee	Allianz Ayudhya Capital Pcl.

Directorship in Non-listed Companies

22 Companies



9. Mr. Sansrit Yenbamrung

Director

Age 61 Years

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

Experience in the last 5 years

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

Directorship in Other Listed Companies

Director and Chairman	Matching Maximize Solution Pcl.
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Directorship in Non-listed Companies

10 Companies

Management Team



1. Miss Naparat Sriwanvit

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

Age 47 Years

- **Education** B.A., Faculty of Commerce and Accountancy, Chulalongkorn University
M.A., Faculty of Commerce and Accountancy, Thammasat University
Certified Public Accountant (CPA), Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- **Training Courses** Company Secretary Program (CSP), Class 2/2002
Director Certification Program (DCP), Class 226/2019
Thai Institute of Directors (IOD)
Finance for Executives Program, INSEAD Business School, France
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

Experience in the last 5 years

14 Feb 2020-Present	Member of Risk Management Committee and Member of Management Committee	Grand Canal Land Plc.
28 Sep 2018-Present	Director	Rama 9 Square Co., Ltd.
21 Sep 2018-Present	Director	G Land Property Management Co., Ltd.
21 Sep 2018-Present	Director	Belle Development Co., Ltd.
21 Sep 2018-Present	Director	Belle Assets Co., Ltd.
21 Sep 2018-Present	Director	Rama 9 Square Hotel Co., Ltd.
21 Sep 2018-Present	Director	Sterling Equity Co., Ltd.
13 Sep 2018-Present	Chief Executive Officer (acting)	Grand Canal Land Plc.
2015-Present	Senior Executive Vice President, Finance, Accounting and Risk Management	Central Pattana Plc.
2 Oct 2018-13 Feb 2020	Executive Director	Grand Canal Land Plc.
2013-2014	Executive Vice President, Finance, Accounting and Risk Management	Central Pattana Plc.

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

1 Company

Continuing Professional Development in the Accounting Profession (CPD)

2019	<ul style="list-style-type: none"> - TFRS Update and Application Briefing, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King, totaling 7 hours - Fraud related to basic information technology, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King, totaling 6 hours - TFRS 63, NYC Management Co., Ltd., totaling 7 hours
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2. Mrs. Panida Sooksridakul

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

Age 65 Years

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

Experience in the last 5 years

14 Feb 2020-Present	Member of Risk Management Committee and Member of Management Committee	Grand Canal Land Plc.
1 Jan 2019-Present	Deputy Managing Director	Grand Canal Land Plc.
2 Oct 2018-13 Feb 2020	Executive Director	Grand Canal Land Plc.
13 Sep 2018-31 Dec 2018	Deputy Managing Director (acting)	Grand Canal Land Plc.
2013-2018	Assistant Managing Director Property Management	Central Pattana Plc.

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

None



3. Flt.Lt. Kree Dejchai

Deputy Managing Director (acting) and Member of Management Committee

Age 56 Years

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

Experience in the last 5 years

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

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

3 Companies



4. Mr. Surakit Thantananont

Senior Assistant Managing Director Accounting and Finance Department

Age 58 Years

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

Experience in the last 5 years

1 Sep 2013-Present	Senior Assistant Managing Director Accounting and Finance Department	Grand Canal Land Plc.
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Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

None

Continuing Professional Development in the Accounting Profession (CPD)

2019	- COSO ERM 2017, Class 2/2019, Federation of Accounting of Accounting Professions Under the Royal Patronage of His Majesty the King, totaling 8 hours
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5. Mr. Kelvin Laup Tack Choi

Senior Assistant Managing Director Commercial Sales and Marketing Department

Age 66 Years

- **Education** Bachelor of Arts (Economics) University of Manitoba,
Manitoba, Canada
- **Training Courses** None
- **Shareholding in the Company** None
- **Family Relationship among 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.

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

None



6. Mr. Somphoch Thitipalati

Company Secretary

Age 37 Years

- **Date of Being a Company Secretary** 13 September 2018
- **Education** Bachelor of Law, Thammasart University
Master Degree of Management, College of Management, Mahidol University
Master Degree of International Banking and Finance Laws, University of Leeds, UK
Certificate of Thai Barristered, The Thai Bar
- **Training Courses** Corporate Governance for Capital Market Intermediaries (CGI 22/2019)
Anti-Corruption the Practical Guide (ACPG), Class 50
Thai Institute of Directors (IOD)
Fundamentals Practice for Corporate Secretaries (FPCS)
Advances for Corporate Secretaries, Class 1
Thai Listed Companies Association
RE-CU Cash Flow, Class 6
The Real Estate Executive Association of Chulalongkorn University
Enhancing Good Corporate Governance based on CGR Scorecard
Thai Institute of Directors (IOD) and Stock Exchange of Thailand (SET)
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

Experience in the last 5 years

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

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

None



7. Ms. Nonglak Sriwongphanawes

Internal Audit

Age 45 Years

- **Education** B.B.A. in Finance and Banking, Assumption University
The Master of Commerce in International Business,
The University of New South Wales, Australia
- **Training Courses** Analytical Thinking for Professional Internal Auditors
Anti-Corruption Synergy to Success
Internal Audit's Challenge in Value Adding
The IA Insights: The Professional of Sustainable Development
Skills for New Auditor-In-Charge
Standards and Techniques of Auditing
Accountants with the Operating Internal Audit
CAE Forum - Digitization: Empower IA New GEN
The Institute of Internal Auditors of Thailand
IA Core Competencies, The Institute of Internal Auditors of Thailand
and The Stock Exchange of Thailand
Fraud Examination, Federation of Accounting Professions Under the
Royal Patronage of His Majesty the King
Endorsed Internal Auditing Program, Chulalongkorn University
Risk management updates for board and senior management, PWC
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

Experience in the last 5 years

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

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

None

8. Miss Thassariya Saimi

Vice President Accounting Department

Age 59 Years

- **Education** Bachelor of Finance and Banking, Ramkhamhaeng University
Bachelor of Accounting, Kasem Bundit University
Master of Finance, Ramkhamhaeng University
- **Training Courses** None
- **Shareholding in the Company** None
- **Family Relationship among Directors and Executives** None

Experience in the last 5 years

2010-Present	Vice President Accounting Department	Grand Canal Land Plc.
2013-2018	Director	Pluekoetu Co., Ltd.

Directorship in Other Listed Companies

None

Directorship in Non-listed Companies

None

Continuing Professional Development in the Accounting Profession (CPD)

2019	- TFRS Update and Application Briefing, Central People Development Center Co., Ltd, totaling 7 hours
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The Company's Business

1. Policy and Overall of the Business Operation

1.1 Vision and Mission

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

1.2 Important Changes and Developments

Grand Canal Land Public Company Limited (“the Company” or “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, from the television business to the real estate development business. The Stock Exchange approved the listing of the Company's ordinary shares and reclassified the business category from the media and publication business category, under service industry group, to the property development category under property and construction industry group on 21 January 2010 and the Company changed its company name to Grand Canal Land Public Company Limited on 6 May 2010 and used the stock symbol “GLAND”.

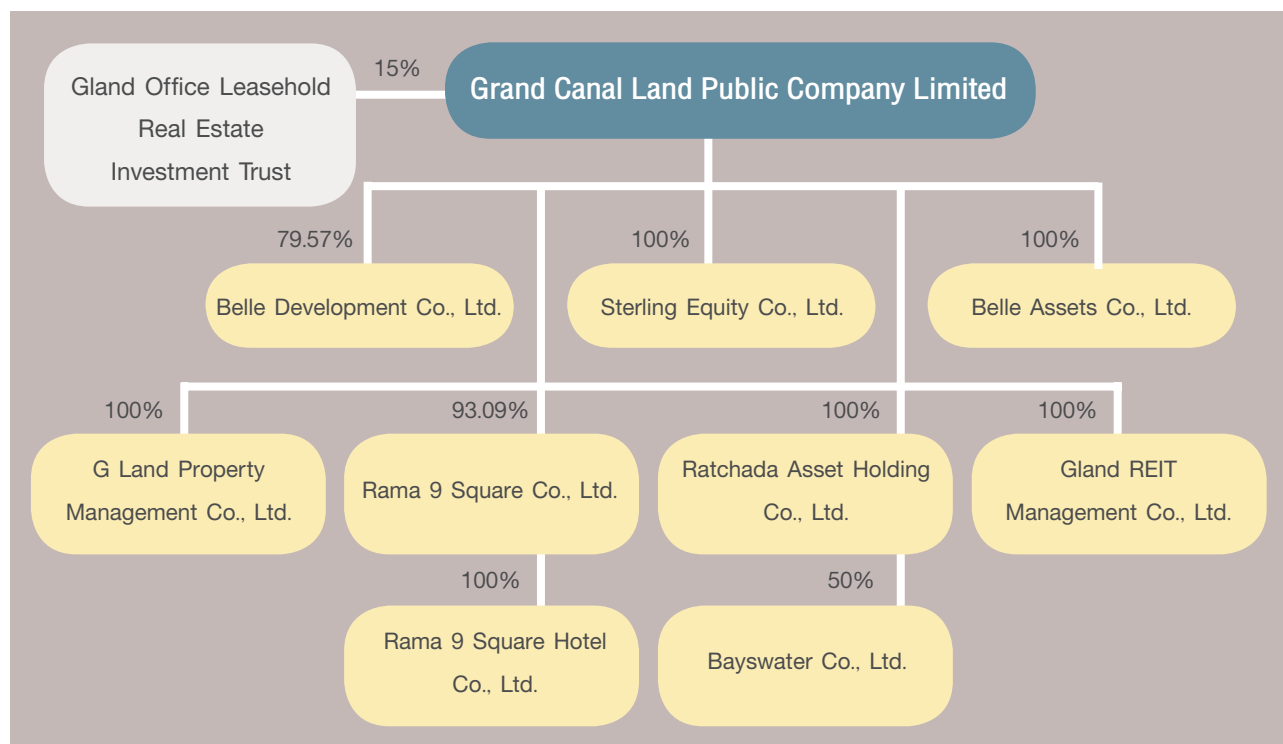
On 19 April 2017, the Company and its subsidiary entered into agreements to lease out the office space of The 9th Towers Grand Rama 9 Project and Unilever House Grand Rama 9 Project (together called the “Project”) and to dispose moveable properties which are used in the operation of The 9th Towers Office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

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

As of the end of 2019, the Company has registered capital of Baht 6,535 million and paid-up capital of Baht 6,499 million.

1.3 Shareholding structure

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



1.4 The Relation of Major Shareholder Business's Group

In 2019, the Company entered into a service agreement with CPN (major shareholder in CPN Pattaya and indirect major shareholder of the Company) for advisor in the administration and policy making, as well as suggesting useful the Company's business operations. On 26 September 2019, the Company received financial assistance from CPN Pattaya, with the objective to reduce finance costs from other sources of funds and use for the development of the Company's investment. However, the Company's transactions with such major shareholders do not affect the business structure of the Company in aspect of business competition due to the Company's business and the major shareholders have different customer groups.

The Grand Rama 9 Project

Belle Grand Rama 9 Project



Picture of the Belle Grand Rama 9 Project



Picture of the Shoppes @ Belle Grand Rama 9 Project

The Ninth Towers Grand Rama 9 Project



Picture of the Ninth Towers Grand Rama 9 Project

Unilever House Grand Rama 9 Project



Picture of Unilever House Grand Rama 9 Project

G Tower Grand Rama 9 Project



Picture of the G Tower Grand Rama 9 Project

2. Nature of Business

Grand Canal Land Public Company Limited (“GLAND”)

Currently, the Company has a registered capital of Baht 6,535,484,202 and paid-up capital of Baht 6,499,829,661 divided into 6,499,829,661 ordinary shares with a par value of Baht 1 per share. The Company’s current projects, the Ninth Towers Grand Rama 9 and retail spaces for rent at the Shoppes @ the Ninth, are now open and in operation. In addition, the Company also provide services for office building management, sales management, marketing, construction work and residential project management.

On 19 April 2017, the Company entered into agreement to lease the office spaces of the Ninth Towers Grand Rama 9 Project and transfer the ownership in the movable properties for the operation of the office buildings of the Ninth Towers Grand Rama 9 Project to GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”). On 22 November 2019, the TRUST unitholders’ meeting of GLANDRT has the resolution with a conditional regarding the transfer of leasehold rights in The Nine Towers Grand Rama 9 Project including the rights and obligations relating the assets to CPN Retail Growth Leasehold Reit (“CPNREIT”).

The Company is currently reviewing the development plans for the Super Tower project and the real estate project for sale, Belle Sky Condominium project.

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.

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 GLANDRT. On 22 November 2019, the TRUST unitholders’ meeting of GLANDRT has the resolution with a conditional regarding the transfer of leasehold rights in Unilever House Project including the rights and obligations relating the assets to CPNREIT.

Sterling is currently reviewing the development plans of the hotel project in the Grand Rama 9 Project.

Rama 9 Square Co., Ltd. (“Rama 9”)

Rama 9 was registered and incorporated in 1995. Currently, Rama 9 has a registered and paid-up capital of Baht 1,900 million, divided into 19 million ordinary shares with a par value of Baht 100 each. At present, Rama 9 has operated an office building for rent in G Tower Grand Rama 9 Project and retail spaces for rent in The Shoppes @ G Tower.

Belle Development Co., Ltd. (“Belle”).

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

G LAND Property Management Co., Ltd. (“GPROP”)

GPROP was registered and incorporated in 1995 under the name of BBTV Marketing Co., Ltd. and was renamed in 2014 as GLAND Property Management Co., Ltd. Currently, GPROP has a registered and paid-up capital of Baht 1,300 million, divided into 13 million ordinary shares with a par value of Baht 100 each. GPROP owns the Land in the Grand Rama 9 Project.

GPROP is currently reviewing the development plans for the retail spaces for rent project (“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. Shareholding structure comprised of Ratchada Asset Holding Co., Ltd. (“Ratchada Asset Holding”), the subsidiary of the Company and Central Pattana Public Company Limited (“CPN”), on the basis of 50 : 50 equity. Currently, Bayswater has a registered and paid-up capital of Baht 10 million, divided into 100,000 ordinary shares with a par value of Baht 100 each. It is the intention of both Ratchada Asset Holding and CPN to use this joint venture company as a vehicle in developing specific real estate project(s). At present, Bayswater has a vacant plot of land around the Phahonyothin area which is under development.

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

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

Gland Reit Management Co., Ltd. (“Gland REIT”)

Gland REIT was registered and incorporated in 2016. Currently, Gland REIT has a registered and paid-up capital of Baht 10 million, divided into 1 million ordinary shares with a par value of Baht 10 each. Gland REIT was established to be the REIT manager of the Real Estate Investment Trust. At present, Gland REIT is a REIT Manager of Gland Office Leasehold Real Estate Investment Trust (“GLANDRT”).

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

Table on the Group’s Revenue Structure for 2017-2019 pursuant to its Consolidated Financial Statement

Business Category	Operated by	% of the Company’s Equity as at (Dec 31, 19)	2019		2018		2017	
			Million	%	Million	%	Million	%
Real Estate - for rent and related services	Rama 9 Square Co., Ltd.	93.09	760.50	28.83	738.27	36.11	518.68	18.17
	Grand Canal Land Plc.	-	239.91	9.10	277.60	13.58	291.52	10.2
	Sterling Equity Co., Ltd.	100.00	113.84	4.32	100.28	4.90	138.86	4.86
	Belle Development Co., Ltd.	79.57	98.51	3.73	101.40	4.96	117.36	4.11
Real Estate - for sale	Belle Development Co., Ltd.	79.57	315.44	11.96	273.73	13.39	356.51	12.49
	Sterling Equity Co., Ltd.	100.00	12.59	0.48	-	0.00	-	-
Real Estate - Project management and services	Grand Canal Land Plc.	-	0.00	0.00	19.35	0.95	27.58	0.96
Real Estate - Real estate management	Grand Canal Land Plc.	-	22.33	0.85	21.8	1.07	14.27	0.50
	Sterling Equity Co., Ltd.	100.00	10.20	0.39	10.13	0.50	6.76	0.24
Real Estate - REIT Manager	Gland Reit Management Co., Ltd.	100.00	17.19	0.65	16.5	0.81	11.88	0.41
Gains from changes in Fair Value and others	Grand Canal Land Plc. and Subsidiaries	-	1,047.11	39.70	485.56	23.75	1,371.94	48.05
	Total		2,637.63	100.00	2,044.62	100.00	2,855.36	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 rent and real estate for sale. Moreover, some parts of the Company’s revenues are derived from its undertakings on project management as well. In this regard, the Company’s projects can be classified as follows:

2.1.1 The Grand Rama 9 Project

At present, the Company is in the process of developing the Grand Rama 9 Project, a large scale real estate project on approximately 73 rai of land located at the Intersection of Rama 9 Road and Ratchadapisek Road (connected to the Rama 9 MRT station exit 3) with access to several major routes which is considered potential location that can serve all journeys. The Company's goal is to develop this project into the Central Business District at the heart of Bangkok. The Grand Rama 9 Project consists of office buildings, retail spaces, convention hall, hotel and condominium buildings, as follows:

Project Name	Project category	Project Status as of 31 December 2017
1. Belle Grand Rama 9	Residential Condominium	Operated in September 2012
2. The Ninth Towers Grand Rama 9	Office building	Operated in February 2014
3. Unilever House Grand Rama 9	Office building	Operated in December 2014
4. G Tower Grand Rama 9	Office building	Operated in September 2016
5. Super Tower & Convention Hall	Office building and Convention Hall	New project plan under review.
6. Arcade Project	Retail spaces	New project plan under review.
7. Hotel Project	Hotel	New project plan under review.
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.

Details of the various projects in the Grand Rama 9 Project

Belle Grand Rama 9 Project

This Condominium Project was developed by Belle Development Co., Ltd. in which the Company holds 79.57 percent of its shares. The Belle Grand Rama 9 Project is a residential condominium for sale with retail spaces for rent (The Shoppes Grand Rama 9 @ Belle). There are 8 residential buildings which are the high-rise buildings with basements of two 27-story buildings, two 34-story buildings, two 36-story buildings and two 43-story buildings covering a total of 1,991 residential units and aggregate construction areas of 356,546 square meters. All buildings are constructed on 6-story podium with two floors developed into retail spaces for rent and the remaining four floors as car-parking spaces. This Project is located at the Ratchada - Rama 9 Intersection near the MCOT Intersection and is about 400 meters away from Rama 9 MRT Station.

The highlights of this Condominium Project are its resort-style condominium with a large recreational area characteristically arranged like a hanging garden, and its location in the Centre of Bangkok around the Ratchada - Rama 9 Intersection close to the Expressway, the MRT and the Airport Link which makes it most convenient for transportation. It is sited next to the new Centre of Business District which is comprised of residential condominiums, office buildings, shopping complex and the Central Plaza Grand Rama 9 Shopping Complex. This Project is classified as one of the residential condominiums with high potential in Bangkok which targets the middle to higher income earners.

The average selling price of the condominium units in the project is approximately 120,000 baht per square meter. The room size ranges from 146 to 193 square meters. Sales and total transfers, as of February 2020, equal to 1,970 and 1,969 units, respectively, representing 98.95 percent and 98.90 percent of the total number of units.

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

The Ninth Towers Grand Rama 9 Project

The Ninth Towers Grand Rama 9 Project ("The Ninth Towers") is a 2-office buildings project with retail spaces for rent ranging from Grades B+ to A- in the Grand Rama 9 Project. It consists of the 36-story Tower A and the 34-story Tower B with retail spaces and common areas at the basement floor, 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

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

This Project is a Grade A office building project with retail spaces for rent developed by Rama 9 Square Co., Ltd. (in Which the Company holds 93.09 percent of its shares), located on the land under a 43-year long-term lease agreement. Total office and retail spaces for rent are approximately 73,000 square meters. The building was designed in the form of the alphabet G consisting of two high-rise buildings of 40-story and 30-story

(8 degrees slope), based on the 14-story podium. This Project is located on the area of Ratchada-Rama 9 Intersection, connected to the Rama 9 MRT Station exit 3 and sited next to the Central Plaza Grand Rama 9 Shopping Complex.

Central Plaza Grand Rama 9 Shopping Complex Project

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

2.1.2 Vacant land that is under review of the development model

(1) Vacant land in the Grand Rama 9 Project

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

(2) Vacant land in Grand Canal Don Muang Project

The Company has vacant land in Grand Canal Don Muang Project, which is adjacent to the Red Line BTS with a total area of 85-1-38.7 rai.

(3) Vacant land on Kampaeng Phet Road

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

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

(4) Vacant land

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

2.1.3 Real Estate Management Services

The Ninth Towers and Unilever House Office Buildings

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

on 22 November 2019, the TRUST unitholders' meeting of GLANDRT has the resolution with a conditional regarding the transfer of leasehold rights in The Nine Towers and the Unilever House Project including the rights and obligations relating the assets to CPNREIT, which is currently in process of transferring leasehold rights, including related other rights and obligations.

2.2 Marketing and Competition

(1) Types of Customers and Target Groups

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

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

Target customers for retail spaces cover every target groups: long-term, short-term or miscellaneous tenants, depending on the characteristic of particular retail spaces.

(2) Pricing Policy

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

(3) Economic and Industry Overview

- **Economic and Industry**

Thai economy in 2019 grew by 2.5 percent, which decrease by 4.1 percent in 2018, was the lowest growth in 5 years since 2014, as a result of 1) the slowdown of the main economies of the world as are the United States ("USA"), China and Europe, which are in the late cycle of growth. In addition, it was also affected by the trade war between the USA and China, resulting in the export of Thailand's product shrink. 2) the low expansion in households income and non-agricultural sectors as especially non-agricultural sectors that are affected by the industrial sector for export which has reduced overtime and labor incentive. However, government stimulus has been issued throughout the year which helped to support overall private consumption growth. 3) The slowdown in private investment that was affected by the export sector and the delay of government investment projects and public-private Partnership. And 4) the slow recovery of the tourism sector during the first period of the year as the reason was the concern of Chinese tourists from the catastrophic ship crash in Phuket in the middle of 2018, as well as the dust pollution in early 2019 including the Chinese economy was slowing down. However, the second half of the year, the tourism sector began to recover due to the exemption of Visa on Arrival (VOA) fees and the positive result from Hong Kong protests and the problems between South Korea and Japan causing more tourists to visit Thailand.

