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GRAND CANAL LAND PUBLIC COMPANY LIMITED

Annual Report 2022
IIUU 56 - 1 One Report

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Mr. Kobchai Chirathivat

Chairman

To the Shareholders,

From the COVID-19 virus pandemic situation that began in the year 2020 and continued until 2022, the severity of situation began to relax accordingly. People returned to their normal lives. The number of tourists began to gradually return to travel in Thailand. The overall picture of the office building market began to show signs of a better recovery. Although some organizations still use the policy to allow employees to work from home, the ratio of employees returning to work in office buildings has begun to increase steadily. Even though the overall economic and social conditions begin to return to normal, there are still new factors arising during the year 2022 that are still challenging the business operations of Grand Canal Land Public Company Limited (“the Company”), such as the Russian-Ukrainian conflict, which has resulted in the highest energy costs in more than 10 years and has continued to increase until now. Inflation and interest rates also tend to increase. These factors affect the performance, income and cost of expenses in all business sectors, including the Company’s business.

Although there are still factors that cause the overall situation to not return to normalcy, the Company continues to carefully implement management policies in all businesses. We give importance to risk management, liquidity maintenance, control of operating costs and expenses to be efficient and consistent with the revenue to mitigate the impact on the overall business. We take into account the interests of all groups of stakeholders, whether the tenants, shops, customers, suppliers, employees and shareholders, etc. The Company still has financial stability according to the plan. The net interest-bearing debt to equity ratio remains below the Company’s policy set at 1 time. This is

Message from the Board of Directors

partly caused by the Company's financial cost management discipline, such as trying to reduce interest-bearing debt to be lower than the year 2021.

For the overall performance of 2022, the Company had operating income of 1,515 million baht, a decrease of 40 million baht or 3% from 2021. It was mainly from the real estate business with lower revenues. However, revenue from rental and service business which is the Company's core business slightly increased compared to the previous year due to the overall situation and business conditions that gradually recovered. Meanwhile, the occupancy rate of office buildings remained at the same level as the previous year. In terms of costs and administrative expenses of the Company, there is an increase of 46 million baht or 7% compared to 2021 due to the increase in costs and expenses of the Nirati Don Muang Project. In addition, the impact of energy costs and inflation that have been rising continuously also causes the cost and administrative expenses to increase accordingly even though the Company continue to implement strict control policies and reduce costs. Therefore, the gross profit margin and operating profit margin decreased compared to the previous year. However, it still follows the set plan. The Company is ready to study and develop new investment projects and manage the current business to support the Company's growth in the long run.

The Company still emphasizes being a transparent organization committed to conducting business fairly and continues to attach importance to good corporate governance. We communicate with directors and employees to help them understand and acknowledge the importance of such matters. The Company's communication is on the principles of good corporate governance in 2022, such as practical approaches for dealing with conflicts of interest or other practices, restrictions on the use of inside information, etc. In 2022, the Company still maintained a 5-star rating in the corporate governance survey of listed companies, which will help build confidence among stakeholders in terms of conducting business with transparency and taking into account all stakeholders equally.

Apart from giving importance to the principles of good corporate governance, the Company is also committed to driving business with regard to community, social and environmental responsibilities. The Company's business operation is in a manner of creating sustainable growth along with community, social and environmental development. In 2022, the Company implemented a sustainable development plan, such as collaborating with the Department of Internal Trade and agricultural entrepreneurs in organizing Organic Weekend Market to help distribute income to entrepreneurs in the agricultural sector or organizing the Recycle Day activities to campaign for recycling waste separation in cooperation with the Huai Khwang District and the private sector. This could raise the awareness of the global crisis and take part in helping to alleviate such crises. In addition, the Company continued to maintain the water condition in the Yai Sun Canal area in collaboration with the district offices and the Bangkok Metropolitan Administration to solve and prevent wastewater problems to surrounding communities, etc.

The Board of Directors would like to thank all shareholders and stakeholders including financial institutes that have always supported the Company's operations as well as the executives and employees of the Company. Everyone has adapted quickly to various crises that have occurred and is determined to dedicate their physical and mental strength to make the Company overcome such situation strongly. The Company is confident that the Board of Directors, executives and employees will do their best with caution and prudence taking into account the interests of all stakeholders, to create sustainable growth altogether.

Report of the Audit and Corporate Governance Committee

To the Shareholders,

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

In 2022, there are 4 Audit and Corporate Governance Committee Meetings with full attendance, as discussions with the Management, Internal Audit Department and Auditor in relevance matters, but also received information from another Management align with the agenda of duty, that specified in the Audit and Corporate Governance Committee Charter. The opinion and suggestion has been given independently as it should be, the Audit and Corporate Governance Committee has submitted 4 of operation reports to the Board of Directors Meetings. The summary of the operation performance and opinion in the agenda could be as follows;

Accuracy, Completeness, and Credibility of Financial Statements.

Review on the Company's Financial Statements on a quarterly and yearly basis, important policies, The operation conforms to the standard of financial report, the important matters in supervising as instructed in the auditor report with the Management and the Auditor according to the financial report standard and financial statement disclosure completely and correctly, also organize 1 meeting, which specifically with Auditor without Management Department, to discuss on freedom of operation.

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

Internal Control sufficiency, Internal Audit and Risk Management.

Review on the Company's Internal Audit System from the Internal Audit report, and Auditor, also including the Internal Audit sufficiency. Moreover, the Audit and Corporate Governance Committee reviewed the Company to have the risk management, including action plans and risk management approaches to deal with the risks that affect the Company's operational performance.

In 2022, the Company has improved the whistleblowing and complaint process on the Company's website to enable the process more efficient and effective, as well as to promote the Company's operation in accordance with the code of conduct and good corporate governance.

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

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

Good Corporate Governance and Sustainable Development

The corporate governance practices are reviewed to ensure compliance with the corporate governance principles of Thai listed companies, including reviewing sustainable development in order to comply with the sustainability policy that the Company should adhere to. The Company specifies the scope to consider the performance and responsibilities of the Corporate Governance and Sustainable Development Committee (CGSD). The training is organized on good corporate governance principles and sustainable development for employees. The operation is performed according to the sustainability strategy.




Mr. Charan Mongkolchan

Chairman of Audit and Corporate
Governance Committee

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

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

Connected transactions or possible conflicts of interest

The Audit and Corporate Governance Committee emphasized the Company's connected transactions and possible conflicts of interest conforms with the laws and Stock Exchange of Thailand's regulation, to ensure that the Company 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 Audit and Corporate Governance Committee opinion is, the operation is reasonable, comply with relevant regulation and disclosure is accurate, sufficient and transparent.

Auditor Suitability, Consideration, Selection and Appointment of Auditor

The Audit and Corporate Governance Committee assessed the independent and operation performance in 2022, also organized a meeting with Auditor without Management to ask for Auditor's opinion in audit operation and collaboration issue with related Management. The operation performance is good and sufficient independent.

Therefore, the Audit and Corporate Governance Committee, has consider and appoint Ms. Vannaporn Jongperadechanon, CPA Registration No. 4098 or Ms. Bongkot Amsageam, CPA Registration No. 3684 or Ms. Vilaivan Pholprasert, CPA Registration No. 8420 or Mrs. Sasithorn Pongadisak, CPA Registration No. 8802, of KPMG Phoomchai Audit Limited, as Company and its subsidiary's auditor in 2023. The approved expense is not exceeding Baht 2,890,000

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

The Audit and Corporate Governance Committee review on its performance assessment in 2022, the summarize was made on February 15th, 2023. The assessment divided into 3 parts including 1) The Audit and Corporate Governance Committee overall operation, 2) The Audit and Corporate Governance Committee specific operation and 3) roles in corporate governance.

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



Report of the Nomination and Remuneration Committee

To the Shareholders,

In 2022, the Nomination and Remuneration Committee has organized 2 meetings with full attendance and the report has been continually submitted to the Board of Directors, the summary of the significant operations are as follows;

1. Determine the remuneration for the Honorary Chairman, considering the suitability of performance of duties to be proposed to the Board of Directors for approval.
2. Consider a qualified person for Director appointment, to nominate to the Board of Directors and 2022 Annual General Meeting, the Company has open to minority shareholders for nominating a person in nomination to the Board of Directors from 27 September 2021 to 15 January 2022, but there is no nomination. The Nomination and Remuneration Committee has considered the resignation by rotation of Director as of 2022 and found that the Directors have been qualified with proper qualification for business operation, have broad knowledge and experience in Real Estate business development and other related business which is beneficial to the Company. They also operate with honesty, trustworthy, and conformity to corporate governance. They devote the time and ability to the maximum benefit of the Company's shareholders and all stakeholders suitable to hold the Directorship. As a result, the Nomination and Remuneration Committee considered the resigned Director as annual agenda to be nominated as Director for the next agenda. The Shareholders meetings have given approval to all nominated Directors.



(Mr. Vithaya Chavananand)

Chairman of Nomination and Remuneration Committee

3. Consider the Remuneration in 2022, for the Board of Directors, and Sub-Committee which consists of the Audit and Corporate Governance Committee, the Nomination and Remuneration Committee and the Risk Management Committee, nominate to the Board of Director and Shareholder Meeting for approval. The consideration not only based on responsibility, performance that connected to turnover and any other related factor, but also compare the remuneration rate with another company in the same industry or related by. The Shareholders meetings approved as offered.
4. Consider the acknowledgement of self-evaluation of the Nomination and Remuneration Committee in 2022, as an information to the Nomination and Remuneration Committee for operation improvement, which adhere to Good Corporate Governance.
5. Consider the CEO's performance in 2022 as an information to Chief Executive Officer to develop and improve the operation later.
6. Consider the Company's Diversity of the Board of Directors (Board Diversity) for 2022, 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.
7. Consider the Charter of the Nomination and Remuneration Committee. No amendment was made in 2022 since the contents in the current charters are still duly complete and suitable.
8. Consider the succession plan for the CEO and Executive Offers, with her involvement in the review and data presentation.

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



Report of the Risk Management Committee

To the Shareholders,

Grand Canal Land Public Company Limited (“the company”) gives an importance to the management and risk management for the confidence of every group of stakeholders to achieve the company goal and mission as well as mitigating the loss and possible side effect by focusing on broadening the risk management to cover all of the business importance and promote this to a part of company’s culture. The key risks are identified in every aspect of the Business to mitigate the risk level to the company’s risk appetite and keep them manageable under the supervision of the Risk Management Committee.

The Risk Management Committee consists of the expert Directors who come from the Company’s Board of Director and high level management having the duties to acknowledge and give recommendations to policy, strategy, structure and company’s risk management, analyze and agree on taking the company’s risk appetite. They also have to acknowledge risk’s trend management, evaluate the performance and efficiency in response to risk issues to ensure that the Risk Management has considered every aspect to all stakeholders and shareholders for both short and long terms effect. In 2022, the Risk Management Committee has organized 4 meetings with full attendance. The performance outcomes are highlighted below:

A handwritten signature in blue ink, appearing to be in Thai script, reading 'จิตมานี สุวรรณพูล'.

Mrs. Jitmanee Suwannapool

Chairman of Risk Management Committee

1. Reviewed annual corporate risk issues by taking into account the dynamics in economic, competition and external changes. Also considered were internal factors so as to define key risk factors of business and risk response plan. Details about key risk factors and their management plan in 2022 are available under “Risk Management”.
2. Ensured revision of significant emerging risks against goal achievement, consisting of
 - Risks of adjusting the Company to sustain technological transformation and new business
 - Risks of climate change
3. Approved risk profile, key risk indicators, risk exposure of key risk and reviewed risk response plan of risk owner.

The Risk Management Committee continually reported risk management outcomes to the Board of Directors. This year, the risk management comprehensively reviewed assorted risks, with constant and regular monitoring of key ones, which were efficiently and satisfactorily managed to promote its total achievement of success against its vision and mission.

Board of Directors



Mr. Sudhitham Chirathivat
Honorary Chairman



Mr. Kobchai Chirathivat
Chairman



Assoc. Prof. Prapanpong Vejjajiva
Vice Chairman



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



Ms. Naparat Sriwanvit
Chief Executive Officer (Acting)



Fit.Lt. Kree Dejchai
Deputy Managing Director (Acting)



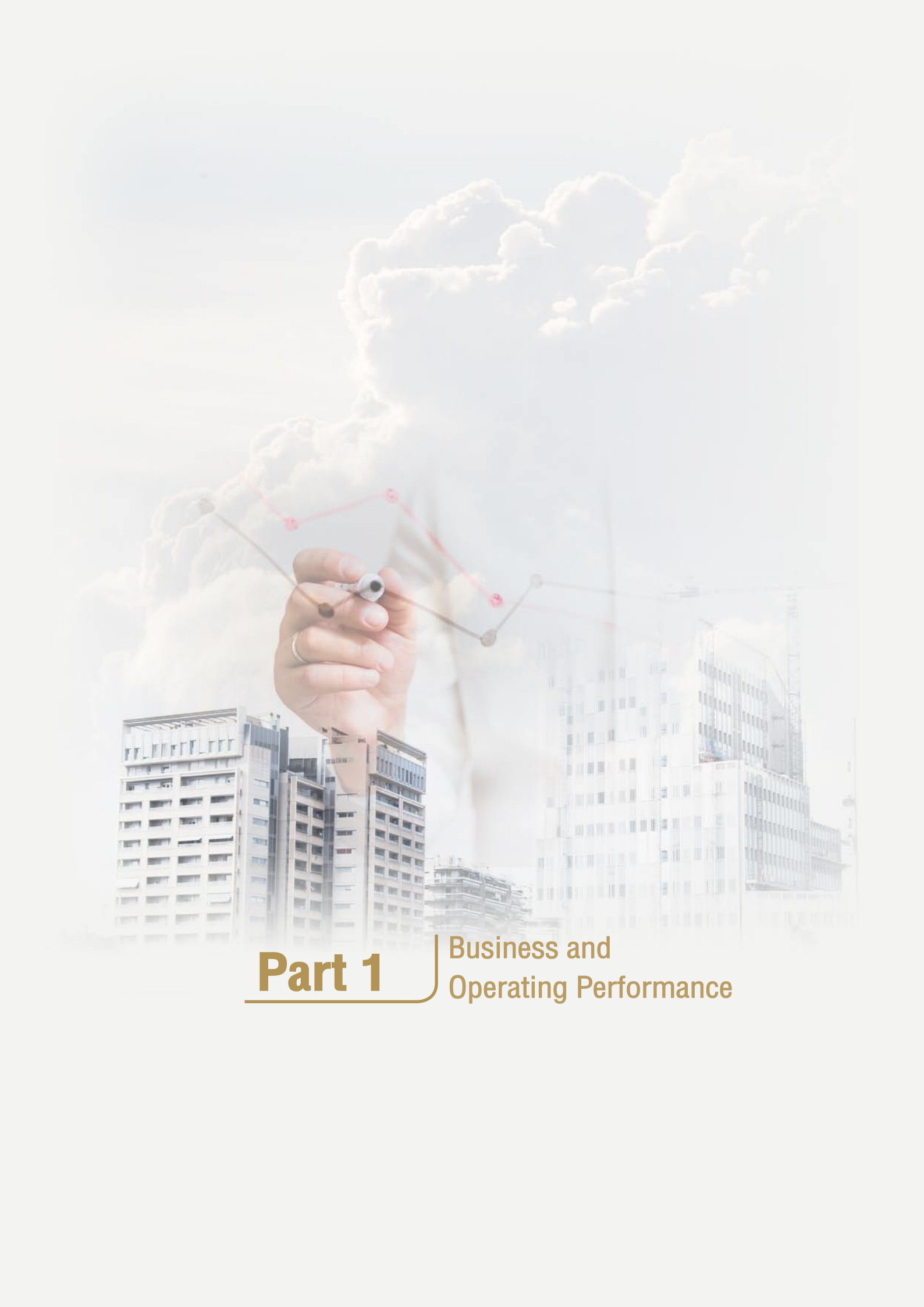
Mr. Ponpinit Upathamp
Chief Financial Officer (Acting)



Mr. Chotiphat Sirichanyakul
Head of Office Operation and
Facility Management



Mr. Nakul Thinaphong
Head of Office and
Retail Commercialization

A conceptual image featuring a hand holding a pen, drawing a red line graph with several data points over a background of a city skyline with tall buildings. The sky is filled with large, white, fluffy clouds. The overall tone is professional and business-oriented.

Part 1

Business and Operating Performance

1. Business Structure and Operating Performance

1.1 Business Policy and Business Overview

Vision

The Company aims to become one of a leader in real estate development business in Thailand.

Mission

In order to achieve our vision, we are guided by and committed to 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 while sustain the society and environment.

4 BELIEFS: Desired Behaviors

1. Positivity - We focus on progress and are always optimistic about the future. We truly believe in the power of our expertise to create a better quality of life for everyone. We cherish meaningful relationships, and celebrate them everyday.
2. Dynamism - We lead the way with innovation to improve the world around us and prepare the future. We are pioneering and engaging, empathetic to the needs of others. Providing better opportunities to work, meet, learn and enjoy life with loved ones.
3. Customer Champions - Our customers are our sources of inspiration for everything we do, we are captivated by them and their world. We champion our customers and always go beyond their expectations. We push ourselves to deliver excellence for them today and in the future.
4. Community at Heart - We thrive by learning, exploring and collaborating together. We bring people together from all around the world to co-create solutions to challenging questions, joining forces to innovate and evolve the way we live.

Corporate Values

The Company has defined I•CARE as the core values that need to be transferred and instilled in all employees to ensure that its operational goals are aligned, contributing to good organizational culture.

I-INOVATION: Creation of new products

Open to all opportunities and challenges for more quality work and efficiency.

C-CUSTOMER: Focus on customers

Committed to developing services to excellence by focusing on and paying attention to both internal and external customers as a priority.

A-ALLIANCE: Progress of the business group

Respect differences and work together as a team for the advancement of the entire business group.

R-RELATIONSHIP: Common spirits

Having a spirit of reliance on fellow employees, business partners and society for sustainable growth.

E-ETHIC: Respect of ethics

The Company upholds ethics in all our business dealings.

Important Changes and Developments

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

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

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

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

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

In 2021, the Company developed and launched 1 residential project, namely Nirati Don Muang Project, which is a low-rise residential project consisting of single-detached houses, twin houses and townhomes. The project was in modern design to better respond the needs of residents. The project was officially opened for pre-sale reservations on 18th - 19th September, 2021.

As of the end of 2022, the Company has registered capital of Baht 6,535 million and paid-up capital of Baht 6,499 million.

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



โครงการยูนิลีเวอร์ เฮ้าส์ แกรนด์ พระราม 9

Picture of Unilever House Grand Rama 9
Project



Picture of the G Tower Grand Rama 9



Picture of Nirati Donmuang Project

G Tower Grand Rama 9 Project

1.2 Nature of Business

Grand Canal Land Public Company Limited (“GLAND”)

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

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

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

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

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

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

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

Rama 9 Square Co., Ltd. (“Rama 9”)

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

Belle Development Co., Ltd. (“Belle”)

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

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

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

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

Belle Assets was registered and incorporated in 2002 under the name “Tonson Pleonchit Co., Ltd.” and was renamed in 2014 to Belle Assets Co., Ltd. Currently, Belle Assets has a registered and paid-up capital of Baht 11 million, divided into 1,100,000 ordinary shares with a par value of Baht 10 each. In 2021, the Nirati Don Muang project was opened. It is the new low-rise residential project in the Don Mueang area which is currently in the process of developing, selling and transferring project units to customers continuously.

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 (“Central Pattana”), 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 Central Pattana 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. In 2022, Bayswater receives financial support from the two shareholders in the ordinary course of business for their shareholding to be used for the Mixed-use Development in the area of Phaholyothin Road.

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

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

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

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

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

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

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

Revenue Structure

Table on the Group's Revenue Structure for 2020 - 2022 pursuant to its Consolidated Financial Statement

Business Category	Operated by	% of the Company's Equity as at (Dec 31, 22)	2022		2021		2020	
			Bt. Million	%	Bt. Million	%	Bt. Million	%
Real Estate - for rent and related services	Rama 9 Square Co., Ltd.	93.09	804.15	45.49	789.46	47.76	793.95	49.97
	Grand Canal Land Plc.	-	231.50	13.10	197.49	11.95	190.54	11.99
	Sterling Equity Co., Ltd.	100.00	96.85	5.48	87.04	5.27	102.33	6.44
	Belle Development Co., Ltd.	79.57	41.20	2.33	47.59	2.88	66.62	4.19
	Belle Assets Co., Ltd.	100.00	0.08	0.00	0.00	0.00	0.00	0.00
	G LAND Property Management Co., Ltd.	100.00	0.29	0.02	0.00	0.00	0.00	0.00
Real Estate - For Sale	Belle Development Co., Ltd.	79.57	18.98	1.07	185.35	11.21	221.56	13.94
	Belle Assets Co., Ltd.	100.00	288.00	16.29	216.95	13.13	0.00	0.00
Real Estate - Real Estate Management	Grand Canal Land Plc.	-	21.53	1.22	19.41	1.17	23.72	1.49
	Sterling Equity Co., Ltd.	100.00	12.01	0.68	12.06	0.73	10.67	0.67
Real Estate - REIT Manager	Gland Reit Management Co., Ltd.	100.00	0.00	0.00	0.00	0.00	59.18	3.72
Gains from changes in Fair Value and others	Grand Canal Land Plc and Subsidiaries	-	253.25	14.33	97.59	5.90	120.26	7.57
Total			1,767.84	100.00	1,652.95	100.00	1,588.83	100.00

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:

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 2022
1. Belle Grand Rama 9	Residential Condominium	Operated in September 2012 The last unit of the project was completely transferred in 2022.
2. The Ninth Towers Grand Rama 9	Office building	Operated in February 2014
3. Unilever House Grand Rama 9	Office building	Operated in December 2014
4. G Tower Grand Rama 9	Office building	Operated in September 2016
5. Mixed Use Project (Formerly known as Super Tower, Convention Hall, Arcade and Hotel Projects)	Mixed Use Project	In process of plan review (In order to make use of the area during the review of the project model, the Company has developed a temporary project that takes into account the environment and society, namely the G-Garden project. Other activities are also organized according to each time phase in that area.)
6. 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 Grand Rama 9, Unilever House Grand Rama 9 and G Tower Grand Rama 9

The Central 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. The last unit of the Belle Grand Rama 9 project was transferred and the project was closed in 2022.

For commercial areas in the project, the Company is in the process of studying the plan to renovate some areas to better respond to changing lifestyles and customer needs in order to enhance the competitiveness of the future projects.

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. In March 2020, GLANDRT registered the transfer of leasehold rights to CPNREIT.

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

Unilever House Grand Rama 9 Project

Unilever House Grand Rama 9 Project (“Unilever House”) is developed by Sterling Equity Co., Ltd. (in which the Company holds 100 percent of its shares). This Project is a Grade A office building with retail spaces for rent. It is located in the Grand Rama 9 Project. This Project is a 12-story building with a basement floor and car-parking spaces of approximately 410 slots provided on the 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. In March 2020, GLANDRT registered the transfer of leasehold rights to CPNREIT.

G Tower Grand Rama 9 Project

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

Central Rama 9 Shopping Complex Project

Construction of the Central 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. Vacant land that is under review of the development model

(1) Vacant land in the Grand Rama 9 Project

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

(2) Vacant land in Grand Canal Don Muang Project

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

(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 Central Pattana 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. Present, in process of development in the Mixed-use Project.

3. Real Estate Management Services

The Ninth Towers and Unilever House Office Buildings

After the Company entered into the lease agreement to lease The Ninth Towers and Unilever House for the period of 30 years, and 17 years and 7 months, respectively to GLAND Office Leasehold Real Estate Investment Trust (GLANDRT) in April 2017, GLANDRT also uses the Company's office building management service which the Company earns an income in the form of management fees. In March 2021, GLANDRT registered the transfer of leasehold rights to CPNREIT while the Company and its subsidiary are appointed as the property manager for managing such office buildings to CPNREIT.

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 industrial conditions

• Thai Economy 2022

According to the 2022 economic report by the Office of the National Economic and Social Development Council (NESDC), the overall Thai economy in 2022 would expand by 2.6%, or an increase from 1.5% in 2021, indicating a sign of economic recovery. The factors supporting the recovery were higher private consumption and investment, as well as exports sector. Private consumption grew at a high rate. The Consumer Confidence Index of the overall economy in 2022 was at 37.9, a nearby in the previous year. Economic activity continued to be driven by private consumption with main support from the tourism sector. In 2022, there were 11 mn foreign tourists traveling to Thailand, or an increase from 400,000 people in 2021, accounting for 28% of the total number of 39 mn tourists in 2019. However, it was expected for a continual growth in 2023 after China announced the relaxation of COVID-19 measures in January 2023.

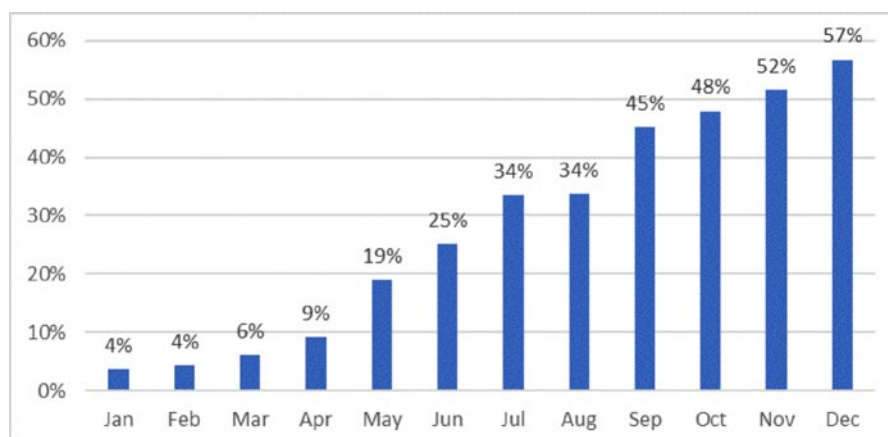
Source: Office of The National Economic and Social Development Council (NESDC)

• Economic Outlook 2023

According to the economic report by NESDC, Thai economy in 2023 would grow by 2.7-3.7. The key positive factors for economic growth included 1) recovery of the tourism sector, 2) more private and public investment, and 3) continual expansion of domestic consumption. Overall, the private consumption was expected to grow by 3.2, while the private and public investment tended to grow by 2.1 and 2.7, respectively.

The main positive driver of economic recovery of 2023 includes the recovery of tourism sector. When comparing to the year 2019, there was a continual increase of overall monthly tourists in 2022. In October, November, and December of 2022, the number of tourists was recovered by 48%, 52%, and 57% of the total tourists in 2019, respectively.

The monthly number of tourists in 2022 compared to the year 2019



Source: Ministry of Tourism and Sports

In 2023, Tourism Authority of Thailand (TAT) sets a target for the revenue of Baht 2.38 tb from tourism, with total number of 25 mn foreign tourists. Thailand is expected to benefit from the official return of Chinese tourists on January 8, 2023 as a sign of “the end of COVID-19”. After Thailand officially opened its borders in June 2022, the revenue from tourism sector in 2022 was increased to Baht 1.25 tb, with the recovery from Thai and foreign tourists by 59.5% and 31.7%, respectively. The potential tourist groups which expected to increase include 1) the Middle East group with high spending rate per trip on medical tourism of Thailand’s advantage, 2) India group with a high growth of middle-class people on a large population base and their spending behaviors in tourism and hotel sectors, and 3) the long stay group such as Europeans and Americans who benefit from Work From Anywhere style that enables them to manage their time for more traveling than before. The highly increasing foreign tourists indirectly make a booming in Thai tourism during 2023, especially in important destination such as Bangkok, Chonburi, Phuket, Songkhla, and Chiangmai. Meanwhile, the secondary cities with tourism potential and capabilities are expected to grow by connecting to main cities among foreign tourists to enhance the long-term growth of Thai tourism towards the highest level in the next one or two years.

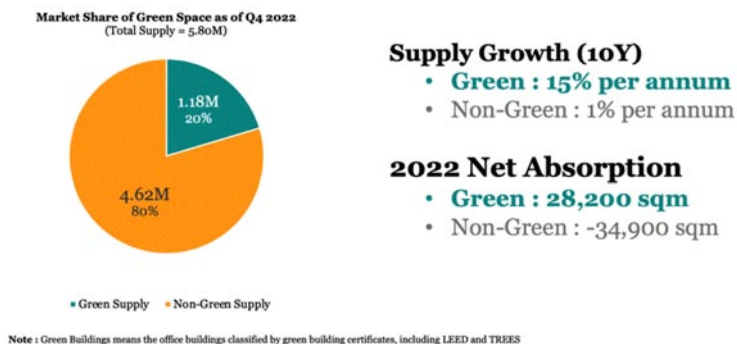
Nevertheless, there remains some important risks that could slow down the recovery, such as geopolitical tensions, e.g. war in Ukraine and China-Taiwan conflict, which sluggish the private consumption and lead to higher energy costs. In the meantime, the increase of interest rate by FED and the U.S. economic slowdown may affect the global, and China’s economic recovery to be slower than expected as well as the deceleration to tourism and export sectors in Thailand, along with a high level of household debts and a decrease of domestic purchasing power.

- **Office rental industry situation in 2022**

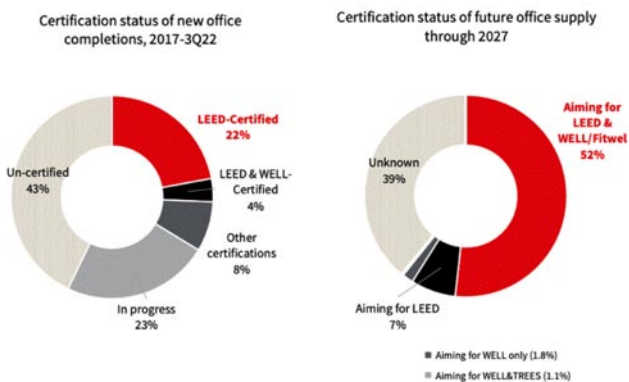
As of the third quarter of 2022, the overall supply of office buildings entirely continues to increase with a total area of 9,518,388 square meters. These were resulted from the launch of 3 projects, Silom Edge, S-Oasis, and True Digital Park Phase 2. The overall occupancy rate in the third quarter was 86.1% which was considered as the rate of decline from the previous quarter compared to the new supply that occurred in the same quarter.

The sectors that were constantly active in studying the office building market were the financial and banking sectors replacing the communication technology business group when comparing before and after the COVID-19 situation. Throughout the past year, it can be seen that more than 80% of transactions were space rentals in the Central Business Area.

Sustainability concept plays an important role and drives tenants’ interest in studying the development approaches for office building projects for rent continuously. The survey revealed that the growth rate of more than 50% of office buildings for rent in the market from 2017 to upcoming projects until 2027 confirmed the use of project sustainability criteria by using LEED Certification and WELL Certification under the Gold standard as the benchmark. It shows the need to upgrade the corporate image with quality and sustainability (Flight to Quality) as well as to adapt to keep up with the changing behavior of office space use.



Source: Knight Frank (Thailand), Q4 2022

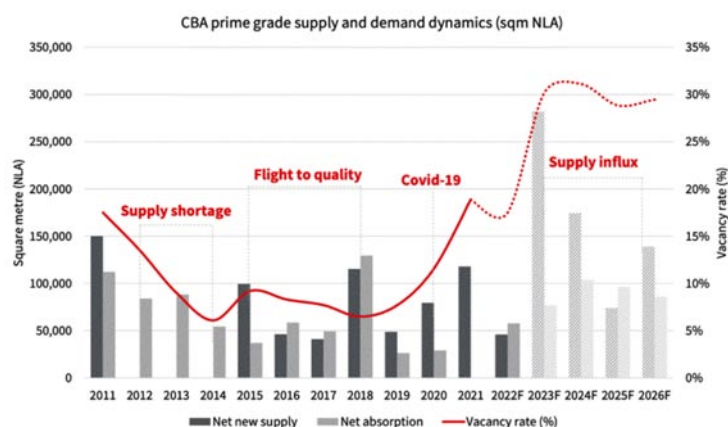


Source: JLL (Thailand), Q3 2022.



Source: JLL (Thailand), Q3 2022.

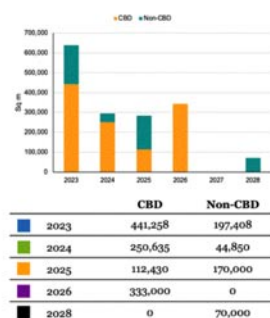
- **Trend of office rental industry in 2023**



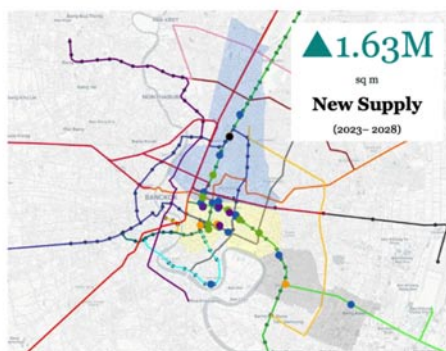
Source: JLL (Thailand), Q3 2022.

Throughout the past 2022, many organizations have adapted and tended to recover from the COVID-19 situation in a better direction. The new supply that has arisen in both projects that can begin to deliver the area and is expected to be completed during the year 2023. It is expected to influence the movement of the tenants even more. The market will continue to be a tenant's market with a high competitive rate of new supply that will enter the most in the past 10 years. The events that are expected to occur can be further classified as follows.

1. The Pre-Lease growth rate is expected to start to improve for new construction projects that meet the standard from reaching the expiration of the current lease agreement of the relatively high tenants during 2023 to 2024 along with the need to study the space utilization more efficiently in satisfactory project quality. However, the growth will be relatively slow compared to before the COVID-19 situation. We are still waiting to see the attitude of the economy and clarity of behavior after the outbreak situation if only the trend is in the direction of going out to study new projects rather than deciding to renew the lease agreement.
2. The overall new supply of the market continuing to increase for more than 500,000 square meters during 2023 causes the office buildings that are more than 10 years old to start to adjust according to the situation of falling prices of the rental costs. This includes the consideration on special conditions in order to maintain the occupancy rate as much as possible.



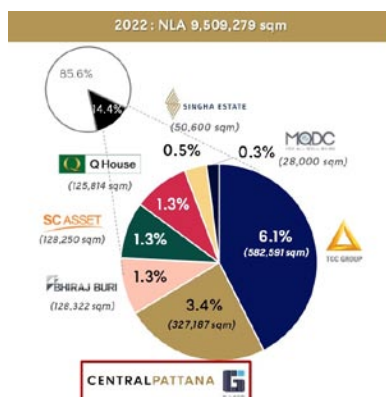
Note: Future supply data is subject to constant adjustments as developers periodically announce and revise new project information.



Source: Knight Frank (Thailand), Q4 2022.

3. Many projects begin to see the need to improve the common area of the building. More technologies are adopted to support modern systems in the new office building market. The good standards of service are also maintained to take care of tenants, maintain, and increase project value equal to the rental rate offered to the market.

The total area of office buildings in Bangkok area is approximately 9,509,279 square meters, most of which are buildings used by the building owners themselves. The share in the overall market of Central Pattana and the Company for office buildings for rent accounts for 3.4% or is the second of the total number of players in the office building market.



- **Overview of the retail industry in 2022**

In 2022, the retail space for rent business has grown slightly in line with the economic recovery and opening of the country to welcome foreign tourists. However, the growth rate will be limited by a slowdown in purchasing power after the cost of living accelerated following the inflation. The business will encounter fierce competition from retail property developers who are developing many mega projects and e-commerce stores are also grasping market share.

- **Overview of the retail industry in 2023**

In 2023, the demand for retail space rental is expected to grow at an average rate of 2.9% per year (mean of 2017-2019 increased by 3.7% per year). This is driven by private consumption expansion agreeing with the economy. Thailand is expected to grow at an average of 3.0-4.0% per year. The progress of government infrastructure investment will help stimulate cash flow in the economy and tourist spending will recover well with the number of foreign tourists increasing to 21 million in 2023. The aforementioned factors will increase consumer confidence, encourage shopping, and support the retail business to grow by about 2-3% per year resulting in increased demand for





The entrepreneurs tend to expand retail space continuously to support the demand that is expected to recover in the future. For supporting retail space, there will be a significant increase in supply in urban areas averaging 20% per year, especially in the downtown area where large developers accelerate the development of large mixed-use projects. Many of them are under construction and will be gradually completed at least 100,000 square meters per year. Most of them are tenants who open businesses to support customers who come to use the service in the mixed-use project (such as working, meeting, business contact, living and exercising). Meanwhile, the demand tends to grow at a slower rate than supply resulting in the occupancy rate to drop significantly to an average of 86% (the historical average from 2017-2019 was 92.6%).



The business challenge is the need to accelerate the adjustment to cope with the competition from entrepreneurs within the business. The plan is to invest in retail space especially large mixed-use projects that will more than double from 2022-2024 (compared to the average over the past 5 years). Meanwhile, the rental demand will recover more slowly leading to a fierce competition. In addition, as a result of the development of the transportation network in the past, the organization of areas with development potential has changed dramatically. The businesses in some areas may close down, especially for small rental space projects. E-commerce that plays a more important role causes the demand for some retail space rental decrease. The Thai Retailers Association expects that in 2023, online sales in Thailand will account for more than 10% of total retail sales, up from 2.0-3.0% in 2018. This indicates that consumers are accustomed to buying online more and may reduce spending activities outside home and low-rise retail spaces (such as standalone

retail outlets in high-end residential neighborhoods and retail spaces in gas station rest areas) which are growing rapidly following the expansion of communities in the suburbs and its vicinity. As the construction cost is cheap, it may reduce demand for retail space in some areas.

The changing form of business and the adjustment of entrepreneurs after the epidemic of COVID-19 having the consumers prefer to buy products through online stores (E-commerce) that are convenient, the retail space operators must adjust strategies to attract more consumers to use the service in retail space. The area is modernized to emphasize the difference including space management to have new functions such as mixing indoor and outdoor areas, adding a family-friendly or pet-friendly recreation area to create a variety of experiences and fully support the new needs of customers. This includes multi-channel marketing to receive customer behavior that uses a variety of purchase channels.

The retail space operators have adjusted their rental terms to be more flexible, such as 1) flexible rental rates and shorter lease periods. Some operators have adjusted as Partnership Rent or charge the rent from revenue sharing with a minimum sales guarantee instead of the traditional fixed rate rental payment. Some may increase the flexibility of rental conditions such as shorter rental periods or setting different rental rates depending on the type of business/activity such as kitchen area and dining area. 2) Smaller rental space is caused by the demand for storefront space rental tending to decrease by 20-40% of the space size before the COVID-19 outbreak (Source: CBRE Research). Due to the increasing proportion of tenants doing business through online channels, the size may be reduced or many rental spaces may be cancelled. The focus is on managing rental space to fit the needs of some groups of consumers who still prefer to use the store service to get real experience including the need for after-sales service.

