



GRAND CANAL LAND PUBLIC COMPANY LIMITED

Annual Report 2021
56-1 One Report

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Messages from the Board of Directors



To the Shareholders,

The past 2021 was another challenging year for Grand Canal Land Public Company Limited (“the Company”). In the year 2020, the COVID-19 pandemic situation in Thailand and around the world still affected all business sectors for the second year consecutively causing the economy to be slowdown. People still have to live with caution to reduce travel outside the place of residence. The employees in many organizations also have to work from home to maintain social distancing. The situation is likely to improve in late 2021 due to the increase in vaccination rates in the country. As a result, people are able to return to various activities, including daily life in various places outside the home more. Businesses in many sectors have begun to resume their operations until they are almost back to normal. However, the situation with the COVID-19 virus remains uncertain. There is still concern about the mutation of the disease that will lead to the new strain of COVID-19. This is the main factor preventing lifestyle and business operation from returning to normal.

In handling and managing the company’s business in the midst of such unusual circumstance, the Company emphasizes careful management in every business by managing costs and operating expenses with care and efficiency in order to match the proportion of revenue that has not recovered from unusual situations. We also take into account the interests of all stakeholders, such as tenants, shops, customers, suppliers, employees and shareholders. However, in order to maintain business growth and long-term returns to shareholders, the Company still has the investment plan which has undergone a thorough review in many dimensions. In 2021, the Company launched Nirati Don Muang project, which is a low-rise residential project. The project received a good response from many customers. It began to gradually sell and transfer units in the project from the 4th quarter of 2021 onwards.

As for the overall performance of the year 2021, the Company’s operating income increased approximately 6% from 2020. It was mainly due to the increase in sales and transfers of real estate projects. Meanwhile, the revenue from rental and service business declined due to the rental discount given for shops and tenants in the Company’s projects. However, in order to replace the revenue that has not returned to normal, the Company has managed costs, expenses and financial costs effectively allowing to maintain gross profit margins. The operating margins were at a level similar to the previous year.



(Mr. Kobchai Chirathivat)
Chairman

Apart from focusing on business operation, the Company still emphasizes the good corporate governance and equal treatment of all stakeholders. The Company has reviewed and improved the principles of good corporate governance regularly compared to other listed companies in the Stock Exchange of Thailand including internationally. Various policies related to the principles of good corporate governance are communicated so that the management and employees of the Company can recognize and appreciate the importance of such principles. In 2021, the Company received a 5-star rating from the corporate governance survey of listed companies, an increase from 2020 and 2019 at 4-star and 3-star levels, respectively. This reflects the commitment of the Company in giving importance to good corporate governance and equal treatment of all stakeholders.

For social and environmental responsibility, the Company continues to proceed such matters through activities that are beneficial to society and various forms of stakeholders, for example, with the Huay Khwang District Office, the private sector, and people in the local area for organizing volunteer activities “We do good deeds by heart” which is the project under the royal policy of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun to improve and develop the area along the Yai Sun Canal to create a prototype canal to solve the problem of wastewater. The paper boxes were donated for making the field beds and sending them to field hospitals to serve those infected with the COVID-19 virus under the project of “Unite to fight against COVID: Change the paper to the SCGP paper field bed.” We also support the allocation of temporary areas to facilitate the Thai Red Cross Society in accepting blood donation, etc.

The Board of Directors would like to thank all shareholders and stakeholders including financial institutes that have always supported the Company’s operations. Especially, the Company’s executives and employees are committed to devoting physical and mental energy in the midst of unusual circumstances for the Company to able to cope and go through such situation strongly. Despite the uncertainty in both economic and living situations and it is unpredictable when it will end, the Company assures that the Board of Directors, the executives and the employees will perform their best duties by using caution, prudence, and taking into account the interests of all stakeholders as important for the Company to be an organization that can continue to grow sustainably.

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 2021, there are 4 Audit and Corporate Governance Committee Meetings, as discussions with the Management, Internal Audit Department and Auditor in relevance matters, but also received information from another Management align with the agenda of duty, that specified in the Audit and Corporate Governance Committee Charter. The opinion and suggestion has been given independently as it should be, the Audit and Corporate Governance Committee has submitted 4 of operation reports to the Board of Directors Meetings. The summary of the operation performance and opinion in the agenda could be as follows;

Accuracy, Completeness, and Credibility of Financial Statements.

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

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

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

The Audit Committee has also been renamed as the Audit and Corporate Governance Committee to amend and improve upon its charter to ensure that the responsibility for corporate governance can be efficiently undertaken in compliance with the CG Code. In 2021, the Corporate Governance and Sustainable Development Committee was appointed and the Audit and Corporate Governance Committee reviewed the performance of the Corporate Governance and Sustainable Development Committee. There is an operational framework in 3 main areas, namely corporate governance, environmental, social and community.

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

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

The Audit and Corporate Governance Committees 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.




(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 transactions that may lead to conflicts of interest

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

Auditor Suitability, Consideration, Selection and Appointment of Auditor

The Audit and Corporate Governance Committee assessed the independent and operation performance in 2021, 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 2022. The approved expense is not exceeding Baht 2,940,000

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 2021, the summarize was made on February 4th, 2022. 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 2021, the Nomination and Remuneration Committee has organized 3 meetings and the report has been continually submitted to the Board of Directors, the summary of the significant operations are as follows;

1. Consider on an appointment of Chairman as a replacement to resigned Chairman, with an approval the appointment of Mr. Kobchai Chirathivatas a replacement Chairman of Mr. Sudhitham Chirathivat and with an approval the appointment of Mr. Sudhitham Chirathivat as Honorary Chairman, to nominate the Chairman and Honorary Chairman for Board approval.
2. Consider a re-structuring the Nomination and Remuneration Committee in line with guidelines and recommendation of Corporate Governance Report of Thai Listed Companies (“CGR”)
3. Consider a qualified person for Director appointment, to nominate to the Board of Directors and 2021 Annual General Meeting, the Company has open to minority shareholders for nominating a person in nomination to the Board of Directors from 25 September 2020 to 15 January 2021, but there is no nomination. The Nomination and Remuneration Committee has considered the resignation by rotation of Director as of 2021 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

4. Consider the Remuneration in 2021, 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.
5. Consider the acknowledgement of self-evaluation of the Nomination and Remuneration Committee in 2021, as an information to the Nomination and Remuneration Committee for operation improvement, which adhere to Good Corporate Governance.
6. Consider the CEO's performance in 2021 as an information to Chief Executive Officer to develop and improve the operation later.
7. Consider the Company's Diversity of the Board of Directors (Board Diversity) for 2021, 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.
8. Consider the Charter of the Nomination and Remuneration Committee, in 2021 amending the contents to align with guidelines of Corporate Governance and current situation.
9. 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,

The 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 for totally 3 persons having the duties to acknowledge and give recommendations to policy, strategy, structure and company’s risk management, analyze and agree on taking the company’s risk appetite. They also have to acknowledge risk’s trend management, evaluate the performance and efficiency in response to risk issues to ensure that the Risk Management has considered every aspect to all stakeholders and shareholders for both short and long terms effect. The performance outcomes are highlighted below:

จิตมาณี 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 2021 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 cyber-attacks
 - 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 Committee 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



Ms. Naparat Sriwanvit
Chief Executive Officer (Acting)



Mrs. Panida Sooksridakul
Deputy Managing Director



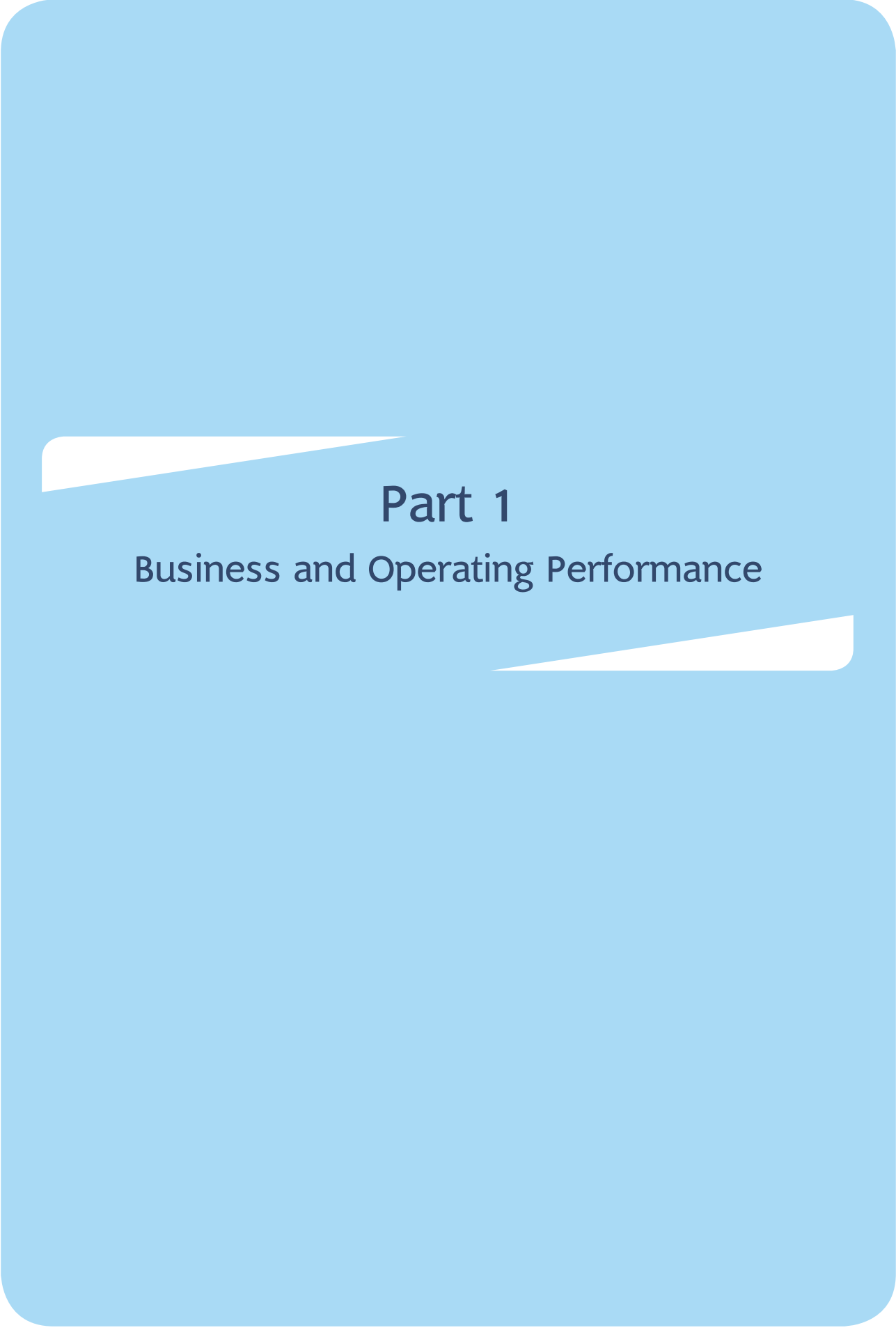
Fit.Lt. Kree Dejchai
Deputy Managing Director (Acting)



Ms. Tattayakorn Benjapatharaseth
Assistan Managing Director



Mr. Ponpinit Upathamp
Chief Financial Officer (Acting)

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Part 1

Business and Operating Performance

1. Business Structure and Operating Performance

1.1 Business Policy and Business Overview

Vision and Mission

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

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 2021, 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

Unilever House Grand Rama 9 Project



Picture of Unilever House Grand Rama 9 Project

G Tower Grand Rama 9 Project



Picture of the G Tower Grand Rama 9 Project

Nirati Donmuang 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.

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.

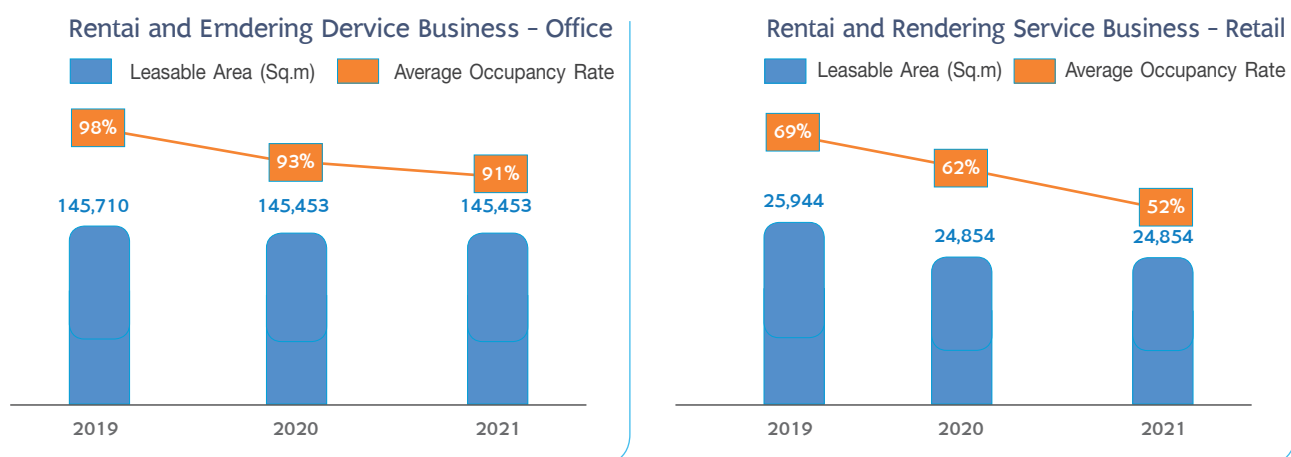
On 24 June 2020, the shareholders meeting of Gland REIT passed the resolution to approve the dissolution of Gland REIT and such matter has been registered with the Ministry of Commerce on 29 June 2020.