Domestic Private Sector's consumption expansion was slightly decreased at 4.4 percent, in comparison to 4.6 percent in 2018, the expansion of Private Sector's consumption is as follows; 6.0 percent expansion in the North, 4.0 percent expansion in the center, 4.0 percent expansion in the Northeast, only 1.0 percent expansion in the south. The decrease in Private Sector's

consumption region is as follows; 1.0 percent decrease in Bangkok and perimeter, 6.0 percent decrease in the East, and 1.0 percent decrease in the West, as a result from 1) Decrease in number of foreigner tourist, 2) The Government policy to stimulate the economy which focus on low-income person expense and domestics travelling, and 3) Loan to Value policy, which effect the decrease of sell in Housing and Condominium in Bangkok and perimeter, and major industry city, which mild the effect to mid-income person expense, but stimulate the low-income person, which is a foundation of the Country, however the Household debt is high at 78.7 percent per GDP, which is increase by 6 percent from 2018, reflect the greater of Household debt expansion in comparison with income to 4-5 percent, which is a barrier to spending expansion as a whole, and consumer debt coverage in a next phase.

The export's product in 2019 decreased by 3.3 percent, which used to increase by 7.5 in 2018, the first decrease in the past 4 years since 2015, as a result from shrink in almost every major export market. The major export market expansion is 1.7 percent (USA expansion is 11.4 percent, European expansion is decreased by 1.3 percent, Japan is decreased by 7.0. USA imports some of Thai products as a substitution to China products). Meanwhile the high potential market decreased by 7.1 percent (Asean decreased by 8.5 percent and China decreased by 4.7 percent) The medium potential market (Australia, Middle East, Russia, and Commonwealth of Independent States - CIS) decreased by 5.2 percent. The latter half of 2018, Thai export effect by appreciation of the baht which result in competition ability of Thai product in comparison to competitor, which is a barrier for Thai export recovery in a next phase.

Private Sector's investment expansion decreased, the expansion is 2.5 percent, which has been 3.9 percent in 2018, due to the profitability and trust in business sector investment continually falling, adversely affecting Private Sector's investment in both mid-term and long-term. A postpone of joint investment in mega projects of Government and Private Sector, also the significantly slowdown of Real estate investment (Housing, Condominium, and Commercial Building). The project opening by entrepreneur decreased by 12 percent, which affected the decrease of the demand, majorly caused by Loan to Value.

Government Agencies' spending expansion is less than expected, the Government investment expansion is 1.7 percent, the Government consumption expansion is 2.2 percent, which in 2018 the expansion were 3.3 percent and 1.8 percent accordingly. One of the factor is delay of Government establishment, which affect the continuity of Operation, for instance, the Disburse investment budget in mega project by State Enterprises, the Government policies that focus on short term economy stimulation, and delay in 2020 annual expense budget. However the economic stimulation from foundation to the national level assists the economy by not too greatly decreased.

The tourism in 2019, there is foreigner traveler travel into Thailand at 39.8 Million people, increased by 4.2 percent from 2018, the top 4 traveler nationality are 1) Chinese, increased by 4.4 percent, 2) Malaysian, increased by 3.6 percent, 3) Indian, increased by 24.9 percent and 4) South Korea, increased by 5.1 percent. The highest growth rate of traveler by nationality is Indian, increased by 24.9 percent, Laos, increased by 10.9, and Japanese increased by 9.1 percent. The income from a foreigner traveler is 1.9 Million Million Baht, increased by 3.1 percent. The expansion of foreigner traveler expected to by the major factor of drive in Thai economy.

The annual average appreciation of the Baht in 2019 expect to be 31.0 THB /USD, increased from the annual average at 32.3 THB/USD in 2018 by 4.2 percent. As a relief in financial policies in major countries especially Federal Reserve Bank, European Central Bank, Bank of Japan, and other Central Bank in Asia, along with investor trust in Thai economy stability which still surplus the current account, as a result the investment fund is continuously flow to Thailand.

- **Thailand Economy trend in 2020**

Economy direction in 2020 trend is lower expansion that its potential, the expansion rate is forecast at 2.8 percent, which slightly increased by 2.5 percent in 2019, with the support factor including 1) Good level of expansion in Domestic demands, by household spending at low interest rate, execution in government policies in order to looking after the low income person and farmer, also include the Government and Private Sectors investment that expect to be open during 2020-2021. 2) Slightly improvement of export as support by improvement of World economy and World trading, the IMF forecast that World economy expansion is 3.4 percent from 3.0 percent in 2019, and the value of world trading will expand by 3.2 percent which will increase from 1.1 percent in 2019. 3) The Government economy stimulation policies, not only using Ministry of Finance's tools and stimulate cash flow to economy in expenditure budget, and stabilize the repo in low level to continuously stimulate the economy in 2020, and 4) Improvement in Tourism, with major support from lengthen the Visa on Arrival fee waive, the recovery of Chinese tourist, and the expansion of tourist from Asia, for instance, Korea, Japan, Taiwan and ASEAN, along with positive policies support by the Government.

However the Thai Economy in 2020, must evaluate the risks in 1) Risk of lower than expected expansion in the Partner country economy. 2) Risk of Politics stability, basic infrastructure investment driven, also Government policies, which are the major factors that support the economy's growth to be continuous and strengthened. 3) Risk of high Household debt and expansion is faster than income which is a barrier to overall consumption expansion. 4) Risk of drought, which adversely affects the farmer income. 5) Risk of pandemic in COVID-19, from Wuhan, China, which will affect Thai economy and Thai tourism, as a result from decrease in tourists from China during the quarantine period.

Source: Office of the National Economic and Social Development Council, Bank of Thailand, Ministry of Tourism and Sport, Ministry of Commerce, IMF

- **Office building lease status in 2019**

The overall of Office Building lease industry in 2019, supply of the Office Building lease market increased by 200,000 square meters, in comparison with 2018. At the end of 2019, the accumulated Office Building area approximately at 8.9 Million square meters, the growth rate is slightly increased from 2018, which is conform by the need of Office Building space increasing around 200,00 square meters annually. The demand is approximately 8.3 Million square meters, growth ratio from 2018 is 1.3 percent.

In terms of average leasing in the industry in 2019, the rate of average leasing is approximately at 93 percent, which considerably high rate, as a result the Office Building lease trend is positive, a chance of increase in rental and service fee especially in CBD area, and Grade A, which has average rental rate around 1,050 Baht / square meter / month. The ratio in comparison with

previous year (YOY) approximately at 4.8 percent. Meanwhile the CBD, Grade B area has an average rental rate around 876 Baht / square meter / month. The growth rate is 3.9. For the Non-CBD, the growth is lower, which can be said that the Non-CBD, Grade A, will have an average rental rate around 790 Baht / square meter / month, which is only 1.9 percent growth rate. While the Non-CBD, Grade B have an average rental rate around 720 Baht / square meter /month, which is only 3.6 percent growth rate, in a comparison with 2018.

- **Office Lease Industry trend in 2020**

The trend of Office Lease market in 2020, projected to decline in comparison with 2019, due to the increase of under construction Office space around 1 Million square meters, which will be complete during 2020-2023, however the demand of Office space rental may increase in a lower ratio. The trend of rental fee is decreasing or stable, moreover the commercial asset tax will be increased from 0.3 percent to 1.2 percent from the Government estimation, which will a load in the cost of ages Office Building in the central city area. The coup will be foreseen by the Building owner, including improvement and development of the whole building system, also the image of the Building to attract new customers and retain the current customers with the Building.

- **Overview of Retail industry in 2019**

The overview of retail business in the past 2019, has a signal of shrink in every product category, which is the same as GDP in the past 2019, the growth expected to be only 2.6 percent, based on the accumulate of business profit. The Thai Retailers Association expects the growth in 2019, should be only 2.8 percent which reduces from the previous year with 3.2 percent.

The Retail group that was affected by the economy state in Non-durable goods consists of Food and Beverage were obviously affected by the decrease in growth rate of mid to low consumer. The Semi-durable goods, including cloth, leather, cosmetic, and watch were obviously affected by regular income consumers, in which the growth rate decreased from 10-12 percent to only 3-4 percent. The Durable goods, including electronics, camera, smart phone, were not affected much, and could be considerable stable. The Construction materials goods was still not recovered by the shrink in Real Estates and Construction.

Shopping malls and Department stores are continuously affected by the abnormal shopping environment, and price which does not support the shopping to tourists, due to the higher import tax for luxury brands, in comparison with Countries that have Shopping Destination policy to attract the tourists.

According to the Retail spaces analysis by CBRE research, in 2029, the Retail spaces in Bangkok is 7.8 Million square meters, increased by 4.39 percent yearly, the stand out project including, The Market Bangkok, Donki Mall, Samyan Mitr Town, and The First Central Village Outlet Mall in Bangkok.

Source: Analysis report by CBRE (Thailand) Ltd., and information by Thai Retailers Association

- **Trend of Retail industry in 2020**

In 2020, the overview of Retail Business, should continuously adverse affected by purchasing power of consumer, which has been under pressure during the past 3-4 years, especially on Retail business that target to foundation and mid-purchasing to low-purchasing power consumer, for

instance, the Grocery store or Hypermarket. The target customer still affected by the surrounding factor, consists of, high ratio of household debt, increase in cost of living, meanwhile the product sales of Department store and Convenient store is still stable, since they can respond to consumer behavior in terms of convenient, fast, and lifestyle services. The adaptation of Shopping malls and Department stores will focus on giving the new experience to customers and be competitive with online sales that were significantly grow.

- **Overview of Residence Market in 2019**

The Residence Real Estates and ownership transfer in Bangkok and perimeter on 2019, will be minus from 2018, due to the slowdown activity during this period of the year, but the better signal will be foreseen in the last quarter, due to new announced policies to stimulate the Real Estate investment and sooth the ownership transfer.

- **Residence Market status in Bangkok and Perimeter**

The overview of the Residence Market situation in Bangkok and Perimeter in 2019, in terms of demand is increased by the ownership transfer during the year, due to the Government and Ministry of Finance, have prioritize the effect of Loan to Value, and continuously announce the Policies to stimulate the Real Estate by 3 policies. First policy is to allow the consumer, who purchases the first housing with lower than 5 Million Baht, can deduct the taxation by not over 200,000 Baht. Second policy is to reduce the ownership transfer and mortgage fee to 0.01 percent for housing with lower than 1 Million Baht. Third policy is to reduce the ownership transfer and mortgage fee to 0.01 percent for housing with lower than 3 Million Baht from the Operator. The mentioned policies have positively affected, which increase the ownership transfer in comparison with 2018, and cause the credit volume by Financial institution, decreased, but better than without any support Government policies. The total credit volume is 640,259 Million Baht, which is still higher than 5 years average at 628,200 Million Baht. In terms of Supply, was decreased in numbers of new Residence projects, and the complete registered construction project in 2018, due to the Operator was adjusted to slow down of Thai economy, by accelerating the sales in old Supply, before investing in new projects.

- The trend in 2020, REIC expected that the positive factor caused by downside of interest rate, Government Real Estate stimulation policies, the relieve on LTV by Bank of Thailand (BOT), but the negative factor are the slowdown in economy, also including the COVID-19 affect, which slowdown both Demand and Supply. In terms of Demand in ownership transfer will reduce for both volume and value by 4.1 and 3.9 percent accordingly, in comparison with 2019, and expect that the Housing credit will be reduced to 2.8 percent, in comparison with 2019. In terms of complete construction in housing Supply expected to be decreased by 0.3 percent, but new projects will be increased by 12.5 percent, in comparison with 2018. The Operator will shift the investment to horizontal project rather than vertical project, the horizontal project expected to be increased by 16.1 percent, the Condominium project expected to be increased by 9.7 percent, accordingly.

Source: Real Estate Information Center, Government Housing Bank (REIC)

- **Regional Residence Market Situation**

The overview of Regional residence market situation in 2019, for both Demand and Supply is increasing, in comparison with 2018, due to the Government's Real Estate stimulation policies that continuously announced since second to last quarter, especially the group of provinces EEC, which an investment has been support by the Government, therefore the increase is higher than any other area. In consideration of Demand, the overview of ownership transfer is increasing for both volume and value, in comparison with 2018, with the increasing in horizontal residence, but the condominium residence is decreasing. In terms of Supply, the approval of Land Allocation License increases, in comparison with 2018. The overview of Construction License approval is slightly decreased, in comparison with 2018, by the decline of horizontal condominiums. However in 2019, the Land Allocation License and Construction License approval were lower than 5 years average.

The trend in 2020, still requires to monitor and observe the risk factor from both domestics and internationals that affect the growth of economy, for instance, the effect of appreciation in the Baht, Trade Protectionism, Drought that may adversely affect the agriculture products, etc. As a result, the Demand (Residence ownership transfer) and Residence Supply (Land Allocation and Construction license approval) will be decreased, in comparison with 2019 for both volume and value.

Source: Real Estate Information Center, Government Housing Bank (REIC)

New Opening Residence and leftover sell residence in Bangkok and Perimeter in 2019

In 2019, there are 412 projects 99,118 units and value of 556,717 Million baht on new opening project, which is decreasing for both of units and value, by 26.0 and 32.1 percent accordingly, in comparison with the same period in 2018, which consists of 557 projects 145,972 units and value of 657,764 Million Baht.

The housing estate consists of 277 projects 43,217 units and value of 230,473 Million baht, decrease in number of projects, units, and value, which reduce by 25.5, 29.0 and 22.7 percent accordingly. In comparison with the same period in 2018, which consists of 372 projects, 60,897 units and total value of 298,229 Million baht.

The condominium estate consists of 135 projects 55,901 units and value of 326,244 Million baht, decrease in number of projects, units, and value, which reduce by 27.0, 34.3 and 9.3 percent accordingly. In comparison with the same period in 2018, which consists of 185 projects, 85,075 units and total value of 359,535 Million baht.

New Opening Residence project in Bangkok and Perimeter in 2019.

Type	Project			Units			Value (Million baht)		
	2018	2019	YoY	2018	2019	YoY	2018	2019	YoY
Housing	372	277	(25.5%)	60,897	43,217	(29.0%)	298,229	230,473	(22.7%)
Condominium	185	135	(27.0%)	85,075	55,901	(34.3%)	359,535	326,244	(25.5%)
Total	557	412	(26.0%)	145,972	99,118	(32.1%)	657,764	556,717	(15.4%)

Source: Real Estate Information Center, Government Housing Bank (REIC)

REIC had estimate that the leftover units in Bangkok and Perimeter and the end of 2019 is around 149,000 units, and expect that at the end of 2020 will be 139,000 units, which decrease from 2019 at 6.7 percent, due to the Government announce the Real Estate stimulation policies, by reduce the ownership transfer and mortgage fee by 0.01 percent. From November 2019 to the end of 2020, the purchasing for Residence under 3 Million thai baht from the operator, excluding the second hand housing, which expect to accelerate the ownership transfer for new construction residence by the Operator, will support the leftover supply to be absorbed, and stability the supply close to 5 years average at 138,720 units.

- **Residence Market Situation trend in 2020**

The Residence Market forecast in 2020, will have significant factors including, more support from Government policies to mid-income consumer, by reduce the ownership transfer fee and mortgage fee to 0.01 percent, coverage to housing under 3 Million baht. Also the “Good house with down payment” project, which expect the result to reduce the unit to minus 0.6 percent, and value of nationwide ownership transfer to reduce to minus 2.2 percent in 2019, in comparison with 2018, from the previous forecast at minus 7.7 and 2.7 percent accordingly.

The support factor is land cost, which expect to slightly increase, as a result the Operator can choose the lower price market housing, and better response with consumer purchasing power, especially for housing under 1 Million baht, a strong purchasing volume, which reflected by ownership transfer increase from 3,000 to 16,000 units. The “Good house with down payment” will increase people’s purchasing power, who in need of housing. The actual factor is, reducing the ownership transfer and mortgage fee to 0.01 percent until 2020, which still cover the housing under 3 Million baht, or 50 percent of housing price in the market. If the Government increases the price range to 3-5 Million baht, which will support the mid consumer to be more beneficial.

Moreover, the Real Estate stimulation policies, also significantly reduce the supply, the estimate indicates that at the second half of 2019, new housing will be sold by 71,000 units, and in 2020 new housing will be sold 166,000 units. Increasing by 20 percent on average for each half of the year, and resulting in the supply in next year to be reduced by 10 percent per each half of the year, in comparison with without policies.

In terms of the Demand in housing in 2020, will be continuously expand, with major factors are, downside of interest rate and Real Estate stimulation policies by the Government, as result in continuously expand since the end of 2019, but may less than 5 percent, and the new opening Residence project is continue to open due to the Government policies, which expect to be close to the number in 2019. As a result, the operator still need to pay an attention to management in Residence under construction and Inventory, to ensure the minimum number of over stock, and be caution on new project opening, which might not be purchased by Demand, even there is a purchasing power in the market, but not equal to 2 years ago.

The housing loan to value control measures (LTV) of the Bank of Thailand (“BOT”) have not affected developers to reduce housing prices as the target of the BOT but may be some promotions or discounts to help people who are looking to buy new housing have more options. But in general, the price of new housing is not very high which the entrepreneurs will invest in the

low price house market. Predicted that the BOT May have to change policies to be more appropriate.

(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

Belle Grand Rama 9 Condominium Project is operated by Belle Development Company Limited. As of February 2020, there are still 21 unassigned units worth Baht 380 millions.

3. Risk Factors

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

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

3.1 Risk from Economic Slowdown and Political Instability

In the year 2019, the Thai economy slowed down from the export sector affected by the trade war between the United States and China, appreciation of the baht including the slowing growth of the tourism sector, which is one of the main factors due to the decline of Chinese tourists. In addition, the consumption and investment of both the public and private sectors have not been increased or have not clearly shown good signal to the economy.

According to the situation, the Company has a policy to conservative expand the investment by focusing on improving the management and development of existing projects to be more efficient and effective.

3.2 Risk from Competition

Competition in the property development business is still in fierce competition. In the past year, each operator announced projects such as office building projects or housing projects which causes the real estate market to have a tendency of increasing supply and give customers more opportunity to choose a variety of products, including the trend of demand may not adjust to the supply increase in time that caused by other external factors affect, such as the economy slow down make the customers are not decide to rent more office buildings. In addition, the behavior of some groups of customers began to change to work at home or other places that are not office buildings, etc.

The Company has guidelines for managing such risks by developing the Company's office building to meet the needs of customers. There is a management of the store area including creating an atmosphere of the stores inside and around the office building of the company. In addition, considering the location of the office building of the company, it can be seen that the location has potential, system convenient transportation, easy access to the project

3.3 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 monitored any changes in the laws, rules, and regulations related the real estate business together with the market situation on a regular basis, in order to prepare for a change in the government policy. The Company has always developed its projects in accordance with any changed policies, allowing the Company to reduce a certain amount of this risk.

3.4 Risk of the Comply of Personal Data Protection Act - PDPA

According to the Personal Data Protection Act B.E. 2562, it will effective in 2020 by some operations of the Company involved with the personal information of various groups of stakeholders of the Company such as customers, business partners or employees etc.

The Company has reviewed the work process of the Company that related to personal information, such as acquisition, storage, use, transfer and destruction of data, etc., in order to determine the practice in various fields, including work procedure adjustment Information technology system and changes in policy, relevant legal documents to comply with the aw before the effective date.

3.5 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 and CPN Pattaya, a subsidiary of CPN which is a leader in real estate development business to be a major shareholder alongside a reputable management committee, all of whom have vast experience in the real estate development industry, the Company has immensely earned such reputable image with investors' confidence. Consequently, investors can be confident that the Company will be able to procure adequate financing for the development of its projects.

3.6 Risk in relation to Leasehold Rights

The "G-Land Tower Grand Rama 9" office building project, operated by Rama 9 Square Co., Ltd., is located on a plot of land in which the Company has a 43-year lease agreement with Super Assets Co., Ltd., and CKS Holding Co., Ltd., the remained of the Lease Term is 31 years, Rama 9 Square Co., Ltd., will deliver the land and the building to the Lessor after the expire of the Lease agreement. Even though this is a long-term contract, the landlord could terminate the agreement at any time before expiry if the Company breaches the lease agreement. Therefore, the Company must avoid actions which might abuse or breach the lease agreement which may lead to termination or a fine.

3.7 Risk of Business Interruption from Various Crises

The Company prioritize importance to Business Continuity Management (BCM) as currently, the Company is in process of study and develop a support plan that help the Company to conduct business continuously.

4. Legal Dispute

There was no litigation involving the Company which could have a material adverse impact on the assets of the Company or its subsidiaries amounting higher than 5% of shareholders' equity in consolidated financial statements at 31 December 2019.

Remarks: For legal disputes, additional information can be found in the Financial Statement remarks as of 31 December 2019.

5. Corporate Information

General Information

Company name	:	Grand Canal Land Public Company Limited
Company Registration Number	:	0107538000118
Business Type	:	Property Development
Location	:	33/4 Rama 9 Road, Huay Kwang, Bangkok 10310
Home Page	:	www.grandcanalland.com
Authorized Share Capital	:	6,535,484,202 ordinary shares, 1.00 baht par value Total 6,535,484,202.00 Baht
Issued and Paid-up Capital	:	6,499,829,661 ordinary shares, 1.00 baht par value Total 6,499,829,661.00 Baht
Home Page	:	www.grandcanalland.com
Tel	:	66 (0) 2 246 2323
Fax	:	66 (0) 2 247 1082

Juristic Persons the Company holding 10% shares or more

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Belle Development Co., Ltd. 33/4 Rama 9 Road, Huay Kwang, Bangkok 10310 Tel. 0 2246 2323 Fax: 0 2246 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, Huay Kwang, Bangkok 10310 Tel. 0 2246 2323 Fax: 0 2246 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, Huay Kwang, Bangkok 10310 Tel. 0 2246 2323 Fax: 0 2246 1082	Hotel (there are no ongoing operations)	1,000,000 ordinary shares, 16.00 baht par value	100 (Held by Rama 9 Square Ltd.)
Sterling Equity Co., Ltd. 33/4 Rama 9 Road, Huay Kwang, Bangkok 10310 Tel. 0 2246 2323 Fax: 0 2246 1082	Property Development	18,000,000 ordinary shares, 100.00 baht par value	100
Belle Assets Co., Ltd. 33/4 Rama 9 Road, Huay Kwang, Bangkok 10310 Tel. 0 2246 2323 Fax: 0 2246 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, Huay Kwang, Bangkok 10310 Tel. 0 2246 2323 Fax: 0 2246 1082	Property Development	13,000,000 ordinary shares, 100.00 baht par value	100

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Bayswater CO., Ltd. 999/9 Rama 1 Road, Pathum Wan, Bangkok 10330 Tel. 0 2667 5555	Property Development	100,000 ordinary shares, 100.00 baht par value	50 (Held by Ratchada Asset Holding Co., Ltd.)
Ratchada Asset Holding CO., Ltd. 33/4 Rama 9 Road, Huay Kwang, Bangkok 10310 Tel. 0 246 2323 Fax: 0 246 1082	Holding Company	600,000 ordinary shares, 10.00 baht par value	100
Gland Reit Management CO., Ltd. 33/4 Rama 9 Road, Huay Kwang, Bangkok 10310 Tel. 0 2168 1042 Fax: 0 2168 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. 0 2949 1500 Fax: 0 2949 1501	Trust	499,768,600 ordinary shares, 9.1212 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. 0 2009 9999 Fax: 0 2009 9991
Debenture Registrar	:	Bangkok Bank Public Company Limited 333 Silom Road, Bang Rak District, Bangkok 10500 Tel. 0 2230 1478 Fax: 0 2626 4545
Debenture Holders' Representative	:	Krungthai Bank Public Company Limited Capital Market Department 977/2 SM Tower, Floor 3 rd , Phahonyotin Road Samsen Nai Sub-District, Phaya Thai District, Bangkok 10400 Tel. 0 2298 0828 Fax: 0 2298 0835
Auditor	:	KPMG Phoomchai Audit Limited 1 Empire Tower, 50 th -51 st Floor, South Sathon Road, Yannawa Sub-District, Sathon, Bangkok 10120 Tel. 0 2677 2000 Fax: 0 2677 2222
Investor Relation	:	Mr. Surakit Thantananont Tel. 0 2246 2323 Fax: 0 2246 1082

Management and Corporate Governance

6. Securities and Shareholder Information

6.1 The number of registered capital and paid-up capital

At present, the Company has registered capital 6,535,484,202 Baht, the issued and paid-up share capital of 6,499,829,661 Baht which consists of 6,499,829,661 common shares, at 1.00 Baht par value.