Source : <https://www.krungsri.com/th/research>

- **Overview of the housing market in 2022 and trends in 2023**

In 2022, the overall real estate market in Thailand grew by 3.3% over 2021, with a better growth in the low-rise housing market than the condominium market. While the outlook for 2023, it is expected that the real estate market will grow by about 4.2%, with main supporting factors as follows 1) the economic recovery, 2) the return of purchasing power from foreigners, and 3) the measures to stimulate the real estate sector from the public sector.

It is expected that in 2023, there will be a supply from the launching of new projects of approximately 98,000 units, of which about 40,000 units are condominium projects and around 58,000 units are housing estates as developers begin to launch new projects which target on customers with high purchasing power. Meanwhile, the relaxation of credit limit measures and the reopening of the country can support the recovery of real estate industry in Bangkok. The luxury condo market tends to have more speculative demands while actual demands will be among high-income domestic customers, in line with the return of international buyers to invest in retirement homes or vacation rentals.

However, in the dimension of cost, it remains a risk factor to be monitored, including an increase in construction costs, land prices, labors, interests, and inflation. The purchasing power of customers is still highly fluctuated, leading to business cautions in 2023.

(4) Business Competition

Business Competition Policy

1. The Company observes the rules of fair competition by not seeking business rivals' secrets through dishonest means and not discrediting them by way of slander or other improper means.
2. The Company employees must examine and conform to the rules on business competition, both domestically and abroad where applicable, and must not cause unfair competition through the likes of collusion, trade monopolies, and unfair pricing. Questions on this must be referred to Legal.
3. The Company encourages constructive sharing of information for the broad business of developing and managing shopping complexes so as to strengthen business and contribute to sustainable national economic, social, and environmental development.

In 2022, the Company receive neither complaint nor dispute regarding wrongdoing against its competitors.

(5) Environmental Impact

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

The Company's development projects will be divided into phases. Each phase will consist of the development area less than 500 houses which will not be subject to environmental laws. Nevertheless, the Company has the utility management system for the projects in order to avoid detrimental environmental effects, in particular, a system for wastewater treatment and management to ensure that there are adequate green spaces.

Condominium Projects

The Company is required to conduct an environmental impact assessment and provide a report on the environmental impacts to the relevant governmental agency in order to support applications for construction licenses which the Company has followed according to the prescribed laws, rules and regulations.

Office Building and Retail Space Projects

The Company received approval for construction of the projects before the enactment of the environmental impact assessment criteria was effective. Nevertheless, for the projects that require the environmental impact assessment, the Company has proceeded according to the prescribed laws, rules and regulations.

Provision of Products or Services

(1) Selection of land for development

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

(2) Selection of contractors

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

- (2.1) Contractors for single-detached housing projects: In the procurement of contracts, the Company will select contractors from medium and large size contractors with qualifications according to the standards set by the Company. Contractors to be hired by the Company must have good history of completing good quality work as well as completing projects as scheduled and offer the price within the budget. As the Company places great importance on management of construction cost, the company recruited internal engineers to closely monitor the quality of the work performed by the contractors.
- (2.2) Contractors for Office Buildings and Condominiums: The Company will hire main contractors through an open bid for the structural work, architectural work and M&E system of the building or Turn Key projects, as deemed appropriate for each project. The selected contractor will generally be a large-scale contractor who can ensure that the construction will be in accordance with the set standards and completed within the timeframe. This is because a large contractor has better technology and capability to construct large buildings, as well as potential and sufficient funding in order to construct large buildings when compared with medium and small size contractors. Apart from this, the Company also hires other companies to monitor the construction and manage the projects to ensure that the construction of the buildings will be in accordance with the set standards, set budget and completed in a timely and efficient manner.

(3) Procurement of Construction Materials

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

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

(4) Distribution Channels for Sales and Services

(4.1) Sale of Real Estate

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

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

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

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

(4.2) Lease of Real Estate

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

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

Assets under Management

As of 31 December 2022, the Company, its subsidiaries, owned the assets under management as follows:

1. The cost of real estate development for sale

As of 31 December 2022, the Company, owned land and construction thereon for sale as follows:

No.	Project	Location	Land Area rai-ngan- sq.w.	Land Ownership Status	Book Value (Bt. Million)	Obligation (Mortgage Limit) (Bt. Million)
1.	Belle Sky Condominium	Kampangpetch 6 Bangkhen	25-1-28.20	GLAND	487	1,070
2.	Nirati Donmuang	Donmuang	53-2-66.3	Belle Assets	435	-
			Total		922	

2. Investment properties (for rental)

As of 31 December 2022, the Company, owned the property, plant and retail spaces as follows:

No.	Project	Location	Land Area rai-ngan- sq.w.	Land Ownership Status	Book Value (Bt. Million)	Obligation (Mortgage Limit) (Bt. Million)
1.	Land of The Ninth Towers and retail spaces	Rama 9	7-2-61	GLAND	5,015	-
2.	Land of The Super Tower and Podium Super Tower 1	Rama 9	13-2-68.41	GLAND	4,278	1,300
3.	Land in Grand Canal Don Muang Project, Phase 7	Don Muang	31-3-0.5	GLAND	412	-
4.	Land in Grand Canal Don Muang Project, Phase 8	Don Muang	3-0-08	GLAND	20	-
5.	Land in Grand Canal Don Muang Project, Phase 9	Don Muang	1-0-61.6	GLAND	18	-
6.	Vacant Land	Rama 9	0-2-80	GLAND	121	-
7.	Land of Unilever House and retail spaces	Rama 9	4-0-58.1	Sterling	1,950	-
8.	G Tower	Rama 9	5-0-98.3	Rama 9 Square (lease land till year 2050)	6,987	3,140
9.	Land awaiting development	Research Center Soi	63.17 sq.w.	Rama 9 Square	18	-
10.	Retail spaces of The Shoppes @ Belle	Rama 9	31,471 sq.m.	Belle Development	397	-
11.	Land awaiting development	Research Center Soi	63.17 sq.w.	Belle Development	18	-
12.	Land of Podium Super Tower 1 and 2	Rama 9	5-3-45.5	GPROP	2,837	-
13.	Vacant Land	Kampangpetch 6 Bangkhen	9-2-84.7	GLAND	436	(land for lease till Year 2044)
			Total		22,507	

3. Property, Plant and Equipment

As of 31 December 2022, the Company, owned the property, plant, fixtures and equipment as follows:

No.	Assets	Book Value (Bt. Million)	Obligation (Bt. Million)
1.	Property	339	-
2.	Plant	8	-
3.	Fixtures and Equipment	57	-
4.	Vehicles	3	-
5.	Assets under construction	68	-
	Total	475	

4. Contracts related to the operation

(1) Office Building Project “G Tower”: Land Lease Agreement for Development and Land Lease Agreement

Contract parties : Rama 9 Square Company Limited (“Rama 9”), Super Assets Company Limited (“Super”) and CKS Holding Company Limited (“CKS”)

Nature of contract : Rama 9 entered into the Land Lease Agreement for Development and Land Lease Agreement with Super Assets and CKS on 29th June, 2007. The contract is divided into the medium-term lease agreement during the construction period of 3 years and the long-term lease agreement of 30 years. The lessor pledged to Rama 9 to extend the lease for another 10 years to be expired in 2050.

(2) G Tower Project: Sub-Structure works

Contract parties : Rama 9 and Seafo Construction Company Limited (“Seafo”)

Nature of contract : Rama 9 entered into the hire contract with Seafo for the structural construction at the total contract value of 231.26 million baht (price excludes VAT).

5. Service Mark

Service Mark	Type	Detail	Registration Date	Expiration Date	Registration Number
	Service	Construction, Building Construction Control Service	20 April 2005	19 April 2025	Bor 28780
	Service	Property Management, Management / Property Development	20 April 2005	19 April 2025	Bor 28779
	Service	Property Management Service	11 April 2008	10 April 2028	Bor 41567
	Service	Construction, Building Construction Control Service	21 May 2008	20 May 2028	Bor 41568
	Service	Construction, Building Construction Control Service	5 September 2008	4 September 2028	Bor 44842
	Service	Property Management Service	5 September 2008	4 September 2028	Bor 44843
	Service	Construction, Building Construction Control Service	3 December 2008	2 December 2028	Bor 44845
	Service	Property Management Service	3 December 2008	2 December 2028	Bor 44844
	Service	Property Management, Management / Property Development	26 November 2009	25 November 2029	Bor 49238
	Service	Construction, Building Construction Control Service	26 November 2009	25 November 2029	Bor 49239

Service Mark	Type	Detail	Registration Date	Expiration Date	Registration Number
	Service	Space Rental Service	18 September 2013	17 September 2023	Bor 64116
	Service	Exhibition Management and Sale of food & beverage	18 September 2013	17 September 2023	Bor 64117
 	Service	Hotel Service	10 July 2014	9 July 2024	Bor 72304
 	Service	Sale of Property Service	4 February 2019	3 February 2029	191101899

6. Investment Policy in Subsidiaries and Associated Companies

6.1 Investment Policy in Subsidiaries

The Company has formulated the policy to invest in businesses that are correspondent with or support the Company's core business. The subsidiaries are used to increase business efficiency and flexibility in each business line, especially investments in businesses that can benefit other businesses in the group of companies.

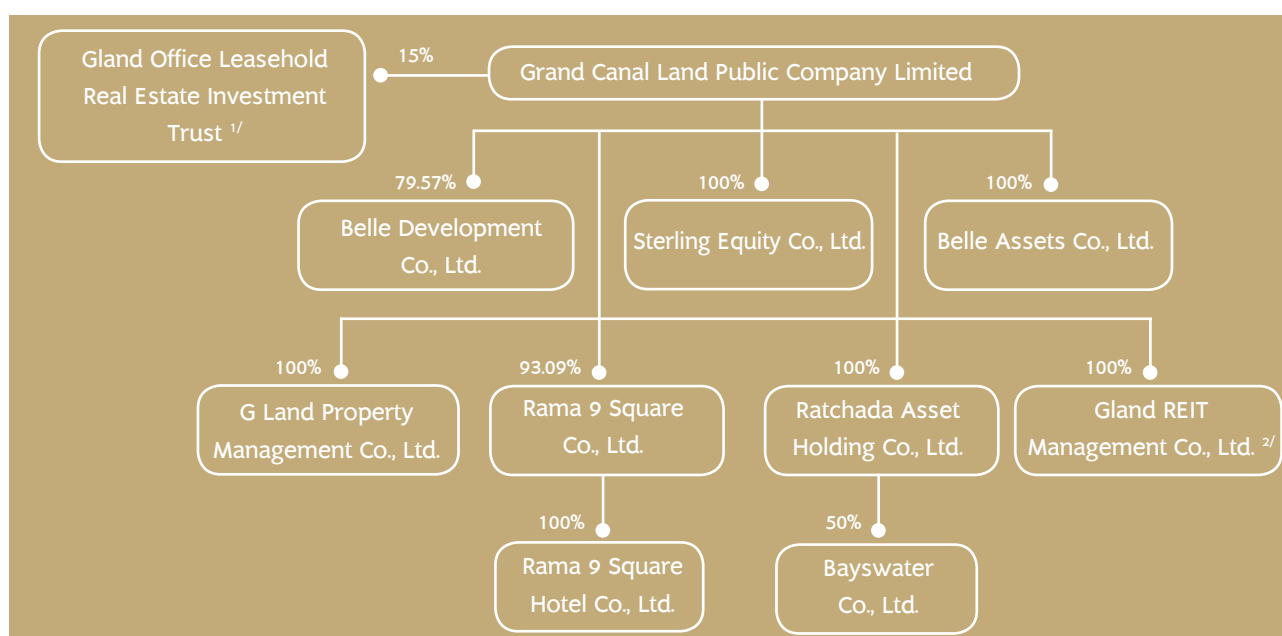
6.2 Investment Policy in Associated Companies

The Company has formulated the policy to jointly invest with companies with specific expertise to enhance the core business of the Group. the company invests for not less than 25%, except in the case where there is a justifiable cause or appropriate to invest less than 25%.

In this regard, the Company has established a policy to supervise subsidiaries and associated companies in the Code of Conduct and principles of Corporate Governance of the Company. This has been communicated to directors, executives, employees and related parties for acknowledgment.

1.3 Shareholding Structure

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



Remark : ^{1/} The Trust registered for the dissolution on 3 March 2020 (is in the process of liquidation)

^{2/} The company registered for the dissolution on 29 June 2020 (is in the process of liquidation)

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. 161 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. 161 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. 161 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. 161 Rama 9 Road, Huay Kwang, 100.00 baht par value 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. 161 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. 161 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
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 161 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

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Gland Reit Management CO., Ltd. 161 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 (On 29 June 2020, Gland Reit registered the dissolution and currently is in the process of liquidation)
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, 0.0012 baht par value	15 (On 3 March 2020, the Trust registered its dissolution and currently is in the process of liquidation)

The Relation of Major Shareholder Business's Group

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

Shareholders

Shareholding Distributions as of 30 December 2022 were:

Shareholders	Shares	Shareholding (%)
Registered Capital	6,499,829,661	100.00
Local Shareholders		
- Juristic persons	6,339,589,106	97.54
- Persons	160,107,721	2.46
Total	6,499,696,827	100.00
Foreign Shareholders		
- Juristic persons	25,002	0.00
- Persons	107,832	0.00
Total	132,834	0.00

List of top 10 shareholders as of 30 December 2022, 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. BBTV 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 BBTV Asset Management Co. Ltd.	153,837,243	2.37
2.5 BBTV Satelvision Co., Ltd.	10,486,593	0.16
3. Mrs. Kanthong Udommahuntisuk	16,068,457	0.25
4. Mr. Samon Suwannarat	8,799,000	0.14
5. Mr. Phahol Pao-in	6,617,700	0.10
6. Thai NVDR Co., Ltd.	5,485,761	0.08
7. Mr. Preecha Thanomsaksri	4,000,000	0.06
8. Mr. Nurak Mahatana-arnont	4,000,000	0.06
9. Ms. Rojana Theeravithayangkura	3,089,152	0.05
10. Mr. Paisarn Boontaweepat	2,636,000	0.04
Total	6,383,843,077	98.22

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

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

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

Foreign Limit in Shareholding

Company has set a foreign limit of 49% of the paid-up capital. As of 30 December 2022, foreign investors altogether held less than 0.01% of Company's total paid-up capital.

Directors and Executives holding company shares in 2022, are as follows

Names	Position	No. of Shares as at 1 January 2022			Changes in No. of Shares Increased/(Decreased) during 2022			No. of Shares as at 31 December 2022	Shareholding (%) as at 31 December 2022
		Direct	Indirect	Total	Direct	Indirect	Total		
Mr. Kobchai 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

Names	Position	No. of Shares as at 1 January 2022			Changes in No. of Shares Increased/(Decreased) during 2022			No. of Shares as at 31 December 2022	Shareholding (%) as at 31 December 2022
		Direct	Indirect	Total	Direct	Indirect	Total		
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
Flt.Lt. Kree Dejchai	Deputy Managing Director (acting)	-	-	-	-	-	-	-	0.00
Mr. Ponpinit Upathamp	Chief Financial Officer (acting)	100	-	100	-	-	-	100	0.00
Mr. Chotiphat Sirichanyakul	Head of Office Operation and Facility Management	-	-	-	-	-	-	-	0.00
Mr. Nakul Thinaphong	Head of Office and Retail Commercialization	-	-	-	-	-	-	-	0.00

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

1.4 Authorized Share Capital and Paid-up Share 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.

1.5 Other Securities (Debenture)

- Unsecured and unsubordinated Debentures

Debenture	Debenture Holders' Representative	Amount (Baht Million)	Tenor (Year)	Issuance Date	Maturity Date	Interest Rate	Principle Payment	Interest Payment Cycle	Balance as at 31 Dec 2022
GLAND224A	Yes	1,150	4	26 Apr 2018	26 Apr 2022	5.00%	Upon maturity	Quarterly	-

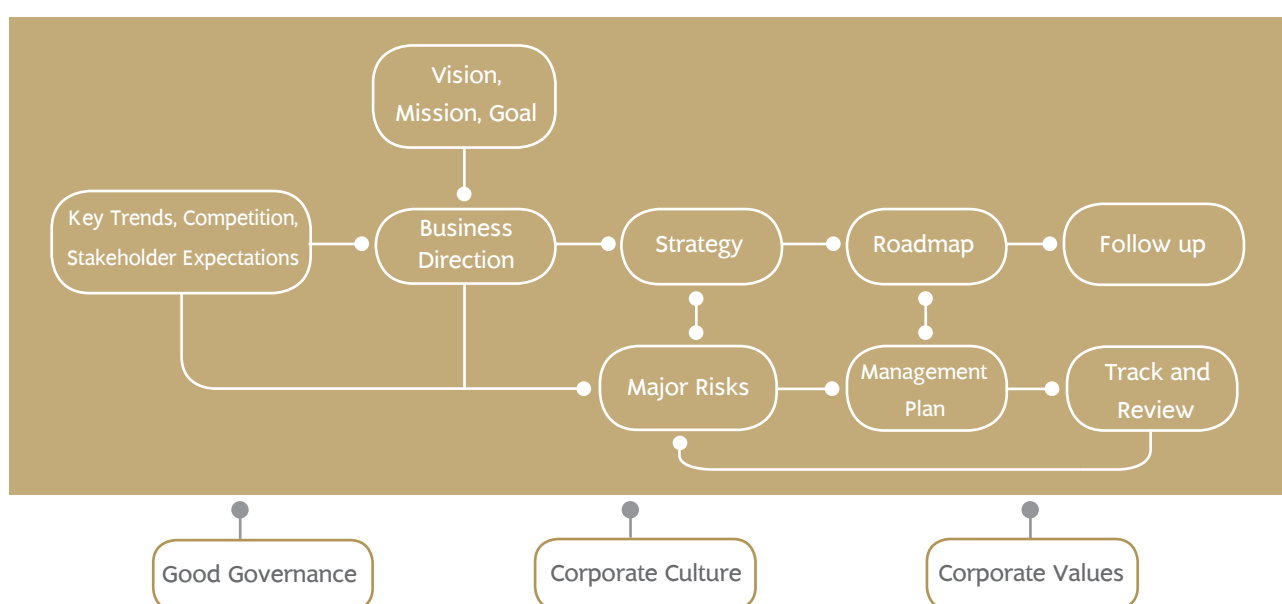
1.6 Dividend Policy

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.

2. Risk Management

2.1 Risk Policy and Risk Management Plan

The Company recognizes the importance of risk management to goal attainment and expectations of key stakeholders. The COSO ERM 2017 framework has been adopted and applied to the Company's business context. A risk management policy that covers all aspects of the business is then devised and incorporated into the corporate culture. the Company reviews risks, taking into account both internal and external factors with the Company's direction and strategy, risk probability and direct and indirect impacts on the business. The approach not only facilitates risk assessment and identification of major risks, but has also led to the formulation of plan for monitoring and keeping control of risks manageable and monitoring and continually revision risks, risk management chart are as follows:



2.2 Business Risk Factors

From the vision of being one of the leading real estate developers in Thailand to meet the diverse needs of customer groups with regard to social and environmental responsibility, the Company has reviewed the key risks of the past year together with the challenges and opportunities that will arise. Amidst the recovering economic situation and intense competition in the industry in which it operates, the Company considers significant current and emerging risks in terms of business operations, operations, financial position, and sustainability of the Company and the Company group which consists of:

(1) Risk of maintaining competitiveness

In 2022, the Thai economy is recovering from the COVID-19 crisis due to a decrease in the severity of the outbreak and the relaxation of government control measures. People can return to their lives more. Various stores can open for business. The office workers can return to work in the office building as usual. However, Thailand is experiencing inflation and rising cost of living, interest rate, household debt and Non-Performing Loan (NPL) hike. These affect the purchasing power of most consumers and the need for business expansion and the investment of the business sector inevitably. In addition, the competition in the real estate development business is still intense. Especially the office building business for rent and residential project business, there is still oversupply from the number of

outstanding units in the market and new project development. In addition, the hybrid model that gives employees the flexibility to work in the office alternately with working from anywhere is a clearer trend even though the outbreak severity has reduced.

From competitive conditions, changing work style, and the slowdown in purchasing power, the Company has to take risks to maintain the competitiveness adapting to the changes that occur. This may cause the performance not to meet the target and be lower than the market or competitors. The causes and effects of each major business risk are as follows:

- o Office building business: From the hybrid workplace model, the demand for rental space tends to decrease.
- o Retail Space Business (in office buildings): From the number of building users who have not fully returned and a slowdown in purchasing power, the tenants will have lower sales and are unable to pay rent.
- o Residential project business: From the high competition in sales, increasing construction costs, and construction progress, the operational performance did not meet the target.

Due to the aforementioned risks, the Company has a risk management approach for each major business as follows:

1. Business of office buildings for rent has focused on retaining existing tenants and finding new tenants by:
 - Explore the tenants' needs in order to adjust the layout of the rental area service standards and flexible and suitable rental conditions.
 - Develop the applications such as GLAND Serve to make tenants more convenient with more efficient communication.
 - Plan to bring a new type of "at work" rental space consisting of small, large meeting rooms and flexible workspaces. The operation started at the Central World Offices to be applied in the office buildings of the Company.
 - Build the relationships and engagement with tenants through appropriate measures and channels including creating strategic partnerships with leading companies such as Huawei to study and collaborate on the "Smart City" Concept.
 - Develop the online channels by creating a website to help sales access to rental areas through 360 VR Tour, consider rental conditions, make appointments and reserve spaces.
 - Find new tenants from industries and businesses with potential growth.
2. Retail space business has focused on helping and driving the performance of tenants by:
 - Increase traffic of customers, both Office traffic and Non-Office traffic, such as organizing Jodd Fairs, Food Truck area, and g Garden which is an organic market in the city center on weekends.
 - Give assistance to affected tenants including helping to publicize through social media and sales promotion booths, giving discounts, adjusting rental conditions in terms of rental period and rental space size.
 - Renovate the retail space and move the food court area of the Belle Building to create maximum benefits.
 - Adjust Merchandising Mix and develop New Retail concepts such as Beauty & Clinic, Health & Wellness, Nightlife, and Sports.
 - Create synergy between the business of the Company and between retail areas and shopping centers of Central Pattana.
 - Find potential new tenants with opportunities to grow.

3. Business of real estate development for sale has focused on the performance of the Nirati Don Muang project, the only project at present, by.

- Use online and social media channels in marketing and sales.
- Join with Central Pattana and Central Group in providing privileges to customers of the project.
- Monitor the sales situation and construction costs to adjust strategies appropriately.
- Closely monitor, control the construction, and find new contractors.

The Company continues to focus on hygiene and safety to build confidence for tenants and customers to use the service as well as managing costs and expenses of doing business to be competitive in encountering rising inflation. The focus is on cost control and various variable expenses such as utilities, expenses for service providers from outside (Outsource) to be appropriate and concise. This includes the use of technology such as CCTV cameras to make work more efficient.

(2) Risk from growth expansion

In order to create the Company's growth according to the 5-year business plan (2023-2027) having the aim to grow the average annual income for more than 10%, the Company has a business plan to expand investments in potential businesses. The balance of income is created together with the Company's operational performance. The Company has a 5-year business plan to develop more than 130 rai of the Company's land for real estate development for sale which is an additional phase of the Nirati Don Muang project and the project on Kamphaeng Phet Road and for mixed-use real estate projects in the current project on Rama 9 Road and the new project on Phaholyothin Road.

The growth through the development of many new projects which is in a highly competitive business causes the Company to take risks in new projects which may not be successful in terms of performance and customer expectations both from intense competition and preparations to support the Company's growth.

The Company has taken steps to ensure that the new projects will be successful according to the goals, including:

- Thorough study and research before starting a project development through screening and consideration by the management, directors, and knowledgeable consultants.
- Prepare to be ready before starting operations. This includes finding partners who specialize in the business that the Company is developing, for example, joining with Central Pattana in a mixed-use real estate project on Phaholyothin Road at Central Pattana with good expertise in the shopping center business.
- Monitor and evaluate the performance of new projects regularly and comprehensively both from central agencies and project development team.

(3) Cyber Attack Risk (*Emerging risk)

Rapidly changing technology is a major driving force in changing consumer behavior and the competitive environment in the industry in which the Company currently operates. The Company has increasingly used digital technology in doing business in goal setting performance, providing services to customers as well as collecting various data for analysis to help make decisions and formulate appropriate strategies. The cyber-attack trend is on the rise, especially for ransom demands and the theft of important information stored by the Company.

That the Company more relies on technology causes the Company to be exposed to information and data security risks. The chances of cyber-attack increases. In addition, in 2022, the personal data

protection law is fully enforced. This also increases the incentives for cyber-attacks. If the company is attacked. It may affect the business operations continuously or it may affect the reputation of the Company if the incident is not managed effectively.

The Company has developed and improved the information security management system. The ISO 27001:2013 and NIST SP800-53 are applied as a framework for implementation. These cover the security of data and information systems, including hardware, software and network systems of the Company as shown in the following table:

Main function	Management approach	Examples of measures
Identify	• Risk assessment • 3rd party audit and Cybersecurity resilience survey	• Risk assessment to find weaknesses and plan improvements. • Hiring experts to perform Penetration test • Vulnerability Scanning to check vulnerabilities and prevent them.
Protect	• Policy and procedure • Access control • Protective technology • System / Software update • Computer modernization	• Preparation of information security policies and procedures • Changing password policy to be more secure • Implementation of VPN, MFA and PAM system for login • Improving System shields such as Anti-virus and Firewall • Implementing Advance email protection for important email accounts • Use of OWASP standard in program development • Updating System / Software patch to the latest version • Network redundancy preparation
Detect	• Detection process • Security monitoring	• Adjusting / Changing Desktop and Notebook to be modern • Implementation of EDR to detect anomalies of Endpoints • Use of SIEM to detect system anomalies • Use of Log management with all systems and networks
Response	• Response planning • Incident management	• Planning to respond to IT Incidents • Preparation of a practical manual on incident management
Recover	• Recovery plan • DRP	• Preparation of recovery plan for System, Network, Endpoint to be functional • Improvement of Disaster Recovery Plan practical manual

The Company recognizes and places importance on personal data of customers and other stakeholders by setting up policies and approaches in accordance with Personal Data Protection Act B.E.2019. The Company has prepared and published a privacy policy on the Company's website (<http://www.grandcanalland.com/policy.php>) and communicated to let the data subject know in every channel where personal data is collected. Permission is granted to collect, store, use and transmit information as appropriate. This includes setting guidelines to support the exercise of rights of data subjects and measures to deal with incidents related to personal data appropriately and concisely.

In addition, the Company focuses on educating and raising awareness among personnel throughout the organization through regular public relations media about threats and impacts. The response is developed when an incident occurs through improving the Business Continuity Plan (BCP) to suit the current environment and system. The Company also makes cyber insurance to mitigate risks and reduce potential impacts in the event of an incident.

The Company has established a risk reduction plan under the supervision of the executives and the Board of Directors. It is specified as one of the risk indicators that must be monitored by the Risk Management Committee. The Company places importance on monitoring operations such as work plans, operational performance, and resource allocation to properly manage cyber threat risks, including plan to develop knowledge information technology to executives and the Board of Directors according to the appropriate development framework.

(4) Risk to investment of securities holders

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

4.1 Credit Risk

It is the risk that the Company issuing the financial instrument may incapable of interest payment or default the principle. If the Company issuing the financial instruments becomes bankrupt or default the debt in the financial instrument which is not covered by the Deposit Protection Agency, the holder of the financial instrument has the rights to receive the debt payment as same as not subordinate creditors and no collateral. However, in evaluating the Credit Risk, the Securities Holders can use the Credit Rating which is published by the Risk Rating Agency before making a decision. Moreover, the Securities Holders should educate on the information before investment such as the Business Operation and Financial Position of the Company and should follow the information and news including an update of Credit Rating from the Securities and Exchange Commission's website. The Company has credit rating at "BBB" by Tris Rating in 2021, with the credit trend as "Stable".

4.2 Price Risk

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

4.3 Liquidity Risk

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

(5) Emerging risk

Apart from managing major risks, the Company also pays attention to emerging risks. As a result of continuously monitoring the situation and assessing the risks, the Company is exposed to risks in adapting to changes in technology and new businesses in the future and climate change as well as more details about emerging risks. The Company has considered risk factors that affect the Company and risk management approaches as follows:

5.1 Risks to adaptation, support for changes in technology and new business in the future

Technology which has changed rapidly and drastically affects consumer behavior including changing needs, patterns of work, residence and life inevitably. The Company adopts more technology and digital platforms in the management and service provision for customers. The Company also has strategy for growth both through the expansion of the existing business and find opportunities from potential new businesses with a good return on investment.

Due to the need to prepare for such changes, the Company is exposed to the risk of adaptation in the organizational structure adjustment to be flexible and the adjustment of personnel to have knowledge and suitable ability. If the Company's operation is improper or not in a timely manner, it may affect the success of the operation and affect the Company's reputation.

The Company has made some adaptation to serve the occurring changes including:

- Organizational restructuring to be flat and flexible.
- Development of knowledge and skills for personnel both knowledge of responsible work and knowledge to support new technology
- Personnel preparation to replace retired personnel and personnel shortages that may occur in the future.
- Job Rotation to be responsible for other duties to increase experience and flexibility.
- Development of employee engagement ready to create an organizational culture that supports and accommodates upcoming changes.

5.2 Climate change risk

The current climate change results in more natural disasters and environmental problems possibly causing damage to properties, continual business operation, and customer service provision. Moreover, the fact that many sectors focus on the management of global warming problems causes an adaptation to a low-carbon society. This results in accelerating the development of clean technologies to be more efficient in having regulations to reduce the impact, expectations of market and stakeholders. As the organization must be aware and participate in seriously addressing this issue.

Climate Change Risk is considered a significant sustainability risk (ESG risk) of the Company, the Company considers two major types of risks; 1. Physical risks and 2. Transition risks.

For the physical risk that is a risk from both sudden and cumulative climate change resulting in natural disasters and environmental problems such as earthquakes, rainstorms, floods, droughts and PM2.5 dust, etc., the Company has determined that natural disasters and high-risk environmental problems are monitored. The measures to reduce the possibly occurring impact are determined such as improving the strength of the building, preparing and providing tools and equipment to mitigate potential incidents. This includes preparing and practicing the crisis management plan for the Company to able to effectively deal with various critical events possibly occurring.

For transitional risk that is the risk from adaptation to a low-carbon society, including risks of law and government or state policy about global warming governance which may be suddenly promulgated, the business sector cannot adjust with technological risks that replace original systems. It causes the increase in the costs or investment market risk and reputation risks. As a matter of fact that customers and society pay attention to the concrete management of environmental problems, the Company is aware of such important issues. Therefore, strategies and approaches for implementation have been stipulated whether in using renewable energy by planning to use solar energy installed on the Company's building's rooftop in order to reduce greenhouse gas emission and reduce heat entering the building. We also improve the machinery such as air conditioning system by adjusting the efficiency of the building automation control system to be the system that uses energy efficiently reducing energy consumption in all areas along with applying the Green Building standard to various buildings. In the past year, the G Tower was awarded a gold level by LEED (The Leadership in Energy and Environmental Design) for the standards for environmentally friendly design.

3. Sustainable Development

3.1 Sustainability Management Goal and Policy

The Company adheres to the principles of corporate governance in operating business emphasizing transparency, fairness, verifiability and gives importance to all groups of stakeholders in 3 dimensions of sustainability, that is, economic, social, and environmental, including human rights. The Sustainable Development Goals: SDGs of the United Nations are used to be guidelines in business goal setting to drive sustainable development along the value chain of the Company especially the 6 main goals as follows:

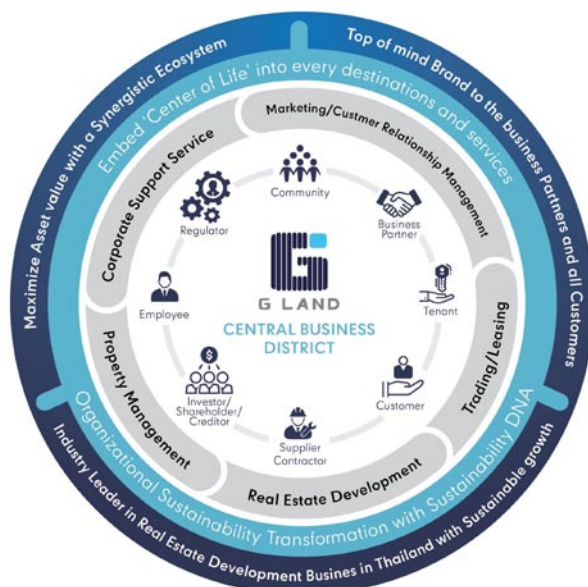
Sustainable Development Goals		Goals and Result of the Company	
Main Goals	Sub Goals	Short-term/ Long-term Goals	2022 Operating Results
 7th Goal: Ensure everyone has access to modern, sustainable energy at affordable prices.	7.2 Sub Goal: Increase the share of renewable energy in Global energy mix in 2030.	Use Renewable Energy Technology in the Company within 2025.	The Company is installing Solar Rooftop at G Tower Grand Rama 9 (“G Tower”) and Unilever House Grand Rama 9 (“Unilever House”) at a size of 350,000 - 420,000 units/ year which can reduce greenhouse gas emissions by 174,965 – 209,958 CO2e/year. It is expected to be fully operated within 2023.
	11.2 Community uplift 11.3 City and community planning and management with participation, integration, and sustainability. 11.6 Air pollution and waste management 11.7 Development and access to green space of various groups of people in policy to support positive connection of economy, society, and environment in urban, semi-urban, and rural areas.	Develop new buildings according to green building standards of LEED or Well building standards under 7 concepts about good health of residents and building users, such as air, water, food, light, exercise, convenience, and mentality to enhance the well-being of society and to increase efficiency of resource consumption of the buildings which will help reduce impact on environment in every new project.	In addition to G Tower being certified for green building by global international standards or LEED: Leadership in Energy & Environmental Design by U.S. Green Building Council: USGBC, GOLD level, in Core & Shell Development (LEED CS) category, the Company has been planning on designing new buildings by using international standard development guidelines in designing buildings that are environmentally friendly.
 11th Goal: Make cities and human settlements comprehensive, safe, resilient, and sustainable.			

Sustainable Development Goals			Goals and Result of the Company	
Main Goals	Sub Goals	Short-term/ Long-term Goals	2022 Operating Results	
 12th Goal: Assure the sustainable production and consumption pattern with objectives that include issues, management, and natural resources consumption with efficiency and sustainability.	12. Reduce waste by prevention, reduce, reuse, and recycle, including support of sustainable production and consumption patterns of local products.	Sorting waste systematically to reduce landfill waste amount by 50% within 2025. (2022 and 2023 Sub-goals: Reduce landfill waste by 10% and 22% respectively.)	1. Reduced landfill waste by 105 tons or 12% from sorting recycled waste and forwarding them to partners to be recycled and reused. 2. Restored water source “Yai Soon Canal” near the project to increase efficiency of water consumption and enhance quality of life for urban people and to be water source for farmers. Farmer’s Market was organized in open areas for farmers and small entrepreneurs to sell agricultural products every Saturday. There were over 15 shops rotating to sell each time the market opens, generating combined incomes on average of 342,500 Baht/year. An Organic event was organized with the Department of Internal Trade, Ministry of Commerce, to promote trade activities of farmer group, generating sales of over 1,000,000 Baht.	
			Reduce electricity consumption by 28% (compared to the base year 2019) with installation of Chiller Plant Management System (CPMS) which is the automatic control system helping cooling system management work accurately and making energy consumption management reach its high efficiency.	
 13th Goal: Implement urgent measures for climate changes and occurred impacts.		Reduce electricity consumption by 30% within 2025 (compared to the base year 2019). Sub-goals in 2022 and 2023 are to reduce the consumption of electricity by 22% and 25% respectively. Set the goal of Net Zero within 2050 to support Central Pattana’s Goal.		

Sustainable Development Goals			Goals and Result of the Company	
Main Goals	Sub Goals	Short-term/ Long-term Goals	2022 Operating Results	
 15th Goal: Protect, restore, and support the sustainable use of terrestrial ecosystems, with sustainable forest management, fighting desertification, stopping land degradation and restoring it, and stopping loss of biodiversity.		No deforestation in all project development areas is allowed. Conservation of ecosystem and biodiversity of ecosystem is maintained to prevent creature extinction throughout business operations.	Continue G-Garden Vegetable Garden in the Heart of the City (Rama 9) project by providing 3.9 Rais of wasteland for crop rotation to generate sustainable incomes to farmers and to enhance beauty of ecosystems of the city during the waiting period of new building construction.	
 16th Goal: Promote peaceful and comprehensive society for sustainable development where people can access to justice and establish institution which is effective, responsible and comprehensive in all levels.	16.1 End all forms of abuse, exploitation, and violence against children. 16.2 Rule of law and equal access to justice. 16.3 Reduce arms smuggling, money laundering and fight organized crime. 16.4 Reduce corruptions. 16.5 Develop transparent and efficient institutions. 16.6 Take responsibility and participation in decision making. 16.9 Accessibility to information and protection of fundamental freedoms.	1. No dispute/ convict or prosecution for ethical, environmental, social, and human rights issues. 2. Fatal accidents or permanent disability of employees and contractors is 'zero'. 3. Lost-Time Injuries Frequency Rate: LTIFR of employees and contractors is 'zero'. 4. Maintain the corporate governance survey of listed company scores at not less than 85%. 5. Receive satisfaction scores of tenants and customers at not less than 80% within 2030.	1. No dispute/ convict or prosecution for ethical, environmental, social, and human rights issues. 2. Fatal accidents or permanent disability of employees and contractors is 'zero'. 3. Lost-Time Injuries Frequency Rate: LTIFR of employees and contractors is 'zero'. 4. Receive the corporate governance survey of listed company scores at not less than 92%. 5. In 2022, there was deep conversation with tenants and retail shops to develop satisfaction. The Company prepared to evaluate shop satisfaction after disruption due to COVID-19.	

3.2 Sustainable Management for Stakeholder in Business Value Chain

The Company operates business of real estate development and management, divided by management type into 2 main business groups: 1) real estate for rent, and 2) real estate for sale.



3.2.1 Business Value Chain

1. Development of new projects consists of important mechanisms as follows:

Organization Objectives	Organization Strategy
Industry Leader in Real Estate Development Business in Thailand with Sustainable Growth	Improve quality of life with real estate project development that meets the needs of users and society completely.

1.1 Land Acquisition

The Company surveyed the land which had potential for investment by considering good location and development potential, demand of customers in the area as well as competitors, and the prosperity expansion of urban communities to reduce population congestion. Meanwhile, the Company had to also stay on biodiversity conservation, no deforestation, and take into account the quality of water sources as an important factor in land acquisition in order to preserve species of creatures to completely live together in the ecosystem.

Land acquisition for development can be done from landowner directly and from land brokers. Purchasing prices are compared to appraisal prices and market prices every time before making purchases to get reasonable prices. The Company also reviews the legal requirements and limitations in construction to ensure that the land development will be in accordance with the plans and achieve return as targeted.

1.2 Project Design and Development

The Company applied the guidelines for developing energy-saving and environmentally friendly buildings or Green Building to design and develop projects, promoting solar rooftop installation to increase the consumption of alternative energy and improve the efficiency of

energy management, reducing energy consumption, reducing emissions and greenhouse gases. The Company also gave importance to adding green space to improve quality of life and well-being of customers, Social Impact Assessment (SIA) and Environmental Impact Assessment (EIA) and obtaining permission from relevant legal agencies.