Revenue Structure

Table on the Group's Revenue Structure for 2019 - 2021 pursuant to its Consolidated Financial Statement

Business Category	Operated by	% of the Company's Equity as at (Dec 31, 21)	2021		2020		2019	
			Bt. Million	%	Bt. Million	%	Bt. Million	%
Real Estate - for rent and related services	Rama 9 Square Co., Ltd.	93.09	789.46	47.76	793.95	49.97	760.50	36.11
	Grand Canal Land Plc.	-	197.49	11.95	190.54	11.99	239.91	13.58
	Sterling Equity Co., Ltd.	100.00	87.04	5.27	102.33	6.44	113.84	4.90
	Belle Development Co., Ltd.	79.57	47.59	2.88	66.62	4.19	98.51	4.96
Real Estate - for sale	Belle Development Co., Ltd.	79.57	185.35	11.21	221.56	13.94	315.44	13.39
	Sterling Equity Co., Ltd.	100.00	0.00	0.00	0.00	0.00	12.59	0.00
	Belle Assets Co., Ltd.	100.00	216.95	13.13	0.00	0.00	0.00	0.00
Real Estate - Real estate management	Grand Canal Land Plc.	-	19.41	1.17	23.72	1.49	22.33	1.07
	Sterling Equity Co., Ltd.	100.00	12.06	0.73	10.67	0.67	10.20	0.50
Real Estate - REIT Manager	Gland Reit Management Co., Ltd.	100.00	0.00	0.00	59.18	3.72	17.19	0.81
Gains from changes in Fair Value and others	Grand Canal Land Plc. and Subsidiaries	-	97.59	5.90	120.26	7.57	1,047.11	23.75
Total			1,652.95	100.00	1,588.83	100.00	2,637.63	100.00

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



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 2021
1. Belle Grand Rama 9	Residential Condominium	Operated in September 2012
2. The Ninth Towers Grand Rama 9	Office building	Operated in February 2014
3. Unilever House Grand Rama 9	Office building	Operated in December 2014
4. G Tower Grand Rama 9	Office building	Operated in September 2016
5. Mixed Use Project (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. Sales and total transfers, as of 30 December 2021, equal to 1,990 units, respectively, representing 100 percent of the total number of units. The Company is expected to transfer the last remaining units by early 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.

(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.

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.

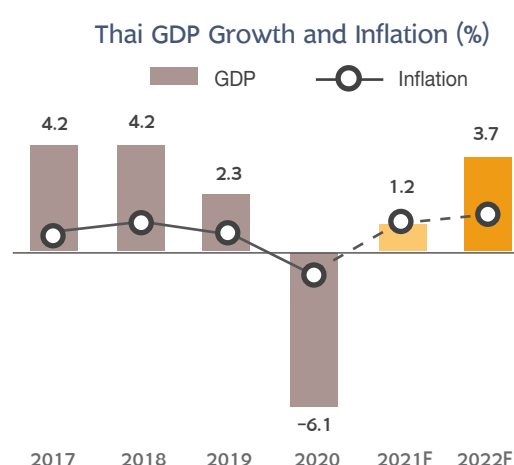
(2) Pricing Policy

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

- **Overview of the Thai economy in 2021**

The COVID-19 pandemic causes multiple and severe waves. It results in the delayed recovery of Thai economy. Coupled with the widespread outbreak of the Delta virus in the country in Q3/2021, many economic activities were restricted under strict epidemic control measures for several months. In addition, as the epidemic has spread to the business sector, it caused a slowdown in production line in some industrial and construction sectors. However, during the 4th quarter of 2021, vaccination progress had greatly increased alleviating the epidemic situation in the country. The strict control measures were gradually relaxed and the economic activities resumed to be operated. Unfortunately, the outbreak of the new strain of Omicron virus at the end of the year raised concerns about the direction of economic recovery again. Overall, the Thai economy in 2021 had the tendency to grow slightly at 1.2% from the severe contraction in 2020 of 6.1%.



Note: 2021-22 Forecast by Krungsri Research

Source: NESDC, MOC

The export sector was the key driving force of the economy in 2021. The expansion was at a high rate of approximately 16.5% from the previous year's contraction of 6.5%. The result of the economic recovery and global trade was reflected by the growth of the export market that spread both in terms of market and product category. It is also affected by the work from home policy and continual demand for products related to infection prevention and reduction of the COVID-19 spread. In addition, the sharp increase in commodity prices at the end of the year has contributed to strong growth in related exports.

Wider vaccination in Q4/2021 enabled the gradual improvement in economic activities and boosted global demand for commodities. When coupled with a slowdown in supply, the inflation at the end of the year increased. However, inflation tends to increase temporarily mainly due to energy prices. As the economy has been impacted hard by COVID-19, the Bank of Thailand ("BOT") maintains its policy interest rate at 0.50% throughout 2021 to support various economic sectors. BOT has given more importance to the implementation of financial measures aiming at target groups, such as loan rehabilitation measures, measures to suspend debts, helping retail debtors from refinancing support measures and measures for consolidating mortgage debt and other retail loans between financial institutes. This includes easing regulations to support financial institutes' assistance to debtors and temporary relaxation of LTV measures, etc.

- **Thai economic outlook in 2022**

Thailand's economic growth rate in 2022 is expected to expand continuously at 3.7% from only 1.2% in 2021. It is likely that the value of economic activities will be able to return to pre-epidemic levels in the second half of the year. The main economic driving force come from both internal and external factors, such as progress in vaccine distribution that has enabled Thailand and other countries to open up countries more. The recovery of the global economy and the positive effects from regional economic integration have benefited the Thai export sector to continue growing. Business adjustment could lead to a new investment cycle. The support from government measures can stimulate domestic spending. Although the tourism sector has a better direction, it is still in the first phase of recovery.

However, the long-standing impact of the COVID-19 epidemic and the economic recovery still encounter the risk factors and challenges which are still highly uncertain. The private consumption tends to improve. It is expected to grow by 3.6% in 2022 due to an improvement in domestic economic activity, the relaxation of control measures, and the large increase in vaccination. Being coupled with government measures which may be a supporting factor in the short term, the spending may expand limited due to the vulnerability in the labor market. Besides, it is expected that although the overall average wages in 2022 will increase, it will remain below pre-COVID-19 level.

The private investment is expected to grow to 4.6% as a result of recovering domestic and international demand. The upward cycle of investment will be encouraged. The investment is also expanding to meet the needs of New normal moving towards more digital world. This is correspondent with the positive signal from net foreign direct investment inflows increasing in the first half of 2021 which is higher than the whole year of 2019 (pre-epidemic).

In addition, the risk factors and challenges which may put pressure on Thai economy's recovery in 2022 include uncertainty over the spread of COVID-19 due to mutations affecting vaccine efficacy, labor market vulnerability and rising debt problems. The impact of monetary policy adjustments to the normalcy of the core countries causes volatility in the capital and financial markets. The world supply constraints that may be a protracted problem possibly affect the production cost. There are also geopolitical risks from international conflicts including political risks in the country that may affect the continuity of economic policy.

Source: Research of Bank of Ayudhya Public Company Limited

- **Office rental industry in 2021**

At the end of Q4/2021, the supply of office space in Bangkok (“Bangkok”) continued to increase at 9.186 million square meters from the launch of 3 new office building projects, namely Vanissa Tower, Kronos Tower, Sathorn Tower and Ratchada One Tower. Meanwhile, the overall occupancy rate slightly decreased because the office buildings in the market have more vacant space for rent. Besides, the occupancy rate of the new buildings that have entered the market in the Q4/2021 is lower than expected.

The COVID-19 pandemic situation in the second and the third waves in 2021 has resulted in a decline in demand for office tenants. However, it is still likely to be able to recover more as many businesses are able to adapt and change to the current situation. There are also businesses that see opportunities for growth during the COVID-19 pandemic situation. The demand for new office space in Bangkok in Q4/2021 was 11,650 square meters. There is also the demand from the increasing use of e-commerce, logistics, pharmaceutical and medicinal, and technology businesses. They look for expanding or relocating to the new office to expand the area and seeing opportunities from moving offices to different buildings, especially moving to a higher level of office. This can be negotiated for good conditions and it is worthwhile to move the office to be worth the investment in the long run.

Figure: Occupancy rate in Bangkok at the end of Q4/2021

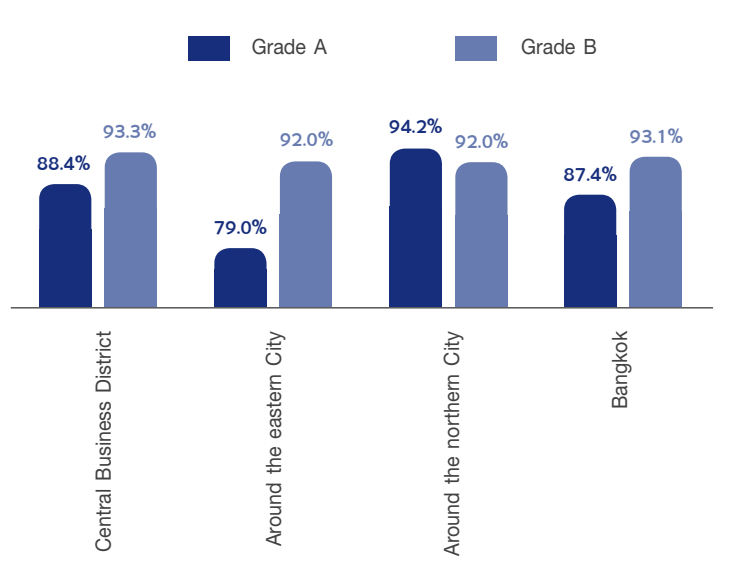
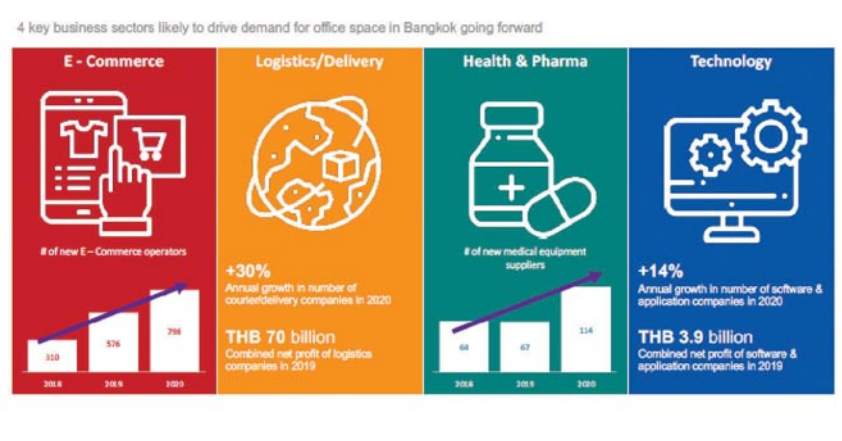


Figure: Business segments that are likely to grow and create demand in office buildings in 2022



Although the situation of the COVID-19 epidemic in the future tends to improve and the tenants can be more adaptable and return to normal office use, many companies have begun to reduce the use of office buildings. They work outside the office space more. The future office spaces will be transformed from traditional spaces to more flexible spaces in order to meet the needs of the organization and society of employees towards businesses and personnel.

As of the end of Q4/2021, the supply of office space in Bangkok increased continuously to 9.186 million square meters or an increase of 0.72% from the previous quarter from the launch of 3 new office building projects in Bangkok with a total rental area of 65,885 square meters.

The office building market in Q4/2021 reflected a clear picture of what will happen in the future. As supply outweighs demand, rental prices and overall occupancy rates decrease. Some tenants still want to renew their rental contracts. However, at the same time there is a need to request to reduce the size of the leased space from the original. Meanwhile large tenants with large occupancy in each office building have higher bargaining power in order to obtain better conditions from the building owner. The building owner has to improve and develop the building, system work, building image, and other incentives to maintain the number of tenants. The focuses should be on the incentives about health, safety, well-being and technology to respond to changing tenant’s behaviors.

Source: Analysis report of Colliers Thailand and Knight Frank Chartered (Thailand) Company Limited (“Knight Frank”)

- **Office rental industry trends in 2022**

Evolving office space strategies and new supply entering the market are the factors affecting the rent while tenants are looking for high quality office space. The office rental market in 2022 has the following important trends:

1. The work in the hybrid model is clearer.
The COVID-19 situation has affected the workplace for a long time resulting in more hybrid work trends. The hybrid operation will enhance productivity, control costs and maintain employee’s engagement in the organization. The workspace will be more flexible because employees need space that is flexible and adaptable.

2. Pay more attention to ESG

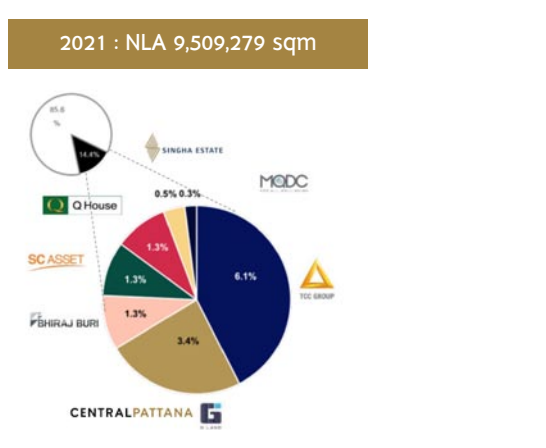
In choosing a new office space, organizations will pay more attention to environmental, social and governance standards. As many countries strive to achieve carbon neutrality goal (or reducing net greenhouse gas emission to zero by 2030 to 2060), the building owners must take sustainability action at all stages of the building's lifecycle to comply with the requirements and demands of customers.