6.2 Shareholders

Shareholding Distributions as at 30 December 2019 were:

Shareholders	Shares	Shareholding (%)
Registered Capital	6,499,829,661	100.00
Local Shareholders		
- Juristic persons	6,340,859,156	97.56
- Persons	158,076,371	2.43
Total	6,498,935,527	99.99
Foreign Shareholders		
- Juristic persons	786,302	0.01
- Persons	107,832	0.00
Total	894,134	0.01

List of top 10 shareholders as at 30 December 2019, the latest date the Company closed the registration book:

Shareholders	Number of Shares	%
1. CPN Pattaya Co., Ltd.	4,389,418,545	67.53
2. BBTB Group	1,943,728,462	29.90
2.1 Bangkok Broadcasting & Television Co., Ltd.	1,191,604,274	18.33
2.2 Great Fortune Equity Co., Ltd.	306,299,005	4.71
2.3 GL Assets Co. Ltd	281,501,347	4.33
2.4 BBTB Asset Management Co. Ltd.	153,837,243	2.37
2.5 BBTB Satelevision Co., Ltd.	10,486,593	0.16
3. Mrs. Kanthong Udommahuntisuk	16,068,457	0.25
4. Mr. Somsak Laosucharitkul	11,639,200	0.18
5. Mr. Samon Suwannarat	10,263,600	0.16
6. Thai NVDR Co., Ltd.	6,967,261	0.11
7. Mr. Waris Pho-ob	4,193,500	0.06
8. Mr. Preecha Thanomsaksri	4,000,000	0.06
9. Ms. Rojana Theeravithayangkura	3,089,152	0.05
10. Mr. Phahol Pao-in	2,826,700	0.04
Total	6,392,194,877	98.34

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

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

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

Foreign Limit in Shareholding

Company has set a foreign limit of 49% of the paid-up capital. As at 30 December 2019, foreign investors altogether held 0.01% of Company's total paid-up capital.

6.3 Issuance of other securities

- Unsecured and unsubordinated Debentures

Debtenture	Debtenture Holders' Representative	Amount (Baht Million)	Tenor (Year)	Issuance Date	Maturity Date	Interest Rate	Principle Payment	Interest Payment Cycle	Balance as at 31 Dec 2019
GLAND224A	Yes	1,150	4	26 Apr 2018	26 Apr 2022	5.00%	Upon maturity	Quarterly	1,150
GLAND215A	Yes	1,300	3.5	9 Nov 2017	9 May 2021	4.99%	Upon maturity	Quarterly	1,300
GLAND20NB	Yes	200	3	9 Nov 2017	9 Nov 2020	4.80%	Upon maturity	Semi-annually	200
GLAND209A	Yes	1,100	3	7 Sep 2017	7 Sep 2020	4.80%	Upon maturity	Semi-annually	1,100
GLAND20NA	No	100	5	27 Nov 2015	26 Nov 2020	5.10%	Upon maturity	Quarterly	100

6.4 Dividend Policy

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

Directors and executives holding company shares in 2019, are as follows

Names	Position	No. of Shares			Changes in No. of Shares / Increased/ (Decreased) during 2019			No. of Shares as at 31 January 2019	Shareholding (%) as at 31 December 2019
		as at 1 January 2019							
		Direct	Indirect	Total	Direct	Indirect	Total		
Mr. Sudhitham Chirathivat	Chairman	-	-	-	-	-	-	-	0.00
Assoc.Prof. Prapanpong Vejajiva	Vice Chairman	-	-	-	-	-	-	-	0.00
Mr. Charan Mongkolchan	Independent Director	-	-	-	-	-	-	-	0.00
Mrs. Jitmanee Suwannapool	Independent Director	-	-	-	-	-	-	-	0.00
Mr. Vithaya Chavananand	Independent Director	-	-	-	-	-	-	-	0.00
Mr. Preecha Ekkunagul	Director	-	-	-	-	-	-	-	0.00
Mr. Pandit Mongkolkul	Director	-	-	-	-	-	-	-	0.00
Ms. Nopporn Tirawattanagool	Director	-	-	-	-	-	-	-	0.00
Mr. Sansrit Yenbumrung	Director	-	-	-	-	-	-	-	0.00
Ms. Naparat Sriwanvit	Chief Executive Officer (acting)	-	-	-	-	-	-	-	0.00
Mrs. Panida Sooksridakul	Deputy Managing Director	-	-	-	-	-	-	-	0.00
Flt.Lt. Kree Dejchai	Deputy Managing Director (acting)	-	-	-	-	-	-	-	0.00
Mr. Surakit Thantananont	Senior Assistant Managing Director Accounting and Finance Department	-	-	-	-	-	-	-	0.00
Mr. Kelvin Laup Tack Choi	Senior Assistant Managing Director Commercial Sales and Marketing Department	-	-	-	-	-	-	-	0.00

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

7. Management Structure

7.1 The Board of Directors

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

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

Name and Position of the Board of Directors Members

1.	Mr. Sudhitham	Chirathivat	Chairman
2.	Assoc.Prof. Prapanpong	Vejjajiva	Vice Chairman and Member of Nomination and Remuneration Committee
3.	Mr. Charan	Mongkolchan	Independent Director and Chairman of Audit Committee
4.	Mrs. Jitmanee	Suwannapool	Independent Director, Member of Audit Committee, Chairman of Risk Management Committee ¹ and Member of Nomination and Remuneration Committee
5.	Mr. Vithaya	Chavananand	Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee
6.	Mr. Preecha	Ekkunagul	Director and Chairman of Management Committee ²
7.	Mr. Pandit	Mongkolkul	Director and Member of Nomination and Remuneration Committee
8.	Ms. Nopporn	Tirawattanagool	Director
9.	Mr. Sansrit	Yenbumrung	Director

Mr. Somphoch Thitipalati is appointed as the Company secretary

Remark ¹ The Board of Directors at a Meeting No. 1/2020, held on 14 February 2020 has resolved to appoint Risk Management Committee.

² The Board of Directors at a Meeting No. 1/2020, held on 14 February 2020 has resolved to appoint Management Committee replacing Executive Committee.

The Authorized Directors

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

Composition and Nomination of the Board of Directors

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

Terms of Directorship

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

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

Summary of the Appointment of Directors on Sub-Committees

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

Remark: C: Chairman

Vice C: Vice Chairman

M: Member

* The Board of Directors at a Meeting No. 1/2020, held on 14 February 2020 has resolved to appoint Risk Management Committee.

** The Board of Directors at a Meeting No. 1/2020, held on 14 February 2020 has resolved to appoint Management Committee replacing Executive Committee.

Details of the meeting attendance of each board and each directors in 2019 are as follows:

Director	Board of Directors 5 Meeting	Audit Committee 5 Meeting	Nomination and Remuneration Committee 2 Meeting	Executive Committee 5 Meeting ²
Mr. Sudhitham Chirathivat	4/5	-	-	-
Assoc.Prof. Prapanpong Vejajiva	5/5	-	2/2	5/5
Mr. Charan Mongkolchan	4/5	4/5	-	-
Mrs. Jitmanee Suwannapool	5/5	5/5	2/2	-
Mr. Vithaya Chavananand	5/5	5/5	2/2	-
Mr. Preecha Ekkunagul	4/5	-	-	5/5
Mr. Pandit Mongkolkul	5/5	-	2/2	5/5
Ms. Nopporn Tirawattanagool	5/5	-	-	-
Mr. Sansrit Yenbumrung ¹	4/4	-	-	-

Remark: ¹ Mr. Sansrit Yenbumrung is appointed as director replacing Mr. Jareen Jirawisan, effective on 14 February 2019

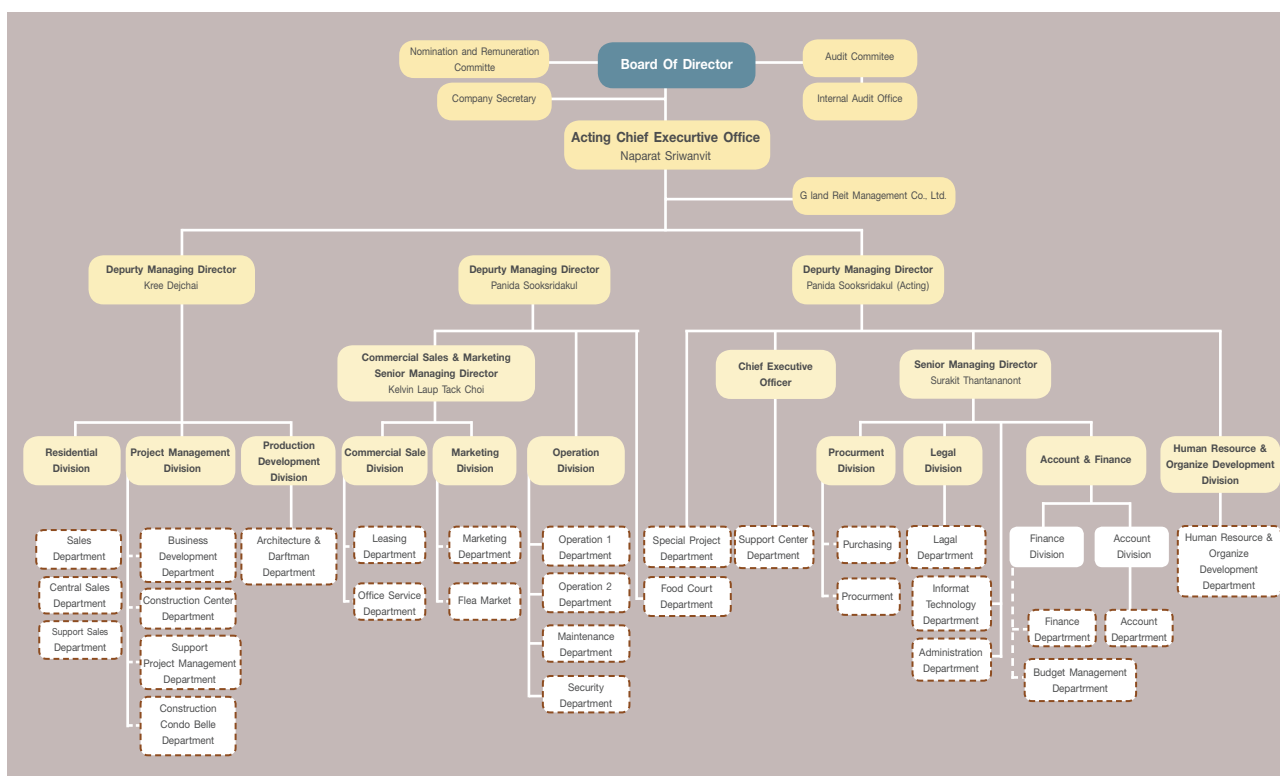
² The Board of Directors at a Meeting No. 1/2020, held on 14 February 2020 has resolved to appoint Management Committee replacing Executive Committee

7.2 Management Team

As of 31 December 2019 the Company has 5 members of the management team as follow;

1. Ms. Naparat Sriwanvit Chief Executive Officer (acting)
2. Mrs. Panida Sooksridakul Deputy Managing Director
3. Flt.Lt. Kree Dejchai Deputy Managing Director (acting)
4. Mr. Surakit Thantananont Senior Assistant Managing Director of Accounting and Finance Department
5. Mr. Kelvin Laup Tack Choi Senior Assistant Managing Director Commercial Sales and Marketing Department

Company Management Structure



7.3 Company Secretary and the person supervising accounting

Company Secretary

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

1. Prepare and maintain all documents relating to the Company's statutory register of directors, Annual Reports, notices and minutes of the meetings of the Board of Directors as well as notices and minutes of the shareholders' meetings.
2. Maintain and keep a record of vested interests as reported by directors and executives.
3. Send copies reporting vested interests of directors and executives or related persons to the Chairman and the Chairman of the Audit Committee within seven days of the receipt of each report.
4. Organize Board and shareholders' meetings according to rules and applicable laws.
5. Provide advice to company and the Board of Directors in conformance to company's memorandum of association, articles of association, Securities and Exchange Act, Public Company Limited Act, and applicable laws.
6. Act as the clearing house between the Board of Directors, executives, and the shareholders.
7. Coordinate and follow up the Board's and shareholders' resolutions.
8. Ensure that appropriate information disclosure and information reports are submitted to the regulators as required.
9. Perform other duties as specified by the regulations of the Capital Market Supervisory Board or as assigned by the Board of Directors.

The person supervising accounting

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

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

7.4 Remuneration of Directors and Management

Remuneration of Directors

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

In 2019, the Nomination and Remuneration Committee reviewed and proposed the remuneration of directors to the Board of Directors for consideration and concurrence in submitting it to the 2019 Annual General Meeting of Shareholders on 5 April 2019. Details were as follows:

Remuneration	Year 2019
1. Meeting allowances for the Board of Directors (Baht/Meeting)	
- Chairman	15,000
- Vice Chairman	15,000
- Chairman of the Audit Committee	15,000
- Member of the Audit Committee	12,000
- Director	12,000
2. Monthly Remuneration (Baht/Month)	
- Chairman	63,500
- Vice Chairman	63,500
- Chairman of the Audit Committee	63,500
- Member of the Audit Committee	57,000
- Director	44,500
3. Meeting allowances for the Audit Committee (Baht/Meeting)	
- Chairman of the Audit Committee	12,000
- Member of the Audit Committee	10,000
4. Meeting allowances for the Nomination and Remuneration Committee (Baht/Meeting)	
- Chairman of the Nomination and Remuneration Committee	12,000
- Member of the Nomination and Remuneration Committee	10,000
5. Other benefits	- None -

The monthly retainer for the directors and meeting allowances for directors as members of the Board and sub-committees for 2019 totaled Baht 6,532,339.29 with no benefits in other forms.

Details of meeting attendance and remuneration are as follows:

	Remuneration (Baht)	Meeting allowances (Baht)			Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	
		5 Meetings	5 Meetings	2 Meetings	
Mr. Sudhitham Chirathivat	762,000.00	60,000.00	-	-	822,000.00
Assoc.Prof. Prapanpong Vejajiva	762,000.00	75,000.00	-	20,000.00	857,000.00
Mr. Charan Mongkolchan	762,000.00	60,000.00	48,000.00	-	870,000.00
Mrs. Jitmanee Suwannapool	684,000.00	60,000.00	50,000.00	20,000.00	814,000.00
Mr. Vithaya Chavananand	684,000.00	60,000.00	50,000.00	24,000.00	818,000.00
Mr. Preecha Ekkunagul	534,000.00	48,000.00	-	-	582,000.00
Mr. Pandit Mongkolkul	534,000.00	60,000.00	-	20,000.00	614,000.00
Mr. Jarern Jirawisan ¹	44,500.00	-	-	-	44,500.00
Ms. Nopporn Tirawattanagool	534,000.00	60,000.00	-	-	594,000.00
Mr. Sansrit Yenbunrung ²	468,839.29	48,000.00	-	-	516,839.29
Total	5,769,339.29	531,000.00	148,000.00	84,000.00	6,532,339.29

Remark: ¹ Mr. Jarern Jirawisan resigned from directorship, effective on 1 February 2019.

² Mr. Sansrit Yenbunrung is appointed as director replacing Mr. Jarern Jirawisan, effective on 14 February 2019.

Remuneration of Management

For the remuneration of the management, company bases its decisions on fairness and suitability for their responsibilities proportionally to company performance and comparison with pay rates of industry peers.

The total remuneration paid to the management for 2019 are as follows:

- **Salaries and Bonuses**
Company contributed remuneration in form of salaries and bonuses paid to 5 executive management team members in 2019 amounted to Baht 9,153,160
- **Provident Fund**
Company contributed the Provident Fund paid to 2 executive management team members in 2019 amounted to Baht 197,988.12

8. Corporate Governance

8.1 Policy of corporate governance

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

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

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

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

Section 1: Rights of shareholders

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

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

Section 2: Equitable Treatment of Shareholders

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

2019 AGM:

Company recognizes the importance of giving identical rights and affording equal treatment to all shareholders. Relevant guidelines have been adopted for actual actions (before, during and after meetings) for all shareholders' meetings. The 2019 AGM was held on Friday, 5 April 2019, at 2 p.m. at the Meeting Room, 12th floor, the Ninth Towers Grand Rama 9, no. 33/4 Rama 9 Road, Huay Kwang, Bangkok. There were 80 shareholders attending the meeting in person and 42 shareholders attending by proxy, in total amounting to 97.5069% of the total 6,499,829,661 shares issued. Out of 9 members of the Board, 9 directors attended the meeting, equal to 100% of the Board. The Chairman of the Board, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chief Executive Officer (Acting), Deputy Managing Director, Senior Assistant Managing Director Accounting and Finance Department, Company Secretary, and the external auditor attended the meeting. Details of the AGM proceedings are as follows:

Before the Meeting

- Company provided individual shareholders with rights to propose in advance additional agenda items and nominate directors from 4 December 2018 to 28 December 2018. This included shareholders' rights to query meeting agenda before the meeting date by submitting their queries to the Company Secretary. Criteria for such consideration, which were agreed by the Board, can be viewed at Company's website. However, in 2019, no shareholder proposed any names or agenda items for consideration.
- Meeting notices are in Thai and English. For the 2019 AGM, the meeting notice was posted on Company's website on 21 March 2019 and was distributed to shareholders no less than 14 days ahead. This provided shareholders with enough time to examine the information.
- In the meeting notice, Company enclosed essential, adequate facts and rationales, as well as directors' comments on all items on the agenda for shareholders' consideration. The AGM agenda comprised:
 - 1) Nomination of Directors: Company provided basic information on candidates, including each one's name, age, position held in Company, education, director training/seminar courses attended, experience, positions held in other or Company's related businesses, date of being a director, number of years in each position, and participation in committees' meetings as member of such committees, shareholding in Company, and other information such as any conflict of interest incurred in the previous year.
 - 2) Compensation: Company provided information on the policy, amount, and form of compensation for each director's position and responsibility, criteria, and the procedures for determining compensation.
 - 3) Appointment of External Auditors: Company provided information on the names of auditors and their affiliations, auditors' independence, and the number of service years for the Company, the consideration of the suitability of the auditors' fee, presented separately from other fees.
 - 4) Dividend Payment: Company provided information on the dividend policy.

- There was no significant, extraordinary document distributed at the meeting, no added item, and no amendment made to material information without informing the shareholders in advance.
- Company facilitated shareholders who could not attend the meeting themselves by enclosing in the meeting notice Proxy Form B, on which they could state their voting preference, together with details about how to appoint a proxy to shareholders' meetings. Shareholders could download Proxy Forms A, B, and C from www.grandcanalland.com. In addition, the names and profiles of the three independent directors were provided for shareholders' voting by proxy

During the Meeting

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

After the Meeting

- Company submitted the resolutions of every shareholders' meeting through the SET Community Portal on the same day so that non-attending shareholders might be immediately informed.
- The quality of minutes of shareholders' meeting was emphasized by recording the following information:
 - list of directors attending and in absence at the meeting, including their positions
 - voting rights and methods, including the use of ballots for casting votes
 - shareholders' queries and recommendations, including the explanation of directors or the management
 - shareholders' meeting resolutions and voting-tally on every agenda item that includes voting.
- Minutes of each shareholders' meeting were distributed in Thai and English through the Company's website within 14 days starting from the meeting date, with a copy sent to SET within the stated period.

- The resolutions of Company's 2019 Annual General Meeting of Shareholders were provided on SET's website and disseminated via the Company's website on April 5, 2019, which was the meeting date.
- Shareholders' opinions on the organizing of shareholders' meeting were obtained through a satisfaction survey. The information acquired was then applied to improving the efficiency of future shareholders' meetings.

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

Section 3: Role of Stakeholders

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

Policy and Practices toward Stakeholders

Shareholders:

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

Employees:

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

Customers:

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

Business Partners:

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

Creditors:

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

Business Competitors:

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

Society, Communities and the Environment:

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

Government:

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

Independent Organizations and Related Social Organizations:

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

Policy and Practices against Fraud and Corruption

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

Training and Communication

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

Whistleblowing and Complaints

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

Audit Committee
Grand Canal Land Public Company Limited
33/4 Rama 9 Road, Huay Kwang, Bangkok 10310
Email: whistle@grandcanalland.com

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

Policy and Practices on Intellectual Properties

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

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

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

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

Policy and Guidelines on Safety and Occupational Health

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

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

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

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

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

2) Responsible persons for disclosure of information

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

3) Auditor and financial statements

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

The board values and takes responsibility for the financial statements of Company and the subsidiary companies in line with general standards and practices. Company devises a policy of proper accounting based on caution, correctness, and completeness to reflect its performance. The Board ensures that performance is reported and material information is transparently and sufficiently disclosed by regularly

reporting to relevant agencies, such as the Securities and Exchange Commission and the Stock Exchange of Thailand, for the benefit of shareholders and investors. Moreover, the Board appoints the Audit Committee to be responsible for checking the reliability and accuracy of the financial statements as well as the internal control system in a sufficient and proper manner to ensure the reliability of Company's financial statements.