1.3 Contractor Hiring was divided into 2 groups:

1.3.1 Contractor for single-detached house building group: The Company procured contractors by considering medium and big sized contractors whose suitability and qualification match the standards set by the Company. Hired contractor's profile must show good quality of work, finishing work as scheduled, and reasonable prices within budget. As the Company gives high importance to construction cost management, the internal engineering team was hired to closely monitor and control work quality of contractors.

1.3.2 Contractor for office building and condominium building group: The Company procured main contractors by bidding for the parts of structure work, architecture work, and M&E systems of the building or by turnkey approach depending on project requirement. Selected contractor must have potential and can assure the team that the buildings they construct followed the standards and can be finished on schedule. They must also have technology and ability to construct large buildings and have sufficient funding source for large building construction. Moreover, the Company hired construction controlling company and project manager to be assured that the building construction would follow the standard, budget, and be complete on time.

Contractors must provide services with corporate governance in consideration of ESG principles, such as Occupational health and safety certification, use of legal labor, environmental standard certification, etc. to prevent negative impact on all stakeholders.

1.4 Procurement of construction materials

The Company considered using construction materials that are environmentally friendly and optimizing the resources, supporting reuse or recycle materials, and using construction materials that receive environmental standard certification, energy saving, or quality and service standards to ensure customers that the products they receive can reduce impact to environment.

Moreover, the Company had policy to procure some types of construction materials by themselves because of the following key reasons:

- To reduce risks of price fluctuations of construction materials which may change in the rising direction, such as cement, steel bar, aluminum.
- The Company had opportunities to get better offers or conditions from construction material distributors, the long-term trade partners, who contribute to construction cost control. It also provided flexibility for the Company in specifying some types of decorating materials, such as wooden floor tiles, sanitary ware, air conditioner, furniture, paints, etc. to meet each customer's demand for the highest satisfaction.

2. Sales of real estate / Lease of real estate space consists of important mechanisms as follows:

Organization Objectives	Organization Strategy
Top of Mind Brand to Customers and Business Partners continuously	Take care of customers and stakeholders as a family.

Distribution Channels for Sales and Services

- 2.1 Sales of real estate. The Company sells directly through company sales offices and indirectly through sales agents using real estate brokers in some cases when necessary and when special expertise is required as following details:

2.1.1 Single-detached house, semi-detached house, and townhome are sold directly through company sales offices. The products can be divided into 3 categories: • empty plot of land in the project • housing estate with fixtures, in from of constructed house, ready to be transferred to customer • housing estate with construction contract of which housing design can be chosen from the project's standard housing models. After purchasing the land of housing estate in this group, customer can choose a preferred house model that fits the size of the land.

2.1.2 Condominiums are sold directly through company sales office and indirectly through sales agents using real estate brokers. The project will be open for sales in the initial phase of construction. Customer makes down payment and will receive the transferred ownership when a condominium is completely finished and ready for moving in. Customer considers the design from the mocked-up room and floor plan documents provided by the project.

- 2.2 Lease of real estate space

2.2.1 Office building space. The Company hires brokers with expertise in selling office building space.

2.2.2 Retail space. The Company sets a special team to sell retail space of each project directly to customer group, focusing on complete and variety of merchandising mix. Market information and customer information is regularly analyzed to upgrade the real estate space to be modernized and meet customer demand.

3. Marketing Strategy consists of key mechanisms as follows:

Organization Objectives	Organization Strategy
"Center of Life" as a space of destination and service	Create new experience so satisfying that everyone has to visit.

- 3.1 Marketing Event / Marketing Promotion

To create value added to real estate by strengthening the dimensions of retail shop and marketing to respond to demand of retail shops and customers and to make it become a space for destination, marketing activities were organized to enhance good experiences to customers and to attract target customers to use services of and create sales for retail shops.

This also included the creation of space and participation to society to create access and improve the class of products from communities and small entrepreneurs. Public relation

communication was made with responsibility, no overclaimed message, to customers via various communication channels efficiently.

3.2 Customer Relationship Management

A juristic person/ customer service central unit, responsible for building management, being channels for repair notification, doing satisfaction survey and hearing opinions of residents/ tenants and building users, was established to continuously develop and improve the efficient operations. Customer relation activities were conducted to increase customer satisfaction to the highest level.

4. Project Management consists of key mechanisms as follows:

Organization Objectives	Organization Strategy
Create Sustainable Ecosystems by creating shared values between internal and external organization superlatively.	To develop the excellent operations consistently for better operating results.

Services and facilities management in real estate space are developed to meet international quality standards. Knowledge, new technology, and cooperation with partners are brought to improve project efficiency, such as,

- Security system, convenience, cleanliness of common area, such as lobby, restroom, parking space, lift, reception counter, etc.
- Resource management system, such as water, energy, garbage and waste, by focusing on improving the management level according to circular economy principles to reduce energy consumption and business operation costs.
- Information technology system to store customer data base in regard to security and privacy of data.
- Operations in accordance with sustainable building standards and operational standards, that is, to apply guidelines for the development of energy-saving and environmentally friendly building or Green Building to design and development of projects for efficient energy management, including reducing energy consumption, reducing emissions of greenhouse gases, and adding green space. These activities accredited G Tower to be certified for global international standard green building or LEED: Leadership in Energy & Environmental Design by U.S. Green Building Council: USGBC, GOLD level, in Core & Shell Development (LEED CS) category.

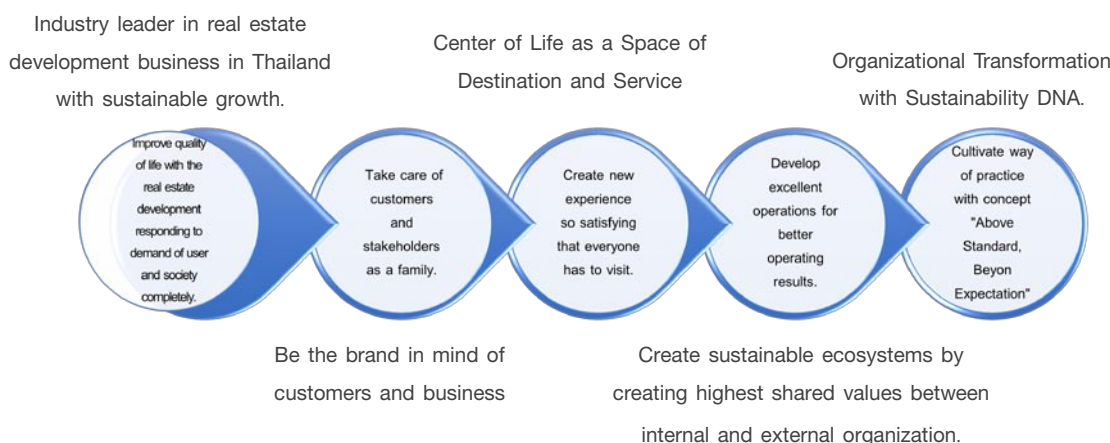


Picture of Certification of global standard green building or LEED of G Tower

5. Corporate Support Service consists of key mechanisms as follows:

Organization Objectives	Organization Strategy
Organizational Transformation with Sustainability DNA	Cultivate the way of practice with concept: “Above Standard, Beyond Expectation”

- 5.1 Corporate Governance. Business was conducted according to corporate governance, business code of conduct, regulations, rules, other provisions from relevant agencies, and sustainable supply chain management regarding all groups of stakeholders.
- 5.2 Risk Management was aimed at assessing risks of the organization and finding preventive guidelines to sustain Business Continuity Plan (BCP).
- 5.3 Financial Management. Financial planning was made in short-term and long-term plans to provide liquidity to cash flow and financial statement, together with the appropriate financing, working capital management, diversified investment, efficient profit management, and reasonable financial activity control.
- 5.4 Human resource management, including human rights, legal labor practices, occupational health and safety, continuous personnel development to unlock potential to the fullest efficiency, motivation, and employee sustaining, etc.



Scope of Report on Sustainability Development and Business under the Company's Management

Office building and retail space in The Grand Rama 9 Project

- The Ninth Towers Grand Rama 9 Project
- Unilever House Grand Rama 9 Project
- G Tower Grand Rama 9 Project
- The Shoppes @ Belle Grand Rama 9 Project (retail space only)



The Company prepared sustainability development report which was disclosed in the 2022 Annual Report the performance in economic, social, and environmental dimensions which were applied according to the framework of SET Sustainability Reporting Guidelines. The report covered the performance of the Company and its subsidiaries in Thailand only, in accordance with the Company's financial report from 1st January 2022 to 31st December 2022. The report showed the updates and operational performance in economic, social, and environment dimensions, in accordance with significant sustainability issues. The scope of report on business performance and sustainability development covered only 3 projects of the management of office buildings for rent which were The Ninth Towers Grand Rama 9 Project ("The Ninth Towers"), Unilever House Project, G Tower Project, and related and supportive business under the management of the Company, that is, The Shoppes @ Belle Grand Rama 9 Project ("The Shoppes @ Belle") according to the details disclosed in the 2022 Annual Report under "Structure and Operations of Company Group" topic.

Independent Assurance

The Report and key performance indicators have been assured to be in conformance with the GRI-Standards by an independent recognized third party that is specialized in real estate. The Independent Assurance Statement is available at page 155-156. Refer to the 2021 GRI Content Index on our website for information: www.grandcanalland.com/ir-sustain-performance.php

3.2.2 Stakeholders Analysis in Business Value Chain

The Company divided stakeholders into 8 major groups: partners/contractors, tenants, community, employees, shareholders/ investors/ creditors, regulatory agencies and government sector, customers, and business partners. The Company had policy and guidelines for practice to stakeholders by supporting business to be conducted on the basis of fairness and giving importance to all stakeholders by adhering to the principles of sustainable mutual benefits as stated in detail in "Section 3: Taking into account the role of stakeholders".

The Company created participation of all groups of stakeholders via public hearing on expectation and significant issues related to business to develop business operations and to respond to opinions of each stakeholder group in balance to reduce negative impacts and create positive impacts on stakeholders sustainably as follows:

Stakeholder group	Participation channels	Expectation and Key Issues	Response
Partners/ Contractors 	- Meeting discussion - Quality examination and assessment after product/work submission. - Sustainability assessment of partners - Whistle blowing and complaint filing via 'Whistleblowing System' on company website: www.grandcanalland.com/ir_suggestion.php	- Product and service quality - Fair procurement/ pricing competition - Compliance with condition and agreement - Environmentally friendly materials - Technology/ Innovation - Practice to labor - Occupational health and safety - Waste management after construction	- Clearly define procurement policy with no discrimination. - Define anti-corruption policy and support implementation. - Internal control and audit policy - Study and develop Procure to Pay: P2P process and apply to current operation to help reduce work amount and increase work efficiency.
Tenants 	- The Company's personnel and various channels, such as e-mail, telephone, website. - Survey for opinion and satisfaction assessment - Whistle blowing and complaint filing via 'Whistleblowing System' on company website: www.grandcanalland.com/ir_suggestion.php	- Quality of products and services - Economic operating results - Security system - Innovation and technology - Report of data on energy consumption and greenhouse gas emissions - Access to alternative energy - Human rights and equality - Sustaining employee	- Organize marketing activities or seminars. - Application development to increase convenience and systematic operation. - Communication via various channels. - Development of fundamental structure and information technology to create systematic working, such as energy and waste platform.
Community 	- Public relations about the Company activities via offline media, such as announcement board. - Online media via Facebook Official 'The Grand Rama 9' - Company telephone/ website - Opinion survey form on Sustainability Program and space development for benefits of community and local people. - Social media	- Good health and wellbeing - Safety and occupational health - Engagement with community - Corporate governance - Human rights respect - Complete communication - Fast and convenient travel - Access to public transportation	- Conduct volunteer activities for public benefits continuously. - Cooperate with government and private sectors in supporting social projects. - Organize activities to create opportunity of participation for communities. - Develop G-Garden Project to create green space for community and build commercial space for small entrepreneurs and farmers.

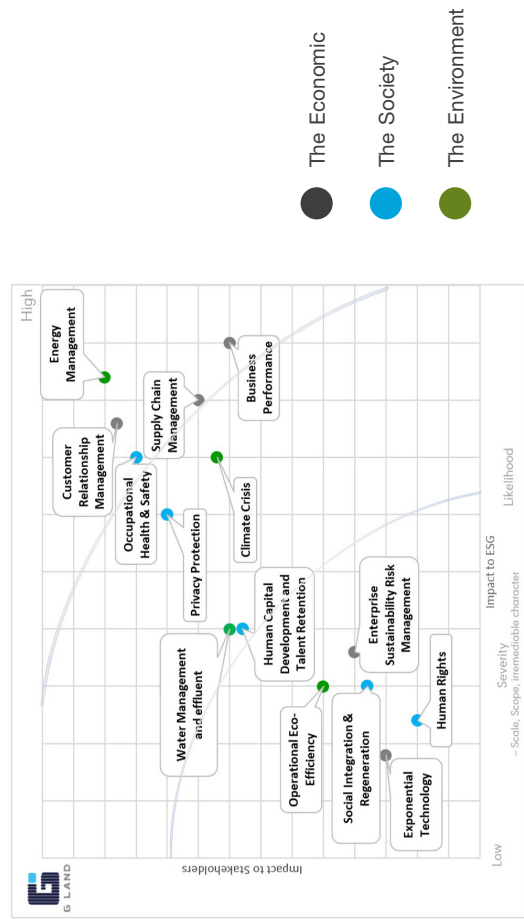
Stakeholder group	Participation channels	Expectation and Key Issues	Response
Employees 	• People Voice - Satisfaction survey and corporate engagement of employees • Annual activity for employees to meet executives on Communication Day. • CGSD's Day • Establishment of welfare committee • Establishment of Occupational health and safety Committee. • Whistleblowing and complaint filing through 'Whistleblowing System' on company website. www.grandcanalland.com/ir_suggestion.php	• Fair return • Appropriate welfare • Security at work • Development of knowledge and working skills • Occupational health and safety • Human rights	• Define Human Rights Policy and promote implementation. • Comply with corporate governance principles. • Define and comply with a policy of care and practice to employees fairly and appropriately. • Conduct performance appraisal, define remuneration, and job promotion according to the Company's criteria every year. • Establish special welfare for employees, such as provident fund, life insurance. • Create training courses as necessary and appropriate for employees. • Take care of and create engagement with personnel.
Customers 	• Direct communication with customers • Questionnaire • Email/ telephone/ website/ whistleblowing channel of the Company • Event or seminar • Public relation news via public media • Satisfaction on activity survey	• After-sales service • Sales promotion • Quality of products and services • Fast and convenient service • Keep customer confidentiality. • Compliance with condition and agreement	• Systematic responding process with more convenience on Application. • Conduct sales promotion with business partners and shops in the building. • Have ethics in customer data protection. • Have ethics in business conduct.

Stakeholder group	Participation channels	Expectation and Key Issues	Response
Business partners 	- Meeting discussion - News - Seminar/ Forum/ Expo	- Technology/ innovation - Information exchange - Conduct business with justice and transparency. - Business strength and sustainability	- Have ethics and code of conduct in business operation. - Cooperation in anti-corruption. - Cooperation in sustainable business development.
Regulatory agency and government sector 	- Project survey to monitor the development of Corporate Governance Report of Thai Listed Companies (CGR) - Meeting discussion - Company visit - Seminar training course on ESG of various agencies.	- Compliance with conditions and legal provisions - Support and cooperation in various activities - Responsibility to society and environment - Shareholding distribution of minority shareholders	- Compliance with conditions and related legal provisions - Support and cooperation in various activities - Develop guidelines for business conduct to reduce impacts on society and environment. - Under negotiation and revision of shareholding distribution to comply with SET regulations.
Shareholders, investors, and creditors 	- Annual General Meeting of Shareholders - Quarterly meeting of listed company and investors (Opportunity Day) - E-mail/ telephone/ company website - Whistleblowing and complaint filing on 'Whistleblowing System' on company website. www.grandcanalland.com/ir_suggestion.php	- Sustainable performance in ESG - Good and sustainable return - Transparent business operations - Effective risk management	- Set goals and develop operations that cover ESG. - Dividend payment according to the Company policy. - Investment Risk diversification - Report of operations is correct, transparent, and verifiable. - Comprehensive risk management.

Assessment of Sustainability Issues Process



Results of Sustainability Issues Prioritization



Key Issues	Relevant GRI framework	Stakeholders and Scope							
		Internal			External				
		Employee	Tenant	Shareholder	Partner/ Contractor	Customer	Community and society	Business partner	Government sector and regulatory agency
High priority issues									
✓ Customer relationship management	Health and safety of consumer (GRI 103, GRI416-1, G4-FP5)	/	/			/			/
✓ Business performance	- Anti-corruption - Compliance with regulations (GRI 103, GRI 205-2)	/	/	/		/	/	/	/
✓ Sustainable supply chain management	- Procurement practices - Partner assessment in environmental aspect - Partner assessment in human rights aspect - Partner assessment in social aspect (GRI 103, GRI 414-1, GRI 308-1)	/	/			/			
✓ Occupational health and safety	- Occupational health and safety - Safety and production process safety in production process (GRI 103, GRI 403-1-403-7, GRI 403-9)	/				/			

Key Issues	Relevant GRI framework	Stakeholders and Scope							
		Internal			External				
		Employee	Tenant	Shareholder	Partner/ Contractor	Customer	Community and society	Business partner	Government sector and regulatory agency
✓ Energy management	Energy consumption (GRI 103, GRI 302-1, GRI 302-4, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5)	/	/		/	/		/	/
Medium priority issues									
✓ Personal data protection		/	/	/	/	/			
✓ Employee development and treatment		/	/		/	/	/		
✓ Climate change	- Climate change (GRI 103, GRI 201-2)	/	/	/	/	/	/	/	/
✓ Water and sewage management	- Water consumption and management - Sewage and waste (GRI 103, GRI 303-1, GRI 303-2)	/	/		/	/	/		

Key Issues	Relevant GRI framework	Stakeholders and Scope							
		Internal			External				
		Employee	Tenant	Shareholder	Partner/ Contractor	Customer	Community and society	Business partner	Government sector and regulatory agency
Related key issues									
✓ Sustainable organizational risk management		/	/	/		/			
✓ Innovation	Innovation management (GRI 103, GRI 203-1, GRI 203-2)		/		/	/		/	
✓ Social integration and transformation	- Community and social management - Local community (GRI 103, GRI 201-1)		/		/	/	/		
✓ Human rights	- Human rights management - Employment - Diversity and equal opportunity (GRI 103, GRI 412-2)	/	/	/	/	/	/	/	/
✓ Management to increase efficiency in economic ecology	Waste and leftover management (GRI103, GRI 306-2)	/	/		/	/			/

3.3 Sustainable Management for Economic

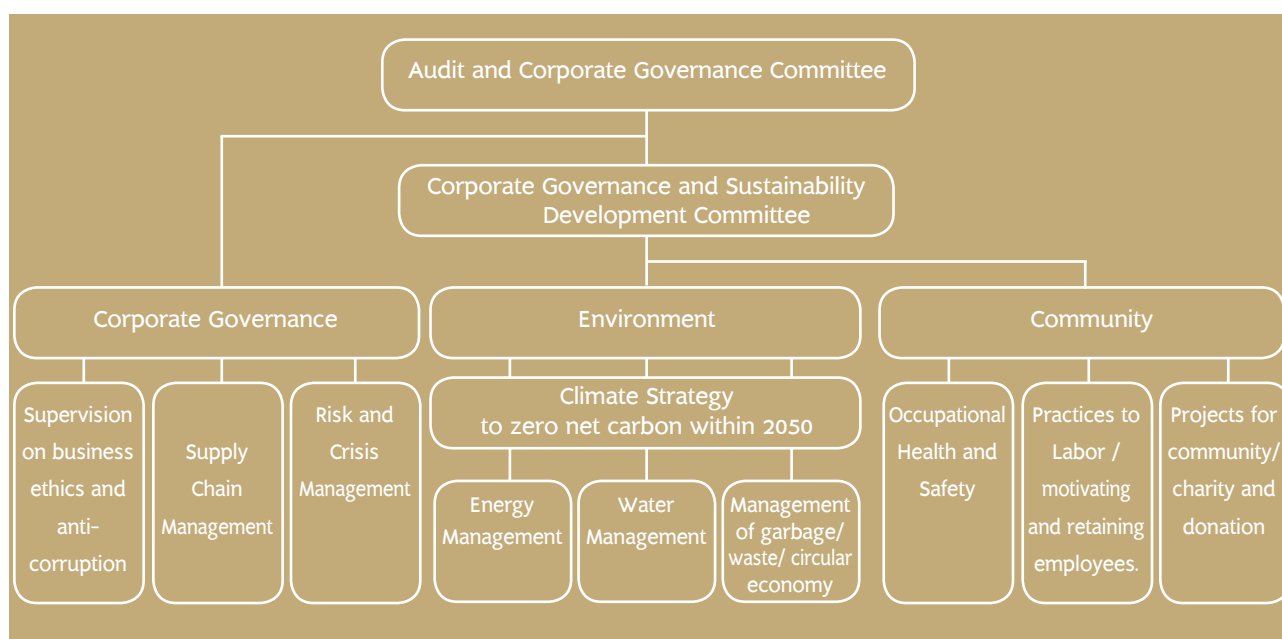
1. Sustainable supply chain management

The Company is aware of impacts on every group of stakeholders and on environment and, thus, gives importance to the sustainable supply chain management, including procurement of construction materials and consumer products for standard building, procurement of construction contractor and operational contractor, such as maid, security officer, technician, etc. who have responsibility to environment, society, and governance (ESG). Commercial partners, such as tenants of offices and retail shops are selected in diversity and must comply with corporate governance to prevent loss, dispute, and negative impacts on stakeholders. The Company also gives importance to the building image by providing equal, fair, and credible treatment to every partner. The working policy is announced to employees for their awareness and compliance practices which cover policies and guidelines complying with code of conduct as disclosed in detail on website: <http://www.grandcanalland.com/ir-policies-implementing-guidelines.php> to co-create supply chain that is stable, efficient, and have sustainable values to environment and society.

The Company set the Corporate Governance and Sustainability Development Committee (“CGSD Committee”) quarterly meeting. The Chairman of the Board is the chairman of the meeting. Senior executives are committee members. Executives from related departments attend the meeting to closely follow up on the update of key performance indicators.

Structure of Sustainability Development Supervision

The Audit and Corporate Governance Committee agreed and approved the appointment of the Corporate Governance and Sustainability Development Committee (“CGSD Committee”) to supervise and to be responsible for determining strategy, policy, framework, and guidelines for sustainable development of organization. The sustainable development objectives were set according to the objectives of being the model organization of sustainability development which complied with the international standards and supported the goals of Central Pattana (Public) Company Limited (“Central Pattana”) which was the major shareholder who by circumstances had significant influence on determination of policy or operation of the Company. All led to practices and goal achievement together within the sustainability development framework as shown in the chart below.



Guidelines for Sustainable Supply Chain Management

1. The Company assesses sustainability of every supplier before adding them in the approved vendor list. The assessment includes following issues:
 - 1) Corporate governance / Anti-corruption
 - 2) Legal labor practices
 - 3) Occupational health and safety
 - 4) Management of impacts on environment and society

If any suppliers do not pass criteria, they will be informed and suggested on how to improve for the chance to further be the Company's supplier.

2. The Company's policy and practice guidelines are communicated, such as policy of procurement and practice to supplier, policy of practice to creditor, policy of trade competition, policy for society, community, and environment, etc. to create awareness and to be guidelines for joint responsibility practices with partners.
3. Suppliers are assessed with Supplier Rating Score in the aspect of delivered product quality, knowledge transfer, suggestion for sustainability development, including risk assessment that will affect safety and society for further potential development.
4. Some are considered as the Company's key suppliers based on the size of transaction or Purchasing Value and the type of supplier which can be divided into 2 types:
 - 4.1 Strategic Vendor means suppliers who can create high impact on business or are high risk suppliers towards the Company's sustainability. This key supplier group are suppliers of construction or service that needs expertise on real estate and suppliers in the form of outsourcing service contractors, such as maid, security officer, gardener, etc. This supplier group must cooperate with the Company in keeping efficient quality of provided services and complying with "legal and human rights" policy. They must also operate in compliance with the Company's goal on "occupational health and safety" of employees and customers and report their operational result closely and continuously. They will be randomly selected for Comprehensive Assessment. In addition, they will also cooperate to regularly develop the better operational plans.
 - 4.2 Non-Strategic Vendor means suppliers who have medium or low purchasing values and medium or low risks. They have to pass the Supplier Evaluation before being added to supplier vendor list to be considered on their sustainability practices and assessed by related units, such as service users.

In 2022, there was no new project. So strategic vendors mainly were service suppliers (excluding service providers of utilities, electricity and water) whose inter-company transactions had value of more than 10 million Baht. There were 17 suppliers, accounting for 75.83% of total procurements which were 208 suppliers.

The Company's vendors in 2022 divided by purchasing values were as follows:

	Strategic Vendor (no. of supplier)	Non-Strategic Vendor (no. of supplier)	Purchasing value (Baht)	Purchasing ratio (%)
Purchasing value of more than 10 million Baht	17	-	104,924,913.44	75.83
Purchasing value of 1-10 million Baht	-	60	20,356,641.86	14.71
Purchasing value of less than 1 million Baht	-	131	13,083,573.6	9.46
Total	17	191	138,365,128.9	100%

The Company summarized the annual operation performance of each key supplier to discuss and exchange opinion, expertise in co-design and development of working process for higher efficiency in terms of cost, punctual and efficient delivery, quality of product/ service, fast and effective communication, reliability in emergency management, compliance with the law and anti-corruption (ESG) to raise supplier's potential.

The Company defined sustainability indicator as part of strategy and success measurement of the organization. It was passed on to respective levels as performance indicator for department, division, and individual level, and was one of the criteria for performance evaluation of employees and executives, salary increase, bonus, and position promotion to make everyone be aware and engage in driving the organization sustainability.



Maintain the score of corporate governance for listed companies survey at 5 stars level (or not less than 85%) continuously.

The Company's scores from the Corporate Governance Report of Thai Listed Companies 2022 : CGR was 5 stars "Excellent" for 2 consecutive years, since 2021 when the average scores of the Company were 92%, improved from 2020, 2019, and 2018 which were 4 stars, 3 stars, and 2 stars respectively. The assessment was conducted by the Institute of Directors (IOD) in cooperation with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commissions (SEC) in the Corporate Governance survey of Thai Listed Companies for 750 companies. This reflected the result of sustainable business conduct according to the corporate governance which was transparent and regarded all stakeholders. The Company will continue its compliance with the corporate governance along with continuous improvement.

Moreover, the Company has no dispute/ convict or prosecution for ethical, environmental, social, and human rights issues.

2. Customer Relationship Management

The Company had mutual organization objective with Central Pattana to be “Center of Life” focusing on customer as a center. The goal was to develop the real estate to be the Destination and lifestyle space for everyone as “Central Business District : CBD” including offices, shopping centers, restaurants, flea markets, to respond every group of customers’ needs. The space provided lifestyle solutions in the aspects of business, eat and drink, travelling, leisure, and being the center of community with the focus on convenience, cleanliness, safety, and flexibility for fast adaptation to new lifestyles.

The service standard was also raised to the excellent level to create the highest satisfying experience to customers. In addition, innovation and technology were applied to increase efficiency of transaction and communication, and to provide convenience for services. Opinions were openly listened to in responding to all impacts on stakeholders in balance.

Since COVID-19 pandemic caused the significant decrease in number of tenants, in the previous year, the Company did the tenant assessment in the form of in-depth conversation to inquire their opinions, needs, preferred solutions and development. The input was used to set goals their needs. The criteria of tenant satisfaction assessment complied with Central Pattana’s for the same standard.

2022 Performance



Long-term goal within 2030

Satisfaction management guidelines consists of following issues.

1. Build atmosphere and decorate the office building to be beautiful and modern.
2. Provide convenience to service with easy access to juristic entity at all times whenever problem occurs.
3. Organize marketing activities, special promotions for tenants.
4. Develop personnel to have knowledge and capability, to be able to solve problem correctly, and to have service mind.
5. Maintenance of central facilities and overseeing repair work, such as lift, elevator, toilet, electricity bulb.
6. Security management in the building, such as evacuation drills, fire prevention and stuck elevators.
7. Traffic arrangement in the project space, providing convenience in travelling.
8. Cleaning/ eliminating pest for safety from epidemic in the building.
9. Public communications of the project.
10. Allocation of special benefits, welfare for tenants, such as recreational activities, exercises.

3. Business Performance

The Company gives importance to operational performance in the aspects of economy and corporate governance, along with social and environmental care. The Company set target to build the Compound Annual Growth Rate (CAGR) at least 10% per year in the 5-year period (2022 - 2027). This would create positive impacts on all groups of stakeholders along the supply chain, especially on tenants, customers, communities, employees, and suppliers. As the economy driver, the Company’s incomes came from leasing fees and sales of real estate. If the real estate space was fully utilized, it would increase the competitiveness, create completeness to office tenants, and attract more customers to visit the building which will bring benefits back as increasing incomes for retail shops. This was deemed as the continuous growth along the value chain.

Economic Operating Results

Type of income	2020 (Million Baht)	2021 (Million Baht)	2022 (Million Baht)	Goal 2022-2026
Incomes from rental and service fees	1,247	1,153	1,208	Compound annual growth rate (CAGR) was at least 10% per year.
Incomes from real estate sales	221	402	307	
Total incomes	1,468	1,555	1,515	
Comparison of performance with previous year (%)	N/A	+5.91%	+3.13%	

Performance management guidelines

1. Distribute business base of real estate development and management in various forms.
2. Consider the interests of all groups of stakeholders as priorities.
3. Apply systems/ technologies and management guidelines from Central Pattana which is a major shareholder and a leader in commercial real estate development and management in Thailand with over 40 years of experience. This helps increase confidence to tenants in terms of business system and management for further growth with potential and sustainability.
4. Develop operational performance according to the guidelines for management of tenant satisfaction which shall be the mutual suggestion between entrepreneurs and businessmen.

4. Sustainable organization risk management

The Company has the Risk Management Committee as detailed in “Information of Sub-committees” section to supervise and assure the risk management process and policy be reasonable and efficient and to monitor and assess risk assessments regularly according to “Risk Assessment” section.

Moreover, the Audit and Corporate Governance Committee also supervises the internal audit process to review and provide comments on the annual internal audit plan, the changing plan according to the Enterprise Risk Management, and the strategy of department.

Risk Management Guidelines

1. Review to assure the Company has systematical risk management process and in line with the reasonable, efficient, and effective standards.
2. Discuss with the management about the Company’s main policy related to risk management and risk assessment in every aspect, including risk from anti-corruption.
3. Discuss with the Risk Management Committee, risk management working group, and the management to consider and comment on the report of updated risk management of the Company.

In 2022, there were 4 meetings of the Risk Management Committee. The key issues were summarized in “Risk Management” section.

5. Innovation

The Company signed a memorandum of understanding as a strategic partner with Huawei Technology (Thailand) Company Limited with the objectives to completely develop a smart office and digital space to real estate industry. The real estate would be connected to digital system via Information and

Communications Technology (ICT) system and Internet of Thing (IOT) to develop space for digital life Thailand 4.0 and for future working. The Company also prepared to continue the cooperation with its affiliates in real estate group, such as office buildings, shopping center, residences, and hotels across the country, to build Smart Digital Township through various real estates of the corporate.

The scope of complete Ecosystem development consists of 3 key compositions as follows:

1. Smart Building is developed with global technology, providing convenience for usage to building users and being environmentally friendly.
2. Smart Asset Management is operated with 5G technology, Access Point Wi-Fi 6, ultrahigh-speed module IoT, and smart detective camera.
3. Smart Hospitality and Retail connects with Fiber Backbone system to be future smart hotel and shopping center.
4. Smart Campus and Living is the building and residence system focusing on safety including smart parking system.
5. Intelligent Connectivity is the smart connectivity with AI, VDO & Imaging Technology, and fiber optic, including the storage space in cloud.

However, the Company has policy to support the business innovation development by focusing on the innovation development that responds to the needs and convenience of ‘customers.’ The innovation to solve customer’s Pain Point is the priority, for example,

Impacts	“Innovation” to increase operational efficiency	“Benefits” for related stakeholders
Traffic congestion in a parking lot during rush hours.	Automatic parking card distribution system and License Plate Recognition: LPR to increase traffic management efficiency.	- Employees of the office building tenants can drive in – out faster. - Increase safety system with the automatic recording of in-out car system of which data or picture can be retrieved anytime.
The fragmentation of tracking systems and communications	“SERVE” application consisting of communication channels between the Company and tenants, information searching, notification of facility repairment, leasing contract management, online payment for rental fees, etc.	Tenants can operate transactions in B2B form faster and more conveniently including closer Two-Way Communication. In addition, the Company can better manage customer data base to prepare for business expansion in the future, effective in November 2022.
Limitation on doing business with partners.	Procure to Pay (P2P) system	- Provide opportunities to do business for local entrepreneurs and small enterprises in offering products and services when their travelling are limited. - Reducing the working process and travelling back and forth for document delivery, such as contract, invoice, payment. In addition to increasing working efficiency, the systematic information storage can reduce paper usage and fuel combustion from travelling, resulting in decreasing release of carbon footprints. The full scale can be implemented in 2023.

3.4 Sustainable Management for Environment

3.4.1 Environment Policy

The Company, in doing business, had a policy for environment, energy, and natural resources conservation which complies with the law, regulations, and measures of environment management and other provisions related to environment, energy, and natural resources. The Company's objectives were to prevent and control to reduce impacts on environment and to control activities that may cause risks in wasteful consumption of energy and natural resource. The Company committed to conduct business considering the Ecology and Biodiversity Management Policy and the Climate and Environment Policy. The Company reviewed and developed environmental management in energy saving, alternative energy consumption, resource conservation, recycle materials, and waste or hazardous materials elimination in the right way. The Company arranged the assessment and continuously monitored the results and impacts. Innovation that brought benefits to business operations was created and made understanding to various stakeholders. The Company also supported, cooperated, and publicized related activities to organizations in government sector, society, and general public as disclosed in detail on company website: www.grandcanalland.com/ir-policies-implementing-guidelines.php

As the real estate development business in the city, the environment of ecosystem and biodiversity of the Company was not complicated. It consisted of houses, streets, and buildings. However, the Company, taking into account the good quality of life of human beings, trees, and animals living in the ecosystem, clearly defined a policy to manage ecosystem and biodiversity that no project would be developed in any restricted or conservation areas. The Company also defined the requirement to survey and study the ecosystems with external experts. The ecosystems in the area around the construction in every new and renovation project must be supervised and conserved. The areas where the Company approached to develop were outside the restricted or conservation areas.

Moreover, the Company gave importance to business operations that was environmentally friendly. The Company's management direction covered energy consumption management, adaptation to changing climates, water and sewage management, garbage and waste management, and environment preservation and development with the engagement of stakeholders. The operations complied with various international standards, such as environmental management system standard (ISO 14001), greenhouse gas management standard (ISO 14064-1), energy management system standard (ISO 50001), and assessment criteria for Thailand Energy Awards of Ministry of Energy, with the objectives to consume natural resources more efficiently, to increase alternative resources consumption, and to reduce greenhouse gas emissions concretely.

3.4.2 Environmental Performance

1. Climate Crisis

The Company was aware of the impacts from Climate Crisis. The acceleration to find a way to reduce greenhouse gas emissions was one significant issues of the organization and was determined to be a key performance indicator of the organization as a part of key drivers for Thailand's goal to achieve Carbon Neutrality within the year 2050 and to release Net Zero Emission of greenhouse gases within 2065 and 2070 respectively to limit the increase in global temperature not to exceed 1.5 degrees Celsius. The Company was aware of the impacts that could follow in the form of physical and transition risks as follows:

Physical Risks/Opportunities	Management approach
- Damages from climate crisis so severe as to become seasonal storm. - Flash flood from rainfall and rising sea level. + Rainfall utilization.	- Choose strong, durable, and standard materials for construction. - Review and renovate the building strength regularly. - Prepare, plan, and procure equipment to alleviate an incident that may occur. - Design the building (Unilever House) to store rainfall for further use in various occasions, such as watering trees. - Conduct activities to create shared values with communities aiming to preserve environment around the building, such as cleaning Yai Soon Canal.
- Damages from heatwave, droughts, and health effect. + Utilization of increasing heat.	- Install solar cell panels on the roof of buildings to make benefits from Renewable Energy. - Evaluate the use of construction materials that are heat protection or can reflect sunlight. - Implement measures to reduce electricity consumption to reduce impact on rising electricity bills. - Design the buildings under energy saving concept by focusing on open, airy, well-ventilation design, and adding green space for building user refreshing.
The extinction of many plant and animal species.	- Implement a policy of no deforestation in every project development area, including the conservation of ecosystems and its biodiversity to avoid the extinction of living things throughout the business operations.
Transition Risks/ Opportunities for low carbon economy	Management approach
Policy and Law	- Study the law and prepare for legal issues of environment and carbon to plan for business' quick adaptation.
Technology	- Study and plan on budgeting for the environmentally friendly technology while considering the cost-effectiveness of using technology.
Marketing	- Develop buildings according to Green Building standards to create marketing advantage because building tenants nowadays are aware of energy saving policy/ measure and promote the Company as a low-carbon organization.
Reputation	- Create good image of operations to attract new generations with the buildings that are modern and respond to global trend.

The Company defined the environment and natural resources conservation policy covering the adaptation to climate change. The data of greenhouse gas emissions released from the Company's activities were monitored and collected to assess the released Carbon Footprint for Organization: CFO. The Company also set goals to reduce the greenhouse gas emissions, which were one cause of global warming, to achieve the Company's goals which were in line with Central Pattana's goals as follows:



Short-term Goal:

Reduce greenhouse gas emissions Scope 1 and 2 by 20% within the year 2025 (compared to 2019 base)

Long-term Goal:

Net Zero Emission of greenhouse gas from the corporate operations (only Scope 1 and Scope 2) within 2050.

Operational Performance on climate crisis

The Company's sources and released amount of Carbon Footprint for Organization: CFO are as follows:

- 1) Direct Emission: Scope 1 was from fuel combustion of the Company's operations, such as gasoline, diesel, and natural gas, including leakage from various gases consumed in the organization's operations, such as refrigerants, fire extinguishing agents, etc.
- 2) Energy Indirect Emission: Scope 2 was from the consumption of electricity in operations in common area and air-conditioning system.
- 3) Other Indirect Emission: Scope 3 was from the energy consumed in travelling of employees, water supply consumption, electricity consumption of building tenants, LPG consumption of retail tenants, and waste disposal outside the organization which included landfill waste disposal and transported waste disposal.