3. Move to a quality area

The changes occurring in office space usage will make many older office buildings less suitable for the modern workplace. It also affects retaining and attracting talented employees. With more and more new office buildings continually entering the market, many old office buildings in Bangkok that have not been renovated will become obsolete buildings. More than 70% of the office buildings in the CBD and more than 65% of the office buildings outside the CBD are over 20 years old. The owners of the old office buildings had to renovate and develop office buildings to maintain occupancy and rental rates.

Source: Analysis report of the Research Department, CBRE (Thailand) Company Limited ("CBRE")

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 2021**

From the COVID-19 pandemic situation, the wave in April 2021 was more severe than the first wave in 2020. It affected all aspects of economic activities and also affected many business sectors that have recently recovered. This includes retail businesses with an average annual value of more than 5 trillion baht, as reflected in the Google Mobility Index. The overall retail index has slowed down and is likely to continue to decline in Q3/2021. The pandemic situation is still worrying. This led to the implementation of lockdown measures in the dark red areas of 29 provinces, causing overall economic activities to not return to normal.

However, as the vaccination rate has progressed more especially in the Bangkok area, this led to the start of the relaxation of lockdown measures in 29 provinces from 1st September, 2021. The pressure on retail businesses were reduced and the retail business began to gradually recover.

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

The retail businesses are likely to improve after alleviating the lockdown from the COVID-19 situation. This is supported by measures to stimulate spending and purchasing power from consumers in the export and agricultural sectors. The trend of online shopping is growing high together with the progress in vaccination. Many businesses are expected to begin to recover from the 4th quarter of 2121 to the middle of 2022.

Source: Analysis Center TMB Bank Thanachart Public Company Limited (“ttb analytics”)

- **Overview of the housing market in 2021 and trends in 2022**

In 2021, for the condominium market in the heart of Bangkok, no new projects have been launched continuously in the last 3 quarters as project developers are more cautious and wait for signs of recovery before launching new projects. Number of luxury condominium units in the heart of the city that are left on the market push the project developers to proceed with caution. As a result, the schedule for launching several planned new projects in the downtown area has been postponed.

The demand for low-rise housing continues to grow as a result of the popularity of buyers shifting to low-density housing with larger area and more flexible to accommodate future hybrid and uncertain operating models. In addition, the development of infrastructure and mass transit routes has increased access to more remote areas such as northern and eastern Bangkok getting more attention and convenience in traveling.

As the overall economic and market conditions have not improved much, the condominium market in 2022 is expected to slightly grow compared to the previous year. The existing units will continue to be absorbed by the market. This will bring the market closer to the equilibrium point where demand and supply are more balanced.

Source: Analysis Report of the Research Department, CBRE (Thailand) Company Limited (“CBRE”)

(4) Environmental Impact

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

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

Condominium Projects

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

Office Building and Retail Space Projects

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

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 2021, the Company, its subsidiaries, owned the assets under management as follows:

1. The cost of real estate development for sale

As of 31 December 2021, 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	-
2.	Belle Condominium	Rama 9	180.37 sq.m. Development	Belle	2	-
3.	Nirati Donmuang	Donmuang	53-2-66.3	Belle Assets	446	-
			Total		935	

2. Investment properties (for rental)

As of 31 December 2021, 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	5,104	-
2.	Land of The Super Tower and Podium Super Tower 1	Rama 9	13-2-68.41	GLAND	4,103	900
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	116	-
7.	Land of Unilever House and retail spaces	Rama 9	4-0-58.1	Sterling	1,998	-
8.	G Tower	Rama 9	5-0-98.3	Rama 9 Square (lease land till year 2050)	6,882	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	393	-
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	2,735	-
13.	Vacant Land	Kampangpetch 6 Bangkhen	9-2-84.7	GLAND	434	(land for lease till Year 2044)
		Total		22,251		

3. Property, Plant and Equipment

As of 31 December 2021, 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	9	-
3.	Fixtures and Equipment	61	-
4.	Vehicles	4	-
5.	Assets under construction	68	-
	Total	481	

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 Seafco Construction Company Limited (“Seafco”)
- Nature of contract : Rama 9 entered into the hire contract with Seafco 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	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

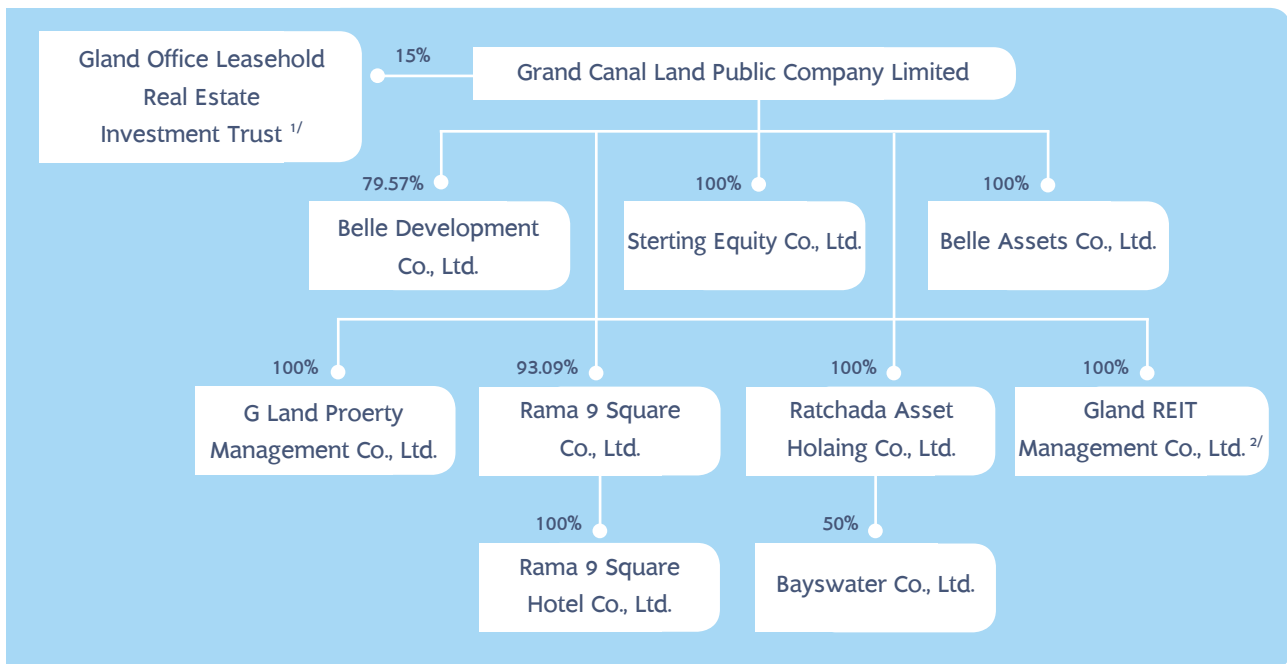
The Company has formulated the policy to invest in businesses that are correspondent with or support the Company's core business. The subsidiaries are used to increase business efficiency and flexibility in each business line, especially investments in businesses that can benefit other businesses in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

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, Bangkok 10310 Tel : 0 2246 2323 Fax : 0 2246 1082	Property Development	18,000,000 ordinary shares, 100.00 baht par value	100

Company name and Location	Business Type	Paid-up Capital	% of Share Holding
Belle Assets Co., Ltd. 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
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 2021 were:

Shareholders	Shares	Shareholding (%)
Registered Capital	6,499,829,661	100.00
Local Shareholders		
- Juristic persons	6,340,253,006	97.55
- Persons	159,443,821	2.45
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 2021, 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	8,800,000	0.14
5. Mr. Phahol Pao-in	6,070,600	0.09
6. Thai NVDR Co., Ltd.	6,031,261	0.09
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 Boontaweeapat	2,636,000	0.04
Total	6,383,842,477	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 2021, foreign investors altogether held less than 0.01% of Company's total paid-up capital.

Directors and Executives holding company shares in 2021, are as follows

Names	Position	No. of Shares as at 1 January 2021			Changes in No. of Shares Increased/ (Decreased) during 2021			No. of Shares as at 31 January 2021		Shareholding (%) as at 31 December 2021	
		Direct	Indirect	Total	Direct	Indirect	Total				
Mr. Sudhitham Chirathivat	Chairman	-	-	-	-	-	-	-	-	-	0.00
Assoc.Prof. Prapanpong Vejajiva	Vice Chairman	-	-	-	-	-	-	-	-	-	0.00
Mr. Charan Mongkolchan	Independent Director	-	-	-	-	-	-	-	-	-	0.00
Mrs. Jitmanee Suwannapool	Independent Director	-	-	-	-	-	-	-	-	-	0.00
Mr. Vithaya Chavananand	Independent Director	-	-	-	-	-	-	-	-	-	0.00
Mr. Preecha Ekkunagul	Director	-	-	-	-	-	-	-	-	-	0.00
Mr. Pandit Mongkolkul	Director	-	-	-	-	-	-	-	-	-	0.00
Ms. Nopporn Tirawattanagool	Director	-	-	-	-	-	-	-	-	-	0.00
Mr. Sansrit Yenbunrung	Director	-	-	-	-	-	-	-	-	-	0.00
Ms. Napat Sriwanvit	Chief Executive Officer (acting)	-	-	-	-	-	-	-	-	-	0.00
Mrs. Panida Sooksridakul	Deputy Managing Director	-	-	-	-	-	-	-	-	-	0.00
Flt.Lt. Kree Dejchai	Deputy Managing Director (acting)	-	-	-	-	-	-	-	-	-	0.00
Mr. Surakit Thantananont	Senior Assistant Managing Director of Business Support Workgroup	-	-	-	-	-	-	-	-	-	0.00
Ms.Tattayakorn Benjapattharaseth	Assistant Managing Director of Office Property Workgroup	-	-	-	-	-	-	-	-	-	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 2021
GLAND224A	Yes	1,150	4	26 Apr 2018	26 Apr 2022	5.00%	Upon maturity	Quarterly	1,028
GLAND215A	Yes	1,300	3.5	9 Nov 2017	9 May 2021	4.99%	Upon maturity	Quarterly	-

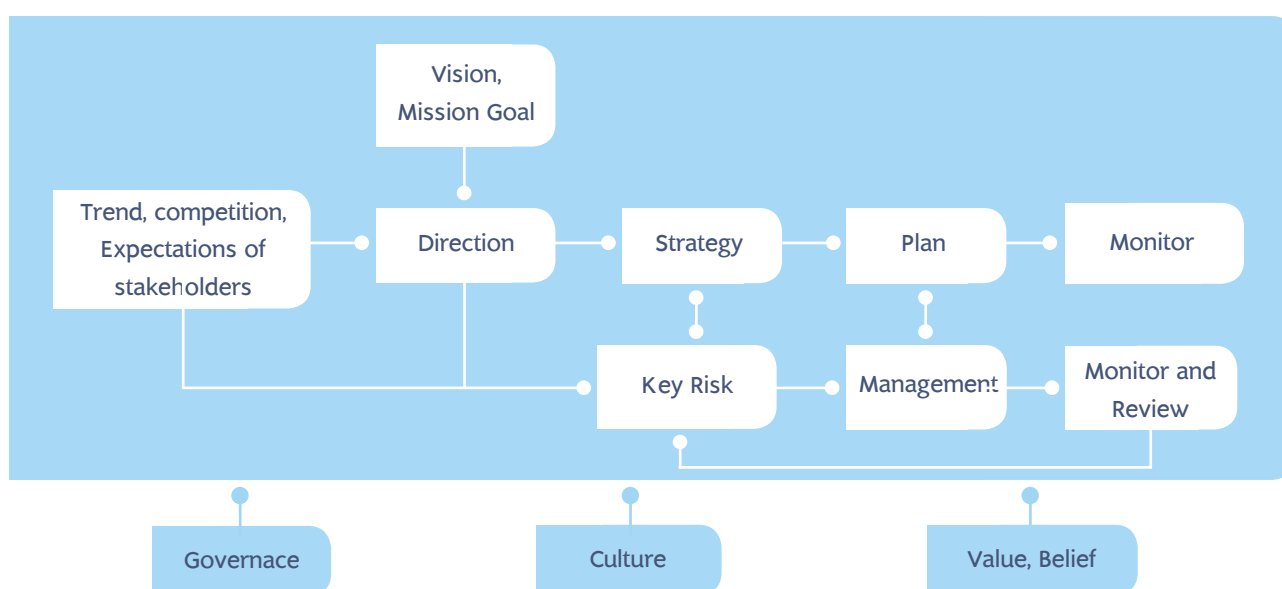
1.6 Dividend Policy

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

- (1) Risk in maintaining competitiveness from the economic situation, competition, and the COVID-19 pandemic

In 2021, Thai economy was still affected by the new wave of COVID-19 pandemic obstructing the economic recovery not to be as expected. The household and private consumption including the tourism sector which is an important economic driving force are still highly affected. In addition, the economic scars in the past 2 years in terms of household income from the sluggish labor market and a high level of debts result in the purchasing power of most consumers to have no clear signs of recovery. Moreover, the competition in the real estate development business is still at an intense level especially the business of office building for rent and the residential project business which still has excessive supply from the number of outstanding units in the market and new project development. Besides, the behavior of some tenants has changed to work from home or other places more than in the office buildings. This is the continuous trend caused by working during the COVID-19 pandemic.