Section 5: Responsibilities of the Board

1) The Board's Structure

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

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

2) Board Diversity

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

3) Directors' Duties and Responsibilities

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

The Board is responsible for commenting on the defined vision, mission, long-term business goals and strategic plans to ensure the Company's sustainability, as studied by the management who turned the Board's direction into a plan. Company's vision, mission, long-term goals, strategic plans and policies which include the corporate governance policy and against fraud and corruption policy, with annual revision for compatibility with prevailing business circumstances. The Board also monitors and supervises the management to ensure that the Company's key strategies and policies are actively implemented, enhances the effectiveness of itself and senior executives to drive Company toward the goals, promotes assorted innovations that add values to business in tandem with creating stakeholder benefits by conducting business responsibly toward society and the environment, supervises the risk management and internal control systems to ensure their efficiency, which in turn guarantees that Company fully complies with the laws and standards for the supervision of systems for financial reporting and disclosing of material information to ensure their accuracy, adequacy and timeliness under applicable regulations, standards and guidelines. The Board also monitors the operation of

sub-committees, such as the Audit Committee, The Nomination and Remuneration Committee and The Management Committee (has appointed to replace Executive Committee on 14 February 2020), to ensure that each fulfills the task assigned. Besides treating all shareholders equitably, Company provides them with the opportunity to participate in its decisions on important matters.

In 2019 the Board supervised Company's business in line with the corporate goals to foster sustainable growth by supplementing long-term for the business. The Board played an important role as seen below:

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

4) Roles of the Chairman and the CEO

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

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

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

5) Directorship in Other Listed Companies

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

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

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

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

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

7) Board Meetings

- Company's regulations require Board meetings to be held at least once every three months. The Board provides guidance and sets business directions, policies and corporate goals at Board meetings, which take place at least four times a year, and sub-committee meetings throughout the year. The Board formulated a policy on Board meetings as stipulated in Company's Corporate Governance Principles. The Board members had the duty to regularly attend Board meetings with the ratio of at least 75% of the meetings for the entire year. In 2019 there were five Board meetings, while the ratio of directors' participation was 93.33%.
- The Chairman, CEO and Company Secretary jointly set a clear agenda before each Board meeting. All directors can freely propose agenda items for consideration by the Chairman before inclusion in a meeting.
- The Company Secretary must submit meeting documents to the directors at least seven days in advance for consideration, together with an invitation letter specifying the meeting date, time, place, and agenda. In emergencies, to protect Company's rights or interests, appointments for such meetings can be made through other methods at shorter notice.
- During each meeting, the Chairman allocates enough time for discussion of each significant issue and encourages all directors to creatively and freely express ideas with due discretion, with the Company Secretary and Legal Department in attendance to take notes.
- Any director with a vested interest on any agenda items must abstain from the meeting and voting on that item.
- Each time the Board voted, the Board decided that the Board composition should be recorded in the meeting minutes. To date, voting on each item requiring approval was done by no less than two-thirds of the Board.
- If a situation occurs that is critically important or may have a significant impact on Company and/or any stakeholder, the management will submit full details of the incident to the Board for consideration, opinions, and suggestions, for example, market situations and project investment plans, "social interest" events or those that could involve Company's business, and CG guidelines, and so on.
- In 2019 the Board considered important issues to ensure Company's good corporate governance to meet the challenges of business operation.
- Meeting documents, minutes, information and all relevant documents are safely stored.
- For any questions arising during a meeting that requires follow-ups and/or additional information from any involved department, the Company Secretary will coordinate and submit additional details/information to the Board as soon as possible.
- Non-executive directors must hold at least one exclusive meeting a year. In 2019, one meeting was held in October to review significant business matters which may affect the Company's business, where summaries of issues for consideration and helpful recommendations were provided to the Board and the management for further action.

8) The Board's Self-Evaluation

8.1 Board's Self-Evaluation Form

- Criteria

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

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

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

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

- Procedure

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

8.2 Director's Self-Evaluation Form

- Criteria

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

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

- Procedure

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

8.3 Subcommittee's Self-Evaluation Form

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

The “excellent” outcome of the Board, individual director and sub-committees performance assessment in 2019 can be summarized as follows:

Evaluation	Outcome (%)
The Board of Directors	
1. The Board of Directors (full board)	93.24
2. The Board of Directors (individual))	94.39
Sub-Committees	
3. Audit Committee	96.36
4. Nomination and Remuneration Committee	93.00

8.4 Evaluation of the CEO’s Performance

- Criteria

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

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

- 1) Leadership skills
- 2) Strategic identification skills
- 3) Adherence to strategic plans
- 4) Financial planning and outcomes
- 5) Relationship with the Board
- 6) Relationship with other business entities and other sectors
- 7) Management skills and staff relationship
- 8) Succession plan
- 9) Products and service knowledge
- 10) Personal qualifications.

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

- Procedure

The CEO, together with the Nomination and Remuneration Committee, defined clear target KPIs at the beginning of the year. Then, the Committee reports the agreed evaluation criteria to the Board. The outcomes of the evaluation for 2019 averaged 93.14%, rated as “excellent”.

9) Training and Seminars of the Board

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

The Company encouraged Directors, executives, and staff to attend seminars and workshops to help them better serve and contribute the Company. The following board members and executive officers went through training/seminar programs organized by the Thai Institute of Directors Association (IOD):

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

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

Seminars and Training Courses Attended by Each Director in 2019

Directors	Detail	Organization	Date
Mr. Sudhitham Chirathivat	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
Assoc.Prof. Prapanpong Vejjajiva	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
Mr. Charan Mongkolchan	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
Mrs. Jitmanee Suwannapool	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
Mr. Vithaya Chavananand	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
Mr. Preecha Ekkunagul	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
Mr. Pandit Mongkolkul	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
Ms. Nopporn Tirawattanagool	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019
	- Seminar on “Cyber Resilience”	Organized by BOT	20 April 2019
	- Bangkok Sustainable Banking Forum 2019 “An Industry Wake-up Call”	Organized by BOT	13 August 2019
	- Agile Leadership for Board of Directors	Organized by BAY	25 September 2019
Mr. Sansrit Yenbumrung	- Update on “Personal Data Protection Act : PDPA)”	Organized by Company	25 October 2019

10) Monitoring of Conflicts of Interest

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

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

8.2 Sub-committee

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

The Board of Directors

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

Duties and Responsibilities of the Board

1. Acting in the best interest of shareholders (Fiduciary Duty) by observing the following four main practices:
 - 1) Performing its duties with faithfulness and honesty (Duty of Loyalty)
 - 2) Performing its duties with responsibility and all due circumspection and caution as well as with accountability and ethics (Duty of Care)
 - 3) Performing its duties in compliance with laws, objectives, the Company's Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (Duty of Obedience)
 - 4) Disclosing information to shareholders and stakeholders accurately, completely, and transparently with verification, timeliness and equitability (Duty of Disclosure)
2. Set the vision, mission, and short-term & long-term strategies to ensure fulfillment of corporate objectives and key goals with a focus on sustainability goals agreeing with value addition to the business, stakeholders, and society at large. These elements are revised annually.
3. Consider approving key transactions under the Board's authority scope under the law and corporate regulations and approval protocol.
4. Consider approving annual plans and budget, while constantly monitoring its business performance to ensure goal achievement by suitably and safely applying innovation and technology.
5. Supervise subsidiaries and associated companies in line with the Company's policy and direction to ensure its safe and efficient investment. The Board was required to approve major operations, such as appointment of Company's representatives as directors, executives, or authorized persons in subsidiaries and joint ventures, scope of duties and responsibilities of the Company's representatives, monitoring accurate, complete disclosure of financial and operation performance, as well as efficient internal control.

6. Set and review Board structure, specifically the number of directors and ratio of independent directors, as well as diverse qualifications suiting corporate business. Review Board and committee compensation as proposed by the Nomination and Remuneration Committee.
7. Consider appointing subcommittees to provide support for the Board's performance and responsibilities where suitable and necessary and monitor the subcommittees' performance on a regular basis.
8. Disclose financial and key information to all shareholders and stakeholders on a correct, complete, transparent, reliable, timely, and equitable basis in compliance with regulations, standards, and practical guidelines.
9. Set up efficient and effective internal control and internal audit systems.
10. Develop a code of business conduct for the directors, executives, and employees to set the standards for the Company's business operation. All directors, executives, and employees shall perform their duties ethically and in strict compliance with the Company's code of conduct.
11. Ensure business operation based on good corporate governance principles and provide support to communicate to every personnel in the Company to acknowledge and strictly adhere to them.
12. Ensure clear and transparent connected transactions.
13. Ensure clear procedures of the Audit Committee's report to the directors when doubtful of transactions and actions that may seriously affect the Company's financial status and performance. The Board must rectify the problems within the timeframe deemed appropriate by the Audit Committee.
14. Institute a suitable and efficient risk management policy and procedures with regular monitoring and assessment of risk management performance.
15. Ensure the succession planning of the Company's top executives and annually arrange effective assessment of their performance.
16. Arrange for the company secretary to assist the directors' activities and ensure that the Board and the Company comply with the relevant law and regulations.
17. Annually assess Board performance and monitor Board and committee performances for joint review in the Board.
18. Constantly develop competency through training and participation in courses on Board performance or in other activities designed to enhance job expertise.
19. Steer the formulation of an anti-corruption policy and practical guidelines, strictly conform to the corporate policy and measures to set good examples for all personnel and advocate internal and external communication for genuine conformance.
20. Steer the institution of processes and channels for receiving and effectively handling complaints filed by those with fraud leads and all stakeholders.
21. Steer the institution of an information security system, which includes the defining of a policy and procedures for confidentiality, integrity, availability, and the handling of market-sensitive information. Ensure conformance to this system by all directors, top management, personnel, and relevant third-party personnel.
22. Review and rectify the Charter of the Board as appropriate under prevailing circumstances.
23. Seek professional opinions by hiring outside advisers paid for by the Company.
24. Perform other duties as specified by the shareholders.

Roles of the Chairman

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

Audit Committee

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

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

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

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

Duties and Responsibilities of Audit Committee

1. Financial report
 - (1) Review the financial report preparation process for accurate, complete, credible, and timely information disclosure by coordinating with the external auditor and executives responsible for preparing quarterly and annual reports.
 - (2) Review extraordinary significant items of the past year (if any) on the basis of their sensibility, impacts on the financial standing and company performance, as well as the accuracy and completeness of the data disclosed.
2. Related party transactions or the transactions which may cause conflicts of interests
 - (1) Consider connected transactions which may cause conflicts of interest; ensure conformance to laws and SET regulations to ensure that they are reasonable and in the Company's best interests.
 - (2) Consider the accurate and complete disclosure of information in case of connected or related transactions or other transactions that may cause conflict of interest.
3. Internal control
 - (1) Review the internal control system to ensure its suitability and effectiveness, including any transactions that may cause financial fraud.
 - (2) Consider the audit outcomes and suggestions of the external auditor and Internal Audit concerning internal controls and pass on suggestions for action by the management as well as following up the implementation of such suggestions.

4. Internal audit

- (1) Review and ensure that Internal Audit is independent and has an efficient internal audit process, in addition to ensuring Internal Audit's access to essential data.
- (2) Review the activities and structure of Internal Audit and approve its charter.
- (3) Provide views on the appointment, commendation, removal, transfer, or discharge, as well as adjustment of compensation of the head of the Internal Audit Office, to ensure its independence or consider for Internal Audit fee of hired Internal Auditors.
- (4) Provide suggestions and remarks about the budget and manpower of Internal Audit for the management's approval or in case of hiring Internal Auditors, shall consist adequate manpower with Internal Audit plans.
- (5) Review and endorse annual internal audit plans and changes subject to the assessment outcomes of enterprise risk management and Internal Audit's strategic plans.
- (6) Review the internal audit plan with the head of the Internal Audit, especially about the internal control system and financial management process.
- (7) Review audit plans and coordinate the scope of audit of internal auditor and the external auditor to be mutually supportive and eliminate redundancy.
- (8) Review Internal Audit's performance outcomes against the Audit Committee-approved audit plans to ensure conformance to the Audit Committee-assigned framework of responsibility.
- (9) Review the hiring of external experts to conduct internal audit if the internal auditor lacks essential skills or specialization needed to conduct internal audit, including IT aspects.

5. Auditing

- (1) Select, nominate, and propose fees for the external auditor for approval so as to obtain an independent auditor, taking into account the reliability, adequacy of resources, audit volume, the experience of the personnel assigned to audit the Company as well as past work. Also, consider the removal of the external auditor.
- (2) Review the scope and method of auditing proposed by the external auditor as well as reasons for changing the auditing method (if any).
- (3) Provide suggestions to the external auditor to review certain transactions that may be necessary or important during the auditing process of the Company and subsidiary companies.
- (4) Review the report of the external auditor and submit to the management for adjustments in practices as well as following up on such suggestions.
- (5) Consider the adequacy and efficiency of coordination between the external auditor and Internal Audit.
- (6) Act on received information from the external auditor as soon as possible regarding suspicious activities of directors, managers or persons responsible for operating the Company that may constitute a breach of the second paragraph of Section 281/2, Clause 2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act and promptly check the information received and report preliminary findings in the first instance to SEC and the external auditor within 30 days from the date when a given breach was reported.

6. Compliance with the concerned laws and regulations

- (1) Review conformance by the Company to Securities and Exchange laws, SET requirements, or the Company business-related laws and ethics.
- (2) Review the management's performance and follow up laws and regulations in case of nonconforming.

- (3) Review issues identified by external regulators and remarks by auditor.
 - (4) Review the communication of Code of Ethics to the employees and monitor its conformance.
 - (5) Review progressed report from management and Company's legal advisor regarding key issues on conforming to the relevant laws and regulations.
7. Report of the audit committee
- (1) Report its performance for acknowledgement and consideration once every quarter.
 - (2) Review any reports prepared by the Company regarding duties and responsibilities of the Audit Committee.
 - (3) Prepare Audit Committee's annual performance report in accordance to SET's guideline and signed by the Chairman of the Audit Committee as well as disclose it in the Company's annual report.
 - (4) In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit Committee shall report the findings to the Board to make any improvement or correction in a timely manner as seen appropriate by the committee. Detailed are displayed below:
 - (4.1) Transactions regarding conflict of interests
 - (4.2) Transactions regarding frauds, irregularities or significant deficiencies in internal control system
 - (4.3) Any violation against laws on the securities and exchange, SET regulations or business-related laws relevant to the Company
 - (5) In case the Board or the management fails to take corrective actions on those transactions under (4.1), (4.2) and (4.3) within the timeframe set by the Audit Committee, any of the Audit Committee members may report of such transactions or actions directly to SEC or SET.
8. Good corporate governance
- (1) Review the Company's continual improvement process of good corporate governance, as well as providing approaches and advices for development.
 - (2) Emphasize and promote good corporate governance as a regular agenda for the Board meetings and AGMs.
 - (3) Ensure that the Chairman of the Committee receives a copy of the report of the directors' vested interests from the Company Secretary under Article 89/14 of the Securities and Exchange Act within seven days of the date when the Company receives the report.
9. Other Responsibilities
- (1) Conduct other Board-assigned duties. such as, To review the process of risk management.
 - (2) Regularly review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities as well as to propose any required amendments accordingly.
 - (3) Conduct other duties assigned by SET.
 - (4) Oversee that there is an effective whistleblower system in place, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing, as well as non-compliance to any laws, regulations, business ethics, or to any corporate governance principles, so that the whistleblower has the confidence that the Company has the required and appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.
 - (5) Monitor any special investigation as necessary.

Nomination and Remuneration Committee

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

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

1	Mr. Vithaya	Chavananand	Chairman of Nomination and Remuneration Committee
2.	Assoc. Prof. Prapanpong	Vejjajiva	Member of Nomination and Remuneration Committee
3.	Mrs. Jitmanee	Suwannapool	Member of Nomination and Remuneration Committee
4.	Mr. Pandit	Mongkolkul	Member of Nomination and Remuneration Committee

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

Duties and Responsibilities of the Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination

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

Duties and Responsibilities of the Remuneration

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

Other Duties and Responsibilities

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

Risk Management Committee

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

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

- | | | | |
|----|---------------|--------------|---------------------------------------|
| 1. | Mrs. Jitmanee | Suwannapool | Chairman of Risk Management Committee |
| 2. | Ms. Naparat | Sriwanvit | Member of Risk Management Committee |
| 3. | Mrs. Panida | Sooksridakul | Member of Risk Management Committee |

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

Duties and Responsibilities of Risk Management Committee

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

Management Committee

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

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

- | | | | |
|----|--------------|--------------|----------------------------------|
| 1. | Mr. Preecha | Ekkunagul | Chairman of Management Committee |
| 2. | Ms. Naparat | Sriwanvit | Member of Management Committee |
| 3. | Mrs. Panida | Sooksridakul | Member of Management Committee |
| 4. | Flt.Lt. Kree | Dejchai | Member of Management Committee |

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

Duties and Responsibilities of Management Committee

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

Duties and Responsibilities of the Chief Executive Officer

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

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

8.3 Nomination and Appointment of Directors and Executive Officers

(1) Independent Directors

The independent directors have the following qualifications:

- 1) Not holding more than 0.5% of the total outstanding voting shares of the Company, its parent company, subsidiary or affiliated company, major shareholders or controlling person including shares held by related persons of the independent director.
- 2) Neither being nor having been an executive director, officer, employee, controlling person or advisor who receives a salary of the Company, its parent company, subsidiary, a same-level

subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment.

- 3) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiaries.
- 4) Not having nor having had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment.

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

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

(2) Recruitment of Directors and Executive Officers

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

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

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

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

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

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

(3) Recruitment of Executive Officers

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

(4) Orientation for newly-appointed Directors

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

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

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

1. Director's manual, consisting of the Company's vision, mission, and values; corporate governance policy; code of conduct for directors, executives, and employees; the Company's Articles of Association; the Company's Memorandum of Association; charters of the Board of Directors and sub committees; manual of listed companies' directors; suggestions for disclosure of information; and applicable laws
2. Company profile
3. Regulations on the Company's internal information control
4. Regulations on the Company's securities portfolio
5. Policy on reporting of directors' and executives' vested interests and relevant forms for report preparation
6. Annual reports of the last one year, with information about the Company's business operation and performance, and details on risk management and internal control
7. Board meeting minutes dating back one year
8. Performance reports of the Audit Committee dating back one year
9. Performance reports of the Nomination and Remuneration Committee dating back one year
10. The regular meeting dates of the Board for the entire year

Succession Plan

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

8.4 Supervision of Subsidiaries and Associated Companies

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

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

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

8.5 Control and Prevention of the Use of Inside Information

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

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

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

In 2019, Company did not receive any complaints about misuse of inside information committed by any directors or executives.

8.6 The Accuracy of Auditor's Remuneration Details

For the Fiscal year ended 31 December 2019
(Audit Fee)

No.	Company's Name	Auditor's Name	Audit fee (Baht)
1	Grand Canal Land Plc.	Ms. Vannaporn Jongperadechanon	1,500,000.-
2	Belle Development Co., Ltd.	Ms. Vannaporn Jongperadechanon	400,000.-
3	Sterling Equity Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
4	Belle Assets Co., Ltd.	Ms. Vannaporn Jongperadechanon	150,000.-
5	G Land Property Management Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
6	Ramg 9 Square Co., Ltd.	Ms. Vannaporn Jongperadechanon	350,000.-
7	Ratchada Asset Holding Co., Ltd.	Ms. Vannaporn Jongperadechanon	120,000.-
8	Gland Reit Management Co., Ltd.	Ms. Vannaporn Jongperadechanon	150,000.-
9	Ramg 9 Square Hotel Co., Ltd.	Ms. Vannaporn Jongperadechanon	70,000.-
Total audit fee			3,140,000.-

Non-Audit Fee

Work Sheet Fee amount of Baht 66,888.59

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 2019 and 2018, in the amount of Baht 3,140,000 and Baht 5,123,000 respectively.

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

The Board has considered and reviewed SEC's CG Code and applied it to Company's business context, while requiring a constant review at least once every year. In 2019, Board Meeting No. 5/2019 approved an amendment of Company's Code of Conduct and Corporate Governance Principles to ensure their conformance to the Corporate Governance Code.

8.8 Compliance with additional CG guidelines

Company fully observes additional CG related guidelines widely recognized, whether in the domestic or the international context. The domestic ones include the CG Code 2017, the evaluation criteria of Corporate Governance Report (CGR) for Listed Companies, AGM Checklist.

9. Corporate Social Responsibility

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

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

Fair Business Practices

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

- Procurement is done through Closed Bidding and the sealed documents will only be opened by appointed committee members.
- All confidential information or relevant information relating to customers or contractors will remain confidential and will not be wrongfully used for the benefit of the Company or third parties.
- The Company will not conduct any action relating to the infringement of intellectual property and will encourage the Company's executives and employees to use copyrighted products and services.
- The Company will treat its contractors in accordance with the agreed commercial terms and will be obliged by the mutually agreed contracts and agreements.

Anti-corruption

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

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

Respect for Human Rights

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

Fair Treatment of Labors

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

Responsibility towards Consumers

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

Environmental Protection

The Company places importance on both sustainable development of the Company's projects and environmental protection. Therefore, the Company not only determines layout of its projects and designs in respect of the architecture and landscape architecture in accordance with laws and regulations under relevant government agencies, but also takes into account living quality of the customers and the community surrounding the projects developed by the Company, such as, provision of common spaces with the area exceeding that specified by laws in order to provide the green space and resting and sporting area in the projects for the good environment and community leisure. The Company has also planned, managed and prevented any pollution caused by the construction of the projects by using materials that prevent dust, smoke and hazardous substances in the projects from spreading outside the construction areas and control the activities which cause noise at the level prescribed by laws.

2. Social Responsibility and Community Development (After Process)

The Company guidelines in social responsibility and community development focus on collaboration with the community to create a strong community along with development in education and environment projects. In 2019, the target is to collaborate with the community and develop the focus of community living, the management plan has been divided in 3 categories as listed.

1. Reduce effect to community and environment

The Company focuses on reducing the effect to traffic since before, during, after the construction, until service opening. Also reduce the effect to community and environment by setting the Company's authorities, who regularly responsible for supervising, follow up and examine the effect that might cause to the community, including search for complaints in a social media and company contact channel. In 2019, there is none of any operations that severely impact the community and environment.

2. Community attachment**1) Non money support.**

The Company supports and allocates spaces without cost of special discount to Government Agencies, School, Civil Society Departments, and Non-Profit organization in exhibition, the special setup area for people service, also support and facilitate the area for blood donate by Thai Red Cross etc.