Type of emissions	Base year 2019 (tCO ₂ e)	2021 (tCO ₂ e)	2022 (tCO ₂ e)	Results compared to 2021. (tCO ₂ e)	Results compared to base year 2019. (tCO ₂ e)
Direct Emission (Scope 1)	N/A	66.42 (0.30%)	66.35 (0.28%)	-0.07 (-0.1%)	N/A
Energy Indirect Emission (Scope 2)	20,602.01 (69.47%)	12,231.21 (54.58%)	12,675.19 (52.99%)	+443.98 (+3.63%)	- 7,926.82 (-38.48%)
Total of Scope 1 + 2	20,602.01 (69.47%)	<u>12,297.63</u> (54.87%)	<u>12,741.54</u> (53.27%)	<u>+443.91</u> (+3.61%)	-7,860.47 (+38.15%)
★ The operation results of the year 2022 compared to the base year 2019 showed that the Company could reduce emissions Scope 1 and 2 by 38.15% which was considered short-term goal achievement. The Company has continuously been improving the efficiency of energy sources and complying with the energy conservation measures. Moreover, the impacts from COVID-19 pandemic reduced the number of users in the buildings.					
Other Indirect Emission: Scope 3	9,054.68* (30.53%)	10,113.55 (45.13%)	11,176.77 (46.73%)	+1,063.22 (+5.86%)	+2,122.09 (+23.44)

Note: * Other Indirect Emission (Scope 3) of 2019 excluded garbage while that of 2021-2022 included garbage.

The data in the table was collected from various sources of emissions according to the Carbon Footprint for Organization: CFO assessment guidelines of Thailand Greenhouse Gas Management Organization (Public Organization) and Greenhouse Gas Protocol guidelines.

2. Energy Management

The Company committed to reduce impacts on environment and climate change, especially impacts caused by electricity consumption of the Company (Scope 2) since it contributed to over half of total carbon footprint of the organization (Scope 1, 2, and 3) or accounting for 53%. The significant approaches for management were as follows:

1. Increase Energy Efficiency.
2. Increase proportion of Renewable Energy consumption.
3. Implement measures to reduce central electricity consumption to reduce emissions Scope 2.
4. Promote to tenants for their awareness and their own electricity consumption reduction to reduce emissions Scope 3.

Operation Performance of Energy Management

Main sources of organization's energy consumption (unit: megawatt - hour)	2019	2020	2021	2022	Consumption ratio in 2022	Result comparison 2022 : 2021
1. Central electricity which belongs to the Company's consumption.	34,760.72	29,767.86	24,467.32	25,355.45	65.87%	+888.13 (+3.63%)
2. Electricity consumption by tenants.	15,555.20	12,767.25	10,436.46	10,922.27	28.38%	+485.81 (+4.65%)
3. Fuel consumption by company activities.			96.88	396.89	1.03%	+300.01 (+309.67%)
4. Fuel consumption from LPG sold to tenants.			1,230.81	1,817.48	4.72%	+586.67 (+47.67%)
<u>Total energy consumption</u>			36,231.47	<u>38,492.09</u>	100.00%	<u>+2,260.62</u> (+6.24%)
★ Corporate Target: Reduce central electricity consumption per area unit (Energy Intensity) in part 1 (which is the Company's energy consumption) by 20% within 2025, compared to base year 2019.						
Total area (GLA and common area) (sq.m.)			259,891.84			
5. Central energy consumption which is the Company's consumption on average per area (Energy Intensity) (megawatt-hour/ sq.m.)	0.134	0.115	0.094	0.098		
Results vs. 2019 target	N/A	-0.19 (-29.85%)	(-14.18%) -0.36	-0.40 (-26.87%)		



In 2022, the Company consumed energy in total of 38,492.08 megawatt-hour. The main contribution was fuel consumption in respective order as follows: central electricity consumption which was the Company's consumption 65.87%, electricity consumed by tenants 28.38%, LPG sold to tenants 4.72%, and fuel consumption by Company's activities 1.03%.

Goals: The Company set goal to reduce central electricity consumption which was the Company's consumption as priority due to its highest proportion and it was something the Company could manage and

control directly. The target was to reduce electricity consumption per unit area by 20% within 2025 compared to the base year of 2019.

Performance summary: In 2022, the central electricity consumption which was the Company's consumption was reduced on average per area (Energy Intensity) by 0.36 megawatt-hour/ sq. m., accounted for -26.87% compared to the base year of 2019. The Company continuously improved the Energy Efficiency of air conditioning system, facilities, and lighting in the buildings, that is,

Energy conservation measures in 2022	Building coverage area	Electricity saving (kilowatt-hour/ year)	Cost saving (Baht/ year)
Solar Rooftop installation (under installation)	- G Tower - Unilever House	350,000	1.7 million Baht
Measures for installing heat shielding film on glass wall of building.	- The Ninth Towers	79,000	0.3 million Baht
Changing light bulbs in the building to LED.	- The Ninth Towers	68,000	0.3 million Baht
Measures for improving automatic control system for Chiller Plant Management System: CPMS	- The Ninth Towers - Unilever House - The Shoppes @ Belle	712,170	2,720,491
Installation of Environmental Dashboard	- G Tower - The Ninth Towers - Unilever House - The Shoppes @ Belle	Increase energy consumption efficiency and decrease expenses for hiring officers to do Energy Audit twice a year.	
Total		1,209,170	5 million Baht

Moreover, the Company was committed to stimulating measures to promote energy saving in cooperation with tenants of office buildings, retail shops, and residential projects to save more energy. The Company held annual activities, "60 Earth Hour" campaign, to reduce global warming. The Company was also committed to stimulating measures to promote hot energy saving by turning off lights around the buildings and some parts of parking lots as deemed appropriate. The Company's associates and retail shops were invited to join the campaign in responding to Bangkok project, Foundation for Environmental Education for Sustainable Development (Thailand), World Wildlife Fund for Nature, government sector and private sector agencies, which were domestic cooperation to help reduce global warming.



Picture of "60 Earth Hour" campaign at G Tower Grand Rama 9 Building

In 2023, the Company has a plan to improve Energy Efficiency continuously in air conditioning system, facilities, and lighting in office buildings. The action plan and the forecast of energy saving capability are as follows:

2023 Energy conservation measures development plan	Building coverage area	Electricity saving (kilowatt-hour/ year)	Cost saving (Baht/ year)
Measures for improving automatic control system for Chiller Plant Management System: CPMS	- G Tower	500,000	2.5 million Baht
Installation of Energy Recovery Wheels	- The Ninth Towers	240,000	1.2 million Baht
Changing light bulbs in common halls in buildings to LED.	- The Ninth Towers	111,000	700,000
Installation of equipment to control Variable Speed Drive : VSD	- The Ninth Towers	120,000	600,000
Installation of Solar Rooftop	- The Ninth Towers	200,000	1 million Baht
Total		1,171,000	6 million Baht

As for guidelines for the Company's fuel management, because of its small proportion of 396.89 megawatt-hour or 1.03% of total energy consumption, the Company regularly reviewed the consumption efficiency and maintenance to make the engine combustion work efficiently, such as lawn mower, equipment for firefighting drills, reserved energy for emergency, such as fuel for Generator and Fire Pump system, and shuttle van for customers and employees. The Company also considered to use Electrical Vehicle (EV) in the future.

3. Water and Sewage Management

According to the indicators of the United Nations (UN), it was identified that the area where fresh water consumption was 25% and over was considered as the area with high water stress. Thailand, according to the data updated in 2021, had the water stress level of 23%. The Company, operating business in Thailand, was not considered to be in the high water stress area yet. However, Thailand began to get impacts from the Climate Change in the form of low quality of water. Currently, the proportion of water quality in good environment was only 36%, causing impacts on water scarcity in many provinces, especially to agricultural sector. As a result, agricultural products were in shortage and agricultural product prices were affected, becoming the macro impact. The Company saw this importance and has defined measures for water conservation based on 3 R principles: Reduce water consumption, Re-use water, and Recycle water by treating sewage to improve its quality.

Operation Performance of Water management

Amount of water consumption	2021	2022	Increase/ Decrease
Amount of water supply consumption (million cubic meters)	276,273.00	246,354.00	-29,919.00
Total amount of sewage (cubic meters/unit area)	100,898.00	134,172.00	+33,274.00
Ratio of sewage/ water supply consumption (%)	36.52%	54.46%	+17.94%
Amount of treated sewage	100,898.00	134,172.00	+33,274.00
Ratio of treated sewage/ total sewage (%)	100%	100%	0%

Operation Performance of Sewage Management

Sewage index per unit area	unit	Standard value	G Tower (Type A)	The Ninth Towers (TypeA)	Unilever House (Type B)
Total sewage	Cubic meters	-	65,716.4	66,093.2	2,362.4
Biochemical Oxygen Demand: BOD	milligram per litre	≤ 20 and ≤ 30 for building type A and B respectively	5.5	7.5	22.5
Suspended Solid: SS	milligram per litre	≤ 30	6.02	9.75	7
Dissolved Solids: TDS	milligram per litre	500	155.76	134.65	315
pH	-	5-9	6.6	6.98	6.85
Grease & Oil	milligram per litre	≤ 20	1.4	16.5	7.3

Note: The data showed the analysis of sewage on total year average, excluding The Shoppes @ Belle which used water treatment system controlled and managed by the building juristic entity and was out of control and management of the Company.

Water Management

The Company applied the design of efficient water management system in consideration of water needs inside and outside the building, appropriateness of space to build water storage tool, and cost effectiveness of installing water recycle system. Moreover, the Company implemented measures to help manage water consumption of tenants and customers efficiently, such as installation of water consumption meters to measure water consumption of tenants and billing them at actual expenses to motivate tenants to save their water consumption, installation of water saving faucet, and selection of drought-tolerant plants for the projects.

Moreover, there was a plan to increase the proportion of reuse water by installing water treatment system, taking treated water to improve quality and reuse it in the activities that allowed the use of treated water, such as watering plants, cleaning floors, etc.

Sewage management

In 2021, the Company released sewage 134,172 cubic meters, accounting for 54.46% of total water consumption. The Company treated 100% of sewage before releasing it to public water sources, complying with the regulations of sewage controlling work, including recording and preparing report, and quality checking by external agencies which were internationally certified by ISO/IEC 17025. The Company also provided maintenance for various equipment in sewage systems, such as sewer system, grease traps, sewage pumps, aeration pump treatment pond according to the preventive maintenance plan. The quality of sewage was regularly checked to comply with the standard criteria. If the result of quality checking did not pass the criteria, each building would have a follow up plan to search for root cause and take immediate action to resolve and improve water quality to make it pass the criteria set by law and other provisions before releasing sewage to public water sources.

4. Management to improve economic ecology efficiency

The Company conducted G Garden - Urban farming & farmers connected project which was a pilot project making use of the 3.9 Rais land waiting for construction by turning it into a temporary vegetable garden in the city for 2 years (2021-2022). The concept promoted the concrete integration of space, food, agriculture, and environment in real estate industry and Thai shopping center by creating a green community model to be deployed in limited space in other areas and to add beauty to the urban ecosystem. Moreover, the Company restored water sources near the project, “Yai Soon Canal”, to be used for agriculture. Farmer’s Market was organized for farmers and small entrepreneurs to trade agricultural products, open only on Saturdays. There were more than 15 shops joining to sell products rotating each time the market opened. As a result, farmers had the combined incomes approximately of 25,000-35,000 baht which contributed to the community’s increasing incomes and improving quality of life for urban people.

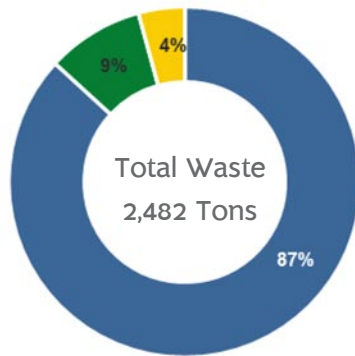


Moreover, the Company implemented the garbage management policy, Journey to zero, according to Central Pattana’s guidelines to resolve problems of big amount of landfill waste in Thailand and the huge value of waste management expenses. Cooperations from key stakeholders are driven, including customers, tenants, and employees, to sort waste from the beginning and bring it to the processing or recycle process to maximize benefits of resources consumption according to Circular Economy concept.

The Company had target to reduce landfill waste to 50% of total waste within 2025.

Operational Performance of Garbage and Waste Management

Garbage and waste management (ton)	2021	2022	Amount of garbage compared to previous year
Total amount of garbage	1,920.48	2,482	+ 561.52
Direct to Landfill	1,918.32	2,155	+ 236.68
<u>Divert from landfill</u>	<u>- 2.15</u>	<u>- 327</u>	<u>+ 324.85</u>
Amount of landfill waste reduction in %	0.11%	13.2%	+13.09%
Operational performance compared to 2025 target (-50%)	-47.85%	-36.8%	



Total waste	=	2,482 Tons
General	=	2,155
Organic	=	222
Recyclable	=	105
Hazardous	=	0.3

Diversion rate = 13.2%

Garbage and Waste Management

- (1) Waste sorting activity set 3 types of waste bins: general waste, recycle waste, and hazardous waste for customers to sort their waste before dropping in the bin and put separated bins for clear plastic bottles to let customers tried sorting only PET bottles before dropping. It appeared that customers could sort water bottles correctly for over 80%.
- (2) Good Throwing for Thai Fight COVID campaign invited people to donate sorted waste to be sold and give a contribution to Help Thai Fight COVID-19 campaign with Central Group. The campaign invited Thai people to sort delivery waste into 2 types: bottle-glass-clean plastic box and corrugate cardboard before dropping them at dropping points in G Tower Building and The Shoppes @ Belle. Total of 1.33 tons of recycle waste were collected. Incomes from sales of sorted waste, at the value of 3 Baht/ kilogram, were given as contribution to the Help Thai Fight COVID-19 campaign of Central Group to support the medicine and public health research project. In 2022, the campaign gave 4,000 Baht for a grant to such project.
- (3) 'Recycle Day' project in cooperation with partners supported new startups. The Company provided space to set up a station to buy recycle waste, providing convenience to tenants, employees, and customers in bringing recycled waste to sell and collect points to redeem for special gifts. The Company had intention to promote waste sorting to tenants and employees by providing safe services, highest return, and consultation on how to manage the leftovers.
- (4) Join "No Total" campaign of Bangkok which was to separate food waste and organic waste from upstream to be used as compost.
- (5) "CSV: REUSE - Waste Management" campaign. The Company, seeing the benefits of reinventing new things from the leftovers, cooperated with Central World Shopping Center to modify old fixtures from the events to be outdoor chairs which were designed by the TAM:DA (FB: TamdaDesign). They were put in G-Garden, the courtyard in front of Unilever House for public recreation.



3.5 Sustainable Management for Society

3.5.1 Social Policy

The Company had a policy to drive the organization to sustainability according to ESG principles regarding impacts on every group of stakeholders. All opinions were listened and brought to improve projects and services of the Company in responding to needs and human right respect of individual and every group of stakeholders equally. This was deemed as the significant basic duty in operation with which everyone from executive level to operational level was required to comply. The Company also aimed to grow business with Thai society by driving business on the basis of Creating Shared Values: CSV through the Company's operational process and measures to be the community center and space of good future for everyone, such as policy of law and human rights respect, practice to customer, procurement and practice to supplier, practice to creditor, practice to employee, trade competition, occupational health and safety, etc. as disclosed in detail on website www.grandcanalland.com/ir-policies-implementing-guidelines.php

Moreover, the Company intended to develop new buildings according to the Well Building Standard under 7 key concepts: air, water, public facility, light, exercise, environment, and mind, to enhance health and well-being of people in the buildings.

3.5.2 Social Operational Performance

1. Occupational health and safety

The Company gives importance to occupational health and safety issue as priority since its personnel, including executives, employees of all levels, contractors, customers, tenants, and building users are key resources of the organization driving business continuously. Thus, the Company managed the environment inside the buildings in responding to safety, which was the fundamental right of everyone, as top priority.

Guidelines for safety operations

1. Process the occupational health and safety to be a standard system according to the occupational health and safety at work standard ISO 45001 in compliance with the occupational health and safety policy as publicized on the website <https://www.grandcanalland.com/ir-policies-implementing-guidelines.php>.
2. Establish the safety, occupational health, and working environment safety committee in the organization, having duty in negotiation on employee benefits, driving the policy and plan of working environment safety, and checking safety in workplace. The committee also had duty to follow up on the situation solution to prevent and reduce accident, danger, sickness, or occurrence of annoyance, including sewage cost control and communication on safety risks. The lessons learned from the flaws would be taken to improve operation, prevent recurrence, and become the safety and occupational health culture of the organization.

In 2022, the Occupational Health and Safety Committee (OHS Committee) consisted of 14 persons.



Accounting for 9% of 160 total employees 6 committee meetings were held in 2022.

3. Conduct training or activities to promote safety and occupational health. 5 activities were held in 2022 as follows:
 1. 3 fire evacuation drills in 4 buildings of real estate projects.
 2. First aid
 3. Self-care and protection from epidemic.

Target

Operational Performance in 2022

Accident from work causing death or permanent disability of employees and contractors is

zero

Lost time injury frequency rate of employees and contractors is

zero

- Accident from work causing death or permanent disability of employees is 'zero'.
- Accident from work causing death or permanent disability of contractors is 'zero'.
- Lost time injury frequency rate of employees is 'zero'.
- Lost time injury frequency rate of contractors is 'zero'.

Accident from work causing death or permanent disability of employees and contractors is 'zero'.

2. Personal Data Protection

Due to the implementation of the Personal Data Protection Act: PDPA 2022, the Company was aware of the importance of this issue since the Company provided services to office tenants and retail shop tenants, including real estate sales which involved a lot external and internal persons. Thus, the Company must promote practices to employees in the organization and provide training and knowledge of personal data protection. In the previous year, the Company developed 'GLAND SERVE' system which was the Omni-Channel system gathering all online and offline contact channels for tenants to increase convenience when using services. To prevent the violation of personal data privacy of customers and employees, the Company regarded personal rights as follows:

- 1) Right to be informed
- 2) Right of access to personal data
- 3) Right to data portability
- 4) Right to object to the collection, use, or disclosure of personal data.
- 5) Right to erasure (also known as right to be forgotten) of personal data.
- 6) Right to restrict processing
- 7) Right of rectification

3. Employee development and retaining

The Company had a goal to become “Employer of Choice” to attract competent and good people to join and drive the organization for efficient operations and to be ready for the sustainable and stable business growth. The Company’s guidelines for management are as follows:

3.1 Recruitment and employment

The Company had a policy of fair recruitment and employment offering opportunities to everyone regardless of gender, nationality, religion, and equally respecting basic rights of individual without discrimination. Any qualified individuals could apply for the positions through various channels, such as external recruitment via company website: www.grandcanalland.com/career.php, recruitment agencies, and at office, etc. The recruitment for qualified persons also included candidates from inside the organization, such as job rotation, job transfer, job promotion, and extension of retired employees on annual basis or as mutually agreed by employer and employee.

Moreover, the Company hired 2 disabled employees in accordance with the law measure 33 on the ratio of 1:100 of total employees and provided space to support profession of disabled persons.

3.2 Care and relationship with personnel

The Company defined measures to take care and create relationship with employees according to the following guidelines:

- Set fair remuneration by performance evaluation process to raise salary, bonus, and position promotion of employee. The remuneration payment and welfare were improved by providing health insurance, accident insurance, and provident fund to support security in life and development of life quality and well-being of employees.
- Provided training to build knowledge and to develop competency of personnel, organized activities or projects to communicate policies and to promote measures of the Company, such as ‘Communication Day’ which organized meeting between executives and employees to exchange the Company’s direction and operational approaches on the annual basis and to create relationship between executives and employees.



Picture of “Communication Day” activity in 2022

- Listened to opinions and suggestions of employees and treated employee of every level fairly without discrimination. The Company supported the discussion and the information proposal to authorized persons in the Company. The employee’s satisfaction and relationship to the organization were surveyed in People Voice. The results of survey and suggestions were used to improve the process and working environment for better quality of life of personnels.

In 2022, the survey of employee's satisfaction and relationship to organization showed that out of 94% of employees doing survey, the level of satisfaction and relationship was 62%, increasing from 54% in 2021. The rate of voluntary resignation was 28% of which 4% was transferred to Central Pattana

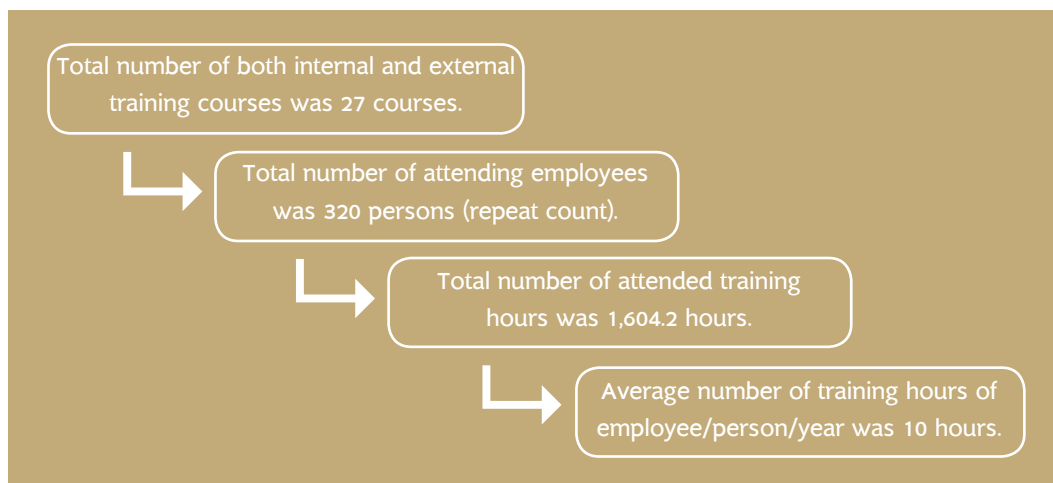
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The Company aimed to develop its operations to improve employee development and retaining. The Company planned to join 'CNEXT' system of Central Pattana in response to Synergy strategy or co-working with maximum value of asset utilization. Employees were able to access the training courses with the same standard, knowledge, and organizational culture. They were also able to access the work practice manual, facility system, training courses related to position according to the training plan that supported employees' growth in their career path. Employees would be able to keep record of their training and receive certifications to add value to themselves. This would develop employee's satisfaction or relationship even further.

3.3 Development of personnel potential

The Company gives importance to systematic and continuous personnel development following the individual development plan along Career Roadmap to build skills necessary for their work, such as Intensive Firefighting Course, Accounting and Operational Financial Process Course for new or renovated centers, Smart Sale Course, Budgeting Course, etc. High potential employees would be trained to improve their skills to be leaders of the organization, such as Advance Professional Consultative Selling Course class 1-2, Leader as Coach Facilitator Course, Internal Audit Course, etc. Such training courses were held in form of online, classroom, and onsite in real workplace to join workshop which would extend to the stimulation for higher working efficiency.

The performance of personnel development in 2022 was as follows:



In addition, the Company has communicated significant information and understanding about work to every employee via e-mail to emphasize the compliance with corporate governance for employees, such as practice of No Gift accepting and giving, practice for conflict of interest, internal information usage, anti-corruption. Significant training courses focusing on key issues are provided, such as impacts from climate change, etc. Employees were entitled to attend external training courses if interested and they were beneficial for related work.



Picture to PR “No Gift accepting and giving” Practices.

3.4 Management and performance appraisal

The Company conducted management and personnel management based on the corporate governance principles. The standard job value and responsibility were updated according to the plan. Welfare was updated to be flexible according to employee’s potential and ability. The fair and reasonable welfare was considered by the appraisal process which had 3 steps as follows:

- 1) Self appraisal by considering the annual performance according to the Individual Performance Management Plan which was divided into 3 parts:
 - Duties and responsibilities as assigned in the plan and operational target according to the corporate strategy.
 - Performance from complying with corporate strategy, organization growth, value creation, efficiency increase, and internal process improvement.
 - Performance from special projects or plans by which were driven together with colleagues in the same team, from different department, different division, or external parties.
- 2) Supervisor gave feedback to subordinate via one-on-one conversation and took the score of an individual to the next process.
- 3) Calibration process let the appraisal work on the same standard in management meeting by considering position in respective order. The result would be used in the annual consideration of salary increase and bonus, for position promotion, and for individual development plan in the next year.

The Company did not have policy to lay off employees unless employees severely violated the law or company code of conduct. The Company defined the consideration process according to the Company procedures.

4. Social Integration and Transformation

1) Center of community

1.1 The project to increase efficiency of economic ecosystems in empty land waiting to be developed for real estate projects was G-Garden vegetable garden in the city which created a network of more than 10 organizations, such as The Farm Concept, Big Trees Project, Ageekculture, JaiTalad, Khlong Toei Dee Jung, Poonsuk Market, etc. and brought following values to community:

- Sparking urban people and creating green community to be a meeting and learning space of agriculture in downtown for people interested to adapt to their houses, condominiums, or small space. This project was like a Sandbox for youths, families, general people, or various organizations interested in new experiments.
- Creating incomes for farmers all year with opportunities to access to the space and to connect producers to consumers.
- Improving health and quality of life of urban people and creating a model of green space in the center of the city which was a source of food that was not expensive, good for health, chemical free, fresh, clean, and safe.
- Increasing diversity to ecosystem in the city, restoring balance of ecosystem and adding habitat and foraging areas for small animals, such as birds, squirrels, insects.

There were 19,112 people attending the project in 2022.



1.2 The Company was the blood donation center by coordinating with the Thai Red Cross Society to support everyone in being a “giver”. They could come to donate their blood at the building all year in February, May, August, and November 2022. Total donated blood was 211,600 c.c. and would be reserved for the country for necessary cases. Moreover, the donation also stimulated the body of a giver to create new blood cells for replacement which made good blood circulation.



- 1.3 The Company supported the public benefits by building a Cover Walk Way in the area of The Grand Rama 9 Project to provide services to customers and public benefits to general people who used services in the building. The walk way was built in pedestrian area and footpath and was decorated with flowers along the aisle. The light and CCTV camera were installed to create safety and provide convenience to customers and people travelling around and to help improve the landscape of the area in the project and to make the scenery of community around more beautiful and livable.

Moreover, the Company cooperated with Huai Khwang District Office, private sector, and people living in the area to do public service activity in the royal volunteer project “We Do Good Deeds with Heart” for 5 consecutive years. It was the royal project of His Majesty King Ramathibodi Sri Sinthon Maha Vajiralongkorn Phra Vajiraklao Chao Yu Hua in improving and developing the area near Yai Soon canal to build a canal model of sewage problem solving and improving water quality with water circulation principles to restore water quality in the canal systematically. The landscape near the canal was improved by taking out garbage, cleaning the area near the canal, trimming trees, painting railing, planting flowers to decorate area around the canal, and renovating lights and CCTV camera to increase safety for people travelling around.



Picture of public service activity in the volunteer project “We Do Good Deeds with Heart” near Yai Soon canal, Huai Khwang - Din Dang district, Bangkok

2) Local Wealth

2.1 The Company has been supporting “Chan Ka Phak” shop which was part of Prince Chakraband Pensiri Center For Plant Development in the initiative of Her Royal Highness Princess Maha Chakri Sirindhorn under management of Chaipattana Foundation and Mae Fah Luang Foundation since 2019. The space on the G floor of The Ninth Towers was allocated without charging fees to be a distribution channel of goods and agricultural products from the cultivation of royal seeds of home-grown vegetables in the “This house has love, grow your own vegetables” project. The project encouraged farmers to comply with the criteria and provisions of planting home-grown vegetables with safety and quality under the Good Agricultural Practice (GPA) standard to promote local goods and agricultural products, to develop local community economy, and to create good and sustainable quality of life to farmers. The value of space support budget was over 900,000 Baht/year in total. It also supported the good quality of life to community and supported consumers with opportunities to access to safe and organic products.



Picture of goods and agricultural products sales of “Chan Ka Phak” shop
At The Ninth Towers Grand Rama 9

2.2 G-Garden vegetable garden in the center of Rama 9 was part of “Green Market, Safe Food Ecosystem” organized for sustainable food security under the public relations of Thai Health Promotion Foundation and network partners. “Green Market” was a place selling agricultural products in community which were organic/ chemical free/ safe and passed standard certification including food and products representing identity of each locality. The process from producing to sales distribution concerned health and environment at fair prices for producers and consumers. Green Market featured a meeting place for producers and consumers to meet, share, talk which letting consumers know sources of food and attention of producers, how to cook from producers and letting producers know consumer’s needs to improve their product quality as well. This led to good relationship between producers and consumers, engagement and driving towards food system establishment,



Moreover, the Company also supported the space for “World Food Day: Food For Better Life” event organized by Wellbeing Food of Thai Health Promotion Foundation, including such activities as “Food For Better Life” seminar, volunteer work from Thai Volunteer Service, fun music from triple H music project, volunteer music teachers for youths project (Office of Opportunity and Innovation (Thai Health Promotion Foundation) on 12th October 2022.



2.3 Supporting cost of consumer goods to Lak Si District Office to help people who were affected and suffered by natural disasters, that is, the flood in Lak Si district from heavy rain.

3) Knowledge sharing for experience creation

The Company gives importance to education and personnel development, being aware that education creates opportunities and increases efficiency of human potential which is the foundation to drive society sustainably. The Company, thus, supports the learning of employees and society in all sectors by continuously organizing learning exchange activities for society and employees, providing space to hold events, donating to community, charity organization, and agencies involving with community to promote learning for the youth in life skills and professional skills development, such as,

3.1 Workshop about urban farming technique



The Company led by G-Garden team co-organized workshop about urban farming for limited space to produce chemical free products for home consumption. The moderators were Aunt Tui Pornpan who was an urban farmer and Khru Usa from rooftop vegetable garden of Khru Usa's House. They closely coached 45 employees of the Stock Exchange of Thailand (SET) and 250 visitors from Kasetsart University and Srinakarinwirot Prasanmit University who came to learn and visit the vegetable farm and the project concept.



3.2 G-Garden Project research study area

The Company opened G-Garden space for researchers from the Agriculture Faculty of Kasetsart University, researchers from Germany and Singapore to do research on urban farming, to create inspiration and to be the space for experience sharing through research in creating concept of transforming a wasteland or waiting to be developed land into a creative space giving benefits to urban community. The concept of development was to utilize existing resources appropriately at maximum benefits.

3.3 The Food Dialogues : Cooking in The Garden Activity

The Company organized “Cooking in The Garden” workshop by inviting guests to share their recipes in the form of home school learning, sharing homemade recipes made from simple ingredients at hand and vegetable in the garden which the community can do by themselves at home. Participants had a chance to cook, share, and eat dinner together in an urban farming atmosphere. The condition of the activity was that everybody had to bring his own food container to help reduce waste. The donation was also made to support the activity.



meeting with Microgreens

พบกับ
ไมโครกรีน หรือ ดินอ่อนสุด
น่ารักจาก Food City ฟาร์มเมือง
ด้วยสวนเกษตรอินทรีย์ปลอดสารพิษ
จากฟาร์มในเมือง
พบกับ
อาทิตย์ 20 มิถุนายน 2565
เวลา 15.00 - 17.00 น.
ณ g garden
ไมโครกรีนคืออะไร? มาดูกัน



Moreover, the Company provided support to community, charity, suitable agencies connecting with community and donation to support education sector which is the foundation for social movement, such as golf charity competition in the “12th Traditional Golf Competition of Army War College and AWC 67 Golf Charity” for the Army War College.

Part of incomes from the competition would be used to support educational activities to promote learnings of the youths in life skills and professional skills development.

5. Human Rights

The Company supports everyone to respect basic human rights of one another no matter he or she is an executive, employee, or stakeholder of every group. The Company overviews and strictly prevents company business from getting involved with human rights violation according to the provisions of the law and related agencies. The Company complies with the United Nation Guiding Principles on Business and Human Rights or UNGP on the key 3 principles: Human rights protection, Human rights respect, and Remedy. They are divided into 3 directions: consideration of the right to safety, employee rights respect, and justice. The Company has policies and practice guidelines as a norm for human rights management as seen in detail in Section 2: Corporate Governance, under “Policy and practice for the law and human rights respect” topic, and also prepared measures of human rights violation prevention and risk management as follows:

1. Define a policy and practice for the law and human rights respect as published in details on company website: <http://www.grandcanalland.com/ir-policies-implementing-guidelines.php> and have it reviewed regularly every year.
2. Publicize the online complaint filing system to both internal and external of organization. The channel for online complaint filing was on company website as disclosed in detail on <http://www.grandcanalland.com/ir-suggestion.php> to accept complaints or clues.
3. Take care of employee’s human rights regarding safety and good health by establishing the Safety, Occupational Health, and working environment safety Committee to supervise safety and occupational health of employees in the workplace.
4. Provide training and knowledge of human rights to personnel, such as training course on Personal Data Protection Act: PDPA 2019 and promote the practice to employees in the organization.

Moreover, the Company gives importance to Gender Equality with no discrimination with respect to every human being’s potential on the basis of equality which can be seen from the variety of employees in various functions as follows:

Work group	Male	Female	Total
Executives (senior level)	4	1	5
Project management	20	11	31
Sales and marketing of office space	2	5	7
Sales of leasing space and operations	45	31	76
Supporting function	9	27	36
Company Secretary Office	-	3	3
Human resource and organization development	1	1	2
Total	81	79	160

In 2022, the Company did not receive any complaints regarding human rights violation of directors, executives, and employees from activities or business operations of the Company.

4. Management's Discussion and Analysis

4.1 Analysis at Business and Financial Performance

(a) Overview

As the COVID-19 outbreak situation, which persisted from 2020 to present, have begun to ease, not only did the citizens resume their daily activities close to normal level, but tourism have also showed strong recovery. At the same time, the offices industry have shown subtle signs of improvement as the proportion of employees that have returned to workplaces gradually increased during the period. However, despite an improving sentiment to the Thai economy, uncertainties and near-term volatility still remains, such as staggering global economic growth, rising inflation and interest rates. In addition, the ongoing Russia-Ukraine war has constrained energy prices, leading to continuously increasing energy costs throughout the second half of 2022 to present.

The Company continues to manage its businesses with utmost prudence without easing its safety and hygiene practices to accommodate the visitors and customers for its projects, as well as. To address temperature fluctuations, the company deploys an energy management system, including building temperature control, alongside effective cost management to align with revenue. Most importantly, the Company continues to look after the best interest of its stakeholders, including tenants, shops, customers, business partners and shareholders. Key events in 2022 for each business are as follow:

Offices business: the office projects continue to operate as normal. As employees gradually return to work at the office projects, the Company continues to deploy stringent measures to ensure the safety and well-being of

on-site employees and visitors at its office projects. Furthermore, the company continues to engage prospective tenants in response the demand which is expected to be higher after the COVID-19 situation unfolds.

Retail area leases business: the area continues to operate as normal. The Company extends its support to certain retail tenants that are affected by the COVID-19 situation, such as providing appropriate levels of rental discounts and support for marketing activities.

Real estate business: Nirati Donmuang, a new low-rise residential project, the Company launched in 2021 and has since received widely positive responses from customers. Pre-sales continue to grow from the previous quarter as the project accelerates its pace to complete the construction and furnishing of booked units such that they can be transferred to the customers as planned.

Sustainable Business Development: The company pay attention to the community social and environmental development. In 2022, the company cooperates with both Government and Private agencies to arrange the activities such as the Organic Weekend Market (with the Department of Internal Trade), Recycle day (with the Huaykwang state). Additionally, the company still continuing to facilitate the blood donation events, working together with the nearby communities to improve the Klong-Yai-Soon water quality. The company's ultimate goal is to be a part of long-term Environmental Social and Economic developments.

b) Significant events in 2022

On 3rd November, 2022, Grand Canal Land Public Company Limited has made a notification to the Stock Exchange of Thailand regarding financial assistance to Bayswater Company Limited, a joint venture between Central Pattana and Ratchada Asset Holding Company Limited (a subsidiary of which the Company holds 100% of the shares) in the ratio of 50:50, amounting to approximately 5,500 million baht.

(c) Future business plan

The Company places great importance on maintaining and building strong, stable and sustainable business growth by setting business goals in the 5-year period (2023-2027) that will generate at least 10% CAGR per year. One of the sustainable business development strategies is to achieve this goal. The Company has set a path for growth by diversifying the business base of property development and management in various forms, together with the support from Central Pattana, which is a major shareholder and has been a leader in developing and managing commercial real estate in Thailand for more than 40 years. This will help increase confidence in business management to grow and have good and sustainable returns, along with taking into account the interests of all groups of stakeholders importantly.

(d) Operational performance
1) Income

Income classified by type	2022	2021	Increase / (decrease)	
	Million baht	Million baht	Million baht	Percentage
Rental and service income	1,208	1,153	55	5%
Income from the sale of real estate	307	402	(95)	(24%)
Total income	1,515	1,555	(40)	(3%)

The Company had operating income of 1,515 million baht, a decrease of 40 million baht or 3% from the previous year, mainly from the real estate business, which had lower revenues. The income from rental and service business, which is the main business of the Company slightly increased compared to the previous year from the gradually improving business conditions. Meanwhile, the office building occupancy rate remains at the same level as the previous year.

2) Gross profit

In 2022, the Company had a gross profit of 1,131 million baht, representing a gross profit margin of 75%, a decrease from the previous year. The gross profit margin was 79% as a result of rising energy costs and interest rates.

3) Selling and administrative expenses

In 2022, the Company had total selling and administrative expenses of 298 million baht, a decrease of 3% or 9 million baht compared to 2021.

4) Financial costs

In 2022, the Company had finance costs of 141 million baht, a 10% decrease or 16 million baht compared to 2021, mainly due to efficient cash management.

5) Net profit

The Company's net profit was 714 million baht, an increase of 140 million baht or 24% from the previous year. If considering the results of operations, excluding the effects of financial reporting standards such as gains and losses from fair value adjustments of investment properties in the current period and the previous year, the Company's net profit decreased by approximately 7%. However, the Company was able to manage the lower financial costs from the management of capital and debt structure to be more efficient. This slightly offsets the impact of lower revenues and increased operating expenses.

(e) Changes in financial position

- 1) Asset as of 31st December, 2022, the Company and the subsidiaries had the total assets of 29,709 million baht, an increase of 378 million baht from the end of last year. The Company's assets consisted of:

Current assets consist of cash and cash equivalents, trade and other receivables and real estate development for sales. As of 31st December, 2022, the Company had current assets of 1,164 million baht, a decrease of 58 million baht from the previous year as a result of:

- Cash and short-term investments which decreased by (37) million baht.
- Real estate development for sales which decreased by (14) million baht.

Non-current assets consist of long-term investments, investments in associated companies, loans to related parties, investment properties, property, plant and equipment. As of 31st December, 2022, the Company's non-current assets increased from the previous year by 438 million baht as a result of:

- Loans to related parties which increased by 159 million baht.
- Investment properties which increased by 256 million baht.

- 2) Liabilities As of 31st December, 2022, the Company had total liabilities of 13,441 million baht, a decrease of 404 million baht from the end of the previous year. The Company's liabilities consisted of:

Current liabilities consist of short-term loans from financial institutes, trade and other payables, short-term loans from related parties, debentures due within one year, retention payables and construction contractors, and others. As of 31st December, 2022, the Company had current liabilities of 2,454 million baht, a decrease of 2,724 million baht from the previous year as a result of:

- Short-term loans from related parties and financial institutions which decreased by (2,640) million baht.
- Trade and other payables which decreased by (84) million baht.