Due to the aforementioned circumstances, the Company has implemented a policy of cautious investment expansion focusing on project management to be more efficient in every business that the Company currently operating. This includes: 1) Office building business for rent focusing on retaining

existing tenants and recruiting new tenants by building relationships with tenants, analyzing tenant's data to prepare appropriate support and assistance measures, recruiting new tenants from industries with potential for growth, adjusting more flexible rental terms, establishing service standards and applying technology such as application and website developed for selling spaces, communication and facilitating the tenants, etc., 2) Retail business focusing on providing assistance to tenants affected by the COVID-19 situation including giving discounts, adjusting the rental conditions, the rental period and area size, doing public relations through social media and promotional booths, recruiting new tenants from industries with potential for growth, adjusting Merchandising Mix and utilization of various areas to be more appropriate, 3) Property development business for sales. In 2021, the Company developed 1 new project, namely Nirati Don Mueang Project which is a low-rise residential project in various formats whether single-detached houses, twin houses and townhomes. The project was launched for sale in September 2021 and was well welcomed by the customers from the design and the project development that meet the needs of customers, the use of online and social media channels in marketing and sales including joining forces with Central Pattana and Central Group in providing benefits to customers of the project.

The Company continues to closely monitor and assess the situation of the COVID-19 pandemic. The health and safety measures are prepared for ensuring the tenants and customers to use the service. This includes continually reviewing contingency plans and business plans in case of crisis, such as support plans in case of the risk groups using the service, plan to allocate human resources into 2 teams to prevent all personnel being quarantined until not having sufficient personnel to perform the operation, etc. We also provide assistance and mitigate impacts to tenants, communities, society and employees, mainly taking into account safety, sanitation, and survival in crisis.

(2) Risk in relation to Leasehold Rights

The “G Tower Grand Rama 9” office building project, operated by Rama 9 Square Co., Ltd., is located on a plot of land in which the Company has a 43-year lease agreement with Super Assets Co., Ltd., and CKS Holding Co., Ltd., the remained of the Lease Term is 29 years, Rama 9 Square Co., Ltd., will deliver the land and the building to the Lessor after the expire of the Lease agreement. Even though this is a long-term contract, the landlord could terminate the agreement at any time before expiry if the Company breaches the lease agreement. Therefore, the Company must avoid actions which might abuse or breach the lease agreement which may lead to termination or a fine.

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

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

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

(4) Risk of cyber-attack (*Emerging risk)

At present, the Company has developed more technology and digital system in the operation and services. This also results in the increase of Cyber-Attack which will affect the interruption of business operation or affect the Company's reputation if such incidents are handled inefficiently. In addition, over

the years, the cyber-attack tends to increase continuously, especially for ransom. In 2022, the Personal Data Protection Act will become fully enforced. This possibly increases the incentive for more cyber-attacks.

The Company has developed and improved the information security management system using ISO 27001: 2013 and NIST SP800-53 as a framework for implementation. This covers the security of data and information systems including the Company's Hardware, Software and Network systems as shown in the following table.

Main functions	Management approaches	Examples of measures
Identify	Risk assessment 3 rd party audit and Cyber drill	Risk assessment to identify weaknesses and plan the improvement Hiring experts to perform Penetration test Conduct the Vulnerability Scanning to check and prevent vulnerabilities
Protect	Policy and procedure Access control Protective technology System / Software update	Formulation of policies and practices on the information security Change of password setting policy to make it more secure. Implementation of VPN, MFA and PAM systems for login Improvement of System shields such as Anti-virus and Firewall programs Application of Advance email protection to important email accounts Use of OWASP standard to develop the secure program Update on System/Software patch to the latest version
Detect	Detection process Security monitoring	Installation of EDR program to detect anomalies Implementation of Log management for all systems and networks
Response	Response planning Incident management	Preparation of guidelines for the practices on Incident management
Recover	Recovery planning DRP	Update on the guidelines for the practices of Disaster Recovery Plan

In addition, the Company focuses on educating and raising awareness among personnel throughout the organization via regular press releases about threats and impacts. Handling of the incident is developed through the improvement of Business Continuity Plan (BCP) to suit the currently-used environment and systems. BCP was drilled on cyber-attack in 2021. The Company also made the Cyber insurance for transferring risks and minimizing potential impacts in the event of accident.

(5) Climate change risk (*Emerging 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, 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.

(6) Risk to investment of securities holders

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

Credit Risk

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

Price Risk

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

Liquidity Risk

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

3. Sustainable Development

3.1 Materiality Issue and Strategy

The Company performs the business operation of real estate development and management comprising 2 business groups; 1) real estate for rent and 2) real estate for sales. We adhere to the principles of corporate governance in business operation and put the emphasis on transparency, fairness, and verifiability. We also pay attention to all groups of stakeholders according to sustainability perspectives in 3 dimensions; economy, society and environment. The Sustainable Development Goals (SDGs) are adopted as the approaches for setting goals in sustainable business operation driving concrete actions throughout the Company's value chain.

Currently, the Company prepares the report on sustainability development. This is included in the 2021 annual report for the first time to show the economic, social and environmental performance with covering only the operational performance of the Company and the subsidiaries in Thailand. This is correspondent with the Company's financial reporting principles from 1st January, 2021, to 31st December, 2021. The report on the progress and results of economic, social and environmental performance is in accordance with the important sustainability issues and the scope of the report on business performance and sustainability. It covers only the management of 3 office building projects for rent, namely The Ninth Towers Grand Rama 9 Project ("The Ninth Towers"), Unilever House Grand Rama 9 Project ("Unilever house), the G Tower Grand Rama 9 Project ("G Tower") and related and supporting businesses under the management of the Company, namely the Shoppes @ Belle Grand Rama 9 Project ("The Shoppes @ Belle"). The details are disclosed in the 2021 Annual Report in the subject of "Business Structure and Operating Performance".

Process on Sustainability Assessment and Prioritization

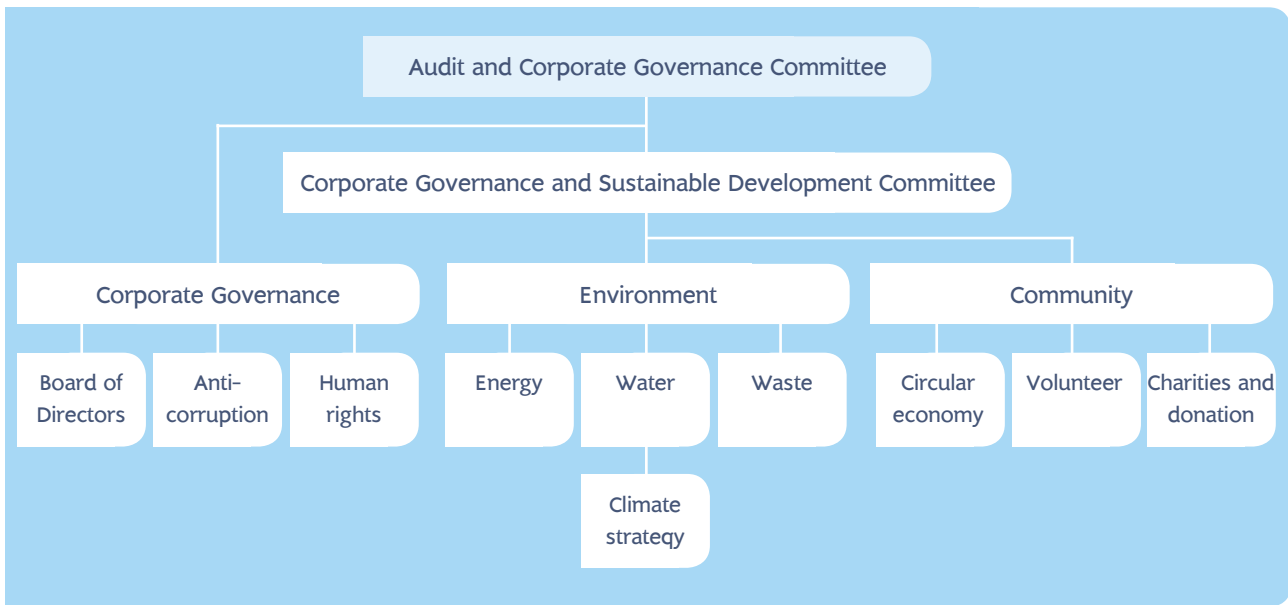
The Company assesses the importance of sustainability in 2021 according to the approaches of Central Pattana Public Company Limited ("Central Pattana") to analyze the main tendency from the external changes, risks and challenges arising from situations that affect expectations, response to stakeholders and to the business to create long-term value. Then, the important tendency is taken to assess together with corporate risks (as per the details disclosed in the Annual Report 2021 in the subject of "Business Risk Factors"). The determination and prioritization are made in accordance with the expectations of the management and corporate strategy. The issues of sustainability which are significant to the Company are summarized. The Company's Secretary Office together with the management present significant sustainability issues to formulate corporate strategic plan, corporate risk management plan, and sustainable development plan. The operational performance is monitored and agreed in the report for disclosing the information in 2 issues as follows:

No.	Indicators	Internal scope	External scope	
High priority				
<ul style="list-style-type: none"> • Risk and Crisis Management • Cyber security and protection of personal information • More efficient resource management 	<ul style="list-style-type: none"> • Risk Management Policy • Standards of Operation (SOP) • Business Continuity Plan (BCP) • Drill according to Business Continuity Plan 	<ul style="list-style-type: none"> x x x x 		
	<ul style="list-style-type: none"> • Cyber security • No cyber attack 	<ul style="list-style-type: none"> x 	<ul style="list-style-type: none"> x 	
	<ul style="list-style-type: none"> • Amount of greenhouse gas emission • Reduced energy consumption • Increasing amount of alternative energy use 	<ul style="list-style-type: none"> x x x 		
	Moderate priority			
	<ul style="list-style-type: none"> • Effective response to tenants 	<ul style="list-style-type: none"> • Tenant satisfaction scores 		<ul style="list-style-type: none"> x
	<ul style="list-style-type: none"> • Building engagement with personnel • Supply chain management 	<ul style="list-style-type: none"> • Employee engagement scores • Quality assessment scores for goods and services 	<ul style="list-style-type: none"> x x 	<ul style="list-style-type: none"> x
	<ul style="list-style-type: none"> • Social and community responsibility 	<ul style="list-style-type: none"> • No complaint 		<ul style="list-style-type: none"> x
	<ul style="list-style-type: none"> • Financial stability 	<ul style="list-style-type: none"> • Financial stability 	<ul style="list-style-type: none"> x 	
	<ul style="list-style-type: none"> • Human rights 	<ul style="list-style-type: none"> • No complaint 	<ul style="list-style-type: none"> x 	