Also, collaborate with a Non-profit organization, which is an organization for developing special needs children, to set up a space for project "Business Teenager (for special child)". The project is to sell the kitchenware product, which is supported by Japan Maid Club, also distribute special child's craft, "Great Friend Lotus", a product of special children. In order to support the special children's career and learning the business operation to support their own and living with the community with happiness.

2) Donation

The Company supports the community, Charity Organization, and appropriate departments that relate to the community, including education donation. The company donate to Watuthaitharam School, which educates from kindergarten to elementary, therefore the donation focuses on intelligence development and good diet, which is an important foundation to children in order to grow completely and strongly.



Illustrate the donation to Watuthaitharam School,
Huay Kwang, Bangkok.

3) Projects and Activities

The Company gives an opportunity to the Executives and Employee to participate in activity, to assist, support and be a part with the community in social, culture and environment development. To develop community's value, in 2019, the activities are:

- “GLAND Together, Save the Environment” which is a project that encourages executives and employees to join together in preserving natural resources and the environment by planting a mangrove forest, target to create, restore, preserve and save the ecosystem balance for sustainability advantage.



Illustrate the “GLAND Together, Save the Environment”
at Bangpu Nature Education Center, Samut Prakarn.

Moreover, Executives and Employees also participate in the lecture in educate of preservation, sustainability, and realize the important of Mangrove forest before start the planting activity by lecturer from Bangpu Nature Education Center, Samut Prakarn.



Illustrate the lecture by lecturer to educate the participants in significant of Mangrove Forest at Bangpu Nature Education Center, Samut Prakarn.

- “Yai Soon Canal water quality improvement” by joining a collaboration between Bangkok Government and private sector for a public benefit, which the Executives and Employees have joined the project to develop the canal side and improve the Yai Soon Canal water quality for 2.7 km in length. Which is a collaboration to perform and do the good things to develop quality of life and community.



Illustrate the “Yai Soon Canal water quality improvement” project at Yai Soon Canal, Huai Khwang-Din Daeng, Bangkok.

- “Make merit and offer food to the monks ceremony”, which the Company continuously sets up annually on the religious day or festival, in order to preserve and inherit the long time culture. Also invite the Executives, Employees, Customers, and interested Outsiders to participate in the event to make merit, offer food to the monks, listen to the sermon, donate object or money to the public.



Illustrate the make merit and offer food to the monks on religious day or festival.

Moreover, the Company also sets up the culture festival, for example, Pouring scented water on the hands of revered elders and asking for blessing, which was held during the Songkran festival, Thai New Year, as a blessing to Employees.



Illustrate the Pouring scented water on the hands of revered elders and ask for blessing on the Songkran festival or Thai New Year.

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

Moreover, the Company also support the energy saving to reduce global warming policies by:

The Nine Towers Grand Rama 9 (“The Nine Towers”), organize and activity to turn of the light in parking space, during 18:00-22:00 all of the light will be turned on, 100%, but during the 22:01-17:59, the parking space will partially turned on the lights at only 50%.

The Nine Towers also has policies to change from Fluorescent tube or Incandescent to LED, which significantly reduce the energy consumption, greenhouse gas, and toxic gas. Also mercury and toxic free, or no heavy metal compartment, as a result no harm to human and environment. In 2019, the Company started and completed the operation of LED replacement in parking space on the 3rd and 4th floor, which will carry on the operation until completely replaced.

3. Community Development

The Company intention is to be a part of the community, develop pride in the community by managing and organize the market activity as a center of the city, the center of local business, and the center of living. Focus on collaborate with Government Agencies and Civil Society to develop the market activity which reflect and encourage the local resident to be pride in identity of city, and develop the mechanism in community market to support and strengthen the local business, by focus on organize the local market activity, for instance, collaborate with Salana Foundation, which focus on develop the “Smart Farmer” by using an innovation and procedure of new business generation development, with natural farming in organize of “Healthy Market”. The event is to forward the good quality organic rice to the community, which encourages farmers to organic farming and develop according to the Royal initiative, which brought prosperity and complete happiness to the community and social sustainably.

Moreover, the Company organize a space without cost to “Chankapak” a part of Prince Chakraband Pensiri Center For Plant Development under Princess Maha Chakri Sirindhorn’s initiative, which is under the management of Chaipattana Foundation and Mae Fah Luang Foundation, focus on experiment of homegrown vegetables seeds granted from Princess Maha Chakri Sirindhorn, as a channel of agriculture product that passed the verification and species improvement, to encourage the local product of the local community.



Illustrate the sell of quality agriculture product by “Chankapak”

10. Internal Controls and Risk Management

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

- 1. The Internal Control:** The Company set up appropriate bodies to oversee the Company's operation and management. Among these bodies is the Board of Directors, which comprises of nine members, three of whom are independent directors. Sub-committee comprise of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee¹ and Management Committee². The Sub-Committee will screen the various matters of the Company before proposing to the Board of Directors for consideration, which will enable the management of various issues of the Company to be efficient and in accordance with good corporate governance principles.

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

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

- 2. Risk Management:** The Risk Management Committee to administer its risk factors, in 2019 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:** In addition to the operational control by the Board of Directors and Sub-Committees, the scope of authorization is prescribed in writing and the appropriate authority is reviewed frequently and notified to all parties concerned for compliance. Executives and officers from all levels are subject to these prescribed authorization rules. The scope of authorization is prescribed in writing and the appropriate

¹ The Board of Directors at a meeting No. 1/2020, held on 14 February 2020 has resolved to appoint Risk Management Committee.

² The Board of Directors at a meeting No. 1/2020, held on 14 February 2020 has resolved to appoint Management Committee replacing Executive Committee.

authority is reviewed frequently and notified to all parties concerned for compliance. Executives and officers from all levels are subject to these prescribed authorization rules. In cases whereby an excess of prescribed authorization limit, or out of scope activities is required, approval from the Board of Directors or the Management Committee are then required. 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.

In part of data security, the Company has set an information security policy, including storage data and documents in a systematic to ensure that important data of the Company must be safe and document protection system.

- 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.1/2020 on 13 February 2020 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, KPMG Phoomchai Audit Limited, who audited the Company's 2019 financial statement also expressed opinion that there is no material imperfection in the Company's internal control system as reported on 31 December 2019.

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

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

11. Related Transactions

Policy or Tendency to Engage in Related Transactions

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

The Audit 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) as of 31 December 2019 are as follow:

Company	Relationship
- Central Pattana Plc.	Ultimate parent company
- CPN Pattaya Co., Ltd.	Parent company (67.53% shareholding)
- Central Pattana Nine Square Co., Ltd.	Co-directors
- Central Insurance Services Co., Ltd.	Co-directors
- Robinson Pcl.	Co-directors
- Central Department Store Co., Ltd.	Co-directors
- Central Food Retail Co., Ltd.	Co-directors
- Central FamilyMart Co., Ltd.	Co-directors
- Thai Watts Co., Ltd.	Co-directors
- COL Pcl.	Co-directors
- Italian Thai Development Pcl.	Co-shareholders in subsidiary company
- ItalThai Trevi Co., Ltd.	Co-shareholders in subsidiary company
- Grand Fortune Co., Ltd.	Co-directors
- CKS Holding Co., Ltd.	Co-directors
- Super Assets Co., Ltd.	Co-directors
- RIS Co., Ltd.	Co-directors
- World Plant Center Co., Ltd.	Co-directors
- Common Ground (Thailand) Co., Ltd.	Joint venture of the group
- Central Trading Co., Ltd.	Co-directors
- CPN Village Co., Ltd.	Co-directors
- Assoc.Prof. Prapanpong Vejjajiva	Co-directors
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 Real Estate Investment Trust
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

G Financial Status and Operational Results

12. Summary of Important Financial Information

Financial Statement

(1) Audit Reports

The financial statements of Grand Canal Land Public Company Limited and its subsidiaries have been reviewed by Ms. Waraporn Prapasirikul in 2016, Mr. Narong Puntawong in 2017 and Mr. Natthawut Santipet of EY Office Company Limited in 2018, Ms. Vannaporn Jongperadechanon in 2019 of KPMG Phoomchai Audit Company Limited.

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

(2) Financial Ratio

Grand Canal Land Public Company Limited and subsidiaries

(Liquidity Ratio)	Units	2019	2018	2017
Liquidity Ratio	times	0.39	0.68	0.62
Quick Ratio	times	0.03	0.17	0.19
Receivable Turnover	times	15.94	16.62	13.39
Average Collection Period	day	22.58	21.66	26.89
Payable Turnover	times	1.08	0.65	0.71
Payment Period	day	334.86	554.98	503.98

(Profitability Ratio)	Units	2019	2018	2017
Gross Profit	%	77.04	67.90	62.43
Net Profit	%	51.34	24.64	39.39
Return on Equity : ROE	%	10.39	4.18	9.69

(Efficiency Ratio)	Units	2019	2018	2017
Return on Asset : ROA	%	4.59	1.74	4.06
Return on Fixed Asset	%	6.13	2.41	5.54
Total Asset Turnover Ratio	times	0.09	0.07	0.10

(Financial Policy Ratio)	Units	2019	2018	2017
Debt to Equity Ratio	times	1.17	1.37	1.44
Interest Bearing Debts to Equity Ratio	times	0.58	0.66	0.70

Data per share and growth rate

Data per Share	Units	2019	2018	2017
Book value per share	Baht	1.98	1.78	1.88
Earning per share	Baht	0.193	0.069	0.180
Dividend per share (Baht)	Baht	Non-Payment *	Non-Payment *	0.10

Growth Rate	Units	2019	2018	2017
Total Assets	%	1.47	0.71	10.07
Total Liabilities	%	(5.47)	(1.48)	13.81
Revenues	%	6.65	0.64	(44.11)
Operating Expense	%	8.27	(19.28)	(11.00)
Net Profit	%	166.91	(54.89)	(8.79)

13. Management Discussion and Analysis

13.1 The Business Operation and Financial Position

(A) Overview

In 2019, the Company and subsidiaries net profit was 1,253.85 Million Baht, increase from 2018 by 821.30 Million Baht, or equivalent to 189.87 percent. The increase of net profit caused by profit from rental fee, G Tower Grand Rama 9 office management fee, the sale of assets in Belle Grand Rama 9 which were higher than previous year, totaling 99.24 Million Baht due to the efficiency of management significantly reduces the cost in rental, services, and finance costs. Moreover the Company realized gain on changes in fair value of investment properties by 436.43 Million Baht, which is not cash and not related to business operation.

According to CPN group hold shares in the Company by 67.53 percent in 2018, which classification the Company as CPN Group's subsidiaries, the CPN Group approved the loan amount at 2,500 Million Baht to increase the Company's cash flow and increase the selection of loan's management as a result the Company had strong financial status ranking was increased to BBB (Stable Outlook) from the previous BBB- (Stable Outlook)

For the future project, the Company has land assets in Grand Rama 9 at 24 Rai, which is in revise process of new project, moreover the Company has high potential land waiting for development, including, approximately 85 Rai in Don Mueang area, 35 Rai in Kamphaeng Phet Road area close to the MRT Red line, 49 Rai on Phahonyothin and Vibhavadi-Rang Sit road (joint venture with CPN at 50:50 ration) close to MRT yellow and green line intersection.

(B) Results of Operations

1) Revenue

Revenue by Category	2019	2018	Increase / (Decrease)	
	Million Baht	Million Baht	Million Baht	Percent
Revenue from rental and rendering services	1,262.49	1,217.55	44.94	3.69
Revenues from sales of real estate	328.03	273.73	54.30	19.84
Total revenue	1,590.52	1,491.28	99.24	6.65

In 2019, the Company has revenue from rental and rendering services by 1,262.49 Million Baht in 2019, comparison with 2018 which is 1,217.55 Million Baht, increased by 3.69 percent resulted by rental fee and rate of rental increment of G Tower Grand Rama 9. Revenues from sales of real estate was 328.03 Million Baht, resulted from realize of revenue from 17 units of ownership transfer in Belle Grand Rama 9, in comparison with 2018 which is 14 units, as a result, the income in this category increased by 54.30 Million Baht or equivalent to 19.84 percent.

2) Gross profit

In 2019, the Company has gross profit by 1,225.28 Million Baht, or equivalent to 77.04 percent increase from the previous year at 67.90 percent, due to rental and services cost management.

3) Distribution costs and administrative expenses

In 2019, the Company has distribution costs and administrative expenses by 311.93 Million Baht, increased by 8.27 percent or 23.83 Million Baht in comparison with 2018.

4) Finance costs

In 2019, the Company has finance costs by 281.16 Million Baht, reduced by 25.67 percent or 97.08 Million Baht in comparison with 2018, due to low cost in source of fund and efficiency in cash management.

5) Net Profit

In 2019, the Company has net profit (owners of the parent) by 1,253.85 Million Baht, increase from 2018 by 821.30 Million Baht or 189.87 percent

(C) Financial Position Status

- 1) Assets as of December 31, 2019. The Company and subsidiaries total assets were 29,692.50 Million Baht, increased from the end of previous year by 429.27 Million Baht. The current assets were 1,632.87 Million Baht decreased from previous year by 323.10 Million Baht, as a result of efficiency in Asset Management. The non-current assets were increase from the previous year by 752.38 Million Baht, as a result of gain on changes in fair value of investment properties (gain on fair value).
- 2) Liabilities as of December 31, 2019. The Company and subsidiaries total liabilities were 15,978.57 Million Baht, reduced from previous year by 924.86 Million Baht that mainly debt repayment to financial institutions for reduces the interest cost and payment to accounts payable.
- 3) Shareholder equity as of December 31, 2019. The Company and subsidiaries total equity (equity attributable to owners of the parent) were 12,839.55 Million Baht, increase from previous year by 1,253.85 Million Baht, as a result from profit for the year.

(D) Cost Structure

As of December 31, 2019, the Company has Debt to Equity Ratio was 1.17 times, reduced from previous year which is 1.37 times, and the Interest Bearing Debts to Equity Ratio reduced from 0.66 times at the end of 2018 to 0.58 times at the end of 2019. (The Company must maintain the Interest Bearing Debts to Equity Ratio not exceeding 3 times, to comply with the term and condition of the previous debenture issuance)

13.2 Industry that affect the operation

The trend of office building industry in 2020, expected has slower growth than 2019, due to the increase of under construction office building spaces by 1 Million Square Meter, which will be completed during 2020 - 2023. The spaces rental demand may increase in a lower ratio, as a result the rental fee trend is slightly downward or stable.

However, at present, the Company's office building project and Co-Company including the Nine Towers Grand Rama 9, Unilever House Grand Rama 9 and G Tower Grand Rama 9, have high rental spaces rate, therefore the effect from industry status as aforementioned is less than the new opening project with lots of available spaces.

Responsibility of the Board of Directors for Financial Reporting

The Board of Directors of Grand Canal Land Public Company Limited (“the Company”) is responsible for the Company’s financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards and practices under appropriate accounting policies applied on a consistent basis following the principles of prudence and 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.

The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of 31 December 2019.



(Assoc. Prof. Prapanpong Vejjajiva)

Authorized Director



(Mr. Pandit Mongkolkul)

Authorized Director

Grand Canal Land Public Company Limited and its subsidiaries

**Financial statements for the year ended 31 December 2019
and
Independent Auditor's Report**

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Grand Canal Land Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Grand Canal Land Public Company Limited and its subsidiaries (the “Group”) and of Grand Canal Land Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of investment properties	
Referred to Notes to financial statements 3(g) and 13	
The key audit matter	How the matter was addressed in the audit
Investment properties are measured at fair value and material to the financial statements of the Group. The fair value of investment properties is estimated by income approach using discounted cash flows. The Group engaged independent external valuer to assist in valuing the fair value of these investment properties. Identification and assessment of the fair value require significant judgment in determining the key assumptions. Therefore, such matter is an area that my audit is particularly concentrated on.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding and evaluating the basis upon which the Group identified and assessed the fair value of assets; • evaluating the independence, qualification and competence of the valuer of the Group; • the external expert engaged by KPMG helped on considering whether the measurement basis and key assumptions underlying the estimate of the fair values were reasonable by taking account of similar assets in other comparable situations and the work performed by the valuer engaged by the Group; • considering the key assumptions by comparing assumptions in appraisal report with actual occurrence, testing calculation and considering the reasonableness of significant movement in the asset valuation from the prior year; • considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Revenue recognition	
Refer to Notes to financial statements 3(r) and 21	
The key audit matter	How the matter was addressed in the audit
Revenue from rental and service are significant amounts in the financial statements. Those revenues are based on a large number of tenancy agreements and service agreements, each with variety of contractual terms and conditions including rental and service discounts given to tenants. Consequently, the accuracy and completeness of revenue recognition relating to tenancy agreements and service agreements are areas of focus for my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding the revenue recognition process by inquiring these activities with the relevant management and reading a sample of tenancy agreements and service agreements to understand the key contractual terms and conditions to assist in identifying the risks of inappropriate income recognition pertaining to the various revenue streams; • testing of internal control over the revenue process including key manual controls, including but not limited to, the controls on the approval of lease contracts and changes to lease terms and the input of this information to the accounting system, controls on the invoice billings and collection processes, controls on the approval of rental discount granted and credit note issued; • testing of systems-based controls over the revenue process with assistance of KPMG IT specialists including testing of controls over system configuration of rental pricing data and billing process and the linkage to usage data that drives revenue recognition;

Revenue recognition	
Refer to Notes to financial statements 3(r) and 21	
The key audit matter	How the matter was addressed in the audit
	<ul style="list-style-type: none"> • testing the recording of revenue from rental and service using a sampling basis and agreeing contractual terms and conditions stipulated in the lease agreements with related documents including collection; and • assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements of Grand Canal Land Public Company Limited and its subsidiaries, as at 31 December 2018, which is included as comparative information, was audited by another auditor who expressed an unqualified opinion thereon in his report dated 14 February 2019 which consisted of emphasis of matter regarding finalised litigation according to note 31 (a).

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2020

Grand Canal Land Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	51,233,259	178,367,833	35,077,568	47,643,061
Trade accounts receivable	4, 6	83,884,101	74,475,610	90,780,924	63,301,049
Other receivables	4, 7	363,223,211	255,312,739	354,872,244	161,494,103
Short-term loans to related parties	4	-	-	1,502,335,600	1,352,153,219
Real estate projects under development	8, 16	954,049,946	1,010,351,357	623,562,702	623,562,702
Other current assets		180,481,598	437,466,742	26,477,192	265,549,762
Total current assets		1,632,872,115	1,955,974,281	2,633,106,230	2,513,703,896
Non-current assets					
Restricted bank deposits	16	1,000,000	11,222,888	-	1,020,910
Investments in associates	9	791,459,463	773,442,353	683,773,494	683,773,494
Investments in subsidiaries	10	-	-	6,817,374,495	6,017,374,495
Investments in joint ventures	9	-	-	-	-
Other long-term investments	11	104,520,000	104,520,000	-	-
Long-term loans to related parties	4	4,039,345,899	4,173,235,389	4,977,566,612	4,707,306,027
Investment properties	13, 16	22,109,333,207	21,445,904,642	10,382,912,696	10,267,447,937
Property, plant and equipment	14, 16	488,490,222	498,901,444	15,531,917	16,942,066
Land leasehold right from related parties	4, 15, 16	97,526,651	105,904,943	-	-
Intangible assets		3,720,178	1,007,932	3,569,736	715,388
Deferred tax assets	26	19,374,515	35,726,270	-	-
Other non-current assets	4	404,855,940	157,389,849	4,208,396	12,003,488
Total non-current assets		28,059,626,075	27,307,255,710	22,884,937,346	21,706,583,805
Total assets		29,692,498,190	29,263,229,991	25,518,043,576	24,220,287,701

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

Grand Canal Land Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Current liabilities					
Short-term loans from financial institutions	16	1,370,000,000	520,000,000	1,370,000,000	520,000,000
Trade accounts payable	4, 17	255,763,120	346,647,006	161,463,922	158,117,154
Other payables	4, 18, 31	162,327,363	575,331,757	130,716,421	199,245,397
Short-term loans from related parties	4, 16	170,745,000	-	3,218,432,297	2,919,832,483
Current portion of long-term loans					
from financial institutions	16	-	522,868,718	-	-
Current portion of debentures	16	1,399,080,821	-	1,399,080,821	-
Current portion of advance rental					
and service income	4	234,468,580	230,100,874	154,941,483	155,162,617
Retention payable	4	181,695,493	213,332,500	3,842,280	3,676,429
Deposits and advance received from customers		13,218,691	17,416,506	-	-
Contractor payables		308,676,704	406,526,203	10,519,624	16,471,773
Current tax payable		38,213,305	30,647,852	-	-
Other current liabilities		9,529,302	22,349,577	6,150,389	13,760,719
Total current liabilities		4,143,718,379	2,885,220,993	6,455,147,237	3,986,266,572
Non-current liabilities					
Long-term loans from financial institutions	16	2,531,906,300	3,322,043,873	-	-
Long-term from debentures	16	2,446,330,610	3,842,060,811	2,446,330,610	3,842,060,811
Deferred tax liabilities	26	1,410,583,162	1,150,905,600	870,534,819	808,309,247
Rental and service retention	4	212,585,351	230,610,999	11,902,877	15,209,478
Non-current provisions for employee benefits	19	19,472,681	17,627,088	17,239,425	15,969,492
Advance rental and service income	4, 13	5,213,978,133	5,452,818,869	4,110,837,963	4,265,779,446
Other non-current liabilities		-	2,140,000	-	2,140,000
Total non-current liabilities		11,834,856,237	14,018,207,240	7,456,845,694	8,949,468,474
Total liabilities		15,978,574,616	16,903,428,233	13,911,992,931	12,935,735,046

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

Grand Canal Land Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Equity					
Share capital:	20				
Authorised share capital		6,535,484,202	6,535,484,202	6,535,484,202	6,535,484,202
Issued and paid-up share capital		6,499,829,661	6,499,829,661	6,499,829,661	6,499,829,661
Share premium	20	1,532,320,430	1,532,320,430	1,532,320,430	1,532,320,430
Adjustment to present assets purchased					
under common control at book value	20	(423,185,000)	(423,185,000)	-	-
Adjustment of equity interests					
under reverse acquisition	20	(129,336,263)	(129,336,263)	-	-
Retained earnings					
Appropriated					
Legal reserve	20	519,900,000	503,800,000	383,000,000	366,900,000
Unappropriated		4,864,946,708	3,627,201,235	3,190,900,554	2,885,502,564
Other components of equity		(24,927,451)	(24,927,451)	-	-
Equity attributable to owners of the parent		12,839,548,085	11,585,702,612	11,606,050,645	11,284,552,655
Non-controlling interests	12	874,375,489	774,099,146	-	-
Total equity		13,713,923,574	12,359,801,758	11,606,050,645	11,284,552,655
Total liabilities and equity		29,692,498,190	29,263,229,991	25,518,043,576	24,220,287,701