Non-current liabilities consist of long-term loans from financial institutes, liabilities under lease agreements, debentures, deposit and service payables, rental and service income received in advance, and others. As of 31st December, 2022, the Company had non-current liabilities of 10,987 million baht, an increase of 2,321 million baht from the previous year as a result of long-term loans and long-term debentures increasing by 2,454 million baht.

- 3) Shareholders' Equity As of 31st December, 2022, the Company has shareholders' equity (only part of the Company) in the amount of 15,246 million baht, an increase of 739 million baht from the previous year due to profits in the period and an increase in the valuation of long-term investments.

(f) **Capital structure**

As of 31st December, 2022, the Company's Debt to Equity Ratio was 0.83 time, a decrease from the end of last year which was 0.89 time. The Interest Bearing Debts to Equity Ratio decreased from 0.42 time at the end of 2021 to 0.39 time at the end of 2022 (the Company must maintain the Interest Bearing Debts to Equity Ratio not exceeding 3 times in order to meet the requirements from the previous debenture issuance).

4.2 Significant Factors that may Impact Future Business and Financial Performance

In the second half of 2022, the COVID-19 pandemic situation has greatly eased. People are accustomed to living in the New Normal. Work From Home is becoming more and more applied as a normal policy of the operation of many companies. As a result, the demand for office building and retail space has not significantly recovered from the pre-COVID-19 period. Coupled with intense competition in the office building industry, there is a tendency to increase the rental rate at a lower rate or to maintain the rental rate. At the same time, the situation of the increase in construction costs results in an increase in the construction cost of residential projects. However, the Company still able to maintain the gross profit margin at the same level.

4.3 Financial Highlights

Financial Statement

A. Audit Reports

The financial statements of Grand Canal Land Public Company Limited and its subsidiaries have been reviewed by Mr. Natthawut Santipet of EY Office Company Limited in 2018, Ms. Vannaporn Jongpradechanon in 2019-2022 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).

B. Summary Financial Statement

Grand Canal Land Public Company Limited and its subsidiaries

(Unit : Million Baht)

Statement of financial position	31 December 2022		31 December 2021		31 December 2020	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Assets						
Current assets						
Cash and cash equivalents	107.21	0.36%	104.28	0.36%	69.76	0.24%
Trade receivables and Other receivables	133.05	0.45%	142.50	0.49%	164.56	0.56%
Real estate projects development for sale	921.80	3.10%	935.45	3.19%	889.57	3.04%
Other current assets	0.21	0.00%	40.18	0.14%	40.12	0.14%
Total current assets	1,162.27	3.91%	1,222.41	4.17%	1,164.01	3.98%

(Unit : Million Baht)

Statement of financial position	31 December 2022		31 December 2021		31 December 2020	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Non-current assets						
Restricted bank deposits	1.00	0.00%	1.00	0.00%	1.00	0.00%
Long-term loans to related parties	4,825.01	16.24	4,666.32	15.91%	4,552.60	15.58%
Investments in associates	1.11	0.00%	1.11	0.00%	1.11	0.00%
Other non-current financial asset – investment	650.07	2.19%	615.84	2.10%	571.51	1.96%
Investment properties	22,507.02	75.76%	22,250.84	75.86%	22,341.68	76.45%
Property, plant and equipment	475.43	1.60%	481.50	1.64%	485.83	1.66%
Land leasehold right from related parties			-	-	-	0.00%
Deferred tax assets	77.39	0.26%	82.05	0.28%	92.54	0.32%
Intangible assets	2.06	0.01%	2.60	0.01%	2.75	0.01%
Other non-current assets	7.38	0.02%	7.47	0.03%	11.51	0.04%
Total non-current assets	28,546.47	96.09%	28,108.74	95.83%	28,060.54	96.02%
Total assets	29,708.74	100.00%	29,331.15	100.00%	29,224.55	100.00%
Liabilities and equity						
Current liabilities						
Short-term loans from financial institutions	820.00	2.76%	1,000.00	3.41%	550.00	1.88%
Trade and other payables	219.00	0.74%	266.11	0.91%	256.37	0.89%
Current portion of lease liabilities	5.41	0.02%	5.06	0.02%	4.38	0.01%
Short-term loans from related parties	-	-	782.21	2.67%	1,426.37	4.88%
Current portion of long-term loans from financial institutions	1,100.00	3.70%	2,531.91	8.63%	-	-
Current portion of debentures	-	-	1,027.71	3.50%	1,162.60	3.98%
Current portion of advance rental and service income	234.09	0.79%	234.09	0.80%	234.08	0.80%
Retention payable	14.50	0.05%	29.61	0.10%	67.17	0.23%
Deposits and advance received from customers	2.99	0.01%	0.40	0.00%	0.20	0.00%
Contractor payables	18.57	0.06%	32.02	0.11%	162.03	0.55%
Current income tax payable	35.32	0.12%	48.00	0.16%	30.33	0.10%
Other current liabilities	4.31	0.01%	3.67	0.01%	3.78	0.01%
Total current liabilities	2,454.23	8.26%	5,960.79	20.32%	3,900.30	13.35%

(Unit : Million Baht)

Statement of financial position (Cont.)	31 December 2022		31 December 2021		31 December 2020	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Non-current liabilities						
Long-term loans from related parties	1,803.93	6.07%	-	-	-	-
Long-term loans from financial institutions	2,531.91	8.52%	1,100.00	3.75%	2,531.91	8.66%
Lease liabilities	132.72	0.45%	132.22	0.45%	129.70	0.44%
Debentures	-	0.00%	-	0.00%	1,026.79	3.51%
Deferred tax liabilities	1,756.44	5.91%	1,656.55	5.65%	1,599.24	5.47%
Rental and service retention	208.34	0.70%	200.55	0.68%	203.83	0.70%
Non-current provisions for employee benefits	15.03	0.05%	21.37	0.07%	20.71	0.07%
Advance rental and service income	4,537.90	15.27%	4,773.59	16.27%	4,984.88	17.06%
Other non-current liabilities	0.96	0.00%	-	-	-	-
Total non-current liabilities	10,987.21	36.98%	7,884.28	26.88%	10,497.05	35.92%
Total liabilities	13,441.44	45.24%	13,845.08	47.20%	14,397.35	49.26%
Equity						
Issued and paid-up share capital	6,499.83	21.88%	6,499.83	22.16%	6,499.83	22.24%
Share premium	1,532.32	5.16%	1,532.32	5.22%	1,532.32	5.24%
Adjustment to present assets purchased under common control at book value	-	-	(423.19)	(1.44%)	(423.19)	(1.45%)
Adjustment of equity interests under reverse acquisition	(129.34)	(0.44%)	(129.34)	(0.44%)	(129.34)	(0.44%)
Total issued and paid-up share capital	7,479.63	25.18%	7,479.63	25.50%	7,479.62	25.59%
Retained earnings						
Appropriated Legal reserve	790.45	2.66%	790.45	2.69%	790.45	2.70%
Unappropriated	6,594.58	22.20%	5,880.87	20.05%	5,310.35	18.17%
Other components of equity	381.40	1.28%	355.99	1.21%	322.89	1.10%
Equity attributable to owners of the parent	15,246.06	51.32%	14,506.94	49.46%	13,903.31	47.57%
Non-controlling interests	1,021.24	3.44%	979.14	3.34%	923.89	3.16%
Total equity	16,267.30	54.76%	15,486.07	52.80%	14,827.20	50.74%
Total liabilities and equity	29,708.74	100.00%	29,331.15	100.00%	29,224.55	100.00%

Grand Canal Land Public Company Limited and its subsidiaries

(Unit : Million Baht)

Statement of comprehensive income	31 December 2022		31 December 2021		31 December 2020	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Revenue from rental and rendering services	1,207.61	68.31%	1,153.03	69.76%	1,247.02	78.49%
Revenue from sales of real estate	306.98	17.36%	402.31	24.34%	221.56	13.94%
Gain on changes in fair value of investment properties	152.37	8.62%	-	-	-	-
Interest income	76.49	4.33%	84.80	5.13%	104.32	6.57%
Other income	24.39	1.38%	12.81	0.78%	15.94	1.00%
Total revenue	1,767.84	100.00%	1,652.95	100.00%	1,588.83	100.00%
Cost of rent and services	231.20	13.08%	201.72	12.20%	231.63	14.58%
Cost of sales of real estate	152.45	8.62%	126.63	7.66%	77.39	4.87%
Loss on changes in fair value of investment properties	-	-	66.23	4.01%	94.41	5.94%
Selling expenses	22.36	1.26%	24.13	1.46%	13.88	0.87%
Administrative expenses	275.99	15.61%	286.33	17.32%	232.21	14.62%
Finance costs	140.64	7.96%	156.90	9.49%	198.94	12.52%
Total expenses	822.64	46.53%	861.94	52.15%	848.46	53.40%
Reversal of (impairment loss) determined in accordance with TFRS9	5.00	0.28%	-	-	-	-
Share of profit of joint venture and associates accounted for using equity method	0.79	0.04%	6.01	0.36%	206.15	12.98%
Profit before income tax expense	950.99	53.79%	797.02	48.22%	946.52	59.57%
Tax expense	(197.15)	(11.15%)	(170.32)	(10.30%)	(206.83)	(13.02%)
Profit for the year	753.84	42.64%	626.70	37.91%	739.69	46.56%
Profit attributable to:						
Owners of the parent	713.71	40.37%	573.82	34.71%	715.95	45.06%
Non-controlling interests	40.13	2.27%	52.88	3.20%	23.74	1.49%
Total comprehensive income	753.84	42.64%	626.70	37.91%	739.69	45.56%
Earnings per share (in Baht)						
Basic earnings per share	0.110		0.088		0.110	

Grand Canal Land Public Company Limited and its subsidiaries

(Unit : Million Baht)

Statement of cash flows	2022	2021	2020
Net cash flows from (used in) operating activities	455.42	583.21	629.61
Net cash from (used in) investing activities	(74.15)	(90.45)	899.96
Net cash flows from (used in) financing activities	(378.34)	(458.24)	(1,511.05)
Cash and cash equivalents at 31 December 2021	107.21	104.28	69.76

C. Financial Ratios

Grand Canal Land Public Company Limited and its subsidiaries

As at 31 December	2022	2021	2020
Liquidity Ratios			
Current Ratio (Time)	0.47	0.21	0.30
Quick Ratio (Time)	0.10	0.04	0.06
Receivable Turnover (Time)	24.85	24.24	20.02
Collection Period (Day)	14.48	14.85	17.98
Account Payable Turnover (Time)	1.65	5.50	1.62
Payable Period (Day)	218.56	65.42	221.80
Profitability Ratios			
Gross margin ratio (%)	74.67	78.89	78.96
Net Profit margin ratio (%)	42.64	37.91	46.56
Return on equity ratio (%)	4.75	4.13	5.18
Efficiency Ratios			
Return on total Asset (%)	2.55	2.14	2.51
Return on Fixed Asset (%)	3.34	2.79	3.30
Asset Turnover (Time)	0.06	0.06	0.05
Financial Policy Ratios			
Debt to Equity ratio (Time)	0.83	0.89	0.97
Interest Bearing Debts to Equity Ratio (Time)	0.39	0.42	0.46

Statistics and Grand Canal Land Public Company Limited and its subsidiaries Growth Rate

As at 31 December	2022	2021	2020
Statistics			
Price Per Share	2.35	2.23	2.14
Basic Earnings Per Share	0.110	0.088	0.110
Dividend Yield Per Share	Not Paid *	Not Paid *	Not Paid *
Growth Rate			
Total assets (%)	1.29	0.36	(1.58)
Total liabilities (%)	(2.92)	(3.84)	(9.90)
Total revenue (%)	(2.62)	5.91	(7.67)
Total expenses (%)	(2.94)	24.91	(21.11)
Profit for the year (%)	20.29	(15.28)	(45.38)

5. General Information and Other Information

5.1 General Information and Reference Persons

Company name	: Grand Canal Land Public Company Limited
Company Registration Number	: 0107538000118
Business Type	: Property Development
Location	: 161 Rama 9 Road, Huay Kwang, Bangkok 10310
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
Reference Persons	
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
Debenture Holders' Representative	: Krungthai Bank Public Company Limited Capital Market Department 977/3 SM Tower, Floor 3rd, Phahonyotin Road Samsen Nai Sub-District, Phaya Thai District, Bangkok 10400 Tel 0 2298 0821-7 Fax 0 2298 0835
Auditor	: KPMG Phoomchai Audit Limited 1 Empire Tower, 50th -51st Floor, South Sathon Road, Yannawa Sub-District, Sathon, Bangkok 10120 Tel 0 2677 2000 Fax 0 2677 2222
Investor Relation	: Mr. Ponpinit Upathamp Tel 0 2246 2323 Fax 0 2246 1082

5.2 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 2022 and no other cases that may send a significant impact on the Company's or its subsidiaries operations.

Remarks: For legal disputes, additional information can be found in the Financial Statement remarks as of 31 December 2022.

5.3 Secondary Market

- None -



Part 2

Corporate
Governance

6. Corporate Governance Policy

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 code of business conduct 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.

6.1 General Policy and Corporate Governance Practice

The Board of Directors has continually adhered to and conformed to the principles of good corporate governance in terms of good corporate governance principles for listed companies of the Securities and Exchange Commission ("SEC") and of the Stock Exchange of Thailand ("SET") including the criteria according to the Corporate Governance Report of Thai Listed Companies (CGR) project of the Thai Institute of Directors ("IOD"). The Audit and Corporate Governance Committee are assigned to be responsible for good governance and good corporate governance to supervise the compliance of the CG Code appropriately in the context of the Company's business operation in order to lead to operational performance that create sustainable values for the Company. The corporate governance policy has been publicized by the Company to employees at all levels through the Company's internal information system and displayed through the Company's website in the topic of good corporate governance

- **Policy and Practices for the Board of Directors**

Covering important matters such as board composition and appointment, qualifications, terms, nomination, board diversity, board responsibilities, roles of the Chairman and the CEO, the limit of directorships in other listed companies for directors and the CEO, limiting the number of term of directorship for Independent directors, sub-committee appointment, board meetings, performance assessment of the board and the CEO, board self-development and training, succession plan, supervising subsidiaries and joint-venture companies.

- **Policy and Practices for Shareholders and Stakeholders**

Covering important matters such as rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, prevention of insider trading, internal control and internal audit, monitoring of conflicts of interest, anti-corruption, respecting laws and human rights, whistleblowing and complaints.

6.2 Code of Business Ethics

The Company realizes the duty and significant of the Board of Directors, the Management, and Employees according to the Company Management, to be trustworthy and transparent aligning with the Good Corporate Governance so that the Company mission can be efficiently operated according to the legitimate mission that the Board of Directors and Shareholders agree with. This is also based on the Good Corporate Governance

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

- | | |
|--|---|
| <ul style="list-style-type: none"> • Recording, reporting, and storage of data policy • Insider Information Prevention policy • Information security policy • Internal control and internal audit policy • Managing conflicts of interest policy • Supervision of Subsidiaries and Associated Companies policy • Tax Policy • Anti-corruption policy • Acceptance and giving of gifts, reception, entertainment, or other benefits policy • Anti-money laundering policy • Political participation policy | <ul style="list-style-type: none"> • Responsibility for the Company's assets policy • Intellectual properties policy • Respect of law and principles of human rights policy • Treatment of customers policy • Hiring & purchasing and treatment of business partners policy • Treatment of creditors policy • Treatment of employees policy • Business competition policy • Society, communities, and the environment policy • Safety and occupational health policy • Public relations and marketing policy |
|--|---|

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

- Communication on the code of conduct, policies, and practical approaches for the compliance with the code of conduct to directors, executives and employees at all levels through the public relations media of the Company for 100%
- Implementation on the Code of Conduct as part of the orientation for new employees to ensure that employees at all levels acknowledge, understand, and be able to apply it to their work properly.

In 2022, the Company has not received any complaints about the misconduct of directors, executives and employees regarding ethics and violations of the Company's Code of Conduct.

6.3 Key Development of Policy and Corporate Governance in the Year

- **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 and sustainable development is in line with the Sustainability Development Goals (SDGs). The significant changes and developments of the Company in 2022 are as follows:

- Review and improvement the Charter of the Board of Directors, the Charter of the Audit and Corporate Governance Committee, the Charter of the Nomination and Remuneration Committee and the Charter of the Risk Management Committee to align with guidelines of Corporate Governance and current situation.

- Review of the Board's structure in terms of size, composition, proportion of independent directors which are appropriate and necessary to lead the organization achieve the main objectives and goals.
- Reviewing and improving the corporate governance principles, code of conduct for directors, executives and employees of the Company, policies and practical approaches for compliance with the code of conduct to have contents that are correspondent with legal requirements and various current good corporate governance approaches.
- Reviewing and improving the performance appraisal form of the Board of Directors and sub-committees according to the IOD's guidelines by applying them in correspondence with the Company's business operations.

However, the Company still has principles to comply with the CG Code that cannot be implemented or used as follows:

- The Chairman is not an independent director.
Although the Chairman is a representative of shareholders who are not independent directors, from consideration, it can be seen that such structure is appropriate to the nature of the Company's business. It helps promote the Company's success and continued growth since the Chairman is experienced with knowledge and understanding of business administration as well as having some expertise in real estate for a long time. The Chairman can perform duties with regard to the interests of all stakeholders.
- The Board of Directors consists of independent directors less than 50%.
The structure of the Board of Directors consists of 3 independent directors, accounting for 33% of the total number of directors. This is an appropriately balanced element in expressing opinions and voting at meetings. It is also in accordance with the rules of the Securities and Exchange Commission.

- **Compliance with additional CG guidelines**

The 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. In the 2022, the Company has been assessed by the Good Corporate Governance as follows:

- The 2022 result from the assessment of Thai listed companies in Corporate Governance Rating (CGR) is Excellent score, 2 consecutive years, according to the assessment by Thai Institute of Directors (IOD).
- The 2022 result from the assessment of Annual General Meeting quality is 100 percent, 3 consecutive years. The Company has an awareness of the protection of the Shareholder rights according to the Good Corporate Governance policy and will continuously improve the holding of Annual General Meeting.

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.

2022 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 2022 AGM was held on Tuesday, 19 April 2022, at 2 p.m. through electronic means to prevent the spread of COVID-19. There were 5 shareholders attending the meeting in person and 31 shareholders attending by proxy, in total amounting to 97.45% of the total 6,499,829,661 shares issued. Out of 9 members of the Board, 9 directors attended the meeting, equal to 100% of the Board. The Chairman of the Board, Chairman of the Audit and Corporate Governance Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Management Committee, Chief Executive Officer (acting), Deputy Managing Director (acting), Assistant Managing Director of Office Property Workgroup, Chief Financial Officer (acting), Company Secretary, and the external auditor attended the meeting. Details of the AGM proceedings are as follows:

Before the Meeting

- Company provided individual shareholders with rights to propose in advance additional agenda items and nominate directors from 27 September 2021 to 15 January 2022. 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 2022, no shareholder proposed any names or agenda items for consideration.
- Meeting notices are in Thai and English. For the 2022 AGM, the meeting notice was posted on Company's website on 18 March 2022 and was distributed to shareholders no less than 21 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.
 - The current COVID-19 pandemic, the Company is aware of and has put health and safety of shareholders and all related stakeholders involving in the arrangement of the Annual General Meeting of Shareholders as top priority. The Company opted for the 2022 Annual General Meeting of Shareholders through electronic means (e-AGM) in compliance with laws and regulation on electronic meetings.
 - 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.
 - Under normal circumstances, annual meetings were held at convenient meeting venue, in setting the meeting, the date, time and place must be considered at the shareholders convenience. The time interval must have been discussed in order to facilitate travels and attendance of the shareholders.

During the Meeting

- Provided a registration period for eighteen days prior to the Meeting Date and a log-in period for an hour prior to the Meeting, with document verification process. The e-AGM link was submitted via email.
- 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.
- Utilized e-voting for casting and verifying votes for precision, rapidity, suitability and security. The system implemented by the service provider, which has been reviewed by self-assessment method for an information security standard of Electronic Meeting by the Ministry of Digital Economy and Society.
- 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

- The resolutions of Company's 2022 Annual General Meeting of Shareholders were provided on SET's website and disseminated via the Company's website on 19 April 2022, which was the meeting date.
- Shareholders could also view a webcast of the AGM via the Company's website.
- 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 via e-voting system.
 - 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.

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

Section 2: Equitable Treatment of Shareholders

The Company is determined to protect the rights and interests of shareholders. The Board of Directors pays attention to and is aware of the rights of all types of shareholders. The shareholders must be treated equally whether the major shareholders, minority shareholders, small shareholders, and institutional shareholders. We will not commit any act that constitutes discrimination or causes unfairness to shareholders under the requirements of relevant laws. This is considered part of the Company's corporate governance policy. The policies and practices are also formulated for supervising the use of inside information, conflict of interest, and reporting the stake holding.

In the year 2022, the Company Company conducted fair transactions as per normal business practices. More details can be viewed in related transactions. In addition, the Company has no policy to provide any financial assistance or guarantee to companies that are not subsidiaries of the Company and did not receive any complaint about the wrongdoing of directors and executives regarding the misuse of inside information or about conflicts of interest.

Section 3: Role of Stakeholders

The Company conducts business with fairness and values all stakeholders and observes sustainability of common benefits, 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 skills, knowledge, competency and ability 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.
- The business partners are selected with fairness according to the criteria set by the Company with clearly-defined practices.
- Fraud and misconduct are prevented in the procurement process by strictly complying with contracts with business partners.
- 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.
- Take care of various collaterals under related contracts and fully complied with the terms of the loan agreement. In the event that the conditions in the contract cannot be complied with, the creditors must be notified in order to jointly consider the solutions.
- In 2022, the conditions with creditors must be strictly complied with. The loans must be managed in accordance with the objectives of the use of money. The money must not be spent in a way that could cause damage to the Company. The repayment of loans and interest to all types of loan creditors must be controlled on time and fully complied with the terms of the loan agreement. This includes management to ensure creditors in the Company's financial position and

ability of debt repayment. The Company can maintain financial ratios as specified in the loan agreement and/or terms and conditions. The result of compliance with the conditions has been regularly reported to the creditors as the Company has never had a history of defaulting on debt payments and interest to the creditors. There has never been any incident that caused creditors to worry about the Company's ability of debt repayment. In addition, the Company only gave loans to subsidiaries based on shareholding structure. We do not provide financial assistance to unrelated companies. More details can be viewed in the financial statements 2022 (56-1 One Report) under the topic "Notes to the financial statements".

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 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.

Compliance with Personal Data Protection Laws

The Board of Directors oversees compliance with the law. The Company has set a privacy policy to cover the retail stores, websites, mobile applications, call center, social media channels, online communication channels as well as other places where customer personal information is collected. This is to comply with the law enforcement of the Personal Data Protection Act B.E.2562 (2019) (Personal Data Protection Act: PDPA) and also provide personal data protection officers in the event that customers or persons related to the Company wish to exercise rights related to personal data or have questions about personal information. More details can be viewed on the Company's website under the topic "Privacy Policy".

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 One Report
- The Notice for AGM and Minute of AGM
- Contact

Investor Relations

The Investor Relations Division acts as an agent in communicating information about the Company, both financial and non-financial information, to shareholders, investors, securities analysts, and relevant regulators equally. This shall be accurate, fair, complete and timely, including participating in the Opportunity Day activities organized by the Stock Exchange of Thailand every quarter. Mr. Ponpinit Upathamp, Acting Chief Financial Officer, is responsible for the investor relations.

Shareholders, investors and interested parties may contact Investor Relations for additional information either in person or by sending a letter to:

Investor Relations

Grand Canal Land Public Company Limited

161 Rama 9 Road, Huay Kwang, Bangkok 10310

Tel : +662 246 2323 ext. 3010

Website : http://www.grandcanalland.com/ir__contact.php

IR Activities

Recognizing the value of forging good relations with investors, the Company make time to join investor activities to elaborate the Company's performance outcomes and business directions. In 2022, the Company twice participated in opportunity day activities, four times and the events are also broadcast live via SET's Opportunity Day Webcast Live on SET's website.

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

2) Responsible persons for disclosure of information

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

3) Auditor and financial statements

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

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

Section 5: Responsibilities of the Board

1) The Board's Structure

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

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

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

2) Board Diversity

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

In addition, The Company reviews the Board Skill Matrix comprises expertise in real-estate development, architecture and engineering, accounting, finance, economics, business administration, laws and taxation, Marketing and Communications, risk management, human resource management, corporate governance and information technology regularly. The skills are consistent with the Company's business strategy through the preparation of the Board Skill Matrix as follows:

Board Skill Matrix

Composition, Skill and Expertise ¹	Real-Estate Development	Architecture and Engineering	Accounting, Finance, Economics, Business Administration	Laws and Taxation	Marketing and Communications	Risk Management	Human Resource Management	Corporate Governance	Information Technology
Optimal Numbers of Directors for the Board ²	3	1	1	1	1	1	1	1	1
Mr. Kobchai Chirathivat	■	■	■	■	■	■	■	■	
Assoc.Prof. Prapanpong Vejajiva	■	■	■	■	■	■	■	■	■
Mr. Charan Mongkolchan	■		■		■	■	■	■	
Mrs. Jitmanee Suwannapool			■	■	■	■	■	■	
Mr. Vithaya Chavananand	■	■	■	■	■	■	■	■	■
Mr. Preecha Ekkunagul	■	■	■	■		■	■	■	
Mr. Pandit Mongkolkul	■	■	■	■	■	■	■	■	■
Ms. Nopporn Tirawattanagool	■		■	■		■	■	■	
Mr. Sansrit Yenbumrung	■	■	■	■	■	■	■	■	■

Remarks: ¹ Each skill is related to individual directors' educational background, work experience, and specialty evaluation. However, only the "high" level of expertise will appear in the table displaying a list of directors.

² The Board members are nominated based on their suitability with the Company's business strategy and direction.

In 2022, the directors represented diverse skills, expertise, knowledge, experience, gender, and age, which benefited the business. The Board also had an appropriate proportion of independent directors as stipulated by law consisting of 9 directors, a sufficient number to supervise the Company's operations.

3) Directors' Duties and Responsibilities

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

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

In 2022 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.
- Reviewed the strategies plan, the management reported performance in 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.

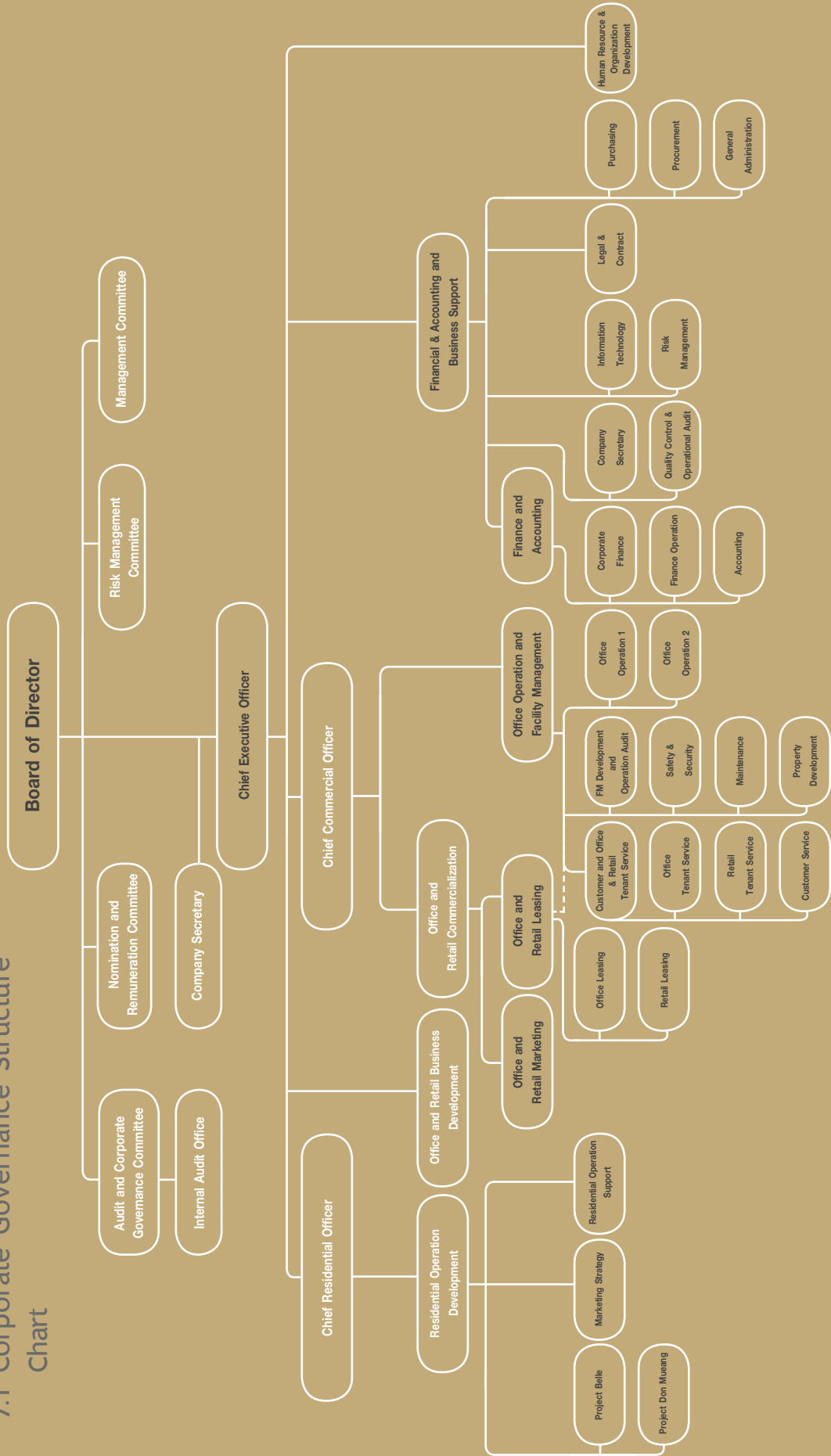
6) Policy on Limiting the Number of Term of Directorship for Independent Directors

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. Corporate Governance Structure and Information of Board of Directors, Sub-committee, Management, Employees and Others

7.1 Corporate Governance Structure Chart

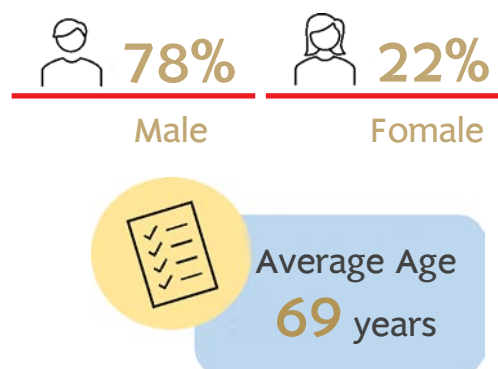
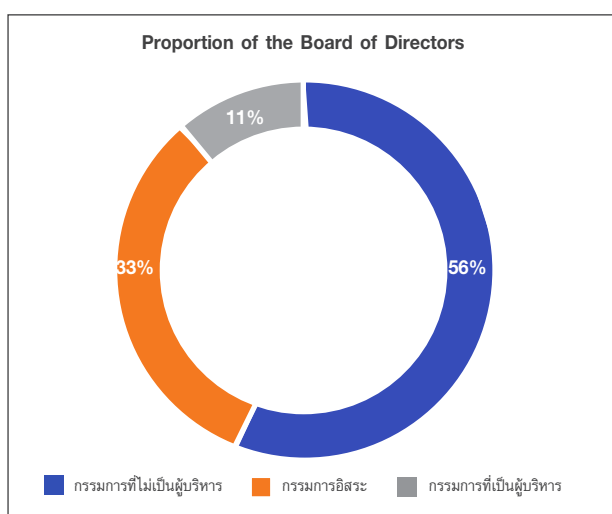


7.2 Information of Board of Directors

Board of Directors

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

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



Name and Position of the Board of Directors Members

Honorary Chairman

1. Mr. Sudhitham Chirathivat

Non-Executive Director

1. Mr. Kobchai Chirathivat Chairman
2. Assoc.Prof. Prapanpong Vejajiva Vice Chairman and Member of Nomination and Remuneration Committee
3. Mr. Charan Mongkolchan Independent Director and Chairman of Audit and Corporate Governance Committee
4. Mrs. Jitmanee Suwannapool Independent Director, Chairman of Risk Management Committee Member of Audit and Corporate Governance Committee and Member of Nomination and Remuneration Committee
5. Mr. Vithaya Chavananand Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit and Corporate Governance Committee
6. Mr. Pandit Mongkolkul Director and Advisory of the Nomination and Remuneration Committee
7. Ms. Nopporn Tirawattanagool Director
8. Mr. Sansrit Yenbumrung Director

Executive Director

9. Mr. Preecha Ekkunagul

Director and Chairman of Management Committee

Mr. Somphoch Thitipalati is appointed as the Company Secretary.

The Authorized Directors

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

Composition and Nomination of the Board of Directors

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

Terms of Directorship

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

4. Independent directors performed its duties independently from the Management and Major Shareholder. To enhance their independent input and performances, independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total, to maintain the independence of opinions and performance of duties as the Company's independent director.

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

Summary of the Appointment of Directors on Sub-Committees

Director	Board of Directors	Audit and Corporate Governance Committee	Nomination and Remuneration Committee	Risk Management Committee	Management Committee
1. Mr. Kobchai 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	-	A	-	-
8. Ms. Nopporn Tirawattanagool	M	-	-	-	-
9. Mr. Sansrit Yenbumrung	M	-	-	-	-
10. Management Team	-	-	-	M	M

Remark: C: Chairman
Vice C: Vice Chairman
M: Member
A: Advisory

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. Set value and culture of the Company which reflects in operations and ethics in order to drive its business to the sustainable growth and lead by example.
4. Consider approving key transactions under the Board's authority scope under the law and corporate regulations and approval protocol.
5. Consider to approve annual plans and budget, while constantly monitoring its business performance following its strategy to ensure goal achievement by suitably and safely applying innovation and technology.
6. Supervise the operations in subsidiaries and joint ventures following the Company's policy and direction in order to ensure that such investments are properly effective and beneficial to the Company.
7. 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.
8. 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.
9. 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.
10. Set up efficient and effective internal control and internal audit systems.
11. 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.
12. Provide an important policy and 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.
13. Ensure clear and transparent connected transactions.
14. Ensure clear procedures of the Audit and Corporate Governance Committee's report to the directors when doubtful of transactions and actions that may seriously affect the Company's financial status and performance. The Board must rectify the problems within the timeframe deemed appropriate by the Audit and Corporate Governance Committee.
15. Monitor and prevent any potential conflicts of interest as well as the misuse of the Company's assets.
16. Institute a suitable and efficient risk management policy and procedures with regular monitoring and assessment of risk management performance.
17. Ensure the succession planning of the Company's top executives and annually arrange effective assessment of their performance.
18. Annually assess the performance of CEO.
19. Annually assess the performance of the board, subcommittees as well as each individual director and conduct such results to be used to strengthen the effectiveness of the board.
20. Constantly develop competency through training and participation in courses on board performance or in other activities designed to enhance job expertise by focusing on the issues concerning the sustainability which is related to the Company's operations.
21. 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.
22. 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.

23. Steer the institution of processes and channels for receiving and effectively handling complaints filed by those with fraud leads and all stakeholders.
24. 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 relevant third-party personnel.
25. Annually review the charter of the board as appropriate under prevailing circumstances.
26. Seek professional opinions by hiring outside advisers paid for by the Company.
27. 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.
8. Support the coordination between the board, the management and the company secretary in order to ensure that such coordination will be smooth and effective
9. Being a representative of the board to communicate any important information as well as to create a good relation to shareholders and stakeholders of the Company.

7.3 Information of Sub-committee

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

Audit and Corporate Governance Committee

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

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

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

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

Duties and Responsibilities of Audit and Corporate Governance Committee

1. Financial report
 - (1) Review the financial report preparation process for accurate, complete, credible, and timely information disclosure by coordinating with the external auditor and executives responsible for preparing quarterly and annual reports.
 - (2) Review extraordinary significant items of the past year (if any) on the basis of their sensibility, impacts on the financial standing and company performance, as well as the accuracy and completeness of the data disclosed.
2. Related party transactions or the transactions which may cause conflicts of interests
 - (1) Consider connected transactions which may cause conflicts of interest; ensure conformance to laws and SET regulations to ensure that they are reasonable and in the Company's best interests.
 - (2) Consider the accurate and complete disclosure of information in case of connected or related transactions or other transactions that may cause conflict of interest.
3. Internal control
 - (1) Review the internal control system to ensure its suitability and effectiveness, including any transactions that may cause financial fraud.
 - (2) Consider the audit outcomes and suggestions of the external auditor and Internal Audit concerning internal controls and pass on suggestions for action by the management as well as following up the implementation of such suggestions.
4. Internal audit
 - (1) Review and ensure that Internal Audit is independent and has an efficient internal audit process, in addition to ensuring Internal Audit's access to essential data.
 - (2) Review the activities and structure of Internal Audit and approve its charter.
 - (3) Provide views on the appointment, commendation, removal, transfer, or discharge, as well as adjustment of compensation of the head of the Internal Audit Office, to ensure its independence or consider for Internal Audit fee of hired Internal Auditors.
 - (4) Provide suggestions and remarks about the budget and manpower of Internal Audit for the management's approval or in case of hiring Internal Auditors, shall consist adequate manpower with Internal Audit plans.
 - (5) Review and endorse annual internal audit plans and changes subject to the assessment outcomes of enterprise risk management and Internal Audit's strategic plans.
 - (6) Review the internal audit plan with the head of the Internal Audit, especially about the internal control system and financial management process.
 - (7) Review audit plans and coordinate the scope of audit of internal auditor and the external auditor to be mutually supportive and eliminate redundancy.
 - (8) Review Internal Audit's performance outcomes against the Audit and Corporate Governance Committee-approved audit plans to ensure conformance to the Audit and Corporate Governance Committee-assigned framework of responsibility.
 - (9) Review the hiring of external experts to conduct internal audit if the internal auditor lacks essential skills or specialization needed to conduct internal audit, including IT aspects.
 - (10) Organize the Quality Assurance Review annually.

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. Approval of the non-assurance services

Responsible for considering and approving services other than assurance engagements as proposed by the auditor or a business group of the auditor in accordance with the Code of Ethics of Professional Accountants and rules set by the management.