Driving sustainability strategies

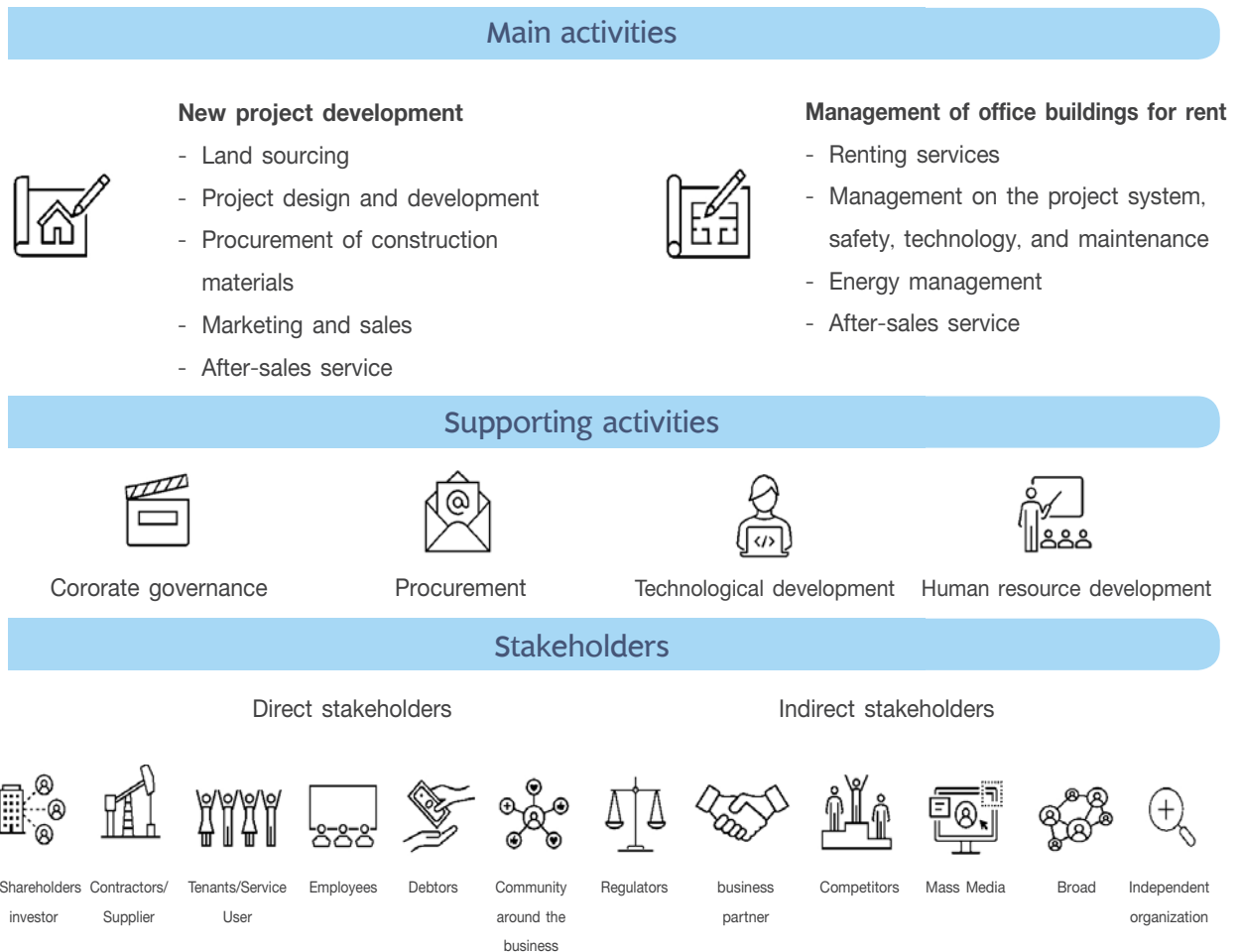
The Audit and Corporate Governance Committee has agreed and approved the appointment of the Corporate Governance and Sustainable Development Committee (“CGSD Committee”) to oversee, be responsible for formulating strategies, policies, operational frameworks, operating approaches, consider and select issues that promote sustainable development of the organization. The sustainable development goals are set in accordance with the objectives in being a model organization for sustainable development. The approaches are correspondent with international standards including supervising, reviewing and monitoring sustainable development operation. The implementation is encouraged along with participating in the implementation of various projects under the Sustainable Development Framework in 3 dimensions; 1) Economic dimension to supervise, review and monitor corporate governance and supply chain management, 2) Environmental dimension to supervise, monitor, review and observe the environmental responsibility, climate change, water management, waste and sewage management, and 3) Social dimension to supervise, review and monitor social responsibility, occupational health, and safety. This is operated in correspondence with and in accordance with the goals of Central Pattana driven by setting sustainability indicators as a measure of organizational success. The hierarchical transmission is the measure in the department level and individual level which is used to assess the operational performance of employees and executives in the process of raising salaries, bonuses and promotions of employees.

Structure on the Governance of Sustainable Development Approaches



3.2 Sustainable Management for stakeholders in the business value chain

1) Business value chain



New project development

Land sourcing	Project design and development	Procurement of construction materials	Marketing and sales	After-sales service
Sourcing of potential land and studying the feasibility for the project development	Project design and development in accordance with the project development plan obtaining permission from relevant agencies.	Selection of contractors and materials used in the project to ensure quality and set a policy for purchasing and procuring construction materials to reduce price fluctuation	<ul style="list-style-type: none"> - Determination of target customers - Determination of sales plans and marketing activities - Selection of sales tools and marketing media - Delivery of houses/ units to customers 	<ul style="list-style-type: none"> - Customer relationship management - Quality guarantee of the houses/units - Notification of repair - Formation of juristic person to manage residential buildings

Management of office buildings for rent

Service provision to tenants	Management on project system, safety, technology and maintenance	Energy management	After-sales service
Service provision to tenants and improvement of service quality to meet the different needs of the customer groups effectively.	Management and arrangement of office buildings for rent by considering the safety and impact on the tenants and surrounding communities	Water and wastewater management, garbage and waste management, and energy use efficiently to reduce the impact of operations on society, community and environment	Hearing of opinions to develop and find ways to improve and fix the service.

Supporting activities

Corporate Governance	Procurement	Technological development	Human resource development
Conduct business in accordance with the principles of good corporate governance, business ethics, regulations, rules and other regulations of relevant agencies taking into account all groups of stakeholders.	Determine procurement policies to reduce the risk of fluctuation of equipment price related to the operation.	Develop technology systems to support the operation in all activities of the Company along with having measures to prevent cyber-attack.	Treat the Company's personnel and all groups of stakeholders by adhering to the principles of good governance and human rights.

2) Stakeholders in the business

The Company divides 14 groups of stakeholders and assigns the departments to be responsible for participation, communication, listening and caring of stakeholders in order to be able to respond to the opinion and expectations of each stakeholder group appropriately, completely and in a timely manner. The received comments are adapted to the Company's operation continuously and regularly as follows:

Groups of stakeholders	Channel of participation	Expectation and key issues	Response
Employees	<ul style="list-style-type: none"> • Annual CG Voice • Communication Day • Formation of the Welfare Committee • Formation of the Safety Committee 	<ul style="list-style-type: none"> • Fair returns • Appropriate welfares • Work stability • Knowledge development and work skill enhancement 	<ul style="list-style-type: none"> • Determine and follow the policy to take care of and treat employees fairly and appropriately. • Improve the compensation system and performance appraisal every year. • Provide additional welfares such as provident fund, life insurance • Organize the training for skill enhancement
Customers	<ul style="list-style-type: none"> • Communication with customers • Preparation of questionnaires • Email/ Phone/ Website/ Whistleblowing channels of the Company • Organization of events or seminars 	<ul style="list-style-type: none"> • After-sales service • Sales promotion • Quality of products and services • Convenient and fast services • Customer confidentiality • Compliance with terms and conditions 	<ul style="list-style-type: none"> • Provide systematic response process for facilitating via the Application • Organize promotional campaigns with suppliers and shops in the buildings • Have code of ethics in keeping customer confidentiality • Have the business codes of conduct
Tenants	<ul style="list-style-type: none"> • Communication with tenants • Preparation of questionnaires • Email/ Phone/ Website/ Whistleblowing channels of the Company • Organization of events or seminars 	<ul style="list-style-type: none"> • Convenient and fast services • Safety of tenants • Good and modern facilities 	<ul style="list-style-type: none"> • Provide systematic response process for facilitating via the Application • Respond with basic communication channels • Confident to respond by extending the contract
Business partners	<ul style="list-style-type: none"> • Organize the meeting to discuss altogether • News 	<ul style="list-style-type: none"> • Fair and transparent business operation • Business strength and sustainability • Exchange of information 	<ul style="list-style-type: none"> • Have ethics and business codes of conduct • Cooperate against corruption • Collaborate in the sustainable business development
Creditors	<ul style="list-style-type: none"> • Organize the meeting to discuss altogether 	<ul style="list-style-type: none"> • Conform to the terms and conditions of the contract 	<ul style="list-style-type: none"> • Strictly conform to the terms and conditions of the contract • Take the project visit

Groups of stakeholders	Channel of participation	Expectation and key issues	Response
Local and government regulating agencies	<ul style="list-style-type: none"> Organize the meeting to discuss altogether Take the Company's project visit 	<ul style="list-style-type: none"> Conform to relevant legal conditions and requirements Support and cooperate in various activities Have socially and environmentally responsibility 	<ul style="list-style-type: none"> Conform to relevant legal conditions and requirements Support and cooperate in various activities Develop the approaches in business operation to reduce the impacts on society and the environment
Suppliers	<ul style="list-style-type: none"> Organize the meeting to discuss altogether Quality inspection and evaluation after delivery of goods 	<ul style="list-style-type: none"> Quality of goods and services Purchasing/fair price competition Conform to terms and conditions 	<ul style="list-style-type: none"> Formulate a clear purchasing policy without discrimination Formulate anti-corruption policies and promote practices
Contractors	<ul style="list-style-type: none"> Organize the meeting to discuss altogether Quality inspection and evaluation after delivery of goods 	<ul style="list-style-type: none"> Reasonable pricing Purchasing/fair price competition Conform to terms and conditions 	<ul style="list-style-type: none"> Formulate a clear purchasing policy without discrimination Formulate anti-corruption policies and promote practices
Communities	<ul style="list-style-type: none"> Public relations about the Company's activities Phone/Website/ Whistleblowing channels of the Company 	<ul style="list-style-type: none"> Actions to reduce impacts on communities Health, safety and Occupational Health Organize activities for the communities Community development 	<ul style="list-style-type: none"> Organize the activities of Corporate Social Responsibility (CSR) to continually benefit the public Collaborate with the public and private sectors to create projects for the communities. Provide opportunities for communities to participate in the Company's activities
Society	<ul style="list-style-type: none"> Public relations about the Company's activities Phone/Website/ Whistleblowing channels of the Company Offline media such as sign boards Online media via The Grand Rama 9 Page 	<ul style="list-style-type: none"> Business operation not causing negative impacts on society Help and care for society Respect for human rights Conduct business with transparency 	<ul style="list-style-type: none"> Organize the activities of Corporate Social Responsibility (CSR) to continually benefit the public Support activities for the benefits of society Determine human rights policy and promote practices Comply with good corporate governance principles

Groups of stakeholders	Channel of participation	Expectation and key issues	Response
Shareholders and investors	<ul style="list-style-type: none"> Shareholders' meeting Opportunity Day Email/Phone/Website/ Whistleblowing channels of the Company 	<ul style="list-style-type: none"> Sustainable returns Good turnovers Transparent business operation Availability of risk management system 	<ul style="list-style-type: none"> The shareholders receive sustainable returns. Investment risk diversification Supervise the business in a transparent, fair and verifiable manner Manage risks carefully Quality and stable growth
Competitors	<ul style="list-style-type: none"> Organize the meeting to discuss altogether News 	<ul style="list-style-type: none"> Fair trade competition Exchange of information Creation of better image 	<ul style="list-style-type: none"> Comply with the Code of Conduct for fair and transparent business operation
Mass media	<ul style="list-style-type: none"> Public relations about the Company's activities Offline media such as sign boards Online media via The Grand Rama 9 Page Phone 	<ul style="list-style-type: none"> Progress of activities/projects and accurate and fast dissemination of information 	<ul style="list-style-type: none"> Invite the media to visit the activities/projects of the Company
Independent organizations	<ul style="list-style-type: none"> Organize the marketing activities Online media via The Grand Rama 9 Page Survey on the satisfaction from organizing the activities 	<ul style="list-style-type: none"> Have social responsibility Help and support various projects 	<ul style="list-style-type: none"> Support the activities for social benefits

3.3 Sustainable Management for Economic

As the Company aims at being one of the leaders in real estate development business, we are determined to develop our business for continuous and sustainable growth based on prudence, strategies, business plan and supplier creation plan that can respond to business opportunities in a timely manner. The organization and the team are constantly evolving in order to have potential and readiness to be able to operate the business towards the goals.

1) Managing and building relationships with tenants

1.1 Building and maintaining relationships with tenants

The Company recognizes that customer needs are major challenge to business operation. Therefore, the constant development to be able to fully and efficiently respond to the needs of our customers is extremely important to build and develop good relationships with tenants. The Company has management approaches to respond to tenants' needs completely and efficiently as follows:

- Excellent service provision The service standards are stipulated to impress the tenants and customers who come to use the services. The provision of wide variety of facilities and services, security, application of technology to facilitate and provide services to tenants such as education and development of the “SERVE” system can support the use of services to provide assistance and facilitate the tenants through complete range of electronic devices. The automatic parking ticket distribution system and License Plate Recognition (LPR) camera are used to optimize the parking system management providing free wireless internet access and workstations with power outlets, etc.
- Listening to opinions and organizing the meeting to discuss altogether Organizing the meeting to listen to opinion and strengthen good relationships is the way to listen to suggestion and discuss in order to develop cooperation with tenants both formal and informal. The satisfaction surveys are also conducted through questionnaires on tenants’ opinion to develop and find ways to improve and correct the services.
- Organizing activities to strengthen relationships or new lifestyles Creating activities that are distinctive, different, interesting and creating new experiences for customers are done by emphasizing participation in various activities of tenants in the project such as organizing merit-making activities for monks during important religious days or festivals or conducting the G-Garden project (Rama 9) emphasizing on the tenants to participate in activities to make them proud of their contributions to the community.
- Assistance in emergency situations During the COVID-19 pandemic situation which affects the business of the Company’s tenants, we adhere to the principles of urgent assistance to support all business parties such as giving appropriate discounts immediately according to the situation since the beginning of the COVID outbreak and continuing to help until now with rental discounts that reflect the actual situation in the event that the office building has to be closed according to the government’s announcement. The marketing activities can be organized for retail tenants focusing on increasing sales for tenants by giving special privileges and discounts to incentivize consumers to purchase goods and services of tenants, etc.

1.2 Creating and sourcing new tenants

The Company has formulated the strategy for creating and sourcing new tenants by developing the area in various ways to meet the needs of tenants covering all groups responding to different lifestyles in each area. The emphasis is on allocating and managing areas to be modern, beautiful, and responsive to the rapidly changing lifestyles of customers. The new type of office building is developed emphasizing on proper and flexible rental planning in order that the rental spaces can be adjusted appropriately to benefit both tenants and customers who use the services.

Another approach to source new tenants is to present rental spaces that meet the needs of target customers by sourcing new entrepreneurs from expanding business groups, entrepreneurs who want to diversify their business lines, entrepreneurs from abroad, entrepreneurs with opportunities for business growth, etc. The Company’s employees can directly approach the target customers or the broker who has expertise can be hired to sell the spaces.