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

Grand Canal Land Public Company Limited and its subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Revenue	4				
Revenue from rental and rendering services	21	1,262,490,706	1,217,550,332	348,565,619	301,436,612
Revenues from sales of real estate	21	328,028,641	273,734,373	-	-
Gain on changes in fair value of investment properties	13	713,477,471	277,045,751	103,678,287	235,111,015
Investment income	9	-	-	52,992,971	-
Interest income		132,717,517	261,588,764	271,199,927	252,961,364
Other income	22	200,912,575	14,696,244	64,433,920	20,274,407
Total revenue		2,637,626,910	2,044,615,464	840,870,724	809,783,398
Expenses	4				
Cost of rent and services		252,915,555	405,652,050	33,123,169	54,772,433
Cost of sales of real estate		112,322,136	73,069,134	-	-
Selling expenses		8,419,344	43,935,325	492,106	6,558,820
Administrative expenses		303,513,777	244,170,533	163,762,892	210,608,325
Finance costs	4, 25	281,162,070	378,239,044	251,491,703	295,608,270
Total expenses		958,332,882	1,145,066,086	448,869,870	567,547,848
Share of profit (loss) of associate and joint venture	9	66,416,537	(171,908,896)	-	-
Profit before income tax expense		1,745,710,565	727,640,482	392,000,854	242,235,550
Tax expense	26	(391,588,749)	(220,301,041)	(70,502,864)	(69,757,921)
Profit for the year		1,354,121,816	507,339,441	321,497,990	172,477,629
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,354,121,816	507,339,441	321,497,990	172,477,629

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

Grand Canal Land Public Company Limited and its subsidiaries

Statement of comprehensive income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the parent		1,253,845,473	432,553,868	321,497,990	172,477,629
Non-controlling interests		100,276,343	74,785,573	-	-
Profit for the year		1,354,121,816	507,339,441	321,497,990	172,477,629
Total comprehensive income attributable to:					
Owners of the parent		1,253,845,473	432,553,868	321,497,990	172,477,629
Non-controlling interests		100,276,343	74,785,573	-	-
Total comprehensive income for the year		1,354,121,816	507,339,441	321,497,990	172,477,629
Earnings per share <i>(in Baht)</i>	27				
Basic earnings per share		0.193	0.069	0.049	0.028
Diluted earnings per share		0.193	0.068	0.049	0.027

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

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

Consolidated financial statements										
	Retained earnings					Other components of equity				
	Issued and paid-up share capital	Share premium	Adjustment to present assets purchased under common control at book value	Adjustment of equity interests under reverse acquisition	Legal reserve	Unappropriated	Adjustment for change in interest in the subsidiary	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>Note</i>	<i>(in Bahr)</i>									
Year ended 31 December 2018										
Balance at 1 January 2018	5,951,449,051	1,532,320,430	(423,185,000)	(129,336,263)	495,000,000	3,798,587,022	(24,927,451)	11,199,907,789	699,313,573	11,899,221,362
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Issue of ordinary shares	548,380,610	-	-	-	-	-	-	548,380,610	-	548,380,610
Dividends	-	-	-	-	-	(595,139,655)	-	(595,139,655)	-	(595,139,655)
Total contributions by and distributions to owners of the parent	548,380,610	-	-	-	-	(595,139,655)	-	(46,759,045)	-	(46,759,045)
Total transactions with owners, recorded directly in equity	548,380,610	-	-	-	-	(595,139,655)	-	(46,759,045)	-	(46,759,045)
Comprehensive income for the year										
Profit	-	-	-	-	-	432,553,868	-	432,553,868	74,785,573	507,339,441
Total comprehensive income for the year	-	-	-	-	-	432,553,868	-	432,553,868	74,785,573	507,339,441
Transfer to legal reserve	-	-	-	-	8,800,000	(8,800,000)	-	-	-	-
Balance at 31 December 2018	6,499,829,661	1,532,320,430	(423,185,000)	(129,336,263)	503,800,000	3,627,201,235	(24,927,451)	11,585,702,612	774,099,146	12,359,801,758

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

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

Statement of changes in equity

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

Grand Canal Land Public Company Limited and its subsidiaries

Statement of changes in equity

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

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Grand Canal Land Public Company Limited and its subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	1,354,121,816	507,339,441	321,497,990	172,477,629
<i>Adjustments to reconcile profit to cash receipt (payments)</i>				
Tax expense	391,588,749	220,301,041	70,502,864	69,757,921
Finance costs	281,162,070	378,239,044	251,491,703	295,608,270
Depreciation and amortisation	11,377,594	14,240,649	3,148,105	4,051,495
(Write-off) bad and doubtful debts expenses	(7,080,689)	1,986,187	(5,738,040)	1,016,186
Gain on changes in fair value of investment properties	(713,477,471)	(277,045,750)	(103,678,287)	(235,111,015)
Amortisation of land leasehold right	8,378,292	8,642,770	-	-
Gain on sales of property, plant and equipment	(1,888,722)	-	(640,735)	(2,883,860)
Provision for long-term employee benefits	4,673,969	2,574,874	4,098,309	2,326,523
Realisation of advance rental and service income	(234,032,522)	(198,986,099)	(154,522,342)	(115,594,988)
Amortisation of prepaid expense of debentures	3,350,620	3,595,573	3,350,620	3,595,572
Share of profit of associate	(71,010,081)	(90,621,000)	-	-
Share of loss of joint venture	4,593,544	262,529,896	-	-
Dividend income	-	-	(52,992,971)	-
Interest income	(132,717,517)	(261,588,764)	(271,199,927)	(252,961,364)
<i>Change in operating assets and liabilities</i>				
Trade accounts receivable	(2,327,802)	(4,209,193)	(21,741,835)	19,422,445
Other receivables	(107,910,472)	(22,629,317)	(176,899,079)	(54,556,583)
Real estate projects under development	56,301,411	108,138,663	-	-
Other current assets	355,572,148	(6,389,197)	239,072,570	(7,403,077)
Other non-current assets	16,134,787	(9,722,299)	7,795,092	(1,342,462)
Trade account payables	(90,883,886)	(360,449,989)	3,346,768	120,540,080
Other payables	(477,693,559)	239,638,189	(68,240,798)	(145,388,703)
Retention payables	(31,637,007)	(20,378,534)	165,851	(585,133)
Advance rental and service income	(440,508)	(35,612,922)	(640,275)	(32,483,479)
Deposits and advance received from customers	(4,197,815)	(10,128,071)	-	-
Other current liabilities	(12,820,275)	(17,942,851)	(7,610,330)	(13,115,989)
Payment of long-term employee benefits	(2,828,376)	(501,754)	(2,828,376)	(501,754)
Contractor payables	37,778,815	92,477,484	(5,952,149)	13,956,106
Rental and service retention	(18,025,648)	-	(3,306,601)	-
Other non-current liabilities	(2,140,000)	7,636,413	(2,140,000)	130,236
Net cash generated from (used in) operating	613,921,465	531,134,484	26,338,127	(159,045,944)
Taxes received	1,652,139	8,484,373	-	5,289,370
Taxes paid	(211,586,542)	(85,462,458)	(24,756,354)	(9,349,963)
Net cash flows (used in) operating activities	403,987,062	454,156,399	1,581,773	(163,106,537)

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

Grand Canal Land Public Company Limited and its subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	(in Baht)			
<i>Cash flows from investing activities</i>				
Short-term loans to related parties	-	-	(216,614,464)	(90,543,315)
Long-term loans to related parties	(2,504,493)	(132,000,000)	(278,275,274)	(90,472,871)
Interest received	865,188	137,429,618	412,247,475	88,160,282
Dividends received	52,992,967	-	52,992,971	-
Acquisition of investment in subsidiary	-	-	(800,000,000)	-
Proceed from capital reduction of associate	-	53,135,405	-	53,135,405
Acquisition of property, plant and equipment	(2,122,034)	(10,838,249)	(2,042,779)	(4,414,936)
Proceeds from sales equipment	4,057,355	-	1,766,941	-
Acquisition of investment properties	(14,877,805)	(203,709,273)	(11,786,473)	(12,488,042)
Proceeds from sales investment properties	357	-	357	-
Acquisition of intangible assets	(3,676,086)	(298,773)	(3,676,086)	(298,773)
Net cash from (used in) investing activities	34,735,449	(156,281,272)	(845,387,332)	(56,922,250)
<i>Cash flows from financing activities</i>				
Decrease in restricted bank deposits	10,222,888	-	1,020,910	-
Proceeds from short-term loan from related parties	500,000,000	-	1,539,204,509	162,545,342
Repayment from short-term loans from related parties	(330,000,000)	-	(1,187,622,679)	-
Proceeds from short-term loan from financial institutions	4,750,000,000	420,000,000	4,750,000,000	420,000,000
Repayment from short-term loans from financial institutions	(3,900,000,000)	-	(3,900,000,000)	-
Proceeds from long-term loan from financial institutions	-	36,100,000	-	-
Repayment from long-term loans from financial institutions	(1,313,006,291)	(432,753,684)	-	-
Proceed from issue of debentures	-	1,146,325,260	-	1,146,325,261
Repayment of debentures	-	(1,300,000,000)	-	(1,300,000,000)
Proceeds from issue of ordinary shares	-	548,380,610	-	548,380,610
Interest paid	(283,073,682)	(436,183,914)	(371,362,674)	(261,163,749)
Dividend paid owners of the Company	-	(595,139,655)	-	(595,139,655)
Net cash flows from (used in) financing activities	(565,857,085)	(613,271,383)	831,240,066	120,947,809
Net decrease in cash and cash equivalents	(127,134,574)	(315,396,256)	(12,565,493)	(99,080,978)
Cash and cash equivalents at 1 January	178,367,833	493,764,089	47,643,061	146,724,039
Cash and cash equivalents at 31 December	51,233,259	178,367,833	35,077,568	47,643,061

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

Grand Canal Land Public Company Limited and its subsidiaries

Statement of cash flows

Non-cash transactions

During the year ended 31 December 2019 and 2018.

The Group acquired investment properties, property, plant and equipment, leasehold right and right of used of assets at cost, totalling Baht 22,695 million (2018: Baht 22,050 million), the Group paid by cash by Baht 17 million (2018: Baht 214 million), and capitalised interest related to acquisition of assets, totalling Baht 71 million (2018: Baht 56 million) and amounted to contractor payable as at 31 December 2019 totalling Baht 308 million (2018: Baht 406 million).

The Company acquired investment properties, property, plant and equipment, leasehold right and right of used of assets at cost, totalling Baht 10,398 million (2018: Baht 10,284 million), the Company paid by cash by Baht 14 million (2018: Baht 17 million), and amounted to contractor payable as at 31 December 2019 totalling Baht 11 million (2018: Baht 16 million).

The Group built the real estate projects under development at cost, totalling Baht 954 million (2018: Baht 1,010 million) with capitalised interest related to acquisition of assets, totalling Baht 25 million (2018: None) and amounted to trade payable as at 31 December 2019 totalling Baht 255 million (2018: Baht 346 million).

Grand Canal Land Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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Grand Canal Land Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 14 February 2020.

1 General information

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

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

The principal activities of the Company and subsidiaries is real estate development in Thailand. Details of the Company’s subsidiaries, associate and joint venture as at 31 December 2019 and 2018 are given in notes 9 and 10.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in note 3 (r).

The Group has adopted TFRS 15 using retrospective approach, hence, the Group has applied all requirements of TFRS 15 to each comparative period presented in the consolidated financial statements.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to and judgement in consideration revenue recognition whether they are agent or principle in determining whether control good before delivery to customer. Whereas, under TAS 18, the Group assessed that it has significant risks and rewards of ownership of the goods. This change results decreases in revenue from food center services, and cost of food center services as presented in revenue from rent and services in the consolidated financial statements of comprehensive income for the year ended 31 December 2019 of Baht 16 million (2018: Baht 21 million). Such change in accounting policy has no material impacts on the financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 33.

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>2019</u>	<u>2018</u>
		%	%
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

The consolidated financial statements as at the date of the reverse acquisition were prepared as follows:

1. The assets and liabilities of the legal subsidiaries are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts.
2. Deficit and the outstanding balance of other equities in the consolidated financial statements are recognised at the last amounts of deficit and outstanding balance of other equities of the legal subsidiaries before the business combination.
3. Equity interests, as presented in the consolidated financial statements, represent the sum of the issued equity interests of the legal subsidiaries (accounting acquirers) outstanding before the business combination and the cost of the business combination.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

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

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 13	Measurement of investment properties
Note 19	Measurement of defined benefit obligations: key actuarial assumptions
Note 26	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

(a) *Basis of consolidation*

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

Subsidiaries

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

Non-controlling interests

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

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

Loss of control

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

Interests in equity - accounted investees

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

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

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

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

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

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

(c) Cash and cash equivalents

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

(d) Trade and other accounts receivable

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

Trade and other accounts receivable are stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Real estate development projects

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate development projects comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

(f) Investments

Investments in subsidiaries, associate and joint venture

Investments in subsidiaries, associate and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investment in associates and joint ventures in the consolidated financial statements is accounted for using the equity method.

Investments in other equity securities

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

Disposal of investments

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

(g) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in supply of goods or services or for administrative purposes.

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

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

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

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

(h) Property, plant and equipment

Recognition and measurement

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

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

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

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

Reclassification to investment property

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

Subsequent costs

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

Depreciation

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

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

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

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

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

(i) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

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

Software licences	5	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Land leasehold right

Land leasehold rights are recorded at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the period of lease.

(k) Impairment

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

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

(l) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Contract liabilities

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

(o) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Short-term employee benefits

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

(p) Provisions

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

(q) *Measurement of fair value*

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

(r) *Revenue*

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

Rental

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

Service

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

Sale of real estate

Sale of real estate development project is recognised when a customer obtains control of goods or services, the construction works are completed and the ownership has been transferred to buyers. Advance received before transfer the contract goods to customer recognised as contract liabilities in advance received from customer in the financial position.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(s) Expenses

Expenses are recorded as it accrued .

(t) Finance costs

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

(u) Lease payments

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

(v) Income tax

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

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

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

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

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

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

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

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

(w) Basic earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(x) Related parties

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

(y) Segment reporting

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

4 Related parties

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

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

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

Transactions	Pricing policies
Project management income	Agreed prices
Selling management income	Agreed prices
Rental income	Agreed prices
Property management income	Agreed prices
Trust management income	Agreed prices
Sales of investment property	Agreed prices
Sales of equipment	Cost plus margin
Interest income	MLR-0.5, -0.75 and 5.25%
Other income	Agreed prices
Dividend income	The declared amount
Rental and service expenses	Agreed prices
Construction service expenses	Agreed prices
Insurance expenses	Agreed prices
Interest expense	Fixed deposit rate 6 months + 2%, +0.25% and MLR-0.5 - 1.5%

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Ultimate parent company				
Management fee	56,494	-	55,060	-
Parent company				
Interest Expense	2,718	-	2,718	-
Subsidiaries				
Project management income	-	-	53,562	41,999
Selling management income	-	-	19,522	8,217
Interest income	-	-	270,662	319,458
Interest expense	-	-	92,979	137,682
Sales of equipment	-	-	-	31,722
Sales of investment property	-	-	-	7,485
Associate				
Rental income	234,482	224,724	163,743	104,706
Property management income	32,849	21,032	22,644	14,271
Trust management income	17,192	16,500	-	-
Rental and service expenses	17,189	24,482	17,189	24,482
Dividend income	-	-	52,993	-
Joint venture				
Interest income	131,800	259,676	-	-
Other related parties				
Rental income	20,771	3,095	37	-
Project management income	-	17,401	-	17,401
Selling management income	-	1,316	-	1,316
Other Income	8	-	-	-
Insurance expenses	-	1,711	-	1,711
Construction service expenses	-	57,898	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	38,661	29,391	37,186	27,954

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	49,745	33,979
Associate	30,993	11,546	17,246	5,746
Other related parties	21,832	18,976	20,706	18,338
Total	52,825	30,522	87,697	58,063
Other receivables				
Subsidiaries	-	-	54,340	230,409
Associate	42,216	143,475	27,300	109,158
Total	42,216	143,475	81,640	339,567
Land leasehold right				
Other related parties	97,527	105,905	-	-
Rental and service retention (presents under other non-current assets)				
Associate	3,074	6,265	3,074	6,265
Accrued interest income (presents under other non-current assets)				
Joint venture	393,557	129,957	-	-

Movements during the year ended 31 December of loans to related parties were as follows:

	Interest rate	Consolidated financial statements			
	As at 31 December <i>(% per annum)</i>	As at 1 January	Increase	Decrease	As at 31 December
2019					
Long-term loans to					
Joint venture	MLR - 0.5	4,583,000	2,505	-	4,585,505
<i>Less</i> The excess of accumulated share of loss from investment in joint venture over cost of investment		(409,765)	(4,594)	-	(414,359)
<i>Less</i> The elimination of interest income		-	(131,800)	-	(131,800)
Net		4,173,235			4,039,346

	Interest rate	Consolidated financial statements			
	As at 31 December	As at 1 January	Increase	Decrease	As at 31 December
	(% per annum)	(in thousand Baht)			
2018					
Long-term loans					
Joint venture	MLR - 0.5	4,451,000	132,000	-	4,583,000
Less The excess of accumulated share of loss from investment in joint venture over cost of investment		(147,235)	-	(262,530)	(409,765)
Net		4,303,765			4,173,235

	Interest rate		Separate financial statements		
	As at 31 December	As at 1 January	Increase	Decrease	As at 31 December
	(% per annum)		(in thousand Baht)		
2019					
Short-term loans					
Subsidiaries	MLR - 0.5, 5.25	1,352,153	1,081,847	(931,664)	1,502,336
Long-term loans					
Subsidiaries	MLR - 0.75	4,707,306	490,549	(220,288)	4,977,567
2018					
Short-term loans					
Subsidiaries	MLR - 0.5, 5.25	1,232,000	272,153	(152,000)	1,352,153
Long-term loans					
Subsidiaries	MLR - 0.75	4,305,869	401,437	-	4,707,306

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Trade accounts payable				
Subsidiaries	-	-	137,007	119,305
Associate	155	-	155	-
Other related parties	602	82,651	499	-
Total	757	82,651	137,611	119,305
Other payables				
Associate	33,753	494	-	474
Other related parties	11,445	-	11,372	-
Total	45,198	494	11,372	474
Retention payable				
Other related parties	42,293	42,448	457	-

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Advance rental and service income</i>				
Associate	5,177,188	5,400,833	4,061,942	4,210,649
Other related parties	-	2,406	-	-
Total	<u>5,177,188</u>	<u>5,403,239</u>	<u>4,061,942</u>	<u>4,210,649</u>
<i>Rental and service retention</i>				
Subsidiaries	-	-	130	130

Movements during the periods ended 31 December of loans from related parties were as follows:

Interest rate		Consolidated financial statements			
	As at 31 December	As at 1 January	Increase	Decrease	As at 31 December
	(% per annum)	(in thousand Baht)			
2019					
Short-term loans					
Parent company	MLR - 0.75	-	502,718	(331,973)	170,745
Interest rate		Separate financial statements			
	As at 31 December	As at 1 January	Increase	Decrease	As at 31 December
	(% per annum)	(in thousand Baht)			
2019					
Short-term loans					
Subsidiaries	MLR - 0.5, -1.5, Fixed deposit rate				
	6M +2, +0.25	2,919,832	1,132,570	(1,004,715)	3,047,687
Parent company	MLR - 0.75	-	502,718	(331,973)	170,745
Total		2,919,832			3,218,432
2018					
Long-term loans					
Subsidiaries	MLR - 0.5, MLR - 1.0, 5	1,261,610	1,708,222	(50,000)	2,919,832

Commitments with related parties

The subsidiary had commitments with Super Assets Company Limited and CKS Holding Company Limited totaling Baht 282 million under a land lease agreement and right of using area (31 December 2018: Baht 286 million). These agreements expire in June 2050 and June 2029, respectively. The details are as follows:

	Consolidated financial statements	
	2019	2018
	(in thousand Baht)	
Non-cancellable operating lease commitments		
Within one year	4,380	4,094
After one year but within five years	19,170	18,510
After five years	258,675	263,715
Total	282,225	286,319

Significant agreements with related parties

As at 31 December 2019,

Project management agreements

The Company and subsidiaries have project management agreements which provide construction and operation management for 1 year. The Company charges construction management fee at 2% from progress from construction and operation management fee at 5% from operating income.

Property management and trust manager agreements

In April 2017, the Company and Sterling Equity Co., Ltd. were appointed to be property management company of GLAND Office Leasehold Real Estate Investment Trust (associate). According to the agreement, the Company and Sterling Equity Co., Ltd. will receive property management and GLAND REIT Management Co., Ltd. will receive trust management fee.

Loan agreements

The subsidiary and joint venture had loan agreements for the loan lines totalling Baht 4,950 million which interest rate at MLR-0.5% per annum and are repayable on demand.

Service agreement

The Company entered into service agreement with Central Pattana Public Company Limited for business consulting, setting policies, and advising on business operation. The agreement will be effective for two years from 1 January 2019 with rate 3% of revenue from rental and rendering services.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand baht)</i>			
Cash	100	81	33	21
Call deposits	51,133	178,287	35,045	47,622
Cash and cash equivalents	51,233	178,368	35,078	47,643

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	28,291	10,823	23,504	16,574
Overdue:				
Less than 3 months	1,989	8,775	30,224	14,469
3 - 6 months	3	5,422	-	9,647
6 - 12 months	3,478	5,502	14,931	14,028
Over 12 months	19,064	-	19,038	3,345
	52,825	30,522	87,697	58,063
Other parties				
Within credit terms	10,175	20,623	400	3,317
Overdue:				
Less than 3 months	18,343	16,121	1,623	297
3 - 6 months	909	1,569	41	4
6 - 12 months	539	5,035	-	646
Over 12 months	3,350	59,810	3,277	59,208
	33,316	103,158	5,341	63,472
<i>Less allowance for doubtful accounts</i>	<i>(2,257)</i>	<i>(59,204)</i>	<i>(2,257)</i>	<i>(58,234)</i>
Net	31,059	43,954	3,084	5,238
Total	83,884	74,476	90,781	63,301

The normal credit terms granted by the Group ranges from 5 days to 30 days.