8. Report of the audit and corporate governance committee

- (1) Report its performance for acknowledgement and consideration once every quarter.
- (2) Review any reports prepared by the Company regarding duties and responsibilities of the Audit and Corporate Governance Committee.
- (3) Prepare Audit and Corporate Governance Committee's annual performance report in accordance to SET's guideline and signed by the Chairman of the Audit and Corporate Governance Committee as well as disclose it in the Company's annual report.
- (4) In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit and Corporate Governance Committee shall report the findings to the Board to make any improvement or correction in a timely manner as seen appropriate by the committee. Detailed are displayed below:

- (4.1) Transactions regarding conflict of interests
 - (4.2) Transactions regarding frauds, irregularities or significant deficiencies in internal control system
 - (4.3) Any violation against laws on the securities and exchange, SET regulations or business-related laws relevant to the Company
 - (5) In case the Board or the management fails to take corrective actions on those transactions under (4.1), (4.2) and (4.3) within the timeframe set by the Audit and Corporate Governance Committee, any of the Audit and Corporate Governance Committee members may report of such transactions or actions directly to SEC or SET.
9. Good corporate governance and Sustainable
- (1) Review the Company's continual improvement process of good corporate governance, as well as providing approaches and advices for development.
 - (2) Emphasize and promote good corporate governance as a regular agenda for the Board meetings and AGMs.
 - (3) Ensure that the Chairman of the Audit and Corporate Governance Committee receives a copy of the report of the directors' vested interests from the Company Secretary under Article 89/14 of the Securities and Exchange Act within seven days of the date when the Company receives the report.
 - (4) Monitor, evaluate, and revise the Code of Conduct and Corporate Governance Policy in keeping with best practices for the Board's approval.
 - (5) Advocate and advise the Board and management on corporate governance.
 - (6) Ensure monitoring of directors' and management's performance against corporate governance.
 - (7) Consider, supervise, monitor, and provide opinions or suggestions on the sustainability of the business to the Corporate Governance and Sustainable Development Committee.
10. Risk Management
- (1) Review the Company's risk management process to ensure standardization, effectiveness, and efficiency.
 - (2) Work with the management in considering key policies regarding risk management and risk assessment as well as risks from corruptions.
 - (3) Work with the Risk Management Committee, the Risk Management task force, and the management in considering, making recommendations, and updating reports on the Company's risk management.
11. Other Responsibilities
- (1) Conduct other Board-assigned duties. such as, to review the process of risk management.
 - (2) Regularly review the Audit and Corporate Governance Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities as well as to propose any required amendments accordingly.
 - (3) Conduct other duties assigned by SET.
 - (4) Oversee that there is an effective whistleblower system in place, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing, as well as non-compliance to any laws, regulations, business ethics, or to any corporate governance principles, so that the whistleblower has the confidence that the Company has the required and appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.

- (5) Monitor any special investigation as necessary.
- (6) The Company supervises the appropriate Anti-Corruption Policy for the business operations, instructs an Operational Guidelines which are related to the Company's Anti-Corruption Policy and supervises the application of operation.

Nomination and Remuneration Committee

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

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

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

Mr. Somphoch Thitipalati 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, composition and independent director proportion of the Board to suit the organization and business environment, as well as annually review the qualifications of independent directors.
2. Ensure board diversity for the Board to comprise ethical and honest experts who gain knowledge, experience, and skills beneficial to the Company's businesses. Furthermore, Board members are selected with non-discrimination of gender, race, nationality, religion, age, professional skill, or other qualifications.
3. Consider the transparent criteria and procedure for selecting directors as well as 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.
7. The supervision is on the preparation of director development plan to develop knowledge of current directors and new directors to understand the business in which the Company's directors hold office, roles and duties of directors, and important developments such as industrial conditions, rules or laws related to the Company's business operation, etc.

Duties and Responsibilities of the Remuneration

1. Consider a clear compensation method and standard for directors, sub-committee members and the President & CEO, for being equitable and corresponding appropriately with their duties and responsibilities, achievement that aligns with the Company's short-term and long-term operating results, as well as other relevant factors, in comparison with compensation rate of other companies in the same or similar industry, while taking into consideration the overall increase to the total value of 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. Appoint regular adviser(s) and/or hire project adviser(s) to provide advice on NRC's performance if deemed necessary and suitable, as well as consider appropriate remuneration for such adviser(s) at the Company's expenses as deemed fit and necessary.
2. Revise the NRC Charter on an annual basis to propose to the Board of Directors for approval.
3. Conduct an annual NRC performance evaluation.
4. Perform other duties related to nomination and remuneration as assigned by the Board.

Risk Management Committee

The Board of Directors 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 2 members.

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

- | | | |
|----|---------------------------|--|
| 1. | Mrs. Jitmanee Suwannapool | Chairman of Risk Management Committee
(Independent Directors) |
| 2. | Ms. Naparat Sriwanvit | Member of Risk Management Committee |
| 3. | Mr. Khemajit Choomwattana | Member of Risk Management Committee |

Mr. Santi Vatcharanurak 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, which was a sub-committee of the Company. The Management Committee comprised of qualified persons which Board of Directors shall consider number of Management Committee as deemed appropriate.

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

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

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

Duties and Responsibilities of Management Committee

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

Corporate Governance and Sustainable Development Committee

The Corporate Governance and Sustainable Development Committee consists of the Company's senior executives and any other qualified persons. The amount is as deemed appropriate by the Chief Executive Officer or the person assigned by the Chief Executive Officer.

The Corporate Governance and Sustainable Development Committee consists of 3 senior executives as follows:

1. Miss Naparat Sriwanvit, Chairman of the Corporate Governance and Sustainable Development Committee
2. Miss Uthaiwan Anuchitanukul, Member of the Corporate Governance and Sustainable Development Committee
3. Mr. Ponpinit Upatham, Member of the Corporate Governance and Sustainable Development Committee

Mr. Somphoch Thitiplati is appointed as the Corporate Governance and Sustainable Development Committee's secretary

Duties and responsibilities of the Corporate Governance and Sustainable Development Committee

Duties and Responsibilities in Corporate Governance

1. Consider giving opinions, give feedback, and review the policy of good corporate governance business ethics, the Company's policy for sustainable development, and the anti-corruption policy, as well as any other policies and approaches related to corporate governance that will support the Company's operations on the principles of corporate governance in sustainable development. This includes taking care of all stakeholders, society, communities, the environment, and any other policies or approaches that will support the Company's operations according to the corporate governance approaches.
2. Monitor and review practices or systems within the organization to be in line with the good corporate governance policy, business ethics, and good practices as defined, as well as taking care to have concrete, practical results.
3. Encourage participation as well as promoting communication to employees at all levels and all stakeholders in order to realize and understand the policy and guidelines for good corporate governance and related guidelines adequately and continuously.

Duties and Responsibilities in Sustainable Development

1. Determine strategies, policies, operational approaches and consider selecting issues that promote the sustainable development of the Company as well as setting sustainable development goals in accordance with the objectives of being a role model organization in sustainable development with the approaches according to international standards.
2. Supervise, oversee, review and monitor sustainable development operations and encourage them to put into practice, including participation in the implementation of various projects under the framework of sustainable development in 3 dimensions as follows:
 - 2.1) Economic dimension: Supervise, oversee, review and monitor corporate governance and supply chain management.
 - 2.2) Environmental dimension: Supervise, oversee, review, and monitor the environmental responsibility, climate change, water management, garbage and waste management.
 - 2.3) Social dimension: Supervise, oversee, review, and monitor social responsibility, occupational health and safety.
3. Provide consultation, promote, support appropriate resources and personnel so that the implementation of sustainable development occurs throughout the organization and is consistent in the same direction in accordance with the goals of the United Nations.

Duties and Responsibilities of the Chief Executive Officer

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

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

7.4 Information of Management

As of 31 December 2022, the Company has 5 members of the management team as follows:

1. Ms. Naparat Sriwanvit Chief Executive Officer (Acting)
2. Flt.Lt. Kree Dejchai Deputy Managing Director (Acting)
3. Mr. Ponpinit Upathamp Chief Financial Officer (Acting)
4. Mr. Chotiphat Sirichanyakul Head of Office Operation and Facility Management
5. Mr. Nakul Thinaphong Head of Office and Retail Commercialization

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 2022, 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 2022 Annual General Meeting of Shareholders on 19 April 2022. Details were as follows:

Remuneration	Year 2022
1. Meeting allowances for the Board of Directors (Baht/Meeting)	
- Chairman	15,000
- Vice Chairman	15,000
- Chairman of the Audit and Corporate Governance Committee	15,000
- Member of the Audit and Corporate Governance Committee	12,000
- Director	12,000
2. Monthly Remuneration (Baht/Month)	
- Chairman	63,500
- Vice Chairman	63,500
- Chairman of the Audit and Corporate Governance Committee	63,500
- Member of the Audit and Corporate Governance Committee	57,000
- Director	44,500
3. Meeting allowances for the Audit and Corporate Governance Committee (Baht/Meeting)	
- Chairman of the Audit and Corporate Governance Committee	12,000
- Member of the Audit and Corporate Governance Committee	10,000

Remuneration	Year 2022
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 and Advisory	10,000
5. Meeting allowances for the Risk Management Committee (Baht/Meeting)	
- Chairman of the Risk Management Committee	12,000
- Member of the Risk Management Committee	10,000
6. Other benefits	- None -

Remuneration of Management

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

The total remuneration paid to the management for 2022 are as follows:

- Salaries and Bonuses**

Company contributed remuneration in form of salaries and bonuses paid to 5 executive management team members in 2022 amounted to Baht 3,787,816.69

- Provident Fund**

Company contributed the Provident Fund paid to 2 executive management team members in 2022 amounted to Baht 69,027.50

7.5 Information of Employees

As the Company realizes the importance of personnel which is the heart of the work leading the Company to achieve the objectives, we provide continuous and thorough support and development of personnel at all levels by providing various benefits that are useful to the employees and promoting knowledge in terms of technical matters, teaching and learning arrangement both at the staff level and the management level. This includes organizing various training seminars in the Company or sending employees for off-site training and seminars.

Total Number of Employees of the end of year

	2022	2021	2020	2019
GLAND	160	162	182	166
Subsidiary				
- Sterling Equity Co., Ltd.	-	-	3	3
- Gland Reit Management Co., Ltd.	-	-	-	5
- Belle Development Co., Ltd.	-	1	1	1
Total	160	163	186	175

Total Number of Employees of the Company only by Job Function in 2022:

Job Function	จำนวน (คน)
Executive Officers	5
Project Management Workgroup	31
Office Property Workgroup	7
Retail and Operation Workgroup	76
Business Support Workgroup	36
Company Secretary Office	3
Human Resources & Organization Development Function	2
Total	160

In addition, the Company has followed the Promotion and Development of the Life of Persons with Disabilities Act B.E.2550 (2007) to promote and develop the quality of life of the disabled. We recruited 2 disabled people to work as required by law and send money to the Fund for Empowering Persons with Disabilities in accordance with the specified criteria.

Total Number of Employees who joined Provident Fund - PVD

Name of the company	PVD Yes/No	Number of Employees who joined PVD (Persons)	Percentage of Total Employees
GLAND Subsidiary	Yes	95	60.13%
- Sterling Equity Co., Ltd.	No	-	-
- Gland Reit Management Co., Ltd.	No	-	-
- Belle Development Co., Ltd.	No	-	-

The Company has a policy to select a provident fund manager who strictly complies with investment governance and manages the fund responsibly with consideration to Environmental, Social, and Governance (ESG) criteria as it is an investment guideline that can lead to the greatest benefits of the fund members in the long run.

Treatment of Employees Policy

The Company adheres to fair and equal treatment as well as appropriateness based on its corporate governance code and human rights principles are as follows:

1. The Company provides fair employment conditions so that employees may receive proper remunerations according to their knowledge, ability, potential and performance, based on transparent and fair principles, in line with the Company's performance and comparable to other companies in the same business.
2. The Company suitably manages and develops its personnel's knowledge, skills, experiences, and incentives.
3. The Company provides a process of selection, appointment, transfer, welfare, awards, termination of employment, and punishment of employees, based on transparency, accountability, honesty, and fairness.

4. The Company encourages employees to widely and continuously develop and exchange knowledge and ability.
5. The Company is committed to oversee a working environment that is safe to health, life, and property of employees.
6. The Company must provide key information to employees so that they may be aware of the Company's performance and actual situations.
7. The Company encourages dialogue between the Company and the employees or representatives of the employees to present information to the Company's decision-makers so as to improve the quality of the workplace in view of joint development.
8. The Company equally respects the rights of expression of all employees without intervention; also, sets up a process of hearings and complaints in a proper and fair manner.
9. The Company promotes supporting activities so that employees may have a balanced life, whether related to work, education, recreation, or family.

Remuneration of employees

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

In 2022, Company contributed remuneration in form of salaries, the provident fund and welfare amounted to Baht 97.10 million. The ratio of remuneration for female employees to male employees was equivalent to 49.75:50.25.

The Company also provides welfare benefits for employees such as medical expenses, travel expenses, petrol expenses, telephone expenses, the Provident Fund, health insurance, and life insurance, financial aid in the event of the death of a parent or employee, the value of visits in the case of sick employees, scholarships for employees' children, etc.

7.6 Other Information

Accounting Controller

The Board of Directors values and takes responsibility for the financial statements of Company and the subsidiary companies in line with general standards and practices. Company devises a policy of proper accounting based on caution, correctness, and completeness to reflect its performance. The Company therefore appointed Mrs. Nizsa Mekloy as Accounting Controller. Please see the profile and work experience in "Attachment 3". 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.

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 Thitipalatip 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 in “Attachment 3”. Duties and responsibilities are as follows:

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

The Internal Auditor Leader

The Company appointed Ms. Nonglak Sriwongphanawes as the internal auditor leader of the Company. Please see the profile and work experience in “Attachment 3”. Duties and responsibilities are as follows:

1. Manage the work of the Internal Audit Office to efficiently and effectively comply with internal audit professional standards. This is to achieve the set objectives in accordance with the plans and policies, including the Company’s strategy, which adds value and supports the Company. The risk management process has been improved, along with internal control and governance.
2. Support the work of the Audit and Good Governance Committee to achieve the goals and duties according to the Charter of the Audit and Corporate Governance Committee.

In addition, the responsibility is also for the Company’s compliance work as follows:

1. Identify and assess risks related to compliance with regulations, laws, rules, and standards related to the Company’s business. These include business practices according to corporate growth.
2. Prepare an audit plan based on risk assessment as recommended by the Audit and Corporate Governance Committee and as requested by the executives.
3. Test and report the operational performance, coordinate with relevant agencies in the preparation and implementation of recommendations to prevent violations of regulations, laws, rules, and standards related to the Company’s business operation.
4. Be a center for giving advice and consultation on regulations, laws, rules, and standards to executives and employees.

The Accuracy of Auditor's Remuneration Details

For the Fiscal year ended 31 December 2022

- Audit Fee

No.	Company's Name	Auditor's Name	Audit fee (Baht)
1	Grand Canal Land Plc.	Ms. Vannaporn Jongperadechanon	1,550,000.-
2	Belle Development Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
3	Sterling Equity Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
4	Belle Assets Co., Ltd.	Ms. Vannaporn Jongperadechanon	250,000.-
5	G Land Property Management Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
6	Rama 9 Square Co., Ltd.	Ms. Vannaporn Jongperadechanon	350,000.-
7	Ratchada Asset Holding Co., Ltd.	Ms. Vannaporn Jongperadechanon	120,000.-
8	Rama 9 Square Hotel Co., Ltd.	Ms. Vannaporn Jongperadechanon	70,000.-
	Total audit fee		2,940,000.-

- Non-Audit Fee

-None-

- Remuneration of auditor

The Company and its subsidiaries paid the remuneration for auditing to the audit firm, in which the auditor was employed, in the years of 2022 and 2021, in the amount of Baht 2,940,000 and Baht 3,090,000 respectively.

8. Corporate Governance Report

8.1 Summary of Board of Directors Performance

The Board of Directors plays an important role in formulating the Company's policies, visions, missions and operational plans to supervise the Company's operations to comply with the law, Articles of Association, and resolutions of the shareholders' meeting. The preparation of strategies and annual work plans are supervised to be correspondent with the objectives and main goals of the Company. The management is supervised to be effective for the highest benefits of the Company and shareholders taking into account the interests of stakeholders as appropriate.

Due to the COVID-19 situation, the Board of Directors has established the strategies, annual plan, and manage risks in accordance with the situation and factors affecting business operations. The significance is given on the supervision of the sufficiency of the internal control system and the supervision of the Company's operations to be correct and appropriate according to the principles of good corporate governance.

Nomination and Appointment of Directors and Executive Officers

(1) Independent Directors

The independent directors have the following qualifications:

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

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

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

(2) Recruitment of Directors and Executive Officers

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

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

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

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

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

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

(3) Recruitment of Executive Officers

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

(4) Orientation for newly-appointed Directors

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

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

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

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

8. Performance reports of the Audit and Corporate Governance Committee dating back one year
9. Performance reports of the Nomination and Remuneration Committee dating back one year
10. The regular meeting dates of the Board for the entire year

Succession Plan

The Board institutes succession plans for the CEO and senior management of the Company to prepare for the development of personnel to replace important positions. and 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 position through the following procedures:

- The Nomination and Remuneration Committee and CEO jointly formulate succession plans for the positions of CEO and senior management, along with determining the skills, knowledge, competency and other qualifications of candidates for the succession plan.
- The CEO oversees the development of candidates' knowledge and competency via assorted methods including training, special assignment, and job rotation to strengthen essential skills and groom them for future positions.
- The CEO reports to the Nomination and Remuneration Committee on the succession plan for management positions and the implementation outcomes of individual development plans for qualified executives at least once a year and when there is any significant change.
- The Nomination and Remuneration Committee reports to the Board on the summary of the implementation outcomes of succession plans for management positions for the Board's acknowledgement at least once a year and when there is any significant change.

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. Kobchai Chirathivat Chairman Assoc. Prof. Prapanpong Vejjajiva Vice Chairman and Nomination and Remuneration Committee	• Director Certification Program (DCP) • 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 and Corporate Governance Committee

- 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
- Director Certification Program (DCP)
- Advanced Audit Committee Program (AACP)

Mrs. Jitmanee Suwannapool

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

Mr. Vithaya Chavananand

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

- 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
- Board War Room Series “Personalized Marketing vs. Data Privacy: Engaging Your Customers while Protecting Their Identities”
- Director Briefing “Finding Creative Solutions to Business Dispute During Pandemic Time”
- Director’s Briefing “China Economic Outlook: Pathway to Recovery”
- Director Forum “Board’s Role in Strategy for Business Sustainability”
- Chairman Forum “Leading Boardroom Through Disruption: What Directors should know?”
- Independent Director Forum “Inside CEO Succession: Essential Guide for Board”
- Company Secretary Forum “Virtual Board Meeting & the Evolving Role of Corporate Secretary”

Directors and Executive	Topics / Curriculum / Seminars
Mr. Preecha Ekkunagul Director and Chairman of Management Committee Mr. Pandit Mongkolkul Director and Advisory of the Nomination and Remuneration Committee Ms. Nopporn Tirawattanagool Director	• Director Certification Program (DCP) • Director Accreditation Program (DAP) • Director Certification Program (DCP) • Corporate Governance for Capital Market Intermediaries (CGI) • 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” • Company Secretary Program (CSP) • Director Certification Program (DCP)
Ms. Naparat Sriwanvit Chief Executive Officer (Acting), Member of Risk Management Committee and Member of Management Committee	

As of December 31, 2022, the Company had 9 directors in total. 7 of the Company’s directors (78% of the total number) have participated in IOD’s Director Certification Program (DCP). while 4 of the Company’s directors (44% of the total number) have attended the IOD’s Director Accreditation Program (DAP).

Seminars and Training Courses Attended by Each Director in 2022

Directors	Detail	Organization	Detail
Mr. Kobchai Chirathivat	- Thought Leadership: Global Trend on Climate, Opportunities & Risks - Office Market Update and Tenant Behaviour Changes after COVID-19	Central Pattana	Online seminar
		The Company	Online seminar
Assoc. Prof. Prapanpong Vejjajiva	- Office Market Update and Tenant Behaviour Changes after COVID-19	The Company	3 Nov 2022
Mr. Charan Mongkolchan	- Office Market Update and Tenant Behaviour Changes after COVID-19	The Company	Online seminar
Mrs. Jitmanee Suwannapool	- Advanced Audit Committee Program - Economic Outlook 2022 - Office Market Update and Tenant Behaviour Changes after COVID-19	IOD	8-29 Aug 2022
		Central Pattana	Online seminar
		The Company	Online seminar
Mr. Vithaya Chavananand	- Office Market Update and Tenant Behaviour Changes after COVID-19	The Company	Online seminar

Directors	Detail	Organization	Detail
Mr. Preecha Ekkunagul	- Economic Outlook 2022	Central Pattana	Online seminar
	- Office Market Update and Tenant Behaviour Changes after COVID-19	The Company	Online seminar
Mr. Pandit Mongkolkul	- Economic Outlook 2022	Central Pattana	Online seminar
	- Office Market Update and Tenant Behaviour Changes after COVID-19	The Company	Online seminar
Ms. Nopporn Tirawattanagool	- Thought Leadership Session - Sustainable and Climate Finance	Central Pattana	Online seminar
	- 5 Key Technology Trends in Financial & Banking Industry for 2022	Bank of Ayudhya	16 March 2022
	- Environmental, Social and Governance (ESG) for Sustainable Growth	Bank of Ayudhya	24 June 2022
	- Travel the Digital World with Mr. Fintech	Bank of Ayudhya	16 August 2022
	- Digital Finance Conference 2022	The Bank of Thailand	27-29 October 2022
	- Office Market Update and Tenant Behaviour Changes after COVID-19	The Company	Online seminar
Mr. Sansrit Yenbumrung	- Office Market Update and Tenant Behaviour Changes after COVID-19	The Company	Online seminar

The Board's Self-Evaluation

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. In 2022, the Company improved the evaluation form to be aligned with IOD's best practices. 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.

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.

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. In 2022, the Company improved the evaluation form to be aligned with IOD's best practices. Topics in the evaluation form were as follow:

- 1) Director's qualification, code of conduct and performance
- 2) Meeting Participation
- 3) The roles, duties, and responsibilities of the Board
- 4) Relationship with Board and Management

• 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.

3. Subcommittee's Self-Evaluation Form

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

The "excellent" outcome of the Board, individual director and sub-committees performance assessment in 2022 can be summarized as follows:

Evaluation	Outcome (%)
The Board of Directors	
1. The Board of Directors (full board)	97.68
2. The Board of Directors (individual))	97.85
Sub-Committees	
3. Audit and Corporate Governance Committee	99.52
4. Nomination and Remuneration Committee	100.00
5. Risk Management Committee	100.00

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 2022 averaged 97.11%, rated as "excellent".

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 2022 there were four Board meetings, Hybrid Meeting, while the ratio of directors' participation was 97.22%.
- 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.
- The Company has scheduled the Board and subcommittee's meeting for the entire year in advance and informed every director at the end of the year.
- 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 2022 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 2022, 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.

Details of the meeting attendance of each board and each director in 2022 are as follows:

Directors	Board of Directors		Audit and Corporate Governance Committee	Nomination and Remuneration Committee		Risk Management Committee
	4 Meetings (Hybrid Meeting)		4 Meetings (E-Meeting)	2 Meetings (Hybrid Meeting)		4 Meetings (E-Meeting)
	In person	Via Electronic		In person	Via Electronic	
Mr. Kobchai Chirathivat	1/4	3/4	-	-	-	-
Assoc.Prof. Prapanpong Vejajiva	3/4	-	-	2/2	-	-
Mr. Charan Mongkolchan	-	4/4	4/4	-	-	-
Mrs. Jitmanee Suwannapool	-	4/4	4/4	-	2/2	4/4
Mr. Vithaya Chavananand	-	4/4	4/4	-	2/2	-
Mr. Preecha Ekkunagul	-	4/4	-	-	-	-
Mr. Pandit Mongkolkul	-	4/4	-	-	2/2	-
Ms. Nopporn Tirawattanagool	-	4/4	-	-	-	-
Mr. Sansrit Yenbumrung	-	4/4	-	-	-	-

The monthly retainer for the directors and meeting allowances for directors as members of the Board and sub-committees for 2022 totaled Baht 6,503,000.00 with no benefits in other forms.

Details of meeting attendance and remuneration are as follows:

	Remuneration (Baht)	Meeting allowances (Baht)				Total
		Board of	Audit	Nomination	Risk	
		Directors	Corporate	and	Management	
			Governance	Remuneration	Committee	
			Committee	Committee		
		4 Meetings	4 Meetings	2 Meetings	4 Meetings	
Mr. Kobchai Chirathivat	762,000.00	60,000.00	-	-	-	822,000.00
Assoc.Prof. Prapanpong Vejajiva	762,000.00	45,000.00	-	20,000.00	-	827,000.00
Mr. Charan Mongkolchan	762,000.00	60,000.00	48,000.00	-	-	870,000.00
Mrs. Jitmanee Suwannapool	684,000.00	48,000.00	40,000.00	20,000.00	48,000.00	840,000.00
Mr. Vithaya Chavananand	684,000.00	48,000.00	40,000.00	24,000.00	-	796,000.00
Mr. Preecha Ekkunagul	534,000.00	48,000.00	-	-	-	582,000.00
Mr. Pandit Mongkolkul	534,000.00	48,000.00	-	20,000.00	-	602,000.00
Ms. Nopporn Tirawattanagool	534,000.00	48,000.00	-	-	-	582,000.00
Mr. Sansrit Yenbumrung	534,000.00	48,000.00	-	-	-	582,000.00
Total	5,790,000.00	453,000.00	128,000.00	84,000.00	48,000.00	6,503,000.00

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.

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.

In addition, the subsidiaries have appropriate and efficient internal control systems. The internal audit unit is responsible for internal audit work and reporting to the Audit and Corporate Governance Committee, as well as supervising the subsidiaries to comply with relevant laws and regulations under an adequate and appropriate internal control system.

Shareholders' Agreement in the Management of Subsidiaries and Associates that Significantly Affects the Company Group Operation and Significantly Affects the Administration or Authority or Sharing of Benefit Apart from Normal Returns on Shareholding

-None-

Monitoring the Implementation in Compliance with Corporate Governance Policies and Practices

1. Monitoring of Conflicts of Interest

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

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

shareholders for approval.

In 2022, the Company communicated information about conflicts of interest to directors, executives and employees at all levels through the public relations mediums of the Company at 100%. and did not receive any complaint about misuse of conflicts of interest committed by any director, executive and employees .

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

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

In 2022, the Company did not receive any complaint about misuse of vested interests nor connected transactions committed by any director or executive.

2. 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's directors, executives, and employees may invest in Company's securities. However, to prevent conflicts of interest, these personnel and their related persons (spouses or those living together as husband and wife and under-aged children) must not buy, sell, transfer, or accept any transfer of Company's shares during the 30 days period before the public disclosure of Company's financial statements or performance and at least 24 hours after the Company has disclosed such information to the SET or the public. 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. Directors and executives who are required to report their securities holdings to the SEC must notify the Board of Directors or the person assigned by the Board at least 1 day in advance before trading the Company's securities. The Company Secretary must file a quarterly report on the shareholding of directors, executives, and related persons including spouse or those living together as husband and wife and minor children and submit it to the Board at quarterly

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 2022, the company has communicated information about the use of inside information to directors, executives and employees at all levels through the public relations mediums of the Company at 100% and did not receive any complaints about misuse of inside information committed by any directors, executives and employees.

Every quarter, the Company Secretary informs the directors, executives, and relevant employees about the non-trading period one month before disseminating the financial statements to the public. Moreover, the Company monitors changes in securities holding of directors and top management, including spouses and under-age children, to report to the Board quarterly.

3. Anti-Corruption

The Board of Directors adheres the intention in operating the business with honesty and transparently throughout the time. In order to serve as the foundation for the Company's sustainable growth, the anti-corruption policies and practices have been formulated for the directors, executives and employees of the Company to adhere for practicing and acknowledging the Company's position in all forms of anti-corruption.

Anti-corruption policy

The Board, management, and employees must not solicit, act, or accept any corrupt practices, direct or indirect, for personal or others' gains in any country or involving public/private agency dealing with its business. Each of them must together promote the values of integrity and responsibility into corporate values. The policy encompasses the actions specified below:

1. The Company institutes risk assessment concerning anti-corruption and develops practical measures in line with the identified risks and the internal control system alike. Annual revision is to be made.
2. The Company develops procedures with enough details for conformance to this policy and efficiently prevents business corruption.
3. The Company stages orientation and training for its employees, adding to their mastery of the anti-corruption policy, measures, and procedures.
4. The Company institutes an internal control system suitable to the Company's business operation to ensure the efficiency and effectiveness of the policy on anti-corruption, which encompasses compilation processes of financial and accounting data; human capital management processes; and other processes under the Company's operation.
5. The Company institutes reporting, monitoring, and reviews of conformance to the policy on anti-corruption, all of which follow suitable procedures to ensure a complete, adequate, and timely policy.
6. The Company institutes safe communication channels for its employees and all stakeholders to seek guidance, give tips or comments, or file complaints about corrupt practices, while enjoying protective measures.
7. The Company institutes internal and external communication of this policy for widespread conformance, which includes notifications made to subsidiaries, associates, other companies under the Company's control, and business representatives so that they may in turn implement this the Company policy.
8. The Company encourages sharing of knowledge, experience, and good practices among peer companies, including all related parties, to form allies. It also participates in anti-corruption activities hosted by other companies, associations, chambers of commerce, or regulators.

Implementation of Anti-Corruption Policy

The Company resists all forms of corruption and has taken various actions related to anti-corruption as follows:

1. Risk Assessment

The Company monitors the summary of risk assessment results and information when there are issues related to corporate corruption risks or there is a risk of corruption in newly arising issues so that personnel at all levels of the Company can use it as a guideline to prevent corruption.

2. Guideline Establishment to Control, Prevent, and Monitor Risks of Corruption

The Company has established operating regulations and monitored for each line to provide adequate protection against corruption and manage the risk of corruption. The factors that are the risk of significant corruption are clarified in order to achieve effective and rapid management.

3. 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.

4. Monitoring and Evaluating Compliance with the Anti-Corruption Policy

- The Internal Audit Office is responsible for monitoring the corporate governance and good corporate governance in compliance with the Code of Business Conduct and the anti-corruption policy every time when it is audited. This is to ensure that every unit in the Company has been implemented properly and in accordance with the policy. The Board of Directors has received reports on verifying the compliance with various internal control measures from the Internal Audit Department without finding any non-compliance with the aforementioned measures.
- In monitoring the compliance with the No Gift Policy, the employees must inform the details of receiving the gift to the supervisor or the top executive of the unit and conforming to the regulations set by the Company.

In 2022, the Company has communicated information about anti-corruption to directors, executives, and employees at all levels at 100% through the Company's public relations mediums and did not receive any complaints about the misconduct of directors, executives and employees regarding corruption.

4. Whistleblowing and Complaints

The Company has a complaint management policy to encourage employees and other stakeholders to report whistleblowing or complaints about actions possibly violating the principles of corporate governance, a code of conduct, rules, regulations, fraud, or suspicions of such actions through secure and confidential channels, as well as prescribing measures to protect complainants, whistleblower, or those who cooperate in data verification.

In the case that employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, or code of business conduct, they can ask, alert or file complaints together with detailed evidence to the Company or relevant agencies. Then, the Audit and Corporate Governance Committee will investigate the facts related to such activities and propose its findings to the Board,

independent directors, executive management, and related persons for acknowledgement and consideration of penalties as prescribed by Company's regulations if the suspect persons are found guilty. Details of communication channels are as follows:

Audit and Corporate Governance Committee
Grand Canal Land Public Company Limited
161 Rama 9 Road, Huay Kwang, Bangkok 10310
Email: whistle@grandcanalland.com
Website: http://www.grandcanalland.com/en/ir__suggestion.php

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.

Approaches for handling complaints

When receiving complaints or whistleblowing related to corruption or violation of corporate governance policy, the Company has provided some approaches for the operation as follows:

- 1) Assign the working group to investigate the complaints or whistleblowing from the complainants or whistleblowers.
- 2) The working group will collect information and verify facts. If it is a case of fraud, it will proceed in accordance with the rules and methods of disciplinary investigation as well as considering the punishment according to the procedures specified by the Company. In the operation following the process, the Company has determined necessary measures to protect the complainants or whistleblowers and those cooperating in data verification who will be possibly affected.
- 3) The Internal Audit Office will summarize the facts, operational performance, and opinion to be presented to the Audit and Corporate Governance Committee including the Chief Executive Officer and the Board of Directors, respectively, as well as reporting the results of consideration to the complainants or the whistleblowers further (in the event that the complainants or the whistleblowers reveal themselves).

Measures to protect complainants, whistleblowers or those who cooperate in investigating the information

- 1) The complainants, whistleblowers, or those who cooperate in investigating the information are not required to disclose themselves if they think that self-disclosure possibly cause insecurity or any consequence to themselves.
- 2) The information that can identify the complainant, whistleblowers, or those who cooperate in investigating the information will be kept confidential. The Company will proceed with caution for the benefits of investigation taking into account the safety and impact on the complainant, whistleblowers, or those who cooperate in investigating the information and those who are involved significantly.
- 3) The complainants, whistleblowers, or those who cooperate in investigating the information or provide information will be protected from adverse or unsafe acts such as intimidation, harassment, disruption to work, or acts that harass or cause unfair treatment.

In 2022, the Company has not received any complaint about actions possibly violating the principles of corporate governance, code of conduct, rules, regulations, fraud, or suspicions of such actions.

9. Internal Audit and Connected Transaction

9.1 Internal Audit

The Board of Directors, the Audit and Corporate Governance Committee and Management recognized the importance of having an effective and adequate internal control system by implementing internal controls in accordance with the COSO 2017 (Committee of Sponsoring Organizations of the Treadway Commission) and set up internal control and internal audit policy. 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 internal control environment at the Company is effective. It is sufficient in terms of efficiency and effectiveness in business operations. The important actions are as follows:

- The Company set up appropriate bodies to oversee the Company's operation and management. Among these bodies is the Board of Directors, which comprises of nine members, three of whom are independent directors. Sub-committee comprise of Audit and Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee and Management Committee. The Sub-Committee will screen the various matters of the Company before proposing to the Board of Directors for consideration, which will enable the management of various issues of the Company to be efficient and in accordance with good corporate governance principles.
- The Board is independent of management and has knowledge and expertise on the business. It has prepared the Board Charter and Committee Charters that clearly indicate such as on Charter of the Board of Director, Charter of the Audit and Corporate Governance Committee, Charter of the Nomination and Remuneration Committee and Charter of the Risk Management Committee, how to perform duties efficiently, effectively, and fairly in compliance with the Company's corporate governance guidelines. Furthermore, it has provided a process for recruiting and considering the qualifications of directors and the President under the Nomination and Remuneration Committee's supervision before proposing to the Board for approval and appointment. The organizational structure has been constantly adjusted to comply with corporate policy and business competition. There is still a separation of duties in important work, which causes checks and balances between them.
- The Company has a code of conducts, corporate governance principles, anti-corruption policy, a connected transaction policy and no gift policy in writing. It communicates these to the directors, executives, employees and third parties via website. Additionally, a procedure for receiving complaints / grievances and whistle blowing is specified in the annual report and website.
- The Company has a procedure to recruit, develop and retain employees to align with human resources management practices and annual performance appraisals considering guidelines, including criteria for evaluating the performance award or incentives to employees. The Company prepares a training plan for employees to ensure they earn the necessary knowledge and skills suitable for the Company's growth.

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

2. For the Risk Assessment

The Board of Directors prioritizes risk management. The Risk Management Committee is appointed and has been charged with the responsibility of reviewing and assessing the risks. There is a follow-up on the corporate risk management action plan and providing quarterly reports to the Board of Directors. The important actions are as follows:

- The risk management is supervised by the Risk Management Committee, which is responsible for reviewing and assessing risks covering both internal and external factors in the organization. In 2022, the key corporate risks were reviewed by categorizing them into 2 groups: namely, Strategic & Financial risks, consisting of long-term growth that did not meet the target, performance, income of each business group, and cash flow from operations that did not go according to plan; Operation & Hazard risks, consisting of personnel risks, cyber threats, continually conducting business, and a follow-up action plan to manage corporate risks. The Risk Management Department will report to the Risk Management Committee meeting every quarter.
- The communication is organized for the employees to have knowledge and understanding of risks through risk management activities such as preparing a business continuity plan and operating in various departments in accordance with personal data protection laws, etc.
- Establishes follow-up and action plans for managing and mitigating risks, including the construction of a key risk indicator to be applied as a measure to manage risks in a suitable manner for the situation.
- The Company has assessed trends in business changes possibly affecting the Company's operations, such as economic trends and the office building market, important events, and the progress of short-term and long-term business plans. The strategies and goals of the Company are adjusted in accordance with the changing environment. • The Company gives importance to the change on Organizational Leadership, Nomination and Remuneration Committee will discuss the succession plans for the Chief Executive Officer and other senior executives annually to ensure business continuity and strengthen personnel to be ready for succession in important positions.
- The Company's performance successfully met the requirement of accounting standards verified by a certified external auditor in writing. This reassures the material accuracy of financial reports identifying the rights or obligations of the Company in a transparent and comprehensive manner, and the disclosure of financial reports in a complete and accurate manner.

3. Management Control

The Company has implemented control measures that are adequate in relation to an acceptable risk level appropriate for the environment or activities of the business operations being conducted. The important actions are as follows:

- In addition to the operational control by the Board of Directors and Sub-Committees, the scope of authorization is prescribed in writing and the appropriate authority is reviewed frequently and notified to all parties concerned for compliance. Executives and officers from all levels are subject to these prescribed authorization rules. In cases whereby an excess of prescribed authorization limit, or out of scope activities is required, approval from the Board of Directors or the Management Committee are then required. 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 has policies and procedures that support internal control covering key processes. The duties and responsibilities are separated including procedures for approving various transactions as appropriate, by defining the scope of the approval authority. There is a control over the use of internet media, computer system, or various materials, including the determination of anti-corruption policies, Conflict of Interest, Management policies and policies on connected transactions. These can be used as practical approaches for the operations of the Company's personnel and are also communicated to partners and various groups of stakeholders for acknowledgement.
- Apart from the aforementioned operational policies, the Company has established information system security control through an information security policy and information security standards. These are communicated in the "Code of Conduct," which requires the Company's personnel to follow the policy and information security standards as well as laws, rules, regulations, and various related policies strictly. The data subjects have to determine the level of confidentiality of the information appropriately. In addition, the operation is audited by the IT Audit Department to improve the internal control of the information system.
- The Company has a process to monitor the operations of subsidiaries and associated companies. The Board of Directors is responsible for supervising the operations of subsidiaries and joint venture companies in accordance with the same policy and direction. This can ensure that the Company's investment is safe and effective under the regularly updated ethics and principles of corporate governance.

4. Information Technology & Communication

The Company has managed information systems to ensure a high-quality, appropriate, and sufficient data processing system for operations and decision-making to assist the Company's internal control system and continue as planned. The important actions are as follows:

- The Board of Directors 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 relevant third-party personnel.
- The Company provides material information, whether financial information or others, sufficiently for the Board to decide. Before the meeting, the Board is informed in writing for a specific period as stipulated by law. Important data is transmitted to the Board of Directors and stored on the Board Portal online document storage system, allowing directors to access critical information at any time and from any location.
- The Company's important documents must be systematically and categorically stored and sorted by date of transaction. The completeness of documents must be checked every time before storage. In addition, the document storage has been developed into an electronic system in order to search for documents as quickly as possible and prevent document loss.
- In terms of the Company Data Security, the Company instructs the Information Security Policy as well as assessing the information technology to the appropriate control level, to ensure that the Company significant data is secured and has the loss prevention system. The Company also

supervises the Directors, the Senior Management, and the Employees along with external partners to operate according to the information security system.