In addition, the Company also opens spaces for small entrepreneurs and local entrepreneurs to have the opportunity to choose retail business on the area presented in a variety of formats depending on the needs, expertise and context of entrepreneurs. The Company has improved and added more forms of such areas to be more complete and diverse to respond to different and rapidly changing lifestyles and behaviors of customers. The area forms are divided as follows:

- **The Shoppes Grand Rama 9 project** is a retail space for shops, restaurants or open spaces in a common area without partition to give entrepreneurs the opportunity to bring a variety of products to sell which will rotate each week or marketing activities. It is located on the basement floor, 1st floor or 2nd floor of each building in The Grand Rama 9 project.
- **JODD Fairs** is an open-air area for selling products from small-scale entrepreneurs in various forms such as clothing, fashion, food, and beverages. There is also an activity field and photo corners which are suitable for the lifestyles of teenagers and working people. The focus is on selling in the evenings and on Saturdays and Sundays.
- **Farmer's Market** is the trading area where farmers and small entrepreneurs have the opportunity to sell agricultural products directly to consumers every Saturday or only during marketing activities in the area of the G-Garden project.
- **Food take away area** is an area for selling food for take away or buy without eating. This is to expand distribution channels for entrepreneurs who do not need a kitchen. At the same time, it has added an option for customers who only want to buy food for eating at home.

2) **Diversification of investment and building new business ecosystem**

The Company focuses on maintaining and building business growth that is strong, stable and sustainable by setting a business goal in the 5 years (2021-2025) to achieve CAGR of at least 10% per year. As one of the sustainable business development strategies to achieve the aforementioned goals, the Company has set the way for growth by diversifying its real estate development and management business base in various ways, including:

2.1 Business expansion and real estate type

The Company develops and manages real estate to grow continuously through the development of the Company's office building project for rent. This is to create the potential and stable economic growth as Central Business District (CBD) to diversify business risks and create opportunities for business growth along with participating in driving the economy. The Company can develop 3 office buildings for rent, namely The Ninth Towers, Unilever House and G Tower on the area of The Grand Rama 9 project which is located on the potential location with complete facilities. This can create convenience for customers both travel and service provision including creating new spaces and lifestyle activities to meet changing consumer behavior. It helps stimulating the economy, creating jobs, creating occupation, and contributing to the distribution of income to the community. The benefits and value are generated for all groups of stakeholders leading to national economic development with a vision of becoming one of the leaders in real estate development business having long-term sustainable growth.

In the Grand Rama 9 project, the Company has also expanded the investment model to develop various types of real estate under the Mixed-Use Development strategy consisting of residential and retail spaces including Belle Grand Rama 9 Project, which is the residential condominium of 8 buildings and The Shoppes Grand Rama 9 Project, which is the retail space for shops and restaurants located on the basement, 1st floor or 2nd floor of each building in The Grand Rama 9 project. In addition, the Company is in the process of reviewing the former hotel and convention center project in order to develop the land in the area to create added value for the office building business for rent which is the main business to use the land for maximum benefit. It is the business that supports one another in the area. As the Company has developed an office building for rent project in the area to become a business center with a modern project style and complete facilities, it can also meet the needs of customers' lifestyles.

Apart from the real estate development in the area of The Grand Rama 9 project, the Company has also developed Nirati Don Mueang project, which is a low-rise residential project emphasizing on modern design and close to nature. Inside the project, there are single-detached houses, twin houses and townhomes. The project is located in the Vibhavadi-Don Mueang area adjacent to Cherdwutthakat Road which is a potential location with convenient transportation near tollway, sky train and Don Mueang Airport in order to be able to meet the modern and hurried lifestyle of today's era. The project was launched and opened for reservations in September, 2021.



2.2 Co-investment with business partners

In the development and management of the Company's real estate, it is not limited to the investment in the form of single project owner only. There is also a form of co-investment with business partners that can bring knowledge and expertise in real estate development in different areas to share, exchange and support each other such as a 50:50 joint venture with Central Pattana to invest in the development of vacant land on Phaholyothin Road. The project area is adjacent to Phaholyothin Road and Vibhavadi Rangsit Road. It is currently in the process of studying information and investment form.

3) Being the center of the community

The Company operates the business focusing on being the center of the community by creating an innovation of the organization that takes the customer as the core to develop the products for responding to all groups of consumers. This is flexible to adapt to a new lifestyle taking into account of convenience, cleanness, and safety which can be quickly changed. These are coupled with providing excellent service and continuously and seriously raising service standards. It can create a satisfying customer experience that exceeds expectation taking into account participation and listening to the voices of customers closely, continuously, and quickly. The emphasis is mainly on convenience and safety. The innovation and technology are applied to increase the efficiency of transactions, communication and facilitation in the service provision.

3.1 Excellent service provision

The Company is committed to continuously and seriously raising the standard of service. We are ready to mainly focus on raising the impression of customers and provide comfortable experience for customers to receive services. The roadmap for service excellence is divided into 4 plans as follows:

1. Facilitation of travel

The Company takes into account the travel to the project which consists of availability of parking lot, convenience of traffic routes, traffic management efficiency and safety in the parking lot. Therefore, we allocate direct responsible persons for traffic planning, allocating manpower at the point reserve officer. There are traffic supervisory officers in the central control room to manage centrally. The management plan is conducted according to traffic conditions, such as normal traffic conditions, slow traffic conditions, heavy traffic, and in the event of an accident. In addition, the Company has also organized training to enhance traffic management skills for relevant officers. The technology is adopted to help facilitating such as the introduction of an automatic parking ticket distribution system and License Plate Recognition (LPR) camera to increase efficiency of the parking management system and reduce the time of entry - exit.

2. Service facilities

The Company has allocated areas in the project to provide system facilities, safety equipment and hygiene for tenants and customers who come to use additional services such as shower rooms, free wireless internet access, workstation with power sockets, toilets for people with disabilities, bicycle park, parking spots for people with disabilities, guideposts or resting spots which are distributed in different areas of the project.

3. Security

The Company has taken measures to take care of security for customers and tenants taking into account the safety of both life and properties of customers. The local security plan is prepared together with the drilling for incident response plan and training to increase skills and efficiency in dealing with incidents. The approaches of operation are as follows:

- Management and participation
The Company has determined that the Safety, Occupational Health and Environment Committee of the workplace (the “Committee”) is a representative to drive and raise the standards of safety and hygiene to be correspondent and in the same direction throughout the organization. The report on the performance is submitted to the President and the Risk Management Committee according to relevant agendas. The Committee will conduct an audit according to the assessment plan set as the Company’s standard in order to evaluate and analyze. If a risk or problem is found, the action will be taken to find a preventive or corrective solution immediately. If it is a factor or policy problem, it will be discussed in order to approve the overall solution.
- Prevention
The Committee is responsible for supervising, supporting, inspecting and preventing incidents in the buildings. They also regulate and supervise the work of security personnel to implement preventive measures by training to increase the skills of security personnel in observing the situation. Each point is observed. When encountering an abnormality, the official will notify the Committee to enter the area as soon as possible to prevent accident or alleviate the incident in a timely manner in order to increase the efficiency of coping, shorten the notification time, and relieve the incident faster.

- Operation

The Company has adopted the system of Color-Code Condition in 5 levels* for monitoring, controlling and assessing the overall crisis situation. The assessment is jointly conducted by the Company's staffs, government officials and third-party security professionals. Most scenarios in 2021 were in the blue level or preventive situation.

Note: * Color-Code Condition system in 5 levels includes safe level - green, preventive level - blue, risky level - yellow, severe level - orange, and very severe level - red. These are used in communicating and adjusting security measures according to the situation promptly. When a crisis occurs, the Committee can give orders in the crisis of the Company to monitor the situation, control, and assess the crisis together with government officials and third-party security professionals.

4. Standards of service provision

The Company develops the organizational quality management system to be used as the service standard in the organization to be efficient and consistent for good quality. The goal is to increase customer satisfaction and reduce complaints as follows:

- The service standards training is organized for personnel related to service provision work which can be divided into 1) general basic training consisting of personality, outfit, hair style, greeting, smiling, eye contact, keeping distance, respecting, raising hands, calling pronouns for self and customers, and 2) field-specific training consisting of approaching customers to provide assistance, servicing in the parking area, servicing at the entrance, how to open the door, measuring temperature, and observing customer needs to offer help before the customer requests it.
- A variety of training forms are provided to suit the nature of the service provision such as intensive customer relations training having senior employees as mentors to take the role in coaching to guide the work from real experience so that the new generation of customer service personnel can actually apply it.

In addition, the Company also formulates a plan of "Clean and reliable G Land" which is a measure developed during the COVID-19 pandemic situation to build confidence for customers and tenants in using the services in the business under the Company's management in the COVID-19 pandemic situation. The standards of services are set and divided into 5 measures; rigorous screening measure, measure to reduce congestion, measure to track service users, proactive cleaning measure, and measure to reduce exposure. Various technologies are applied to facilitate and be the standards of services, for example;

- Partition in front of the information counter to maintain the distance between providing and using the services
- Automatic hand washing alcohol dispensers available in various areas of the project
- Distancing warning devices installed at crowded escalators
- UV-C irradiation device to disinfect the air intake system from outside the building (Air Handling Unit System: AHU)

Moreover, the training is organized for customer relations employees to communicate, take care of customers according to plan, and cope with the New Normal in the event of an incident from the COVID-19 pandemic situation.

3.2 Development and application of innovation and technology

The Company focuses on the development of technological innovations to create experiences and facilitate the main stakeholders, especially tenants, customers, employees and suppliers, including managing information infrastructure for more business benefits.

1. Digital system development to serve customers

The Company is in the process of studying and developing the “SERVE” system or application server to provide services to tenants in complete digital transactions. It consists of communication between the Company and the tenants, information searching, notification of repairs to various utilities, management of lease agreements, online rental payment, etc. It is the promotion to build customer database for the benefits of information management and business development in the future.

2. Management of infrastructure and information for maximum benefits

The Company conducts studies and uses the existing infrastructure information to analyze, review, improve and plan in order to develop an appropriate management system of office buildings for rent and the Company’s services such as information of tenants, number of customers who use the services, proper rental planning to benefit both tenants and customers who use the services.

4) Supply Chain Management

The Company has the management policy that focuses on conducting business with suppliers in a transparent and fair manner to reduce the impacts on communities, society, and the environment taking into account human rights and safety principles. We have the plan for managing suppliers in business development, management of office building for rent project, marketing, construction and corporate management by defining the plan for management to increase efficiency in the organization’s procurement process according to the following approaches:

4.1 Procuring new suppliers

The Company has a goal of adding new suppliers to reduce the limitation of relying on niche suppliers and open up business opportunities for local and small entrepreneurs to offer goods and services through various channels such as traveling to the Company in person, telephone, e-mail, mail, etc. In addition, the Company is currently studying and developing the Procure to Pay (P2P) process to apply to help reducing the workload and increasing the work efficiency which is expected to be practical in the middle of 2022.

4.2 Building relationships with suppliers

The Company has planned to organize meetings with suppliers formally such as the annual supplier meeting to communicate business policies, functional innovation, and emphasis on the intention of conducting business operation with good corporate governance, anti-corruption and sustainable development in working altogether with suppliers. Unfortunately, due to the COVID-19 pandemic situation, such plan has to be temporarily postponed. However, the meetings are also held with suppliers informally according to each agenda or related occasion in order to build relationship, exchange ideas, and discuss cooperation on the basis of sustainable business operation, good governance, and anti-corruption.

4.3 Assessment of suppliers

The department responsible for purchasing/procurement will conduct an operational assessment on the suppliers after the delivery of works. The service quality assessment is based on quality criteria in terms of product/service quality, timely and complete delivery, and responses to corporate sustainability issues. Such assessment model has been developed through online channels in the online purchasing system directly to facilitate the assessment and reduce the use of paper. The data is stored and analyzed to increase efficiency in the assessment of suppliers. The results of the assessment will be developed into a concrete supplier development plan.

4.4 Improvement to optimize the purchasing/procurement process

The Company has organized training courses to increase understanding of the basic purchasing/procurement process and procurement courses for specific agencies in order for personnel to study and learn the correct processes in their work. These also reduce the purchasing / procurement process by improving the purchasing / procurement process to be a paper-less process requesting approval via electronic system.

5) Being an efficient and effective organization

The Company is determined to be an efficient and effective organization in administering and managing existing business and assets for maximum benefits. The technology is adopted and developed to apply in the management for improving potential, expertise, and modernize the work process to be ready for dealing with rapid changes both now and in the future effectively.

5.1 Work process development

In responding the changes of the organization to become objective-driven organization, the Company has developed a process and organizational structure to support an agile organization by adjusting the organizational structure from silo working to look more horizontal team. The work in the organization is designed to be at the same level as much as possible. The roles of the leaders are adjusted not to be too powerful. Everyone in the organization is free to present their ideas and comments as well as having equal access to working tools. The details are disclosed in the 2021 Annual Report, Part 2: Corporate Governance under the topic of “Corporate Governance Structure Chart”. The Company is divided into four lines of work with the restructuring of the Company’s business operation in a manner to reduce the level of command, to expand and widen the range of control, and to increase the freedom and flexibility in working.

5.2 Technology development to support work

In order to drive the organization towards the business goals, the Company has studied and developed technology that can be applied in the work processes of the organization. This is for increasing freedom and flexibility in work, for example, the adoption of VDO Conference technology to be fully used for both internal and external meetings, modification of communication style and participation of employees through the Company’s social media in the posting of information, news, and online leisure activities. Thus, the employees can be relaxed and reduce their stress with the space to join, share the opinion and various experiences, etc.