7 Other receivables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Receivable from the Revenue Department	248,032	-	248,032	-
Accrued income	76,346	179,007	96,316	88,592
Advance payment to contractors	22,058	28,107	2,985	45
Prepaid expenses	13,999	13,569	8,747	5,886
Others	5,728	47,865	1,732	80,206
	366,163	268,548	357,812	174,729
<i>Less allowance for doubtful accounts</i>	<i>(2,940)</i>	<i>(13,235)</i>	<i>(2,940)</i>	<i>(13,235)</i>
Net	363,223	255,313	354,872	161,494

8 Real estate projects under development

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2017
	<i>(in thousand Baht)</i>			
Land and construction under development	817,974	791,839	623,563	623,563
Land and construction developed	136,076	218,512	-	-
Total	954,050	1,010,351	623,563	623,563
Finance costs capitalised during the year	25,362	-	-	-
Rates of interest capitalised (% per annum)	4.52	-	-	-
Real estate projects under development recognised as an expense in 'cost of sales of real estate project'				
- Cost	112,322	73,069	-	-

9 Investment in associate and joint venture

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Associate				
At 1 January	773,442	735,957	683,774	736,909
Capital reduction	-	(53,135)	-	(53,135)
Share of net profits in associate	71,010	90,620	-	-
Dividend income	(52,993)	-	-	-
At 31 December	791,459	773,442	683,774	683,774
	Consolidated financial statements			
	2019	2018		
	(in thousand Baht)			
Joint venture				
At 1 January	-	-	-	-
Share of net losses in joint venture	4,594	262,530		
Reversal of share of loss of investment in joint venture over cost of investment	(4,594)	(262,530)		
At 31 December	-	-		

Investments in associate and joint venture as at 31 December 2019 and 31 December 2018, and dividend income from those investments for the year ended 31 December were as follows:

Type of business	Ownership interest		Paid-up capital		Cost		Equity		Fair value of listed securities		Dividend income for the year periods ended	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		(%)										
<i>Associate</i>												
GLAND Office Leasehold Real Estate Investment Trust	15	15	4,558,489	4,558,489	683,774	683,774	791,459	773,442	997,038	884,591	52,993	-
<i>Joint venture - indirect shareholding by a subsidiary</i>												
Bays water Real estate development Co., Ltd.	50	50	10,000	10,000	-	-	-	-	-	-	-	-
Total					683,774	683,774	791,459	773,442			52,993	-

All associate and joint venture were incorporated in Thailand.

None of the Group's and the Company's joint venture are publicly listed and consequently do not have published price quotations.

On 8 May 2019, the Board of Directors meeting of the REIT manager which is a subsidiary of the Group held approved the distribution of benefit from the result of operation from 1 January 2019 to 31 March 2019 to the Trust unitholders of Baht 0.1767 per unit, amounting to Baht 88.31 million. The benefit will be paid to the Trust unitholders on 6 June 2019.

On 7 August 2019, the Board of Directors meeting of the REIT manager held approved the distribution of benefit from the result of operation from 1 April 2019 to 30 June 2019 to the Trust unitholders of Baht 0.1780 per unit, amounting to Baht 88.96 million. The benefit was paid to the Trust unitholders on 6 September 2019.

On 29 October 2019, the Board of Directors meeting of the REIT manager held approved the distribution of benefit from the result of operation from 1 July 2019 to 30 September 2019 to the Trust unitholders of Baht 0.1800 per unit, amounting to Baht 89.96 million. The benefit was paid to the Trust unitholders on 29 November 2019.

In February, May, August and October 2018, meetings of the Board of Directors of the REIT Manager of the Trust passed resolutions to approve capital reductions at rates of Baht 0.2109 per unit trust, Baht 0.2059 per unit trust, Baht 0.1320 per unit trust and Baht 0.1600 per unit trust, respectively, or a total of Baht 354.3 million. The Company received a total of Baht 53.1 million as a result of these capital reductions in 2018.

On 22 November 2019 GLAND REIT Management Company Limited (“REIT Manager”) as the REIT manager of GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) acknowledge the transfer of GLANDRT’s main assets schedule, early repayment of loan to financial institution, the schedule for the SP and the delisting from the Stock Exchange of Thailand’s Securities GLANDRT. The Board of Directors meeting also approved the dissolution, liquidation, capital reduction and delisting of GLANDRT from being listed securities on the Stock Exchange of Thailand within the month of April 2020.

In May 2019, the Board of Directors passed the resolution to approve Ratchada Asset Holding Company Limited (a subsidiary) to refuse the right to purchase ordinary shares from BTS Group Holding Public Company Limited holding in Bayswater Company Limited in a total amount of 50,000 shares or accounted for 50% of the total issued and paid-up shares, which is in accordance with the Right of First Refusal stated in the Shareholders’ Agreement. However, Central Pattana Public Company Limited, ultimate parent company, acquired the remaining shares. The share purchase agreement and all related liabilities were completed when Central Pattana Public Company Limited comply with the conditions according to share purchase agreement and related agreement.

Associate and Joint Venture

The following table summarises the financial information of the associate and joint venture as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group’s interest in these companies.

The summary of the financial information as follows:

Associate

	2019	2018
	<i>(Unit: Million Baht)</i>	
Revenue	701	701
Total comprehensive income (100%)	493	624
Total comprehensive income of the Group’s interest	74	94

	2019	2018
	<i>(Unit: Million Baht)</i>	
Current assets	485	470
Non-current assets	5,541	5,484
Current liabilities	(95)	(162)
Non-current liabilities	(1,118)	(1,119)
Net assets	4,813	4,673
Shareholding percentage (%)	15%	15%
Share of net assets	722	701
Less: Elimination entries	70	72
Carrying amounts of associate	792	773

Joint venture

Revenue	-	-
Total comprehensive income (100%)	(9)	(525)
Total comprehensive income of the Group's interest	(5)	(263)
Current assets	9,216	8,695
Current liabilities	(789)	(9,429)
Non-current liabilities	(9,171)	-
Net assets	(744)	(734)
Shareholding percentage (%)	50%	50%
Share of net assets	(372)	(367)
Less: Elimination entries	42	(43)
Carrying amounts of joint venture	(414)	(410)

At 31 December 2019, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 546.1 million (*31 December 2018: Baht 409.8 million*) as a deduction from long-term loan to joint venture in the consolidated financial position.

10 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	6,017,375	6,017,375
Increase	800,000	-
At 31 December	6,817,375	6,017,375

On 8 October 2019, a subsidiary registered the increase share capital from Baht 500 million by Baht 800 million. The share capital was increased to Baht 1,300 million to reduce finance cost by issuing 8 million ordinary shares at Baht 100 per value each. The subsidiary offered the share capital to existing shareholder at the same proportion and called for fully paid-up shares capital.

Investments in subsidiaries as at 31 December 2019 and 31 December 2018, and dividend income from those investments for the period ended 31 December were as follows:

Separate financial statements							
	Type of business	Ownership interest	Paid-up capital	Cost method		Dividend income for	
		2019	2019	2018	2019	2018	the year period ended
		(%)			(in thousand Baht)		2019
Subsidiaries							
Direct							
Belle Development Ltd.	Real estate development	79.57	2,064,261	2,064,261	1,920,104	1,920,104	-
Praram 9 Square Ltd.	Real estate for rent and development						-
Sterling Equity Co., Ltd.	Real estate development	93.09	1,900,000	1,900,000	1,771,016	1,771,016	-
Belle Assets Co., Ltd.	Real estate development	100.00	1,800,000	1,800,000	1,765,464	1,765,464	-
G Land Property Management Co., Ltd	Real estate development	100.00	11,000	11,000	11,000	11,000	-
Ratchada Asset Holding Co., Ltd.	Real estate development	100.00	1,300,000	500,000	1,333,791	533,791	-
GLAND REIT Management Co., Ltd.	Investment company	100.00	6,000	6,000	6,000	6,000	-
	Trust manager	100.00	10,000	10,000	10,000	10,000	-
Indirect							
Praram 9 Square Hotel Ltd.	Hotel	100.00	16,000	16,000	-	-	-
Total					6,817,375	6,017,375	-

All subsidiaries were incorporated in Thailand.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

11 Other long-term investment

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

12 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2019		
	Belle development Co., Ltd.	Praram 9 Square Ltd.	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20.4%	6.9%	
Current assets	2,703,911	561,484	
Non-current assets	709,439	6,822,448	
Current liabilities	(331,750)	(470,766)	
Non-current liabilities	(78,726)	(3,136,429)	
Net assets	3,002,874	3,776,737	
Carrying amount of non-controlling interest	613,487	260,888	874,375
Revenue	443,031	1,758,356	
Profit for the year	109,003	1,129,298	
Total comprehensive income	109,003	1,129,298	
Profit allocated to non-controlling interest	22,269	78,007	100,276
Cash flows from operating activities	262,793	718,989	
Cash flows (used in) from investing activities	75,803	(635,154)	
Cash flows used in from financing activities			
(dividends to non-controlling interest: nil)	(383,006)	(129,136)	
Net decrease in cash and cash equivalents	(44,410)	(45,301)	

31 December 2018			
	Belle development Co., Ltd.	Praram 9 Square Ltd.	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20.4%	6.9%	
Current assets	2,906,290	441,800	
Non-current assets	815,448	6,091,367	
Current liabilities	(617,959)	(1,077,734)	
Non-current liabilities	(209,909)	(2,807,994)	
Net assets	2,893,870	2,647,439	
Carrying amount of non-controlling interest	591,214	182,885	774,099
Revenue	515,055	978,619	
Profit for the year	211,884	456,029	
Total comprehensive income	211,884	456,029	
Profit allocated to non-controlling interest	43,284	31,502	74,786
Cash flows from operating activities	140,317	317,650	
Cash flows (used in) from investing activities	33,318	(157,851)	
Cash flows used in from financing activities (dividends to non-controlling interest: nil)	(272,754)	(203,900)	
Net decrease in cash and cash equivalents	(99,119)	(44,101)	

13 Investment properties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	21,445,905	20,901,348	10,267,448	10,027,334
Additions	14,840	242,006	11,794	12,488
Disposals	-	-	(7)	(7,485)
Finance cost capitalised	70,702	56,317	-	-
Transfer from project under development	-	7,485	-	-
Transfer / adjust	(135,591)	(38,297)	-	-
Gain on fair value adjustment	713,477	277,046	103,678	235,111
At 31 December	22,109,333	21,445,905	10,382,913	10,267,448

The investment properties consist of land, office rental project and land awaiting development.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss for investment properties</i>				
Rental income	1,262	1,204	349	301
Other income				
- unrealised gains on fair value adjustments	713	277	104	253
Repair and maintenance expense				
- property that generate rental income	18	8	3	5

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Minimum lease payments under non-cancellable operating lease are receivable:</i>				
Within 1 year	619	373	29	14
1 - 5 years	674	170	23	21
After 5 years	115	115	112	115
Total	1,408	658	164	150

On 19 April 2017, the Company and Sterling Equity Company Limited (a subsidiary) entered into agreements to lease the investment properties to GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT"). The details are as follows:

- 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.
- Sterling Equity Company Limited entered into an agreement to lease the office rental areas, common areas related to the aforesaid areas, parking areas and utility systems of Unilever House Grand Rama 9 Project ("Unilever House Office Project") to GLANDRT for a period of 17 years and 7 months. GLANDRT paid Baht 1,398.2 million to Sterling Equity Company Limited for this leasehold right.
- The Company and its subsidiary present the cash received for the leasehold rights net of expense incurred directly in arranging the lease agreements, as advance rental income in the statement of financial position.

Measurement of fair values

Fair value hierarchy

The fair value of investment properties was determined by independent professional valuers. The fair value of investment property has been categorised as a Level 3 fair value.

Valuation technique

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

Key assumptions used in the valuation of office rental project units for rent, land for rent and land awaiting development as at 31 December 2019 are summarised below.

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Discount rate	9% - 11%	9% - 10%	Decrease in fair value
Occupancy rate (depending on location of assets)	60% - 100%	60% - 98%	Increase in fair value
Rental rate per month (depending on location of assets)	Baht 475 - 1,450 per square metre	Baht 675 - 1,075 per square metre	Increase in fair value
Land price (depending on location of assets)	Baht 30,000 - 1,270,000 per square wah	Baht 30,000 - 1,270,000 per square wah	Increase in fair value

14 Property, plant and equipment

	Consolidated financial statements					
	Land	Building and improvement	Office equipment and furniture fixture	Vehicles	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>					
Cost						
At 1 January 2018	339,321	11,207	152,691	18,645	59,674	581,538
Additions	-	-	1,881	659	8,298	10,838
At 31 December 2018 and 1 January 2019	339,321	11,207	154,572	19,304	67,972	592,376
Additions	-	785	604	-	188	1,577
Transfers	-	521	(559)	-	-	(38)
Disposals	-	-	(10,075)	(9,479)	(76)	(19,630)
At 31 December 2019	339,321	12,513	144,542	9,825	68,084	574,285
Depreciation and impairment losses						
At 1 January 2018	-	3,198	62,833	13,681	-	79,712
Depreciation charge for the year	-	1,066	10,851	1,846	-	13,763
At 31 December 2018 and 1 January 2019	-	4,264	73,684	15,527	-	93,475
Depreciation charge for the year	-	760	7,952	1,691	-	10,413
Transfers	-	113	(113)	-	-	-
Disposals	-	-	(9,920)	(8,163)	-	(18,093)
At 31 December 2019	-	5,137	71,603	9,055	-	85,795
Net book value						
At 31 December 2018	339,321	6,943	80,888	3,777	67,972	498,901
At 31 December 2019	339,321	7,376	72,939	770	68,084	488,490

Separate financial statements					
	Building and improvement	Furniture, fixtures, office and equipment	Vehicles	Assets under construction	Total
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2018	-	38,352	7,789	32,304	78,445
Additions	-	272	659	3,484	4,415
Disposals	-	-	-	(28,839)	(28,839)
At 31 December 2018 and 1 January 2019	-	38,624	8,448	6,949	54,021
Additions	785	599	-	-	1,384
Transfers	521	(521)	-	-	-
Disposals	-	(8,541)	(3,499)	-	(12,040)
At 31 December 2019	1,306	30,161	4,949	6,949	43,365
Depreciation and impairment losses					
At 1 January 2018	-	26,330	7,011	-	33,341
Depreciation charge for the year	-	3,736	2	-	3,738
At 31 December 2018 and 1 January 2019	-	30,066	7,013	-	37,079
Depreciation charge for the year	34	1,732	561	-	2,327
Transfers	113	(113)	-	-	-
Disposals	-	(8,424)	(3,149)	-	(11,573)
At 31 December 2019	147	23,261	4,425	-	27,833
Net book value					
At 31 December 2018	-	8,558	1,435	6,949	16,942
At 31 December 2019	1,159	6,900	524	6,949	15,532

15 Land leasehold right from related parties

Consolidated financial statements		
	2019	2018
	<i>(in thousand Baht)</i>	
Land leasehold right	221,000	221,000
Less Accumulated amortisation	(64,265)	(59,105)
Net book value	156,735	161,895
Less Undue rental expenses	(59,208)	(55,990)
Total	97,527	105,905

Land leasehold right from related parties was 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.

Direct operating expense included in cost of rent and services as the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Assets generate rental income	97,527	105,905	-	-

16 Interest bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institution	1,370,000	520,000	1,370,000	520,000
Short-term loans from related parties	170,745	-	3,218,432	2,919,832
Current portion of long-term loans	-	522,869	-	-
Current portion of debentures	1,399,081	-	1,399,081	-
Total current interest -bearing liabilities	2,939,826	1,042,869	5,987,513	3,439,832
Non-current				
Long-term loans from financial institution	2,531,906	3,322,044	-	-
Long-term debentures	2,446,330	3,842,061	2,446,330	3,842,061
Total non-current interest -bearing liabilities	4,978,236	7,164,105	2,446,330	3,842,061
Total	7,918,062	8,206,974	8,433,843	7,281,893

The periods to maturity of interest-bearing liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within one year	2,939,826	1,042,869	5,987,513	3,439,832
After one year but within five year	4,978,236	7,164,105	2,446,330	3,842,061
Total	7,918,062	8,206,974	8,433,843	7,281,893

As at 31 December, secured loans were collateralised by the following assets:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Project under development	624	834	624	624
Investment properties	10,907	12,930	4,514	4,104
Property plant and equipment	403	387	-	-
Land leasehold right	98	106	-	-
Total	12,032	14,257	5,138	4,728

Restricted bank deposit represented fixed deposit of the Group as collateral for credit facilities.

As at 31 December 2019 the Group had unutilised credit facilities totalling Baht 2,068 million (2018: Baht 1,138 million).

Long-term loans from financial institutions

In September 2010, the Group entered into a loan agreement within credit line not exceeding Baht 3,100 millions with financial institution. Such agreement stipulated the Group to repay the remaining principal within 3 years from 17 July 2019. As at 31 December 2019, the Group had utilised Baht 2,532 million (2018: Baht 3,100 Baht).

Debentures

The Group's debentures as at 31 December 2019 and 2018, were registered, unsubordinated, unsecured, with no debenture holders' representative (except for the second to fifth series, which have a debenture holders' representative) and no early redemption provisions. These debentures have a face value of Baht 1,000. At shareholders' meetings of the Company, the shareholders approved the issuance and offer for sale of debt securities as follows:

- 1) In November 2015, the Group issued debentures with a maturity of 5 years amounting to Baht 100 million. Those debentures paid interest every quarter and due to maturity on 26 November 2020.
- 2) In September 2017, the Group issued debentures with a maturity of 3 years amounting to Baht 1,100 million. Those debentures paid interest every 6 months and due to maturity on 7 September 2020.
- 3) In November 2017, the Group issued debentures with a maturity of 3.5 years amounting to Baht 1,300 million. Those debentures paid interest every quarter and due to maturity on 9 May 2021.
- 4) In November 2017, the Group issued debentures with a maturity of 3 years amounting to Baht 200 million. Those debentures paid interest every 6 months and due to maturity on 9 November 2020.
- 5) In April 2018, the Group issued debentures with a maturity of 4 years amounting to Baht 1,150 million. Those debentures paid interest every quarter and due to maturity on 26 April 2022.

The conditions regarding loan agreements and the rights and obligations of the debenture issuer stipulate certain covenants which, among other things, require the Group to maintain debt-to-equity ratio at the rate described in the agreements.

At the annual general meeting of the shareholders of the Company held on 5 April 2019, the shareholders considered and approved the additional issuance of debenture in the amount not exceeding Bath 6,000 million. The debentures are secured and/or unsecured, unsubordinated and/or subordinated, callable and/or non-callable and convertible and/or non-convertible debentures with a fixed redemption date and/or without a fixed redemption date, in accordance with the Notification of the Securities and Exchange Commission or as to be amended and notified by the Securities and Exchange Commission.

Effective interest rates and reprising / maturing analysis

	Consolidated financial statements				
	Effective Interest rate (% per annum)	The periods in which those liabilities mature		Fair value	
		Within one year	After one year but		Book value
			Within five years		
(in thousand baht)					
As at 31 December 2019					
Financial liabilities					
Debentures	4.8 - 5.1	1,399,081	2,446,330	3,845,411	
Loan from financial institutions	2.8 - 3.15	1,370,000	2,531,906	3,901,906	
Loan from related parties	2.98	170,745	-	170,745	
Total		2,939,826	4,978,236	7,918,062	
As at 31 December 2018					
Financial liabilities					
Debentures	4.8 - 5.1	-	3,842,061	3,839,233	
Loan from financial institutions	3.7 - 4.31	1,042,862	3,322,044	4,364,913	
Total		1,042,862	7,164,105	8,206,974	

Separated financial statements					
Effective Interest rate (% per annum)	The periods in which those liabilities mature		Book value (in thousand Baht)	Fair value	
	Within one year	After one year but Within five years			
As at 31 December 2019					
Financial liabilities					
Debentures					
Loan from financial institutions	4.8 - 5.1	1,399,081	2,446,330	3,845,411	3,904,650
Loan from related parties	2.8 - 3.15	1,370,000	-	1,370,000	1,367,494
	1.25 - 3.15	3,218,432	-	3,218,432	3,218,432
Total		5,987,513	2,446,330	8,433,843	8,490,576
As at 31 December 2018					
Financial liabilities					
Debentures					
Loan from financial institutions	4.8 - 5.1	-	3,842,061	3,842,061	3,839,233
Loan from related parties	3.7	520,000	-	520,000	525,802
	5.75	2,919,832	-	2,919,832	2,919,832
Total		3,439,832	3,842,061	7,281,893	7,284,867

17 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Related parties	757	82,651	137,611	119,305
Other parties	255,006	263,996	23,853	38,812
Total	255,763	346,647	161,464	158,117

18 Other payable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Accrued expense	58,890	321,483	50,227	115,359
Accrued interest expense	39,660	41,493	39,183	38,727
Advance received from sales of assets	35,198	35,198	35,198	35,198
Retentions	9,371	-	1,829	-
Others	19,208	177,158	4,279	9,961
Total	162,327	575,332	130,716	199,245

19 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Financial statement				
Non-current provisions for employee benefits				
Defined benefit plan	19,473	17,627	17,239	15,969
<i>As at 31 December</i>				
Statement of comprehensive income:				
Recognised in profit or loss:				
Termination benefits				
Defined benefit plan	5,244	2,575	4,668	2,326

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	17,627	15,554	15,969	14,145
Include in profit or loss:				
Current service cost	4,799	2,233	4,271	2,019
Interest on obligation	445	342	397	307
	<u>5,244</u>	<u>2,575</u>	<u>4,668</u>	<u>2,326</u>
Benefit paid	<u>(3,398)</u>	<u>(502)</u>	<u>(3,398)</u>	<u>(502)</u>
At 31 December	<u>19,473</u>	<u>17,627</u>	<u>17,239</u>	<u>15,969</u>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

Actuarial assumptions

<i>Principal actuarial assumptions</i>	Consolidated and Separate financial statements	
	2019	2018
	<i>(%)</i>	
Discount rate	2.3 - 2.8	2.3 - 2.8
Future salary growth	6.0	6.0
Employee turnover (Depend on age range)	1.0 - 35.0	1.0 - 35.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019 and 2018 the weighted-average duration of the defined benefit obligation was 10 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

	Consolidated financial statements		Separate financial statements	
<i>Effect to the defined benefit obligation</i>	<i>(in thousand Baht)</i>			
	Increase	Decrease	Increase	Decrease
<i>At 31 December 2019</i>				
Discount rate (0.5% Change)	(800)	852	(708)	754
Future salary growth (1% Change)	1,938	(1,831)	1,714	(1,622)
Employee turnover (10% Change)	(1,853)	2,113	(1,644)	1,876

	Consolidated financial statements		Separate financial statements	
<i>Effect to the defined benefit obligation</i>	<i>(in thousand Baht)</i>			
	Increase	Decrease	Increase	Decrease
<i>At 31 December 2018</i>				
Discount rate (0.5% Change)	(656)	698	(580)	618
Future salary growth (1% Change)	1,408	(1,334)	1,244	(1,180)
Employee turnover (10% Change)	(1,340)	1,515	(1,188)	1,343

20 Share capital

	Par value per share (in Baht)	2019		2018	
		Number	Baht	Number	Baht
<i>(thousand shares /thousand Baht)</i>					
Authorised					
As at 1 January					
- ordinary shares	1	6,535,484	6,535,484	6,535,484	6,535,484
At 31 December					
- ordinary shares	1	<u>6,535,484</u>	<u>6,535,484</u>	<u>6,535,484</u>	<u>6,535,484</u>
Issued and paid-up shares					
At 1 January					
- ordinary shares	1	6,499,830	6,499,830	5,951,449	5,951,449
Increase of new shares	1	-	-	548,381	548,381
At 31 December					
- ordinary shares		<u>6,499,830</u>	<u>6,499,830</u>	<u>6,499,830</u>	<u>6,499,830</u>

In 2018, the increase of Baht 548,380,610 is the result of the exercise of warrant No.4 (GLAND-W4) in June 2018. On 12 July 2018, the Company registered the increase in its issued and fully paid share capital to Baht 6,499,829,661 with the Ministry of Commerce.