- There is a communication channel through the Company's website for those who are interested in receiving news and information about the Company. This includes the channels for reporting information or complaints such as illegal actions, violations of the Company's rules and regulations, fraud, corruption, abuse of power/exploitation, deficits in duty performance, violations of human rights, actions that affect society, community, and environment. The Company handles complaints through an online system focusing on confidentiality, complainant protection, and monitoring the operational status more efficiently.
- Provide the Company's several internal communication channels so that executives and employees are informed and have access to the necessary information. They are capable of being used in the operation in order to achieve the objectives.

5. Follow-up System

The outcomes of internal control are monitored and evaluated on a regular basis by the Company. So that internal controls are effective and appropriate for changing situations. The important actions are as follows:

- In place was the monitoring to ensure that operating results align with business goals through 4 Board meetings in 2022. If performance outcomes differed from such goals, the Company required correction within due time; for this purpose, line superiors monitored progress and regularly reported it to the Management. Besides, the Company has put in place regular audit of compliance with the internal control system, conducted by The Internal Audit Office, directly reported to the Audit and Corporate Governance Committee through 4 meetings in 2022. The Internal Audit Office was continually encouraged to self-develop to observe work compliance with international standards. The internal audit department has internal auditors who are certified to perform their duties according to international standards such as CIA, CPIAT, CISA.
- In place were clear policies and communication channels for the management to promptly report to the Audit and Corporate Governance Committee and the Board. This was communicated under "Anti-corruption Policy", available on the Company's website, upon discovery of fraud or suspected fraud or in case of violation of laws and other irregular actions.

The review of the internal control as abovementioned, the Internal Audit reported to the Audit and Corporate Governance Committee and was considered in the Audit and Corporate Governance Committee Meeting no.1/2023 on 15 February 2023 and the Audit and Corporate Governance Committee views that the Company adequately and effectively follows the prescribed guidance and assessment criteria set by SEC. In addition, it also concludes that the Company has adequate internal controls that govern transactions with its major shareholders, directors, executives, and their related parties, without further comments from the Audit and Corporate Governance Committee.

The Company's auditor, KPMG Phoomchai Audit Limited, who audited the Company's 2022 financial statement, also explored and evaluated the performance and efficiency in the internal control of accounting for the scope of audit activities to suit, expressed opinion that there is no material imperfection in the Company's internal control system as reported on 31 December 2022.

The Company appointed Ms. Nonglak Sriwongphanawes as the internal auditor leader of the Company. Please see the profile and work experience in "Attachment 3".

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

A Summary of the Board of Directors' Views on the Internal Control System

The Board of Directors has acknowledged the assessment of the company's internal control system for the year 2022 through screening and reviewing the assessment results from the Audit and Corporate Governance Committee. According to the report of the Audit and Corporate Governance Committee, it believes that the internal control system of the Company is suitable and appropriate in terms of 5 of its components. The Company has decided to ensure that the system is implemented as efficiently as possible and has put measures in place to ensure that the system runs smoothly. An internal control system is also in place for the purpose of monitoring and controlling the operations of the subsidiaries in order to protect the Company's assets and subsidiaries' properties against wrongful or illegal use by directors or executives, including transactions with individuals who may be in a conflict of interest and associated party enough to protect them from wrongful or unauthorized use.

9.2 Connected Transaction

Policy or Tendency to Engage in Connected Transaction

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

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

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

In this regard, the Company will disclose any of its related transactions in the Notes for financial statement verified by the Company's Auditor, the Annual Report (56-1 One 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 2022 are as follow:

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

Business transactions with connected companies

1. Income from connected businesses and persons

This consists of the income from allowing the spaces to be rented and providing utilities in office and retail buildings, administrative income and other income from insurance premiums, property tax, promotional expenses, and various service fees charged from connected businesses and persons in 2022 in the total amount of 333 million baht.

Necessity and reasonableness of the transactions

The main business operation of the Company is to provide the rental and services of spaces in the office and retail buildings and residential buildings. The Company has stipulated the policy in determining the rates of rental and service fees to be collected from related businesses and persons as follows:

- The rental costs, service fees, utility service fees, and property tax from renting spaces in the shopping centers that are charged and collected by the Company from connected businesses shall be based on the market price. If compared to other shops that are rented in the adjacent area or in the same area and on the same floor, the rates of rental and service fees will be similar. The rental rates will depend on the location, area size, rental form, rental period, and type of rental in accordance with the principles of normal business transactions with general trading conditions.
- For other income arising from the collection of insurance premiums, promotional expenses, fees, guarantees, and other service fees charged to be collected from the customers who rent the spaces in shopping centers, the Company has the policy and criteria for collecting such expenses in the same standard both with the connected businesses and general customers. This shall be

based on the costs actually incurring in the Company's operation according to the type, nature of space rent, and principles of normal business transactions with general trading conditions.

2. Expenses paid to connected businesses and persons

These consist of the expenses of land rent. In 2022, the Company had the expenses paid to connected businesses in the total amount of 5 million baht.

Necessity and reasonableness of the transactions

- Regarding the land rent from connected businesses, some of the Company's projects have developed shopping centers on the same plots of land as the Company's projects in the GLAND group considering the promotion of marketing advantages and suitable project size. The development of projects on the same plot of land will be operated by having one company to purchase or rent the entire plot of land from the land owner and take the land to another company to rent or sublease in proportion to the desired area at cost price plus the actually incurring interest or at the market price assessed by an independent appraiser in accordance with the laws and regulations of the SEC and the SET and/or any other relevant agencies. The payment of compensation for the land rent will be verified and audited by the Company's auditor on a yearly basis.

3. Borrowing and lending to connected businesses and persons

Necessity and reasonableness of the transactions

Regarding the policy of borrowing and lending to connected businesses and persons, all borrowing and lending transactions are subject to the Company's policy of borrowing and lending to connected businesses and persons as detailed below:

- In case of borrowing and lending to subsidiaries (whose 99.99% of shares are held by the Company)

The Company has stipulated the policy for the subsidiary to borrow money from the Company in case of needing. At the same time, the subsidiary can provide loans to the Company if the subsidiary has excess cash from working capital used in the operations and the Company needs to use the loan from the subsidiary. The current account will be mutually open and the promissory notes will be prepared as evidence of mutual borrowing. The interest rate is calculated based on the interest on deposits or cost of loan by the approver of connected transactions including the Chief Executive of Finance and Accounting, the Senior Managing Director, respectively.

- In case of borrowing and lending to a joint venture company (whose 50% but less than 99.99% of shares are held by the Company)

The Company has formulated the policy for the joint venture companies to find their own sources of loans. Except in case of urgent need for money, the joint venture company will borrow the loan from the shareholders in proportion to their shareholding through the approval of the transaction from the Chief Executive of Finance and Accounting, Senior Managing Director, the Board of Directors, respectively. The promissory notes are prepared as evidence of mutual borrowing with an interest rate calculated based on the cost of loan.

Transactions of borrowing and lending to connected businesses and persons

Types of transactions as of 31 st December, 2022	Amount (Million Baht)	Remarks
1. Loan		
- Loan from mother company and subsidiaries	6,257	Separate financial statements
- Loan from mother company	1,804	Consolidated financial statements
2. Lending		
- Lending to subsidiaries	7,267	Separate financial statements
- Lending to associates	5,625	Consolidated financial statements

Approval process for connected transactions

Transactions with businesses or persons connected to the Company must pass the approval process according to the Company's operating procedures as same as normal transaction. The consideration is passed from the authorities in the line of work responsible and involved in such matter. The responsible persons and the persons involved in the transaction must consider whether the transaction is reasonable and in the normal course of business taking into account the interests of the Company and shareholders as if it is the transaction with a third party. The transaction must be legal in order that the approval of transactions with businesses or persons connected to the Company can be transparent in accordance with relevant laws, rules, and regulations. The Company stipulates that normal business transactions and normal business support transactions which are operated in accordance with general trading conditions formulated by the Board must be under the management's power to consider the transactions in accordance with the Company's approval process. Other types of transactions are determined by the type and size of the transactions having the Company's secretary to supervise the compliance with the SET's criteria. The connected transactions are collected and summarized for the acknowledgement of the Audit and Corporate Governance Committee from time to time. The Company has issued an announcement regarding "the policy of connected transactions" to be communicated to all relevant parties for the implementation. The directors and the executives must certify at the end of every year that there has been no conflict of interest transactions in the past year. If it exist, it has been processed in accordance with the regulations of the Stock Exchange of Thailand successfully. The transactions with businesses or persons connected to the Company will be examined by the Company's internal audit office and auditor to ensure that the Company has conformed to relevant laws and regulations.

Policy or tendency of connected transactions in the future

As the transactions with businesses or persons connected to the Company are normal business transactions, the transactions with connected businesses or persons are likely to continue in the future. Especially the transactions related to the development of office buildings and retail areas with companies in the Central Group, these are the strengths that help promoting the Company's achievement as the leader in the market from the past until now. The policy or tendency of connected transactions still adheres to the same principles as in the previous year which is to comply with general trading conditions taking into account the interests of the Company and the shareholders. The Board of Directors has approved general trading conditions for transactions among the Company, the subsidiaries, and connected persons clearly for the transparency in business operations as the codes of practice for relevant persons as follows:

1. Development on the projects of residential buildings, office buildings, and retail spaces with companies in the Central Group

The fully-integrated development on the projects of residential buildings, office buildings, and retail spaces requires some elements that will help promoting the Company's business to have more strength. The companies in the Central Group engage in business connected to the Company such as department store business, retail business, hotel business, etc. The companies in the Central Group have long experience in the business and have the strong brand which will increase the credibility of the project. This results in the Company's business operations to have more strength adding value to the Company and shareholders entirely. The development of shopping center projects with companies in the Central Group has the following natures:

- 1.1 Purchasing/selling or renting/leasing land

Principle: The Company or the companies in Central Group purchase or rent land from the third party to be used in developing the shopping center projects with the businesses of the companies in the Central Group allowing one company to purchase or rent the entire plot of land from the land owner. When the project design has been completed, the Company that purchases or rents the land will sell or lease the land to another company in proportion to the area each company uses to develop its own project (each party is responsible for their own land cost).

Setting the price and conditions: Cost price plus cost of investment.

- 1.2 The construction of residence, office buildings and retail spaces or Business Units (BUs)

Principle: As each party has the ownership in the land where its buildings are located, each party is responsible for their own building construction costs.

Setting the price and conditions: The actual costs have the independent project consultant engineer to fairly calculate the construction costs and system work according to the used area proportion.

- 1.3 Construction of common areas such as car park buildings and areas outside of office and retail buildings

Principle:

- The Company is the owner of the parking building and the area outside the office and retail buildings. The Company will be responsible for all costs of shared space as a service provided to customers who rent office and retail spaces.
- Office buildings or BU will help paying the construction costs according to the following approaches:
 - 1) Parking building: Help paying the construction cost for not less than half of the construction cost in the department store and
 - 2) Common area: Help paying the construction cost in proportion to the Gross Area

Setting the price and conditions: The actual costs have the independent project consultant engineer to fairly calculate the construction costs according to the used area proportion.

- 1.4 Rent or lease of large areas in office and retail building projects

Principle: The Company may rent or lease large spaces to companies, shops, or BU where compensation for the lease of large spaces will be agreed upon at the project design stage

Setting the price and conditions: The cost of land and construction includes the cost of investment and operating expenses.

2. Charges of space rental, shared service, and utilities

Principle: In calculating the price of short-term rental or long-term rental, charges of shared service and utilities from stores belonging to the Central Group or connected persons who rent shopping center spaces or rental spaces for other business operations, the Company will determine the prices by using the principle comparable to setting the price of the area for premium customers taking into account the location, area size, rental form, rental period, type of rental, benefits that the Company will receive apart from the rental price, fees of shared service and utilities, business potential as well as experiences and success in doing business in the past and present.

Setting the price and conditions: Pricing is based on the principle to compare the space pricing for premium customers.

“Premium customer” means high potential customer who has rented a lot of space or renting space in many projects and contributes both directly and indirectly to the achievement of Company’s business operations.

As Central Group has various types of business related to the Company and may have connected transactions. Throughout the period of operation since the establishment of the Company, the Central Group is a potential trading partner to help supporting the success of the Company’s business for a long time. Therefore, the Company has continued to do connected transactions in considering the price and conditions of the Company still taking into account the benefits of the Company considerably.

3. Collection of operating expenses

“Operating expenses” are insurance premiums, property tax, promotional expenses, guarantee fees, and various service fees charged to the tenants of the areas.

Principle: In the asset management operations, operating costs are incurred. In the normal Company’s business, these expenses will be charged based on the actual costs incurring in the Company’s operations. The charged rates will depend on the type of lease and the nature of the leased space. The rates charged are of the same standard as regular customers.

Setting the price and conditions: Actual costs

4. Purchasing - Procurement

“Purchasing” means purchasing materials, equipment or goods, including rent and hire purchase.

“Procurement” means the hiring of a seller, producer, contractor or producer to execute the production, preparation, management, assembly or construction from start to finish as a complete work including providing various services, contracting services and transport.

This shall include the purchase of supplies or procure a contractor to construct the building and install the fittings for construction project management.

Principle: Complying with the Company’s regulations and procurement methods in considering the selection of the seller or the contractor will proceed according to the mentioned regulations with transparency and fairness in accordance with the procurement policy set forth in the selection process. There must be no director or executive of the Company who has interests and is connected person to participate in the consideration.

Setting the price and conditions: The market price or the comparative price from the bidder’s bid with the price and condition that is most beneficial to the Company.



LRQA Independent Assurance Statement

Relating to GLAND's performance data and information for the calendar year 2022

This Assurance Statement has been prepared for Grand Canal Land Public Company Limited (GLAND) in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA (Thailand) Limited (LRQA) was commissioned by Grand Canal Land Public Company Limited (GLAND) to provide independent assurance on its performance data and information in 2022 "the data" against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification approach. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 3000¹ and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered GLAND's activities in Thailand under its operational control where Central Pattana Public Company limited (CPN) acts as the Property manager for only and specifically the following requirements:

- Confirming that the report is in accordance with: GRI Standards 2021
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Environmental: (GRI 302-1) Energy consumption, (GRI 302-3) Energy intensity, (GRI 303-3 to 5) Water withdrawal /discharge and consumption, (GRI 305-1) Direct (Scope 1), (GRI 305-2) Energy indirect (Scope 2), (GRI 305-3) Other indirect (Scope 3) GHG emissions – Cat. 1 Purchased goods and services (water usage only), Cat. 3 Fuel and energy related activities (not included in scope 1 or scope 2), Cat. 5 Waste generated in operation and Cat. 6 Business travel only, (GRI 305-4) GHG emissions intensity and (GRI 306- 3 to 5) Waste generated/diverted form disposal and direct to disposal
 - Social: (GRI 403-9 and 10) Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities for all employees.

Our assurance engagement excluded the data and information of GLAND's subsidiaries and all its activities outside of Thailand. Our assurance engagement also excluded the data and information of its suppliers and any third-parties mentioned in the report.

LRQA's responsibility is only to GLAND. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CPN's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of GLAND.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that GLAND has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing GLAND's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling process, and systems, including those for internal verification. We also spoke with key people in various departments responsible for compiling the data and drafting the report.
- Sampling of evidences presented at GLAND's office to confirm the reliability of the selected topic specific standards.

Observations

Further observations and findings, made during the assurance engagement, is:

- Reliability:
GLAND has a well-defined data management system to consolidate data and information associated with the selected specific topic standards. Maintaining internal verification processes will continually improve the reliability of its reported data and information.

LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Dated: 15 March 2023

Opart Charuratana
LRQA Lead Verifier

On behalf of LRQA (Thailand) Ltd.
No.9, G Tower Grand Rama 9, FL. 30, Room H14,
Rama 9 Rd., HuayKwang, Bangkok, 10310, THAILAND

LRQA reference: BGK00000905/B

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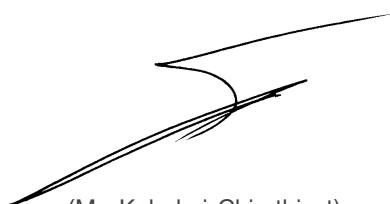
Responsibility of the Board of Directors for Financial Reporting

The Board of Directors of Grand Canal Land Public Company Limited (“the Company”) is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information as presented in the annual report. The financial statements are prepared in conformity with Thai Financial Reporting Standards (TFRSs) which are appropriately applied on a consistent basis. Conservation judgment and best estimate are adopted in this preparation. In addition, all important information is adequately disclosed in the notes to financial statements.

The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions.

The Board of Directors has appointed the audit committee which comprises independent directors, to control quality of financial report and internal control system. The opinion of the Audit and Corporate Governance Committee on this matter has already been presented in the Audit and Corporate Governance Committee report.

The Board of Directors is of an opinion that internal control systems of the Company and its subsidiaries are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of 31 December 2022.



(Mr. Kobchai Chirathivat)
Chairman



(Miss Naparat Sriwanvit)
Chief Executive Officer (Acting)

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

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Grand Canal Land Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Grand Canal Land Public Company Limited and its subsidiaries (the “Group”) and of Grand Canal Land Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 3(h), 3(p) and 13 to the consolidated and separate financial statements	
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.	My audit procedures included: • 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 assessment whether the valuation methodologies and key assumptions underlying the estimate of the fair values were appropriate; • considering the key assumptions by comparing assumptions in appraisal report with actual occurrence, and testing calculation; • considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Revenue recognition	
Refer to Notes 3(q) and 19 to the consolidated and separate financial statements	
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. Consequently, the accuracy and completeness of revenue recognition related to tenancy agreements and service agreements are areas of focus for my audit.	My audit procedures included: • 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, the controls on the approval of lease contracts and lease terms and the input of this information to the accounting system, controls on the invoice billings and collection processes, controls on the approval. • testing the recording of revenue from rental and service using a sampling basis and agreeing contractual terms and conditions stipulated in the agreements with related documents including test calculation, collection; and • assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.

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.

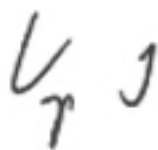
As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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, actions taken to eliminate threats or safeguards applied.

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
17 February 2023

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	6	107,214,359	104,276,639	80,882,275	34,360,034
Trade receivables	5, 7	56,349,692	65,532,094	49,001,976	30,203,281
Other current receivables	5	76,700,863	76,965,384	81,365,602	66,673,131
Short-term loans to related parties	5	-	-	1,636,452,012	1,721,031,150
Real estate projects development for sale	8, 16	921,797,935	935,448,675	622,537,535	622,537,535
Other current financial assets - investment in debt securities	24	213,296	40,184,698	213,296	40,184,698
Total current assets		1,162,276,145	1,222,407,490	2,470,452,696	2,514,989,829
Non-current assets					
Restricted bank deposits	16	1,000,000	1,000,000	-	-
Other non-current financial asset - investment in equity securities	11, 24	650,074,348	615,842,480	-	-
Investments in associates	9	1,107,677	1,107,677	89,958	89,958
Investments in subsidiaries	10	-	-	6,807,374,515	6,807,374,515
Long-term loans to related parties	5	4,825,008,031	4,666,318,762	5,630,583,767	5,407,879,762
Investment properties	5, 13, 16	22,507,017,565	22,250,839,391	10,300,290,293	10,207,252,173
Property, plant and equipment	5, 14	475,425,582	481,504,741	22,382,545	26,293,731
Intangible assets		2,062,241	2,600,348	1,559,681	1,976,622
Deferred tax assets	22	77,389,000	82,054,780	-	-
Other non-current assets		7,381,952	7,471,952	521,693	521,693
Total non-current assets		28,546,466,396	28,108,740,131	22,762,802,452	22,451,388,454
Total assets		29,708,742,541	29,331,147,621	25,233,255,148	24,966,378,283

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

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Current liabilities					
Short-term loans from financial institutions	16	820,000,000	1,000,000,000	820,000,000	1,000,000,000
Trade and other payables	5	219,022,920	266,107,209	84,633,981	116,260,794
Current portion of lease liabilities	5	5,411,460	5,063,380	1,130,231	4,906,008
Short-term loans from related parties	5, 16	-	-	4,453,149,551	3,974,536,735
Current portion of long-term loans from financial institutions	16	1,100,000,000	2,531,906,300	1,100,000,000	-
Current portion of debentures	16	-	1,027,708,160	-	1,027,708,160
Current portion of advance rental and service income	5	234,098,493	234,093,820	154,534,067	154,534,067
Current income tax payable		35,323,497	47,998,408	-	-
Retention payable	5	14,501,026	29,613,378	3,933,938	4,374,973
Deposits and advance received from customers	19	2,992,601	399,999	-	-
Contractor payables		18,574,810	32,024,166	7,888,540	10,662,191
Other current liabilities		4,305,960	3,668,538	2,314,405	1,061,399
Total current liabilities		2,454,230,767	5,178,583,358	6,627,584,713	6,294,044,327
Non-current liabilities					
Long-term loans from related parties	5, 16	1,803,929,863	782,210,548	1,803,929,863	782,210,548
Long-term loans from financial institutions	16	2,531,906,300	1,100,000,000	-	1,100,000,000
Lease liabilities	5	132,719,350	132,218,257	1,004,944	2,030,418
Deferred tax liabilities	22	1,756,437,132	1,656,552,347	927,536,311	896,284,676
Rental and service retention	5	208,339,511	200,548,365	17,114,281	9,935,283
Non-current provisions for employee benefits	17	15,030,242	21,368,608	15,030,242	21,368,608
Advance rental and service income	5	4,537,895,523	4,773,594,864	3,670,706,998	3,827,882,033
Other non-current liabilities		955,551	-	-	-
Total non-current liabilities		10,987,213,472	8,666,492,989	6,435,322,639	6,639,711,566
Total liabilities		13,441,444,239	13,845,076,347	13,062,907,352	12,933,755,893

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

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Equity					
Share capital:					
Authorised share capital					
<i>(6,535,484,202 ordinary shares, par value at Baht 1 per share)</i>		6,535,484,202	6,535,484,202	6,535,484,202	6,535,484,202
Issued and paid-up share capital					
<i>(6,499,829,661 ordinary shares, par value at Baht 1 per share)</i>		6,499,829,661	6,499,829,661	6,499,829,661	6,499,829,661
Share premium	18	1,532,320,430	1,532,320,430	1,532,320,430	1,532,320,430
Adjustment to present assets purchased under common control at book value		(423,185,000)	(423,185,000)	-	-
Adjustment of equity interests under reverse acquisition		(129,336,263)	(129,336,263)	-	-
Retained earnings					
Appropriated					
Legal reserve	18	790,448,420	790,448,420	653,548,420	653,548,420
Unappropriated		6,594,582,281	5,880,871,273	3,484,649,285	3,346,923,879
Other components of equity	18	381,401,428	355,986,764	-	-
Equity attributable to owners of the parent		15,246,060,957	14,506,935,285	12,170,347,796	12,032,622,390
Non-controlling interests	12	1,021,237,345	979,135,989	-	-
Total equity		16,267,298,302	15,486,071,274	12,170,347,796	12,032,622,390
Total liabilities and equity		29,708,742,541	29,331,147,621	25,233,255,148	24,966,378,283

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

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		(in Baht)			
Income	5				
Revenue from rental and rendering services	19	1,207,604,171	1,153,033,682	343,481,686	296,020,479
Revenue from sales of real estate	19	306,980,909	402,307,969	-	-
Gain on changes in fair value of investment properties	13	152,365,339	-	23,161,865	-
Interest income		76,494,235	84,797,521	153,257,495	179,956,479
Other income		24,391,741	12,812,575	1,119,735	5,835,107
Total income		1,767,836,395	1,652,951,747	521,020,781	481,812,065
Expenses	5				
Cost of rent and services		231,202,572	201,723,481	46,249,147	37,156,719
Cost of sales of real estate	8	152,447,357	126,631,168	-	-
Loss on changes in fair value of investment properties	13	-	66,228,152	-	54,843,706
Selling expenses	20, 21	22,361,227	24,128,626	455,562	6,360,673
Administrative expenses	20, 21	275,992,109	283,264,067	185,765,267	190,303,573
Total expenses		682,003,265	701,975,494	232,469,976	288,664,671
Profit from operating activities		1,085,833,130	950,976,253	288,550,805	193,147,394
Finance costs	5	(140,635,618)	(156,899,860)	(116,325,359)	(116,154,789)
Reversal of (impairment loss) determined in accordance with TFRS9	7	5,003,481	(3,062,741)	(19,698)	210,405
Share of profit of joint venture and associates accounted for using equity method	9	794,226	6,005,588	-	-
Profit before income tax expense		950,995,219	797,019,240	172,205,748	77,203,010
Tax expense	22	(197,153,685)	(170,323,579)	(34,480,342)	(16,048,126)
Profit for the year		753,841,534	626,695,661	137,725,406	61,154,884

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

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on remeasurements of defined benefit plans		-	(4,117,157)	-	(4,117,157)
Gain on investments in equity instruments designated at FVOCI		34,231,868	44,332,411	-	-
Income tax relating to items that will not be reclassified		(6,846,374)	(8,043,051)	-	823,431
Total items that will not be reclassified to profit or loss		27,385,494	32,172,203	-	(3,293,726)
Other comprehensive income for the year, net of tax		27,385,494	32,172,203	-	(3,293,726)
Total comprehensive income for the year		781,227,028	658,867,864	137,725,406	57,861,158
Profit attributable to:					
Owners of the parent		713,711,008	573,817,899	137,725,406	61,154,884
Non-controlling interests		40,130,526	52,877,762	-	-
		753,841,534	626,695,661	137,725,406	61,154,884
Total comprehensive income attributable to:					
Owners of parent		739,125,672	603,624,180	137,725,406	57,861,158
Non-controlling interests		42,101,356	55,243,684	-	-
		781,227,028	658,867,864	137,725,406	57,861,158
Earnings per share (in Baht)	23				
Basic earnings per share		0.110	0.088	0.021	0.009

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

Statement of changes in equity

	Consolidated financial statements																						
	Retained earnings			Other components of equity																			
	Issued and paid-up share capital	Share premium	Adjustment to present assets purchased under common control at book value	Adjustment of equity interests under reverse acquisition	Legal reserve	Unappropriated	Adjustment for change in interest in the subsidiary	Gain on investments in equity instruments designated at fair value through other comprehensive income	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity											
(in Baht)																							
Year ended 31 December 2021																							
Balance at 1 January 2021																							
	6,499,829,661	1,532,320,430	(423,185,000)	(129,336,263)	790,448,420	5,310,347,100	(24,927,451)	347,814,208	322,886,757	13,903,311,105	923,892,305	14,827,203,410											
Comprehensive income for the year																							
Profit	-	-	-	-	-	573,817,899	-	-	-	573,817,899	52,877,762	626,695,661											
Other comprehensive income	-	-	-	-	-	(3,293,726)	-	33,100,007	33,100,007	29,806,281	2,365,922	32,172,203											
Total comprehensive income for the year	-	-	-	-	-	570,524,173	-	33,100,007	33,100,007	603,624,180	55,243,684	658,867,864											
Balance at 31 December 2021																							
	6,499,829,661	1,532,320,430	(423,185,000)	(129,336,263)	790,448,420	5,880,871,273	(24,927,451)	380,914,215	355,986,764	14,506,935,285	979,135,989	15,486,071,274											

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

Statement of changes in equity

	Consolidated financial statements												
	Retained earnings				Other components of equity								
				Adjustment to present assets purchased under common control at book value	Adjustment of equity interests under reverse acquisition	Legal reserve	Unappropriated	Adjustment for change in interest in the subsidiary	Gain on investments in equity instruments designated at fair value through other comprehensive income	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Share premium											
(in Baht)													
Year ended 31 December 2022													
Balance at 1 January 2022	6,499,829,661	1,532,320,430		(423,185,000)	(129,336,263)	790,448,420	5,880,871,273	(24,927,451)	380,914,215	355,986,764	14,506,935,285	979,135,989	15,486,071,274
Comprehensive income for the year													
Profit	-	-	-	-	-	-	713,711,008	-	-	-	713,711,008	40,130,526	753,841,534
Other comprehensive income	-	-	-	-	-	-	-	-	25,414,664	25,414,664	25,414,664	1,970,830	27,385,494
Total comprehensive income for the year	-	-	-	-	-	-	713,711,008	-	25,414,664	25,414,664	739,125,672	42,101,356	781,227,028
Balance at 31 December 2022	6,499,829,661	1,532,320,430		(423,185,000)	(129,336,263)	790,448,420	6,594,582,281	(24,927,451)	406,328,879	381,401,428	15,246,060,957	1,021,237,345	16,267,298,302

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

Statement of changes in equity

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings Unappropriated	Total equity
	<i>(in Baht)</i>				
Year ended 31 December 2021					
Balance at 1 January 2021	6,499,829,661	1,532,320,430	653,548,420	3,289,062,721	11,974,761,232
Comprehensive income for the year					
Profit	-	-	-	61,154,884	61,154,884
Other comprehensive income	-	-	-	(3,293,726)	(3,293,726)
Total comprehensive income for the year	-	-	-	57,861,158	57,861,158
Balance at 31 December 2021	6,499,829,661	1,532,320,430	653,548,420	3,346,923,879	12,032,622,390

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

Statement of changes in equity

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings Unappropriated	Total equity
	<i>(in Baht)</i>				
Year ended 31 December 2022					
Balance at 1 January 2022	6,499,829,661	1,532,320,430	653,548,420	3,346,923,879	12,032,622,390
Comprehensive income for the year					
Profit	-	-	-	137,725,406	137,725,406
Total comprehensive income for the year	-	-	-	137,725,406	137,725,406
Balance at 31 December 2022	6,499,829,661	1,532,320,430	653,548,420	3,484,649,285	12,170,347,796

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	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
Cash flows from operating activities				
Profit for the year	753,841,534	626,695,661	137,725,406	61,154,884
<i>Adjustments to reconcile profit to cash receipt (payments)</i>				
Depreciation and amortisation	10,151,052	9,881,393	7,811,207	7,447,869
(Reversal of) impairment loss	(5,064,005)	3,062,741	21,944	(210,405)
(Gain) loss on fair value adjustment - investment in debt securities	27,165	(27,885)	27,165	(27,885)
Gain on sales of investment in debt securities	(55,762)	(33,550)	(55,762)	(33,550)
(Gain) loss on changes in fair value of investment properties	(152,365,339)	66,228,152	(23,161,865)	54,843,706
Real estate development for sale decrease				
from transfer to cost of sale	152,447,357	126,631,168	-	-
Gain on sales of property, plant and equipment	-	(1,250,675)	-	(1,235,346)
Provision for employee benefits	2,896,834	2,812,273	2,896,834	4,449,085
Realisation of advance rental and service income	(232,436,894)	(232,951,303)	(157,240,668)	(157,768,584)
Share of profit of associates	(794,226)	(6,005,588)	-	-
Interest income	(76,494,235)	(84,797,521)	(153,257,495)	(179,956,479)
Tax expense	197,153,685	170,323,579	34,480,341	16,048,126
Finance costs	140,635,618	156,899,860	116,325,359	116,154,789
	789,942,784	837,468,305	(34,427,534)	(79,133,790)
Change in operating assets and liabilities				
Trade and other receivables	17,342,879	34,820,399	(28,580,823)	18,291,773
Real estate development for sale	(125,248,732)	(111,537,398)	-	-
Other non-current assets	90,000	4,038,770	-	3,711,864
Trade and other payables	(40,539,201)	88,606,962	(22,667,294)	12,413,606
Retention payables	(15,112,352)	(37,552,128)	(441,036)	178,587
Advance rental and service income	(3,257,774)	21,684,975	65,634	24,186,532
Deposits and advance received from customers	2,592,601	199,999	-	-
Other current liabilities	1,592,973	(109,896)	1,253,864	(406,819)
Paid for employee benefits	(9,235,200)	(6,271,261)	(9,235,200)	(6,271,261)
Contractor payables	(55,869,373)	(137,704,918)	(42,139,058)	(13,235,916)
Rental and service retention	7,791,145	(3,278,126)	7,178,998	(925,863)
Net cash generated from (used in) operations	570,089,750	690,365,683	(128,992,449)	(41,191,287)
Taxes received	1,976,811	26,217,305	-	7,240,569
Taxes paid	(116,641,326)	(133,369,119)	(7,869,155)	(8,681,775)
Net cash flows from (used in) operating activities	455,425,235	583,213,869	(136,861,604)	(42,632,493)

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

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
Cash flows from investing activities				
Acquisition of property, plant and equipment	(3,155,684)	(2,915,923)	(3,104,962)	(2,282,566)
Proceeds from sales of equipment	125	1,344,550	110	1,252,375
Acquisition of investment properties	(29,539,722)	(65,503,511)	(32,325,319)	(23,452,307)
Proceeds from sales investment properties	324,978	199,834	1,814,419	-
Acquisition of intangible assets	(378,175)	(663,668)	(378,175)	(27,111)
Proceeds from repayment of short-term loans to related parties	-	-	309,656,125	142,599,158
Payment for short-term loans to related parties	-	-	(226,072,499)	(234,407,246)
Proceeds from repayment of long-term loans to related parties	-	-	10,005	6,759
Payment for long-term loans to related parties	(81,500,000)	(23,000,000)	(81,631,751)	(13,072,959)
Proceed from sale of other current financial assets				
- investment in debt securities	60,000,000	70,000,000	60,000,000	70,000,000
Acquisition of other current financial assets				
- investment in debt securities	(20,000,000)	(70,000,000)	(20,000,000)	(70,000,000)
Interest received	99,192	88,505	49,020,305	61,089,316
Net cash from (used in) investing activities	-74,149,286	-90,450,213	56,988,258	-68,294,581
Cash flows from financing activities				
Proceeds from short-term loans from related parties	-	-	821,775,363	973,455,018
Repayment of short-term loans from related parties	-	-	(345,747,197)	(421,009,321)
Proceeds from long-term loans from related parties	1,925,000,000	1,000,000,000	1,925,000,000	1,000,000,000
Repayment of long-term loans from related parties	(905,000,000)	(1,640,000,000)	(905,000,000)	(1,640,000,000)
Proceeds from short-term loans from financial institutions	1,020,000,000	1,850,000,000	1,020,000,000	1,850,000,000
Repayment of short-term loans from financial institutions	(1,200,000,000)	(1,400,000,000)	(1,200,000,000)	(1,400,000,000)
Repayment of long-term loans from financial institutions	-	1,100,000,000	-	1,100,000,000
Repayment of debentures	(1,028,000,000)	(1,163,000,000)	(1,028,000,000)	(1,163,000,000)
Payment of lease liabilities	(5,063,380)	(4,380,000)	(4,906,007)	(4,552,627)
Interest paid	(185,274,849)	(200,862,096)	(156,726,572)	(188,873,383)
Net cash flows from (used in) financing activities	(378,338,229)	(458,242,096)	126,395,587	106,019,687
Net increase (decrease) in cash and cash equivalents	2,937,720	34,521,560	46,522,241	-4,907,387
Cash and cash equivalents at 1 January	104,276,639	69,755,079	34,360,034	39,267,421
Cash and cash equivalents at 31 December	107,214,359	104,276,639	80,882,275	34,360,034
Non-cash transactions				
Contractor payables which payments have not yet been made	9,778,231	10,454,036	-	-
Trade accounts payable from real estate projects under development				
which payments have not yet been made	42,420,018	7,702,413	39,365,407	9,532,712
Borrowing costs relating to the acquisition of assets	35,947,780	46,254,818	-	-

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

Notes to the financial statements

For the year ended 31 December 2022

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Notes to the financial statements

For the year ended 31 December 2022

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 17 February 2023.

1. General information

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

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

The principal activities of the Company and subsidiaries is real estate development in Thailand. Details of the Company’s subsidiaries and associate as at 31 December 2022 and 2021 are given in notes 9 and 10.

2. Basis of preparation of the financial statements

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

The consolidated financial statements relate to the Company and its subsidiaries and joint operation (together referred to as the “Group”) and the Group’s interests in associates and joint venture. 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 that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2022. The initial application of these new and revised TFRS has no material effect 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. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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.

Notes to the financial statements

For the year ended 31 December 2022

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.

Change 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, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss.

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.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements in which the equity method is applied. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements in which the equity method is applied include the Group's dividend income and 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.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. 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.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Notes to the financial statements

For the year ended 31 December 2022

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Foreign currency differences arising on retranslation are generally recognised in profit or loss. Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

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

(d) Financial instruments

(d.1) Classification and measurement

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Notes to the financial statements

For the year ended 31 December 2022

(d.2) Derecognition and offsetting

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

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

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and lease receivables which are not measured at FVTPL.

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

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

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

(d.4) Write-offs

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

Notes to the financial statements

For the year ended 31 December 2022

(d.5) Interest

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

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Real estate development for sale

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

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

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

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

(h) Investment properties

Investment properties are such as land, buildings and right-of-use assets that the Group held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business or use in operation.

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.

Notes to the financial statements

For the year ended 31 December 2022

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

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

(i) *Property, plant and equipment*

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.

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 on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

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

(j) *Intangible assets*

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

Amortisation

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

Notes to the financial statements

For the year ended 31 December 2022

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 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.

(k) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

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

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

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group remeasured lease liabilities using the original discount rate and recognised the impact of the change in lease liability in profit or loss.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

Notes to the financial statements

For the year ended 31 December 2022

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(d).

(l) *Impairment of non-financial assets*

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

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

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

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates 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.

(m) *Contract liabilities*

A contract liability 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.

Notes to the financial statements

For the year ended 31 December 2022

(n) *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 by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss 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.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

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.

(o) *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.

(p) *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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:

Notes to the financial statements

For the year ended 31 December 2022

- 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.

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(q) 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.

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

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.

Revenue from sale of real estate is recognized at point in time when a customer obtains control of the real estate upon transfer the legal ownership in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties or other sales taxes and is after deduction of any discounts and consideration payable to the customer.

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

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

Notes to the financial statements

For the year ended 31 December 2022

(r) Dividend income

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

(s) Income tax

Income tax expense for the year comprises current and deferred tax, which is 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 recognised in respect of the taxable income or loss for the year, using tax rates enacted 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 temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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. 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.

(t) Earnings per share

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 period.

(u) 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.

(v) 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.

Notes to the financial statements

For the year ended 31 December 2022

4. Impact of COVID-19 pandemic

In 2022, the COVID-19 pandemic is still ongoing, while vaccines for COVID-19 are being rolling out during 2021. The management is closely monitoring the situation and managing to lessen the impact as much as possible. However, as at 31 December 2022, the outbreak is still ongoing, affected to the uncertainty of measurement of the impact from the situation of COVID-19.