In addition, the Company is in the process of developing and studying information on the use of human resource management and technology system or CneXt system which is the real-time human resource management and self-service system. It covers human resource works such as the reimbursement of welfares and benefits, working time data management, setting of

performance index goal, annual performance record, personnel development planning including general functions such as viewing salary slips, tax deduction request, modification of personal data and obtainment of information directly from the Company. The employees can be facilitated in accessing the system with electronic devices such as computers, tablets and mobile phones. anywhere 24 hours a day. The human resources information can also be used to plan more in line with business strategies. This is expected to be fully operated in 2022.

3.4 Sustainable Management for Environment

1) Environmental Policy

The Company has formulated the policy to conserve the environment, energy and natural resources adhering to the compliance with laws, regulations, environmental management standards, and other requirements related to the environment, energy and natural resources in the Company's business operation. The goal is the prevention and control to reduce the impacts on the environment and control the activities possibly being at risk of wasting energy and natural resources. We are committed to operate the business with due regard to Biodiversity Management Policy and Climate and Environment Policy. We review and develop the environmental management in terms of energy saving, use of renewable energy, resource conservation, reuse of materials and proper disposal of waste or hazardous materials. The Company provides continuous assessment and monitoring on performance or impacts as well as creating innovations which are beneficial to business operations. We create correct knowledge and understanding for various stakeholders, including promoting, cooperating, disseminating and publicizing various activities related to the organization, government agencies, society and the general public according to the details disclosed on the website http://www.grandcanalland.com/en/ir_policies__implementing__guidelines.php

2) Operational performance in the environment

The Company realizes and gives importance to environmentally-friendly business operation. There is a comprehensive management approach in energy consumption management, climate change adaptation, water and wastewater management, sewage and garbage management, and the development and conservation of the environment with stakeholders. We adhere to the approaches of operation according to various international standards such as Environmental Management System Standards (ISO 14001), Greenhouse Gas Management Standards (ISO 14064-1), Energy Management System Standards (ISO 50001) and Thailand Energy Awards Assessment Criteria of Ministry of Energy with the goal of using resources efficiently, increasing the use of alternative resources, and reducing greenhouse gas emission in a concrete way.

2.1 Energy consumption management

The Company is committed to reducing environmental impacts and climate change from the use of fuel, electricity and LPG possibly affecting future business operation. With the proportion of electricity consumption accounting for 44.3% of the total energy consumption, the Company mainly focuses on reducing the use of electricity. The approaches are for Energy Efficiency and increase on the proportion of energy use from renewable energy sources. In 2021, the Company used energy including electricity, fuel, and LPG, both for own use and for sale to tenants totaling 78,878.4 megawatt-hours from the operation of G Tower, The Ninth Towers, Unilever House, The Shoppes @ Belle and the Head Office Building. In 2022, the Company has set the goal to use

renewable energy. With the plan to install solar panels on the roof of G Tower and Unilever House, it is expected to save more than 1.5 million baht in cost savings in 2022.

2.1.1 Operational Performance in Energy Consumption Management

- (1) In 2021, the Company used total energy of 78,878.37 megawatt-hours comprising the electricity purchased from the Metropolitan Electricity Authority in the amount of 34,903.78 megawatt-hours or accounted for 44.25% of the total energy use.
- (2) The electricity use only for the energy consumption of the Company was in the amount of 24,467.32 megawatt-hours or accounted for 31.02% of the total energy. It was used in the work of air conditioning system, lighting and for activities in the Company.
- (3) The Company uses joint responsibility measures to encourage tenants to use electricity economically by installing a meter to supply electricity to the tenants and charging the cost according to the actual use. The total electricity used by tenants and total usage of office building tenants and retail tenants amounted to 10,436.46 megawatt-hours or accounted for 13.23% of the total energy use.
- (4) The Company's fuel consumption of 96.88 megawatt-hours or accounted for 0.12% of the total energy use was for burning the engine to perform normal activities such as running the lawn mowers, vans for picking up customers and employees, fuel for use in emergency situation such as the use of fuel in generators and fire pump systems, and in emergency drills such as fire-fighting equipment, etc.
- (5) For the fuel energy from LPG sold to tenants, the Company installed meters to collect expenses according to the actual consumption. In 2021, the tenants used a total of 43,877.71 megawatt-hours of LPG or accounted for 55.63% of the total energy use.

Total energy sources	Units	2019	2020	2021	Proportion
Electricity use only for the energy consumption of the Company	megawatt-hours	34,760.72	29,767.86	24,467.32	31.02%
Electricity sold to tenants	megawatt-hours	15,555.20	12,767.25	10,436.46	13.23%
Fuel energy from the Company's activities	megawatt-hours			96.88	0.12%
Fuel energy from LPG sold to tenants	megawatt-hours			43,877.71	55.63%
Total energy consumption	megawatt-hours			78,878.37	100.00%

2.1.2 Operational performance compared to targets

The electricity use is the highest proportion of the Company's energy consumption. It is used in public areas both in the air conditioning system facilities and lighting. The Company can directly manage and control by setting the policy to increase the efficiency of electric power and continually increase the proportion of renewable energy use. The goal is to reduce electricity consumption per unit area divided into short-term reduction of 8% and long-term reduction of 20% by 2021 and 2025, respectively, compared to the base year of 2019.

Due to the COVID-19 pandemic situation, the government has announced preventive measures to control the disease and measures of the company to allow employees to Work From Home. This is combined with the operation under the measures to save electricity that

are implemented according to the plan. The company therefore considers adjusting the organizational indicator from the previous one to reduce energy consumption by 8%. Compared to 2019, in 2021, it was to reduce energy consumption by 10%. In 2021, the Company was able to reduce total energy consumption by 29.61% compared to 2019 (only for energy consumption by the Company. etc.) which was in accordance with the set goals.

Operational performance compared to the target	Units	2019	2020	2021
Electricity use only for the energy consumption of the Company	megawatt-hours	34,761	29,768	24,467.3
Total area (GLA area and common area)	Square meter	259,891.84	259,891.84	259,891.84
Operational performance compared to the target of 2019 (Reduce energy consumption by 10% in 2021 compared to 2019)	percentage			29.61

For the Energy Intensity index per unit area for the total energy consumption of the Company (excluding retail tenants and office building tenants), the average energy consumption is 94.14 kilowatt-hours/square meter, a decrease of 17.81% from 2020. This is because of the Company's measures allowing employees to Work From Home and measures to conserve energy to support the operation as follows:

Energy conservation measures in 2021	Building coverage area	Electricity saving (kilowatt-hour/year)	Money saving (Baht/year)
Measures to improve the cooling system in the building	- G Tower - The Ninth Towers - Unilever House - The Shoppes @ Belle	712,170	2,720,491
Measures to increase the efficiency of electricity use	The Ninth Towers	60,883	232,574
Measures to prevent heat from outside the building	The Ninth Towers	36,308	138,700
Total		809,362	3,091,765

In addition, the Company has also applied guidelines for the development of energy-saving and environmentally friendly buildings or Green Building in the design and development of projects to manage energy consumption effectively, reduce energy consumption, reduce emission and greenhouse gas, and increase green areas. In 2020, G Tower has been certified as a global green building standard or LEED: Leadership in Energy & Environmental Design standard by the US Green Building Council: USGBC at the GOLD level in the category of Core & Shell Development (LEED CS).



Global green building standard or LEED of G Tower

2.2 Climate Change Adaptation

The Company is aware of the climate change problem that affects the Company’s operations directly in terms of rising electric energy costs and indirectly arising from the Company’s business operation. This will result in global warming that causes natural disasters and affects the disruption of business operation including policy risks and future requirements from the government sector. As Thailand has announced the commitment to Carbon Neutrality by 2050 and Net Zero Emission by 2065 - 2070, the policies have been set for the conservation of environment and natural resources covering climate change adaptation. The long-term goals are set for Net Zero Emission from the operation of the organization (only Scope 1 and Scope 2) in correspondence with Central Pattana.

2.2.1 Operational performance on climate change

The Company’s business operation causes greenhouse gas emission as follows:

- 1) Direct Emission (Scope 1): The combustion of fuels is directly from the Company’s operation such as gasoline, diesel oil and natural gas including leakage from gases used in corporate activities such as refrigerants, fire extinguishers, etc.
- 2) Energy Indirect Emission (Scope 2): Use of electricity from operation in common areas and air conditioning system.
- 3) Other Indirect Emission (Scope 3): From employee travel, energy use, tap water use, tenant’s electricity consumption, LPG usage by retail tenants, and waste disposal outside the organization covering the waste disposal by landfill and transport of waste to disposal.

It was found that the proportion of direct greenhouse gas emission (Scope 1), indirect greenhouse gas emission (Scope 2) and other indirect greenhouse gas emission (Scope 3) were 0.12%, 54.67%, and 45.21%, respectively. These result in the Company to take measures to reduce greenhouse gas emission. The focus is mainly on increasing the efficiency of electric power and increasing the proportion of renewable energy use.

Greenhouse Gas Emission Type	Units	2021
Direct Emission (Scope 1)	(tCO ₂ e)	26.24
Energy Indirect Emission (Scope 2)	(tCO ₂ e)	12,231.21
Other Indirect Emission (Scope 3)	(tCO ₂ e)	10,113.55

2.2.2 Operational performance compared to the target

The Company has targeted to reduce the long-term greenhouse gas emission by 20% by 2025. It is in line with the electricity reduction target. The data is collected from various sources of greenhouse gas emission from the Company's activities. According to the Carbon Footprint for Organization (CFO) guidelines of the Greenhouse Gas Management Organization (Public Organization) and greenhouse gas calculation based on the Greenhouse Gas Protocol. It has been verified for accuracy by LRQA (Thailand) Co., Ltd. or LRQA to provide confidence, transparency and verifiability. The details are disclosed in the 2021 Annual Report, page 135-136.

2.3 Water and wastewater management

The Company operates the business mainly in Thailand located in the areas with High Risk Level of water shortage and flooding. From the aforementioned risks, the Company has set up measures to take care and prepare for the situation based on the 3R principles; to reduce water use (Reduce), reuse water (Reuse), and recycle the treated wastewater to improve quality (Recycle).

2.3.1 Operation performance on water management

Water consumption	Units	2021
Tap water consumption	Million cubic meters	276,273.00
Tap water consumption in water stress areas	Million cubic meters	276,273.00

The Company has applied the approaches for the design of an efficient water management system taking into account the need for water use inside the building, outside the building, the suitability of the area in the construction of water storage equipment, cost-effectiveness in installing water recycling system. In addition, the measures are also installed to help managing water usage for users, both tenants and customers, to be effective such as the installation of water consumption meters of tenants and charge of actual expenses to incentivize tenants to use water economically, installation of water-saving faucet including considering the drought-resistant tree species to be planted in the project. In addition, there are plans to increase the proportion of water recycling by installing the wastewater treatment system and bringing the treated water to improve its quality. The water is brought back to use in activities that can use treated water, such as watering plants, cleaning floors, etc.

2.3.2 Operation performance on wastewater management

Wastewater index per unit area	Units	G Tower	The Ninth Towers	Unilever House
Total amount of wastewater	Cubic meters	49,648.00	39,878.00	11,372.00
Biochemical Oxygen Demand (BOD)	Milligrams per liter	5.80	9.33	18.30
Suspended Solid (SS)	Milligrams per liter	14.49	13.83	13.92
Dissolved Solids (TDS)	Milligrams per liter	284.50	222.00	223.42
pH	-	6.65	7.02	6.83
Grease & Oil	Milligrams per liter	1.12	3.25	1.25

Note: The results of yearly average wastewater cost analysis exclude The Shoppes @ Belle, which used the wastewater treatment system controlled and managed by the building's juristic person department and was beyond the control and management of the Company.

In 2021, the Company released 100,898.00 million cubic meters of wastewater from treatment to public water sources. We complied with the regulations of sewerage control work to record and make a report. The quality is inspected by external agencies that are internationally accredited of ISO/IEC 17025. It includes maintenance of equipment in various wastewater treatment system such as pipe system, grease trap, pump for wastewater, aeration pump pond in accordance with the preventive maintenance work plan. The wastewater quality is regularly inspected to meet the standard criteria. Each building will have a follow-up plan to find the cause and urgently improve the water quality to meet the criteria prescribed by law and other requirements before releasing the water into public water sources.

2.4 Sewage and garbage management

The Company has implemented policies and guidelines for garbage management according to Central Pattana’s approach of Journey to zero. The focus is on sustainably solving waste problems. The emphasis is placed on garbage segregation from upstream to downstream according to the long-term goal by 2025 to reduce waste to landfill by 50% of the total amount of garbage removed from the Company. The garbage segregation is promoted from the source to bring sorted garbage into the processing process for maximum benefits. This is to enter the Circular Economy and focus on participation from key stakeholders such as customers, tenants and employees.