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:

	2019	2018
	<i>(in thousand Baht)</i>	
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 Co., Ltd.	1,621,967	1,621,967
- Praram 9 Square Co., 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 Co., Ltd.	(312,500)	(312,500)
Total	<u>2,090,717</u>	<u>2,090,717</u>

	2019	2018
	<i>(in thousand Baht)</i>	
Cost of business combination		
Cost of business combination as at the acquisition date	1,611,416	1,611,416
Change of accounting acquirer's equity from the acquisition date	(271,617)	(271,617)
Total	1,339,799	1,339,799
Adjustment to present assets purchased under common control at book value	(423,185)	(423,185)
Equity interests of the legal parent company issued after the business combination		
- Share capital issued during the year	-	548,381
- Share capital issued during 2010 - 2018	3,519,566	2,971,185
- Increase in share premium due to share issue in 2011 - 2014	952,732	952,732
Total	4,472,298	4,472,298
Equity interests in the consolidated financial statements	7,479,629	7,479,629

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:

	2019	2018
	<i>(in thousand Baht)</i>	
Issued and fully paid share capital	6,499,830	6,499,830
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 interest under reverse acquisition	(129,337)	(129,337)
Total	7,479,629	7,479,629

In June 2018, 546,195,935 warrants (GLAND-W4) were exercised. The Company has issued ordinary shares to support the exercise of these warrants.

The last exercise date of warrants (GLAND-W4) was on 30 June 2018, and 1,052,887 warrants (GLAND-W4) expired without being exercised. As a result, as at 31 December 2018, there were no outstanding unexercised warrants.

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription money received in excess of the par value of the shares issued as a reserve account ("share premium"). Share premium is not available for dividend distribution.

Reserves

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

21 Segment information and disaggregation of revenue

The Group's operations and main revenue streams are described in the last annual financial statements. The Group's main revenue is derived from contracts with customers.

Geographical segments

The Company operates real estate for sale business and real estate for rental and service business principally in Thailand.

Business segments

The Company and its subsidiaries have 2 reportable segments, which are real estate for sale business, consisting of land and house projects and residential condominium projects, and real estate for rental and service business, consisting of office building for rent project.

Management considers that the Company operates in a single line of business, namely real estate for rental and service business, and has, therefore, only one reportable segment.

Management considers the Company's timing of revenue recognition which is mainly recognised overtime.

Segment information disclosures with disaggregation of revenue and timing of revenue recognition as follow:

<i>Year ended 31 December</i>	Real estate for sale business		Real estate for rental and service business		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Information about reportable segments						
External revenues	328,028	273,734	1,262,491	1,217,550	1,590,519	1,491,284
Inter-segment revenue	-	-	90,123	50,489	90,123	50,489
Total revenue	328,028	273,734	1,352,614	1,268,039	1,680,642	1,541,773
Interest income	132,594	261,155	124	434	132,718	261,589
Finance costs	273,958	352,214	7,204	26,025	281,162	378,239
Profit before income tax expense	215,706	200,665	1,099,698	862,387	1,315,404	1,063,052
Timing of revenue recognition						
At a point in time	328,028	273,734	-	-	328,028	273,734
Over time	-	-	1,262,491	1,217,550	1,262,491	1,217,550
Total revenue	328,028	273,734	1,262,491	1,217,550	1,590,519	1,491,284

	2019	2018
	<i>(in thousand Baht)</i>	
Profit or loss		
Total revenue from reportable segments	1,315,404	1,052,354
Other revenue	333,630	289,473
	<u>1,649,034</u>	<u>1,341,827</u>
Elimination of inter-segment revenue	(90,123)	(50,489)
Unallocated amounts:		
Gain on changes in fair value of investment properties	713,477	277,045
Other expenses	(593,095)	(668,834)
Share of profit (loss) of associates and joint venture	66,417	(171,909)
Total profit before tax	<u>1,745,710</u>	<u>727,640</u>

Major customer

In 2019, the Group has revenue from major customer is GLAND Office Leasehold Real Estate Investment Trust Associate approximately Baht 234 million (2018: Baht 225 million) in the consolidated financial statements and Baht 164 million (2018: Baht 105 million) in the separate financial statements from office building for rent.

Balance of contract liability

Major changes of contract liability during the year are as follows.

	Consolidated financial statements contract liability	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	(16,944)	(27,284)
Recognised as revenue during the year	84,199	107,249
Advance received from customer	(80,055)	(96,909)
At 31 December	<u>(12,800)</u>	<u>(16,944)</u>

22 Other income

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Adjustment of property tax estimation	162,453	-	60,433	-
Compensation	30,114	-	2,246	-
Gain from sale assets	1,889	-	634	2,883
Others	6,457	14,696	1,121	17,391
Total	<u>200,913</u>	<u>14,696</u>	<u>64,434</u>	<u>20,274</u>

23 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Wages and salaries	134,542	150,415	57,551	135,587
Defined benefit plans	5,244	2,575	4,668	2,326
Defined contribution plans	2,886	5,266	2,630	4,737
Other welfares	29,186	3,189	22,941	2,967
Total	171,858	161,445	87,790	145,617

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

24 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Finance costs	281,162	378,239	251,492	295,608
Salaries, wages and other employee benefit expenses	171,858	161,445	87,791	145,617
Utility expenses	169,012	140,180	11,580	16,293
Cost of sale of real estate	112,322	73,069	-	-
Consulting and other fees	100,606	26,125	75,604	16,262
Rental expenses	27,247	31,412	16,913	26,181
Maintenances and repairs	21,959	8,421	5,386	4,662
Advertising expenses	8,419	40,656	492	5,790
(Write off) doubtful debt	(7,081)	1,986	(5,738)	1,016

25 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Interest expense	369,008	430,170	247,751	291,222
Financial institutions and institutional investors	8,218	4,386	3,741	4,386
Total finance costs	377,226	434,556	251,492	295,608
<i>Less: amounts included in the cost of assets:</i>				
Real estate projects under development	(25,362)	-	-	-
Investment properties	(70,702)	(56,317)	-	-
	(96,064)	(56,317)	-	-
Net	281,162	378,239	251,492	295,608

26 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Current tax expense				
Current year	115,559	61,725	8,278	2,080
Deferred tax expense				
Movements in temporary differences	276,030	158,576	62,225	67,678
	391,589	220,301	70,503	69,758

Reconciliation of effective tax rate

	Consolidated financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,745,711		727,640
Income tax using the Thai corporation tax rate	20	349,142	20	145,528
Income tax reduction - current		(77)		(85)
Expenses not deductible for tax purposes		24,761		46,977
Under (over) provided in prior years		(85)		8,045
Income tax reduction - deferred		16,399		13,763
Recognition of previously unrecognised tax losses		1,449		5,661
Others		-		412
Total	22	391,589	30	220,301

	Separate financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		392,001		242,236
Income tax using the Thai corporation tax rate	20	78,400	20	48,447
Income not subject to tax		(10,598)		-
Income tax reduction - deferred		1,079		16,372
Under (over) provided in prior years		(221)		2,080
Income tax reduction - current		(77)		(82)
Expenses not deductible for tax purposes		1,920		2,529
Others		-		412
Total	18	70,503	29	69,758

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2019	2018	2019	2018
		(in thousand Baht)		
Deferred income tax assets	19,374	35,726	-	-
Deferred income tax liabilities	(1,410,583)	(1,150,905)	(870,535)	(808,309)
	(1,391,209)	(1,115,179)	(870,535)	(808,309)

Movement of deferred tax assets and liabilities during the year as follows

Consolidated financial statements			
	At 1	(Charged) /	At 31
	January	credited to:	December
	2019	Profit or	2019
		loss	
	<i>(in thousand Baht)</i>		
Deferred tax assets			
Real estate projects under development	3,285	(242)	3,043
Gain on sales of assets to related party	577	-	577
Advance service income	3,992	914	4,906
Provisions for employee benefits	139	369	508
Revenue and expense recognitions of real estate business	8,786	(6,990)	1,796
Loss carry forward	51,203	(25,083)	26,120
Total	67,982	(31,032)	36,950
Deferred tax liabilities			
Deferred debenture issuing costs	(1,588)	670	(918)
Value of investment properties	(1,181,573)	(245,668)	(1,427,241)
Total	(1,183,161)	(244,998)	(1,428,159)
Net	(1,115,179)	(276,030)	(1,391,209)

Consolidated financial statements			
	At 1	(Charged) /	At 31
	January	credited to:	December
	2018	Profit or	2018
		loss	
	<i>(in thousand Baht)</i>		
Deferred tax assets			
Allowance for doubtful accounts	12,205	(12,205)	-
Value of project development costs	7,339	(4,054)	3,285
Value of property, plant and equipment	327	250	577
Advance service income	3,086	906	3,992
Provisions for employee benefits	2,918	(2,779)	139
Revenue and expense recognitions of real estate business	4,066	4,720	8,786
Loss carry forward	89,091	(37,888)	51,203
Total	119,032	(51,050)	67,982
Deferred tax liabilities			
Deferred debenture issuing costs	(1,572)	(16)	(1,588)
Value of investment properties	(1,074,063)	(107,510)	(1,181,573)
Total	(1,075,635)	(107,526)	(1,183,161)
Net	(956,603)	(158,576)	(1,115,179)

	Separate financial statements (Charged) / credited to:		
	At 1 January 2019	Profit or loss	At 31 December 2019
	<i>(in thousand Baht)</i>		
Deferred tax assets			
Provisions for employee benefits	-	254	254
Loss carry forward	19,013	(19,013)	-
Total	19,013	(18,759)	254
Deferred tax liabilities			
Deferred debenture issuing costs	(1,588)	670	(918)
Value of investment properties	(825,735)	(44,136)	(869,871)
Total	(827,323)	(43,466)	(870,789)
Net	(808,310)	(62,225)	(870,535)

	Separate financial statements (Charged) / credited to:		
	At 1 January 2018	Profit or loss	At 31 December 2018
	<i>(in thousand Baht)</i>		
Deferred tax assets			
Allowance for doubtful accounts	12,205	(12,205)	-
Provisions for employee benefits	2,829	(2,829)	-
Value of project development costs	3,054	(3,054)	-
Value of property, plant and equipment	327	(327)	-
Loss carry forward	-	19,013	19,013
Total	18,415	598	19,013
Deferred tax liabilities			
Deferred debenture issuing costs	(1,572)	(16)	(1,588)
Value of investment properties	(757,475)	(68,260)	(825,735)
Total	(759,047)	(68,276)	(827,323)
Net	(740,632)	(67,678)	(808,310)

As at 31 December 2019, the Group has deductible temporary differences and tax losses totaling Baht 18 million (2018: Baht 30 million), on which deferred tax assets have not been recognised as the management believes that they might not be used to offsets taxable income in the future.

As at 31 December 2019, the Company's unused tax losses totaling Baht 92 million (2018: Baht 151 million), on which deferred tax assets have not been recognised, will expire by 2023.

27 Earnings per share

Basic earnings per share for the year ended 31 December 2019 and 2018 are calculated from the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year as below calculation:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>1,253,845</u>	<u>432,554</u>	<u>321,498</u>	<u>172,478</u>
Number of ordinary shares outstanding	<u>6,499,830</u>	<u>6,227,893</u>	<u>6,499,830</u>	<u>6,227,893</u>
Earnings per share (basic) (in Baht)	<u>0.193</u>	<u>0.069</u>	<u>0.049</u>	<u>0.028</u>

Diluted earnings per share

Diluted earnings per share for the year ended 31 December 2018 is calculated from the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year after adjusted effects from diluted share as below:

	Consolidated financial statements	Separate financial statements
<i>For the year ended 31 December</i>	2018	2018
	<i>(in thousand Baht)</i>	
Profit attributable to ordinary shareholders of the Company (diluted)	<u>432,554</u>	<u>172,478</u>
Profit of ordinary shareholders assuming the conversion dilutive potential ordinary shares	6,227,893	6,227,893
Warrants	173,625	173,625
Weighted average number of ordinary shares (dilute)	<u>6,401,518</u>	<u>6,401,518</u>
Earnings per share (diluted) (in Baht)	<u>0.068</u>	<u>0.027</u>

28 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date by shareholders meeting	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2018 Annual dividend for 2017	23 April 2018	May 2018	0.10	595,140

29 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk related 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.

The effective interest rate of the interest-bearing financial assets and liabilities as of 31 December and the maturity date as disclosed in the notes to the financial statements as follow;

Note 4	Related parties
Note 16	Interest-bearing liabilities

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.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
		(in million Baht)			
31 December 2019					
<i>Assets measured at fair value</i>					
Investment property	22,109	-		22,109	22,109
<i>Financial liabilities not measured at fair value</i>					
Debentures	3,845	-	3,903	-	3,903
31 December 2018					
<i>Assets measured at fair value</i>					
Investment property	21,445	-		21,445	21,445
<i>Financial liabilities not measured at fair value</i>					
Debentures	3,842	-	3,839	-	3,839

		Separate financial statements				
		Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
		(in million Baht)				
31 December 2019						
Assets measured at fair value						
Investment property	10,383	-	-	10,383	10,383	
Financial liabilities not measured at fair value						
Debentures	3,845	-	3,903	-	3,903	
31 December 2018						
Assets measured at fair value						
Investment property	10,267	-	-	10,267	10,267	
Financial liabilities not measured at fair value						
Debentures	3,842	-	3,839	-	3,839	

The Group and the Company have not disclosed the fair value of financial instruments, such as trade accounts receivable, other receivables, loans to related parties, trade accounts payable, other payables, Contractor payables, loans from related parties, leasehold payables, deposit received, advance income is taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

30 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Contracted but not provided for:</i>				
Building and utility system	95,459	209,922	4,368	71,850
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within 1 year	1,860	1,860	-	-
1 - 5 years	7,810	7,810	-	-
After 5 years	7,987	10,033	-	-
Total	17,657	19,703	-	-
<i>Other commitments</i>				
Real estate projects under development contract	89,497	31,006	-	-
Services contract	156,256	47,467	54,884	6,922
Total	245,753	78,473	54,884	6,922

Others

As at 31 December 2019

- The Company has provided guarantees to a subsidiary of Baht 1,960 million for the long-term loans and bank overdrafts obtained by a subsidiary.
- The Group and the Company have outstanding bank guarantees of approximately Baht 50 million and Baht 8 million, respectively issued by the banks in respect of certain performance in the normal course of businesses.

31 Litigations

- In During 2015, Bayswater Company Limited (“Joint venture”) was received the title of Bangkok Dome Project by winning the public auction at the price of Baht 7,350 million. After that the debtor in bankruptcy case (“Debtor”) requested the court to revoke 3 public auction cases. In this regard, the Supreme Court has dismissed 2 petition pleas of debtor and creditor. Therefore, there are 2 remaining cases that the debtor and unsecured creditor have filed a plea to the Central Bankruptcy Court (“Court”) requesting the Court to revoke the public auction that the Joint venture has won and to suspend the compulsory execution during trial of such revocation. Giving the reason that the official receiver sold the property to the Joint venture at the price that is much lower than the current market price. The Court directed to hold the case in abeyance and staying the execution pending the Supreme Court's decision in other relevant case. In which the Supreme Court has completed the decision of other cases, this case has been returned to the trial again. On 8 November 2018, the Court dismissed the plea. On 26 December 2018, the 1st applicant filed an appeal against the Central Bankruptcy Court decision and directed to forward the case to the Court of Appeal for Specialized Cases for further decision. Meanwhile the 2nd and 3rd applicants were allowed for the time extension to file an appeal until 8 February 2019. On 23 January 2019, the 1st applicant filed the request to withdraw an appeal, while the 2nd and 3rd applicants waived their right to appeal. This case is closed, and the Central Bankruptcy Court has issued the final disposition on March 2019.

During 2017, joint venture was being sued in a civil lawsuit by an individual person who request joint venture to register use of the entrance as a prescriptive servitude. In April 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in February 2019. And, in January 2020, the Supreme Court has ordered not to allow such individual person to petition. The case is closed.

During 2017, joint venture was being sued in a civil lawsuit by an individual person who request joint venture to register use of the entrance as a prescriptive servitude or as the public road. In March 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in January 2020. However, such individual person has the right to make a final appeal to the Supreme Court.

During the year 2017, joint venture was being sued in a civil lawsuit by an individual person on the ground of alleged encroachment, mischief and burglary whereby the Criminal Court dismissed the plea in 2018. Therefore, in 2019, the individual person has filed the request for the time extension to appeal and the Appeal Court allowed. In April 2019, the Group filed the objection and the Appeal Court sustained the decision of the case dismissal in February 2020. However, such individual person has the right to make a final appeal to the Supreme Court.

- b) During 2015, the Associated Company was being sued in a civil lawsuit by a juristic person (“Complainant”) requesting the compensation under the lease and service agreements in the approximately amount of 193.2 million baht. The Appeal Court directed that no compensation be made this case but to return the rental and service deposit including the interest totaling approximately 2.7 million baht to the Complainant. However, the Associated Company and the Complainant filed an appeal to the Supreme Court in 2017. Therefore, the Supreme Court sustained the Appeal Court’s decision in April 2019. In this regard, the outcome of the case has no significant impact on the overall financial statements. The Associated Company has returned the rental and service deposit including the interest totaling approximately 2.7 million baht to the Complainant. The case is closed.
- c) During 2018, the Subsidiary Company was being sued in a civil lawsuit by a juristic person (“Complainant”) requesting the damages resulting from a breach of contract in the amount of approximately 201.8 million Thai Baht. Therefore, both parties have reached the settlement agreement at the court in September 2019. The case is closed.

32 Events after the reporting period

On 13 February 2020, the Board of Directors meeting of the REIT manager held approved

- the distribution of benefit from the result of operation from 1 October 2019 to 31 December 2019 to the Trust unitholders at Baht 0.2078 per unit, amounting to Baht 103.85 million. The benefit will be paid to the Trust unitholders on 12 March 2020.
- the distribution of benefit from the disposal of the assets of the Trust to the Trust unitholders at Baht 3.9040 per unit, amounting to Baht 1,951.10 million. The benefit will be paid to the Trust unitholders on 12 March 2020.
- the paid-up capital reduction of the Trust at the unit trusts of Bath 9.1200 per unit, amounting to Baht 4,557.89 million. The benefit will be paid to the Trust unitholders on 12 March 2020.
- Consider to identify the date to determine the list of GLANDRT’s trust unitholders eligible to subscribe to CPNREIT’s additional Trust units (XB) on 25 February 2020, and set the closing date to determine the rights of GLANDRT’s trust unitholders eligible to subscribe to additional Trust units on 27 February 2020.

33 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation

* *TFRS - Financial instruments standards*

(a) *TFRS - Financial instruments standards*

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The Group has made an assessment of the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements and expect that there will be no material impact on the consolidated and separate financial statements in the period of initial application.

(b) *TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted and expect that there is material impact to the financial statements in the period of initial recognition.

34 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements and the reclassification of these items is in accordance with the change in accounting policy of the adoption of the revised financial reporting standard as disclosed in Note 2. In addition, no other significant classification has been made.

	2018					
	Before reclass	Consolidation Reclass	After reclass	Before reclass	Separate Reclass	After reclass
	(in thousand Baht)					
Statement of financial position						
Trade and other receivables	301,681	(301,681)	-	421,210	(421,210)	-
Trade accounts receivable	-	74,476	74,476	-	63,301	63,301
Other receivables	-	255,313	255,313	-	161,494	161,494
Short-term loans to related parties	-	-	-	1,280,000	72,153	1,352,153
Advance payment to contractors	28,107	(28,107)	-	45	(45)	-
Long-term loans to related parties	4,303,192	(129,957)	4,173,235	4,583,000	124,306	4,707,306
Other non-current assets	27,433	129,957	157,390	-	-	-
Trade and other payables	1,332,177	(1,332,177)	-	437,552	(437,552)	-
Trade accounts payable	-	346,647	346,647	-	158,117	158,117
Other payables	-	575,331	575,331	-	199,246	199,246
Short-term loans from financial institutions	-	-	-	2,860,000	59,833	2,919,833
Current portion of advance rental service income from customers	223,645	6,456	230,101	148,707	6,456	155,163
Contractor payables	-	406,526	406,526	-	16,472	16,472
Other current liabilities	25,133	(2,784)	22,349	16,332	(2,571)	13,761
Other non-current liabilities	232,751	(230,611)	2,140	17,349	(15,209)	2,140
Rental and service retention	-	230,611	230,611	-	15,209	15,209
		<u>-</u>			<u>-</u>	
Statement of comprehensive income						
Rental and service income	(1,219,145)	1,595	(1,217,550)	(298,530)	(2,907)	(301,437)
Interest income	(261,589)	-	(261,589)	(320,169)	67,208	(252,961)
Other income	(27,884)	13,188	(14,696)	(23,181)	2,907	(20,274)
Cost of rental and services	417,945	(12,293)	405,652	147,683	(92,910)	54,773
Administrative expense	246,660	(2,490)	244,170	117,698	92,910	210,608
Finance cost	378,239	-	378,239	362,816	(67,208)	295,608
		<u>-</u>			<u>-</u>	

The reclassifications have been made in order to comply with the classification adopted by the parent company.

Auditor's Remuneration

AUDITOR'S REMUNERATION

In 2019 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to 3,140,000 Baht

OTHER SERVICE FEE

The Company has paid Work Sheet Fee totaling 66,888.59 Baht to EY Office Limited.



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