5. 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 Department Store Public Company Limited	Thailand	Common directors
Central Food Retail Co., Ltd.	Thailand	Common directors
COL Public Company Limited	Thailand	Common directors
Italianthai Development Public Company Limited	Thailand	Held by a subsidiary
Italthai Trevi Company Limited	Thailand	Common directors
Grand Fortune Company Limited	Thailand	Common directors
CKS Holding Company Limited	Thailand	Common directors
Super Assets Company Limited	Thailand	Common directors
B2S Co., Ltd.	Thailand	Common directors
Common Ground (Thailand) Co., Ltd.	Thailand	Joint venture of the group
CPN Retail Growth Leasehold REIT	Thailand	Joint venture of Central Pattana Public Company Limited and common directors
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Transactions	Pricing policies
Property and real estate management income	Agreed prices
Revenue from rental and rendering services	Agreed prices
Interest income	Rate stipulated in the agreement
Other income	Agreed prices
Cost of rent and services	Agreed prices
Management fee	Agreed prices
Interest expense	Rate stipulated in the agreement

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

Notes to the financial statements

For the year ended 31 December 2022

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Ultimate parent company				
Cost of rent and services	80	12,069	-	12,069
Management fee	105,073	84,030	103,133	82,649
Parent company				
Interest expense	32,913	46,632	32,913	46,632
Subsidiaries				
Revenue from rental and rendering service	-	-	10,050	6,060
Property management income	-	-	80,111	67,469
Interest income	-	-	153,167	179,874
Other income	-	-	52,434	55,401
Management fee	-	-	3,957	3,957
Interest expense	-	-	48,384	26,314
Associates				
Interest income	152,790	84,709	-	-
Management fee	7,726	6,000	22	6,000
Other related parties				
Revenue from rental and rendering service	299,845	289,075	157,273	151,934
Property management income	33,547	33,340	21,533	21,281
Other income	25	53	-	-
Cost of rent and services	4,800	4,752	2,646	-
Management fee	528	-	330	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit (including director's remuneration)	20,202	38,492	20,202	38,492

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	20,996	6,426
Other related parties	16,161	36,007	12,299	8,149
Total	16,161	36,007	33,295	14,575
Other receivables				
Ultimate parent company	200	-	-	-
Parent company	457	-	457	-
Subsidiaries	-	-	55,919	36,767
Other related parties	2,860	2,652	1,869	1,650
Total	3,517	2,652	58,245	38,417

Notes to the financial statements

For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Property, plant and equipment				
Subsidiaries	-	-	710	6,936
Investment properties				
Other related parties	234,338	233,072	-	-

	Interest rate	Consolidated financial statements			
	At the end of the year	At the beginning of the year	Increase	Decrease	At the end of the year
Long-term loans to					
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
2022					
Associate	3.14	5,390,726	234,290	-	5,625,016
Less The excess of accumulated share of loss from investment in associate over cost of investment		(403,775)	794	-	(402,981)
Less The elimination of interest income		(320,633)	(76,395)	-	(397,028)
Net		<u>4,666,318</u>			<u>4,825,007</u>
2021					
Associate	3.50	5,198,308	192,418	-	5,390,726
Less The excess of accumulated share of loss from investment in joint venture over cost of investment		(409,780)	6,005	-	(403,775)
Less The elimination of interest income		(235,924)	(84,709)	-	(320,633)
Net		<u>4,552,604</u>			<u>4,666,318</u>

	Interest rate	Separate financial statements			
	At the end of the year	At the beginning of the year	Increase	Decrease	At the end of the year
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
Short-term loans to					
2022					
Subsidiaries	2.64	1,721,031	274,007	(358,586)	1,636,452
2021					
Subsidiaries	3.50	1,630,067	294,735	(203,771)	1,721,031

Notes to the financial statements

For the year ended 31 December 2022

	Interest rate	Separate financial statements			
		At the end of the year	At the beginning of the year	Increase	Decrease
	(% per annum)			(in thousand Baht)	
Long-term loans to 2022					
Subsidiaries	2.64	5,407,880	222,714	(10)	5,630,584
2021					
Subsidiaries	3.50	5,213,673	194,214	(7)	5,407,880

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Trade accounts payable				
Ultimate parent company	10,811	6,946	10,766	6,785
Subsidiaries	-	-	178	161
Other related parties	1,104	872	534	519
Total	11,915	7,818	11,478	7,465
Other payables				
Ultimate parent company	1,881	23,435	1,906	23,461
Subsidiaries	-	-	-	16
Associates	-	6,000	-	6,000
Other related parties	-	81	-	-
Total	1,881	29,516	1,906	29,477
Lease liabilities				
Subsidiaries	-	-	756	6,279
Other related parties	136,751	135,530	-	-
Total	136,751	135,530	756	6,279
Rental and service retention				
Other related parties	16,216	7,609	-	-
Advance rental and service income				
Other related parties	4,549,524	4,729,285	3,615,414	3,764,121

	Interest rate	Separate financial statements			
		At the end of the year	At the beginning of the year	Increase	Decrease
	(% per annum)			(in thousand Baht)	
Short-term loans from 2022					
Subsidiaries	THOR +2.06, 0.58	3,974,537	870,160	(391,546)	4,453,151
2021					
Subsidiaries	Fixed deposit rate 6M + 2, 0.25	3,421,539	999,769	(446,771)	3,974,537

Notes to the financial statements

For the year ended 31 December 2022

Long-term loans from	Interest rate	Consolidated financial statements			
	At the end of the year (% per annum)	At the beginning of the year	Increase	Decrease	At the end of the year
2022					
Parent company	2.75	<u>782,211</u>	1,957,913	(936,194)	<u>1,803,930</u>
2021					
Parent company	2.75	<u>1,426,366</u>	1,046,637	(1,690,792)	<u>782,211</u>
Long-term loans from	Interest rate	Separate financial statements			
	At the end of the year (% per annum)	At the beginning of the year	Increase	Decrease	At the end of the year
2022					
Subsidiaries	2.75	<u>782,211</u>	1,957,913	(936,194)	<u>1,803,930</u>
2021					
Subsidiaries	2.75	<u>1,426,366</u>	1,046,637	(1,690,792)	<u>782,211</u>

Significant agreements with related parties

Service agreement

The Company entered into service agreement with Central Pattana Public Company Limited, ultimate parent company, for business consulting, setting policies, and advising on business operation. The agreement will be effective for two years from 1 January 2021 to 31 December 2022 with rate 3% of revenue from rental and rendering services of the Company and rate 2% of the net income of the Company and management tenant fill and/or the operation for business investing or transferring of real estate with rate 1.5% of the amount of addition investing of the Company and rate 0.75% of the operation of the Company. Subsequently, in January 2023, the Company extended the agreement for another two years ending on 31 December 2024.

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 and charges commission fee at 0.5% - 1% from 1 month rental and rendering services.

Land lease agreement and right of using area

The subsidiary had commitments with Super Assets Company Limited and CKS Holding Company Limited totaling Baht 269 million under a land lease agreement and right of using area (31 December 2021: Baht 273 million). These agreements expire in June 2050 and June 2029, respectively.

Loan agreements

The subsidiary and joint venture had loan agreements for the loan lines totaling Baht 10,450 million which interest rate per annum are repayable on demand.

Notes to the financial statements

For the year ended 31 December 2022

On 10 November 2021, CPN Pattaya Co., Ltd., a major shareholder of the Company, extend the Loan Agreement with the Company in which the agreement length is not exceeding 2 years from the transaction date, the credit lines are 2,500 million Bath and the interest rate is not exceeding 4% per annum and not exceeding the interest rate given by the external funding under the same condition and amount which the Company receives from CPN Pattaya Co., Ltd.

At the Board of Directors meeting held on 3 November 2022, it was passed the resolution to approve the grant of financial assistance which is the ordinary business transactions in proportion of shareholding to Bayswater Company Limited (associate company hold by the Company through Ratchada Asset Holding Company Limited, a subsidiary in which the Company holds 100% of shares, and Central Pattana Public Company Limited with the shareholding proportion of 50 : 50 percent) in the Company's amount of not more than THB 5,500 million at interest rate of MLR for development in the Mixed-use Project consisting of shopping mall, office building and hotel etc. located in Phaholyothin Road area in which the shopping mall will be developed for the first phase.

6. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Cash on hands	0.04	0.04	0.03	0.03
Call deposits	107.17	104.24	80.85	34.33
Total	107.21	104.28	80.88	34.36

Call deposits have interest rate at 0.10% - 0.20% per annum (2021: 0.05% - 0.13% per annum).

7. Trade accounts receivables

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
At 31 December				
Within credit terms	14.49	8.18	15.29	12.33
Overdue:				
Less than 3 months	16.46	23.70	18.05	1.59
3 - 6 months	1.69	18.98	0.03	2.59
6 - 12 months	3.38	2.22	1.51	-
More than 12 months	0.91	0.16	0.84	0.02
Accrued rental service revenue	19.70	17.34	13.30	13.67
Total	56.63	70.58	49.02	30.20
Less allowance for expected credit loss	(0.28)	(5.05)	(0.02)	-
Trade receivables net	56.35	65.53	49.00	30.20

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Expected credit loss				
- (Reversal) additions	(4.77)	3.06	0.02	(0.21)

Notes to the financial statements

For the year ended 31 December 2022

8. Real estate development for sale

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Real estate under development	889	897	623	623
Real estate developed	33	38	-	-
Total	922	935	623	623
Finance costs capitalised during the year	4	8	-	-
Rates of interest capitalised (% per annum)	2.86	3.50	-	-
Real estate projects under development recognised as an expense in 'cost of sales of real estate project'				
- Cost	153	127	-	-

At 31 December 2022, real estate under development of the Group amounted of Baht 623 million (2021: Baht 623 million) are expected to be completed more than one year after the reporting period.

9. Investment in associate and joint venture

All associates were incorporated and operated in Thailand.

None of the Group's and the Company's associates is publicly listed and consequently do not have published price quotations.

Notes to the financial statements

For the year ended 31 December 2022

At 31 December 2022, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 800 million as a deduction from long-term loan to associates (2021: Baht 724.4 million) as a deduction from long-term loan to joint venture in the consolidated financial position.

Associate

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:

	Bayswater Co., Ltd.	
	2022	2021
	(in million Baht)	
Associates		
Revenue	14	12
Total comprehensive income (100%)	2	10
Total comprehensive income of the Group's interest	1	5
Current assets	28	13
Non-current assets	10,521	10,054
Current liabilities	(22)	(11)
Non-current liabilities	(11,250)	(10,781)
Net assets	(723)	(725)
Shareholding percentage (%)	50	50
Share of net assets	(362)	(363)
Elimination entries	(41)	(41)
Carrying amounts of associates	(403)	(404)

During the year 2021, Central Pattana Public Company Limited obtained the control over Bayswater Co., Ltd. from purchase the ordinary shares of BTS Group Holding Public Company Limited. Investment in such company was classified from indirect joint venture to indirect associate.

Notes to the financial statements

For the year ended 31 December 2022

10. Investments in subsidiaries

Separate financial statements									
	Type of business	Ownership interest		Paid-up capital		Cost method		Dividend income	
		2022	2021	2022	2021	2022	2021	2022	2021
(million Baht)									
(%)									
Subsidiaries Direct Belle Development Ltd. Praram 9 Square Ltd. Sterling Equity Co., Ltd. Belle Assets Co., Ltd. G Land Property Management Co., Ltd. Ratchada Asset Holding Co., Ltd.	Real estate development	79.57	79.57	2,064	2,064	1,920	1,920	-	-
	Real estate for rent and development	93.09	93.09	1,900	1,900	1,771	1,771	-	-
	Real estate development	100.00	100.00	1,800	1,800	1,765	1,765	-	-
	Real estate development	100.00	100.00	11	11	11	11	-	-
	Real estate development	100.00	100.00	1,300	1,300	1,334	1,334	-	-
	Investment company	100.00	100.00	6	6	6	6	-	-
	Hotel	100.00	100.00	16	16	-	-	-	-
	Indirect Praram 9 Square Hotel Ltd.								
	Total					6,807	6,807	-	-

All subsidiaries were incorporated in Thailand.

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

Notes to the financial statements

For the year ended 31 December 2022

11. Other non-current financial asset – Investment in equity securities

Investment in equity securities 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. For the year 2022, gain on fair value adjustment recognised in other comprehensive income (OCI) amounting to Baht 34 million (2021: Baht 44 million).

12. Non-controlling interest

	31 December 2022		31 December 2021	
	Belle Development Ltd.	Praram 9 Square Ltd.	Belle Development Ltd.	Praram 9 Square Ltd.
			Total	Total
			(in million Baht)	
Non-controlling interest percentage	20.4%	6.9%	20.4%	6.9%
Current assets	2,599	1,604	2,627	1,122
Non-current assets	532	7,864	536	7,731
Current liabilities	(26)	(172)	(70)	(2,696)
Non-current liabilities	(60)	(3,516)	(67)	(925)
Net assets	3,045	5,780	3,026	5,232
Carrying amount of non-controlling interest	622	399	617	362
			1,021	979
Revenue	89	952	2,613	790
Profit for the year	19	526	115	425
Total comprehensive income	19	553	115	425
Profit allocated to non-controlling interest	4	38	23	29
			42	52
Cash flows from operating activities	-	49	13	63
Cash flows (used in) from investing activities	4	(103)	(15)	(60)
Cash flows (used in) from financing activities (dividends to non-controlling interest: none)	(7)	52	(8)	-
Net increase (decrease) in cash and cash equivalents	(3)	(2)	(10)	3

Notes to the financial statements

For the year ended 31 December 2022

13. Investment properties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
At 1 January	22,251	22,341	10,207	10,365
Additions	105	76	72	31
Disposals	(1)	(138)	(2)	(134)
Finance cost capitalised	-	38	-	-
Gain (loss) on change in fair value	152	(66)	23	(55)
At 31 December	22,507	22,251	10,300	10,207

At 31 December 2022, the Group had the investment properties consist of land for leased of Baht 435 million, office project for leased of Baht 21,482 million, and land under development of Baht 589 million. The Company had the investment properties consist of land for leased of Baht 435 million, office project for leased of Baht 9,293 million, and land under development of Baht 572 million.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Amounts recognised in profit or loss				
Rental income	1,208	1,153	343	296
COVID-19 rent concessions	-	(28)	-	(3)
Gain (loss) on change in fair value	152	(66)	23	(55)
Repair and maintenance expense				
- property that generate rental income	(30)	(20)	(6)	(2)

Information relating to leases are disclosed in note 15.

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.

Notes to the financial statements

For the year ended 31 December 2022

Key assumptions used in the valuation of office rental project units for rent, land for rent and land awaiting development as at 31 December 2022 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%	Decrease in fair value
Occupancy rate (depending on location of assets)	53% - 96%	53%	Increase in fair value
Rental rate per month (depending on location of assets)	Baht 700 - 880 per square meter	Baht 865 per square meter	Increase in fair value

14. Property, plant and equipment

	Consolidated financial statements					
	Land	Building and improvement	Office equipment and furniture fixture	Vehicles	Assets under installation	Total
	(in million Baht)					
Cost						
At 1 January 2021	339	28	144	10	68	589
Additions	-	-	1	3	-	4
Disposals	-	-	(6)	(4)	-	(10)
At 31 December 2021 and 1 January 2022	339	28	139	9	68	583
Additions	-	-	3	-	-	3
At 31 December 2022	339	28	142	9	68	586
Depreciation						
At 1 January 2021	-	17	77	9	-	103
Depreciation charge for the year	-	2	7	-	-	9
Disposals	-	-	(6)	(4)	-	(10)
At 31 December 2021 and 1 January 2022	-	19	78	5	-	102
Depreciation charge for the year	-	1	7	1	-	9
At 31 December 2022	-	20	85	6	-	111
Net book value						
At 31 December 2021	339	9	61	4	68	481
At 31 December 2022	339	8	57	3	68	475

Notes to the financial statements

For the year ended 31 December 2022

	Separate financial statements				
	Building and improvement	Furniture, fixtures, office and equipment	Vehicles	Assets under installation	Total
	<i>(in million Baht)</i>				
Cost					
At 1 January 2021	20	30	5	7	62
Additions	-	1	3	-	4
Disposals	-	(5)	(4)	-	(9)
At 31 December 2021 and 1 January 2022	20	26	4	7	57
Additions	-	3	-	-	3
At 31 December 2022	20	29	4	7	60
Depreciation					
At 1 January 2021	4	24	5	-	33
Depreciation charge for the year	5	2	-	-	7
Disposals	-	(5)	(4)	-	(9)
At 31 December 2021 and 1 January 2022	9	21	1	-	31
Depreciation charge for the year	5	1	-	-	6
At 31 December 2022	14	22	1	-	37
Net book value					
At 31 December 2021					
Owned assets	6	5	-	7	18
Right-of-use assets	5	-	3	-	8
	11	5	3	7	26
At 31 December 2022					
Owned assets	5	7	3	7	22
Right-of-use assets	1	-	-	-	1
	6	7	3	7	23

15. Leases

As a lessee

	Consolidated financial statements	Separate financial statements
Right-of-use assets at 31 December 2022	<i>(in million Baht)</i>	
Land	234	-

In 2022, additions to the right-of-use assets of the Group were Baht 1 million.

The Group leases a land for 30 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Notes to the financial statements

For the year ended 31 December 2022

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Amounts recognised in profit or loss				
Interest expenses on lease liabilities	6	6	-	-
Expenses relating to short-term leases	-	-	4	4
Expenses associated with low-value asset leases	-	1	-	-

In 2022, total cash outflow for leases of the Group were Baht 5.06 million and Baht 4.91 million, respectively.

As a lessor

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 1 - 5 years. Subsequent renewals are negotiated with the lessee.

<i>Lease payments to be received from operating leases</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
At 31 December 2022				
1 st year	597	699	39	26
2 nd year	351	278	39	18
3 rd year	257	18	41	7
4 th year	29	1	42	1
5 th year	-	-	42	-
More than 5 years	-	-	743	-
Total	1,234	996	946	52

Notes to the financial statements

For the year ended 31 December 2022

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.

However, GLAND office Leasehold Real Estate Investment Trust had transferred such right in leasehold to CPN Retail Growth Leasehold REIT in 2020.

16. Interest bearing liabilities

	Consolidated financial statements					
	Secured	2022 Unsecured	Total	Secured	2021 Unsecured	Total
	<i>(in million Baht)</i>					
Short-term loans from financial institutions	-	820	820	150	850	1,000
Debentures	-	-	-	-	1,028	1,028
Long-term loans from related parties	-	1,804	1,804	-	782	782
Long-term loans from financial institutions	3,632	-	3,632	3,632	-	3,632
Lease liabilities	-	138	138	-	137	137
Total interest-bearing liabilities	3,632	2,762	6,394	3,782	2,797	6,579

	Separate financial statements					
	Secured	2022 Unsecured	Total	Secured	2021 Unsecured	Total
	<i>(in million Baht)</i>					
Short-term loans from financial institutions	-	820	820	150	850	1,000
Debentures	-	-	-	-	1,028	1,028
Short-term loans from related parties	-	4,453	4,453	-	3,975	3,975
Long-term loans from related parties	-	1,804	1,804	-	782	782
Long-term loans from financial institutions	1,100	-	1,100	1,100	-	1,100
Lease liabilities	-	2	2	-	7	7
Total interest-bearing liabilities	1,100	7,079	8,179	1,250	6,642	7,892

Notes to the financial statements

For the year ended 31 December 2022

<i>Assets pledged as security for liabilities as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Real estate development for sale	623	623	623	623
Investment properties	11,437	11,156	4,713	4,536
Total	12,060	11,779	5,336	5,159

Long-term loans from financial institutions

In September 2010, the Group entered into a loan agreement within credit line not exceeding Baht 3,100 million with financial institution. Such agreement stipulated the Group to repay the remaining principal within 3 years from 17 July 2019. Subsequently, In July 2022, the Group entered into a memorandum of loan agreement with such financial institution to amend the repayment principal period to by 17 July 2024 and amended interest rate as mutually agreed. As at 31 December 2022, the Group had utilised Baht 2,532 million (31 December 2021: Baht 2,532 million).

In September 2021, the Company entered into a loan agreement Baht 1,100 million with financial institution. Such agreement stipulated the Company to repay the principal within 2 years from loan utilised date. As at 31 December 2022, the Company had utilised Baht 1,100 million (31 December 2021: Baht 1,100 million).

In November 2022, the Company entered into a loan agreement within credit line Baht 300 million with financial institution. Such agreement stipulated the Company to repay the principal and due date in the promissory note. As at 31 December 2022, the Company had utilised Baht 200 million

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 and debt service coverage ratio at the rate prescribed in the agreements.

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

As at 31 December 2022, the Group had unutilised credit facilities totalling Baht 340 million (2021: Baht 410 million).

Effective interest rates and reprising / maturing analysis

	Consolidated financial statements				
	Effective Interest rate (% per annum)	The periods in which those liabilities mature		Book value	Fair value
		Within one year	After one year but		
			Within five years		
(in million baht)					
<i>As at 31 December 2022</i>					
<i>Financial liabilities</i>					
Loan from financial institutions	2.15 - 3.50	1,920	2,532	4,452	4,436
Loan from related parties	2.75	-	1,804	1,804	1,804
Total		1,920	4,336	6,256	6,240
<i>As at 31 December 2021</i>					
<i>Financial liabilities</i>					
Debentures	4.9 - 5.0	1,028	-	1,028	1,032
Loan from financial institutions	1.85 - 2.87	3,532	1,100	4,632	4,619
Loan from related parties	2.75	-	782	782	782
Total		4,560	1,882	6,442	6,433



Notes to the financial statements

For the year ended 31 December 2022

	Separated financial statements				
	Effective Interest rate (% per annum)	The periods in which those liabilities mature		Book value	Fair value
		Within one year	After one year but		
			Within five years		
(in million Baht)					
As at 31 December 2022					
Financial liabilities					
Loan from financial institutions	2.15 - 3.50	1,920	-	1,920	1,918
Loan from related parties	0.58, 2.75, THOR+2.06	4,453	1,804	6,257	6,257
Total		6,373	1,804	8,177	8,175
As at 31 December 2021					
Financial liabilities					
Debentures	4.9 - 5.0	1,028	-	1,028	1,032
Loan from financial institutions	1.85 - 2.87	1,000	1,100	2,100	2,093
Loan from related parties	MLR-0.75	3,975	782	4,757	4,757
Total		6,003	1,882	7,885	7,882

Notes to the financial statements

For the year ended 31 December 2022

17. Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Defined benefit plan	15	21	15	21

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	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
At 1 January	21	21	21	19
<i>Recognised in profit or loss:</i>				
Current service cost	3	2	3	2
Loss from segment transferring	-	-	-	2
	<u>3</u>	<u>2</u>	<u>3</u>	<u>4</u>
<i>Recognised in other comprehensive income:</i>				
Actuarial loss				
- Financial assumptions	-	4	-	4
Benefit paid	<u>(9)</u>	<u>(6)</u>	<u>(9)</u>	<u>(6)</u>
At 31 December	<u>15</u>	<u>21</u>	<u>15</u>	<u>21</u>

<i>Principal actuarial assumptions</i>	Consolidated and Separate financial statements	
	2022	2021
	<i>(%)</i>	
Discount rate	1.6	1.6
Future salary growth	5.0	5.0

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

At 31 December 2022 and 2021 the weighted-average duration of the defined benefit obligation was 10 years.

Notes to the financial statements

For the year ended 31 December 2022

Sensitivity analysis

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

<i>Effect to the defined benefit obligation</i>	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in million Baht)</i>			
<i>At 31 December 2022</i>				
Discount rate (0.5% Change)	(3)	2	(3)	2
Future salary growth (1% Change)	2	(3)	2	(3)
<i>At 31 December 2021</i>				
Discount rate (0.5% Change)	3	3	2	3
Future salary growth (1% Change)	2	2	3	2

18. Share capital

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.

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.

Other components of equity

Other components of equity comprise the adjustment for change in interest in subsidiary and the cumulative net change in the fair value of equity securities designated at FVOCI.

19. Segment information and disaggregation of revenue

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

Geographical segments

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

Business segments

Management determined that the Group has two reportable segments which are the Group’s strategic divisions for different products and services.

Notes to the financial statements

For the year ended 31 December 2022

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.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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

	Real estate for sale business		Real estate for rental and service business		Total	
Year ended 31 December	2022	2021	2022	2021	2022	2021
	(in million Baht)					
Information about reportable segments						
External revenues	307	402	1,208	1,153	1,515	1,555
Inter-segment revenue	-	-	113	89	113	89
Total revenue	307	402	1,321	1,242	1,628	1,644
Interest income	13	5	63	80	76	85
Finance costs	12	9	129	148	141	157
Profit before income tax expense	155	276	1,089	1,041	1,244	1,317
Timing of revenue recognition						
At a point in time	307	402	-	-	307	402
Over time	-	-	1,321	1,242	1,321	1,242
Total revenue	307	402	1,321	1,242	1,628	1,644
				2022	2021	
				(in million Baht)		
Profit or loss						
Total revenue from reportable segments				1,244	1,317	
Other revenue				100	97	
				1,344	1,414	
Elimination of inter-segment revenue				(112)	(89)	
Unallocated amounts:						
Gain (loss) on changes in fair value of investment properties				152	(66)	
Other expenses				(434)	(468)	
Share of profit of associates				1	6	
Total profit before tax				951	797	

Major customer

In 2022, the Group has revenue from major customer is CPN Retail Growth Leasehold REIT (other related party) approximately Baht 268 million (2021: CPN Retail Growth Leasehold REIT (other related party) Baht 224 million) in the consolidated financial statements and Baht 179 million (2021: Baht 149 million) in the separate financial statements from office building for rent.

Notes to the financial statements

For the year ended 31 December 2022

Balance of contract liability

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

	Consolidated financial statements contract liability	
	2022	2021
	<i>(in million Baht)</i>	
At 1 January	(0.40)	(0.20)
Recognised as revenue during the year	388.80	43.23
Advance received from customer	(391.39)	(43.43)
At 31 December	(2.99)	(0.40)

20. Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Wages and salaries	110	132	43	60
Defined benefit plans	3	2	3	4
Defined contribution plans	3	5	3	5
Other welfares	12	12	8	8
Total	128	151	57	77

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

21. Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Finance costs	141	157	116	116
Salaries, wages and other employee benefit expenses	128	151	57	78
Utility expenses	142	122	14	9
Cost of sale of real estate	152	127	-	-
Consulting and other fees	137	136	122	115
Maintenances and repairments	31	26	7	7
Advertising expenses	22	23	1	6
Total	753	742	317	331

Notes to the financial statements

For the year ended 31 December 2022

22. Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Current tax expense				
Current year	100	109	2	1
Deferred tax expense				
Movements in temporary differences	97	61	32	15
Total income tax expense	197	170	34	16

	Consolidated financial statements					
	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
<i>Income tax recognised in other comprehensive income</i>						
Defined benefit plan actuarial losses	-	-	-	4	(1)	3
Gain on investments in equity instruments designated at FVOCI	(34)	7	(27)	(44)	9	(35)
Total	(34)	7	(27)	(40)	8	(32)

	Separate financial statements					
	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
<i>Income tax recognised in other comprehensive income</i>						
Defined benefit plan actuarial losses	-	-	-	4	(1)	3

Notes to the financial statements

For the year ended 31 December 2022

Reconciliation of effective tax rate

	Consolidated financial statements			
	2022		2021	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		951		797
Income tax using the Thai corporation tax rate	20	190	20	159
Income tax reduction		(6)		(2)
Income not subject to tax		(1)		(3)
Expenses not deductible for tax purposes		14		14
Current year losses for which no deferred tax asset was recognised		-		2
Total	21	197	21	170

	Separate financial statements			
	2022		2021	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		172		77
Income tax using the Thai corporation tax rate	20	34	20	15
Income tax reduction		3		(1)
Expenses not deductible for tax purposes		(3)		2
Total	20	34	21	16

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>At 31 December</i>				
		(in million Baht)		
Deferred income tax assets	77	82	-	-
Deferred income tax liabilities	(1,756)	(1,657)	(928)	(896)
	(1,679)	(1,575)	(928)	(896)

	Consolidated financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
<i>Deferred tax At 31 December</i>				
		(in million Baht)		
Total	33	28	(44)	(54)
Set off of tax	44	54	(1,712)	(1,603)
Net deferred tax assets (liabilities)	77	82	(1,756)	(1,657)

	Separate financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
<i>Deferred tax At 31 December</i>				
		(in million Baht)		
Total	3	4	(931)	(900)
Set off of tax	(3)	(4)	3	4
Net deferred tax liabilities	-	-	(928)	(896)

Notes to the financial statements

For the year ended 31 December 2022

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

Deferred tax	Consolidated financial statements (Charged) / credited to:			At 31 December
	At 1 January	Profit or loss	Other comprehensive income	
	<i>(in million Baht)</i>			
2022				
Deferred tax assets				
Trade accounts receivable (expected credit losses)	1	(1)	-	-
Real estate projects development for sale	3	-	-	3
Gain on sales of assets to related party	1	-	-	1
Advance service income	7	1	-	8
Provisions for employee benefits	4	(1)	-	3
Revenue and expense recognitions of real estate business	8	-	-	8
Loss carry forward	4	1	-	5
Provision for repairing real estate and infrastructure	-	1	-	1
Deposits	-	4	-	4
Total	28	5	-	33
Deferred tax liabilities				
Deferred debenture issuing costs	(1)	1	-	-
Right-of-use asset	(1)	(1)	-	(2)
Unrealized gain from investment in equity securities measured at FVOCI	(102)	-	(7)	(109)
Gain on fair value of investment properties	(1,499)	(102)	-	(1,601)
Total	(1,603)	(102)	(7)	(1,712)
Net	(1,575)	(97)	(7)	(1,679)
2021				
Deferred tax assets				
Trade accounts receivable (expected credit losses)	-	1	-	1
Real estate projects development for sale	3	-	-	3
Gain on sales of assets to related party	1	-	-	1
Advance service income	6	1	-	7
Provisions for employee benefits	4	(1)	1	4
Revenue and expense recognitions of real estate business	2	6	-	8
Loss carry forward	13	(9)	-	4
Total	29	(2)	1	28
Deferred tax liabilities				
Deferred debenture issuing costs	(1)	-	-	(1)
Right-of-use asset	(1)	-	-	(1)
Unrealized gain from investment in equity securities measured at FVOCI	(93)	-	(9)	(102)
Gain on fair value of investment properties	(1,441)	(58)	-	(1,499)
Total	(1,536)	(58)	(9)	(1,603)
Net	(1,507)	(60)	(8)	(1,575)

Notes to the financial statements

For the year ended 31 December 2022

Deferred tax	Separate financial statements (Charged) / credited to:			At 31 December
	At 1 January	Profit or loss	Other comprehensive income	
	<i>(in million Baht)</i>			
2022				
Deferred tax assets				
Provisions for employee benefits	4	(1)	-	3
Deferred tax liabilities				
Gain on fair value of investment properties	(900)	(31)	-	(931)
Total	(900)	(31)	-	(931)
Net	(896)	(32)	-	(928)
2021				
Deferred tax assets				
Provisions for employee benefits	4	(1)	1	4
Deferred tax liabilities				
Deferred debenture issuing costs	(1)	1	-	-
Gain on fair value of investment properties	(885)	(15)	-	(900)
Total	(886)	(14)	-	(900)
Net	(882)	(15)	1	(896)

As at 31 December 2022, the Company's unused tax losses totaling Baht 11 million (2021: Baht 23 million), on which deferred tax assets have not been recognised, will expire by 2023. The management believes that they might not be used to offsets taxable income in the future.

23. Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	714	574	138	61
Number of ordinary shares outstanding	6,500	6,500	6,500	6,500
Earnings per share (basic) (in Baht)	0.110	0.088	0.021	0.009

Notes to the financial statements

For the year ended 31 December 2022

24. Level of fair value and financial instruments

(a) Level of fair value

	Consolidated financial statement		
	Fair value		
	Level 1	Level 2	Level 3
	<i>(in million Baht)</i>		
At 31 December 2022			
Financial assets measured at fair value			
Other non-current financial assets - investment in equity securities	-	-	650
Financial liabilities disclosed at fair value			
Short-term loans from financial institutions	-	-	(820)
Current portion of long-term loans from financial institutions	-	-	(1,100)
Loan-term loans from financial institutions	-	-	(2,518)
At 31 December 2021			
Financial assets measured at fair value			
Other current financial assets - investments in debt securities	-	40	-
Other non-current financial assets - investment in equity securities	-	-	615
Financial liabilities disclosed at fair value			
Short-term loans from financial institutions	-	-	(1,000)
Current portion of long-term loans from financial institutions	-	-	(2,526)
Debentures	-	(1,032)	-
	Separate financial statements		
	Fair value		
	Level 1	Level 2	Level 3
	<i>(in million Baht)</i>		
At 31 December 2022			
Financial liabilities disclosed at fair value			
Short-term loans from financial institutions	-	-	(820)
Current portion of long-term loans from financial institutions	-	-	(1,100)

Notes to the financial statements

For the year ended 31 December 2022

	Separate financial statements		
	Fair value		
	Level 1	Level 2	Level 3
	<i>(in million Baht)</i>		
At 31 December 2021			
Financial assets measured at fair value			
Other current financial assets - investments in debt securities	-	40	-
Financial liabilities disclosed at fair value			
Short-term loans from financial institutions	-	-	(1,000)
Debentures	-	(1,032)	-

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

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable, loans to related parties, accounts payable and loans from related parties approximate market rate, their carrying amounts in the statements of financial position approximate their fair value.
- For fixed rate debentures, their fair value is determined by using the price as announced by the Thai Bond Market Association.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.
- Investment in non-marketable equity securities, the fair value is determined by using financial pricing model.
- Investments in marketable unit trusts classified as financial assets measured at FVTPL is determined using the net asset value as of the reporting date.

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, deposit received from customer is taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

There were no transfers between the fair value hierarchies during the year.

Notes to the financial statements

For the year ended 31 December 2022

(b) Movement of marketable debt securities

Marketable debt securities	Consolidated / separate financial statements				
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
	<i>(in million Baht)</i>				
2022					
Current financial assets					
Debt securities measured at					
- FVTPL	40.18	20.00	(60.00)	0.03	0.21
2021					
Current financial assets					
Debt securities measured at					
- FVTPL	40.12	70.00	(70.00)	0.06	40.18

Sensitivity analysis

For the fair values of financial assets and financial liabilities at 31 December 2022 measured at fair value Level 3, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects

Effect to profit or loss	Consolidated financial statements		Separate financial statements	
	1% increase in assumption	1% decrease in assumption	1% increase in assumption	1% decrease in assumption
	<i>(in million Baht)</i>			
31 December 2022				
Investment properties				
Discount rate	(972)	1,143	(312)	389

(b.1) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates (see note 16) are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the financial statements

For the year ended 31 December 2022

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities

(c.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

(c.1.2) Investment in debt securities

The Group considers that all debt investments measured FVOCI have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

(c.1.3) Financial instrument and cash at banks

The Group manages the credit risk from balance with banks and financial institutions approved within credit limits is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

Notes to the financial statements

For the year ended 31 December 2022

(c.2) Liquidity risk

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and reduce the impact of netting agreements

	Consolidated financial statements			
	Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but not over 5 years	Total
	(in million Baht)			
At 31 December 2022				
Non-derivative financial liabilities				
Loans from financial institutions	4,452	1,920	2,532	4,452
Trade and other payables	219	219	-	219
Lease liabilities	138	5	133	138
Loans from related parties	1,804	-	1,804	1,804
Rental and service retention	209	133	76	209
Contractor payables	19	19	-	19
	6,841	2,296	4,545	6,841
At 31 December 2021				
Non-derivative financial liabilities				
Loans from financial institutions	4,632	3,532	1,100	4,632
Trade and other payables	266	266	-	266
Lease liabilities	137	5	132	137
Loans from related parties	782	-	782	782
Debentures	1,028	1,028	-	1,028
Rental and service retention	201	71	130	201
Contractor payables	32	32	-	32
	7,078	4,934	2,144	7,078

Notes to the financial statements

For the year ended 31 December 2022

	Separate financial statements			
	Carrying amount	Contractual cash flows 1 year or less	More than 1 year but not over 5 years	Total
	<i>(in million Baht)</i>			
At 31 December 2022				
Non-derivative financial liabilities				
Loans from financial institutions	1,920	1,920	-	1,920
Trade and other payables	85	85	-	85
Lease liabilities	2	1	1	2
Loans from related parties	6,257	4,453	1,804	6,257
Rental and service retention	17	8	9	17
Contractor payables	8	8	-	8
	8,289	6,475	1,814	8,289
At 31 December 2021				
Non-derivative financial liabilities				
Loans from financial institutions	2,100	1,000	1,100	2,100
Trade and other payables	116	116	-	116
Lease liabilities	7	5	2	7
Loans from related parties	4,757	3,975	782	4,757
Debentures	1,028	1,028	-	1,028
Rental and service retention	10	6	4	10
Contractor payables	11	11	-	11
	8,029	6,141	1,888	8,029

(c.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

25. 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 regularly monitors the return on capital.

Notes to the financial statements

For the year ended 31 December 2022

26. Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
Contracted but not provided for:				
Unrecognized Contract				
Building and utility system	38	26	30	18
Investment properties agreement under development	45	57	-	-
Total	83	83	30	18
Other commitments				
Services contract	75	112	16	26
Bank guarantees	19	19	7	7
Total	94	131	23	33

27. Litigations

In October 2020, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of management and construction contract of approximately Baht 5.8 million. The court made an appointment to determine the guidelines for the trial and mediation on 23 November 2021 and appoint both, complainant and defendant to investigate the witnesses in March 2022. In April 2022, the subsidiary agreed to pay to the complainant amounting to Baht 4.8 million.

In June 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of contract of Baht 31 million. The court made an appointment to determine the guidelines for the trial and witness in May 2022. In June 2022, the subsidiary agreed to pay to the complainant amounting to Baht 15.15 million.

In December 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of contract of Baht 2 million. The court made an appointment to determine the guidelines for the trial and witness in May 2022. The both sides entered compromise agreement. Subsequently, in July 2022, the subsidiary agreed to pay to the complainant amounting to Baht 1.45 million.

In October 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of lease contract of Baht 51 million. The court made an appointment to determine the guidelines for the trial and witness in March 2023. Based on opinion of the management and the legal department of the Group, they consider that the Group has no possibility of litigating payment, therefore the Group did not recognize the provision from the outstanding legal case.

Notes to the financial statements

For the year ended 31 December 2022

28. Reclassification

Certain accounts in the statement of financial position for the year ended 31 December 2021, which are included in the 2022 financial statement for comparative purpose, have been reclassified to confirm to the presentation in the 2022 financial statements as follow:

	2021		
	Consolidated financial statements		
	Before reclass	Reclass	After reclass
	<i>(in million Baht)</i>		
<i>The statements of financial position</i>			
<i>Current liabilities</i>			
Current contract liabilities	782	(782)	-
<i>Non-current liabilities</i>			
Non-current contract liabilities	-	782	782
		<u>-</u>	
		<u>-</u>	
	2021		
	Separate financial statements		
	Before reclass	Reclass	After reclass
	<i>(in million Baht)</i>		
<i>The statements of financial position</i>			
<i>Current liabilities</i>			
Current contract liabilities	4,757	(782)	3,975
<i>Non-current liabilities</i>			
Non-current contract liabilities	-	782	782
		<u>782</u>	
		<u>-</u>	

The reclassifications have been made because in the opinion of the management, the new classification is more appropriate to the Group's business.



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**CENTRAL
PATTANA**