Operational performance compared to the target

Sewage and garbage management	Units	2021
Total amount of garbage	Tons	1,920.48
Direct to Landfill	Tons	1,918.32
Divert from landfill	Tons	2.15

In 2021, the Company has reduced garbage to landfill by 0.11% from total sewage and garbage. The activities are arranged with the participation of employees and customers to bring garbage into circular economy as follows:

- (1) **Garbage sorting activities** Three types of waste bins are provided, namely general waste, recyclable waste and hazardous waste. This allows customers to sort garbage before discarding. The trash bins are tried being provided to separate only clear plastic water bottles in order to test for customers to discard only PET bottles. It reveals that customers can correctly sort water bottles for more than 80%.
- (2) **Campaign of good throwing for Thai Fight COVID** People are invited to donate the sorted garbage to be sold as a contribution to the Help Thai Fight COVID-19 project with Central Group. Thai people are invited to separate waste from delivery into 2 types, namely bottles - glass - clean plastic boxes and corrugated cardboard. A total of 1.79 tons of recyclable waste was collected from the collection point in G Tower and The Shoppes @ Belle. All proceeds from the sale and sorting of garbage under the campaign will go to fund of Central Group’s Help Thai Fight COVID-19 Project to support medical and public health research projects by Thai people. Every 1 kg will donate 3 baht. The donation period is extended for another year until 31st December, 2022.

(3) **“CSV: REUSE - Waste Management” Activities** The Company sees the benefits of using waste to be reused. In cooperation with the Central World Shopping Center, we take the old structure from the event to be transformed into new field chair by the artist TAM: DA (FB: TamdaDesign). These are put for the general public to use and relax at the G-Garden, the courtyard in front of the Unilever House.

2.5 Management related to ecosystem and biodiversity

The Company operates real estate development business in urban areas. Most of the environment is houses and roads. Ecosystems and biodiversity are not very complicated. However, the Company also takes into account the quality of life of humans, plants and animals living altogether in the ecosystem. Therefore, the clear ecosystem and biodiversity management policy has been formulated not to develop projects in any restricted area or protected area. The approaches have also been stipulated for ecological surveys and studies with external experts. The supervision and conservation are on the ecosystem around the construction area in every new project and renovated project. The areas that are developed by the Company are totally in the areas outside the restricted area or any conservation area.

The Company has an initiative to inspire urban people with the G-Garden, a vegetable garden in the city center (Rama 9) by providing revolving planting areas to generate sustainable income for farmers on a land size of 3.9 rai. This is to create the green community model to be deployed in a limited space and add beauty to the urban ecosystem. The existing water sources are managed and restored in order to increase the efficiency of water use from “Yai Soon Canal”. It also increases income for farmers and improves the quality of life for the city people. Farmer’s Market is organized to open up trading areas for farmers. The small entrepreneurs have the chances to sell agricultural products especially held on Saturday. There are more than 15 shops to sell products rotating each time the market opens. As a result, farmers have a combined income of approximately 25,000-35,000 baht in a period of 10 months from the project commencement.



3.5 Sustainable Management for Society

The Company aims to grow business in parallel with social and community responsibility. This is an important part of the Company’s business operation. The operation of the Company and subsidiaries focuses on creating sustainable values and mutual benefits along with dealing with problems that affect communities and society through the Company’s operational processes and measures as follows:

1) Management and building relationships with personnel

The Company adheres to the principles of fair, equitable and appropriate treatment of personnel in accordance with corporate governance and human rights. The details are disclosed in the 2021 Annual Report, Part 2 Corporate Governance, with the goal of becoming an organization in the hearts of employees having management guidelines as follows:

1.1 Recruitment of personnel

The human resource is an extremely important factor that will help driving the organization to success. The Company provides opportunities for personnel of all genders and races without discrimination on the basis of each individual person to be recruited to work without discrimination. The objective is to manage and develop human resources sufficiently and appropriately with potential to support the Company's business growth through various channels such as recruiting outsiders through recruitment websites, issuing job booths, public relations through online media channels, etc. The recruitment is possibly from the qualified personnel in the company such as job rotation, cross-department transfer or promotion, etc. In addition, the Company also considers the renewal of the work of retired personnel who have knowledge and ability to work. This will be renewed on an annual basis or depend on the necessity of the job and the mutual willingness of both the employees and the employer.

1.2 Supervising and building relationships with personnel

The Company believes that the employees are the most important factor in creating results and driving the growth of the organization towards the goals. Taking care of and keeping personnel is another important mission of the Company. In order to be an organization that drives towards the goals effectively and sustainably, the Company has established measures to care for and build relationships with employees in various forms such as:

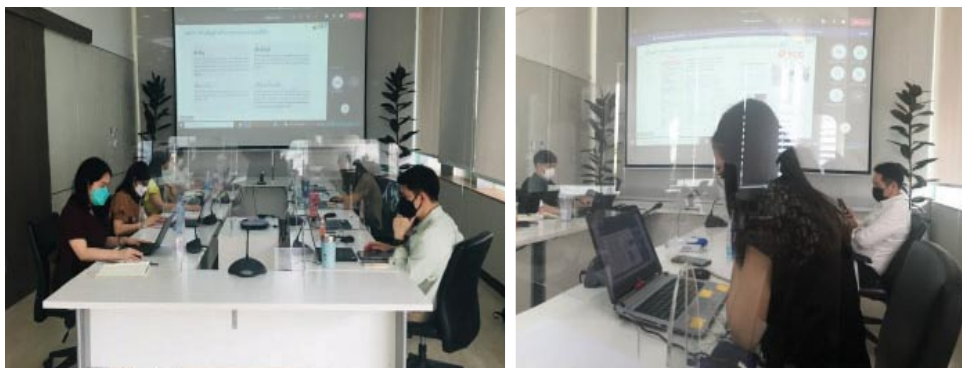
- Determination of fair compensation and appropriate benefits such as improving the compensation system and evaluating employee performance in the process of salary increase, bonus, promotion, employee promotion, career progress planning and individual development plan, preparation of medical insurance, accident insurance, life insurance, provident fund management, training to enhance knowledge and develop personnel's capabilities.
- Listen to employees' opinions and suggestions and treat employees at all levels with fairness and without discrimination. Support the discussion and cooperation between the companies with employees or employee representatives in presenting information to decision-makers of the Company on improving the quality of working life for mutual development.
- Employee satisfaction and organizational engagement survey (CG Voice) to use the survey results and recommendations to improve processes and work environment for enhancing the employee engagement and well-being.
- The goals are for becoming "Employer of Choice" ready to implement a plan to take care of employees to have a good quality of life. The participation is promoted and organizational bond is created through the Company's activities, projects, policies, measures and processes. For example, the activities of Communication Day are organized as the meeting between executives and employees to communicate business approaches, Company's policy and building relationships between executives and employees through various activities altogether.



Photos of activities of Communication Day in 2021

1.3 Personnel potential development

The Company pays attention to the development of personnel in a systematic and continuous manner in all dimensions. The human resource development is considered another important strategy to drive business. Especially in the quality labor market, it is necessary to integrate plans for recruiting, retaining and developing personnel to be consistent and in the same direction in order to be prepared to cope with the rapid changes that occur both now and in the future effectively. The key positions for each department are determined to prepare for the successor. The career advancement plan is prepared for people with outstanding potential and abilities. There are trainings from internal departments such as the training to develop personnel competency to enhance their skills and work potential, training to increase digital skills so that employees can operate according to the changing processes of the organization effectively, training to instill good governance in regard to human rights, Personal Data Protection (PDPA), firefighting training for public and personal safety, etc. In addition, there is also participation in training to build skills and knowledge from outside organizations, such as online workshops in “Sustainability Reporting Course by Industry Group” of the Stock Exchange of Thailand (SET). The Company has sent representatives from relevant agencies to participate in the training to learn the process of creating an efficient sustainability report in accordance with the preparation of the annual report in the form of 56-1 One Report, etc.



Photos of online workshop training of “Sustainability Reporting Course by Industry Group” with the Stock Exchange of Thailand (SET)

1.4 Management and assessment on the operational performance

The Company manages personnel on the basis of good corporate governance by improving the standard of work fees and responsibilities according to the specified plans. The emphasis is on the adjustment of welfares to be flexible according to the potential and ability of the employees in order for personnel to receive appropriate and fair welfares with a 3-step employee performance assessment system including:

- 1) The employees do the self-assessment annually on the operational performance according to the Individual Performance Management Plan. It is divided into 3 parts; 1) duties and responsibilities assigned according to the plan and operational goals following the strategy of the Organization, 2) Operational performance of the organization's strategy for the growth of the organization, value creation, optimization and improvement of internal processes, and 3) results from projects or special plans made with colleagues in different divisions, departments, or with external agencies.
- 2) The supervisor then provides feedback to the subordinate through the face-to-face conversation and takes the individual scores into the next process.
- 3) The assessment process is on the same standard as possible (Calibration) at the management level meeting in order of positions. The assessment results will be used to determine the annual salary and bonus adjustment. It is also used for consideration of promotion and the preparation of individual development plan in the next year.

1.5 Occupational health and safety at work

The Company is committed to implementing safety and occupational health processes as a standard organizational system. According to the guidelines for occupational safety and health standards, ISO 45001, the Company has formulated the policy on occupational safety and health. The details are disclosed on the website http://www.grandcanalland.com/en/ir_policies_implementing_guidelines.php The Occupational Safety, Health and Environment Committee is established in the organization with the objective in pushing forward policies and work plans on safety at work to prevent and reduce accident, sufferance from danger, illness, or nuisance due to work or insecurity at work. In the event of an incident or security risk, the corrective action will be taken to investigate the cause and bring lessons from the shortcomings to improve in practice. It is to prevent recurrence and to require safety checks in the work area arranged for a follow-up to complete the resolution of the situation and communicated to the relevant parties along with carrying out safety and hygiene activities in order to create the culture of safety and good hygiene in the organization.

1.6 Cultivating public mind among employees

The Company is committed to creating and instilling public mind among employees in the organization by communicating and understanding through projects or activities that invite employees to join in for learning, understanding and taking action for the experience of doing the actual work. In 2021, the Company organized volunteer activities for the community and society to jointly do creative activities across departments or with external agencies as follows:

- The Company, together with the Huai Khwang District Office, the private sector, and people in the area, volunteered to do “We do good deeds with our hearts” project, which is a project under the Royal Patronage of Phrabat Somdet Phra Paramenthra Ramathibodhi Srisindra Maha Vajiralongkorn Phra Vajira Klao Chao Yu Hua (Rama X) to improve and

develop the area along the Yai Sun Canal to create a prototype canal to solve the problem of wastewater. The focus is on improving water quality through water circulation principles to systematically restore the water quality in the canal along with improving the landscape around the canal area, such as collecting garbage and cleaning the canal area, pruning branches, painting railings, planting flowers to decorate the area around the canal, restoring the light and CCTV cameras to increase safety for passers-by, etc.



Photos of joining the Royal Volunteer Activity “We do good deeds with our hearts”
at Yai Sun Canal, Huai Khwang-Din Daeng District, Bangkok

- For the campaign of “Turn off the light for 1 hour to reduce global warming”, the Company continuously supports and participates in such activities annually together with Bangkok, Foundation for Environmental Education for Sustainable Development (Thailand), World Wildlife Fund Organization, government agencies and the private sector, to organize an activity to turn off the light for 1 hour throughout the country to reduce global warming. The Company has turned off the light bulbs around the building and some parking areas as appropriate as well as inviting various parties and shops to participate in such activities.
- The Company organizes the training on “Education on the Environment” which is an activity focusing on educating employees on the sources of various forms of greenhouse gases, activities that contribute to global warming, Greenhouse Gas Emission and Removals generated by the organization’s activities. It is for realizing the problem of climate change caused by global warming of greenhouse gas. The problems are on human health, nature and ecosystem. The approaches of Carbon Footprint for Organization (CFO) or Corporate Carbon Footprint (CCF) are applied to collect the data of greenhouse gas emission from the corporate operation and the approaches for assessing the organization’s carbon footprint according to the Greenhouse Gas Management Standard (ISO 14064-1). This is for the benefits in monitoring both direct and indirect greenhouse gas emission. The goal is to reduce the amount of greenhouse gas emission from the organization’s operation in the future as well as enhancing and instilling awareness among employees about social and environmental responsibility towards sustainable living.

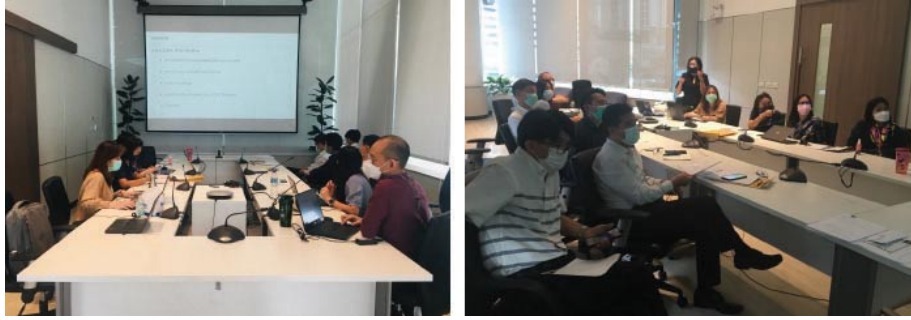


Photo of the training on “Education on the Environment”

In addition, the Company has also pushed and promoted various projects or activities in the form of building management for efficient use of energy to create sustainability in energy conservation and environmental protection such as:

- G Tower Grand Rama 9 (“G Tower”)
 - The Green Area project is a project that the company has adopted from the approaches for the development of energy-saving and environmentally friendly buildings or Green Building to be applied in the design and the project development. It is for environmentally friendly building management being able to manage energy consumption effectively, paying attention to energy saving, reducing pollution and greenhouse gas emission from the Company’s operation in various forms such as:
 - Installing wastewater treatment system and bringing the treated water to improve its quality and bring it back to use in activities that can be used for water treatment, such as watering plants, cleaning floors, etc.
 - Increasing the green area by planting perennials and ornamental plants in front of the building and the area on the 28th floor (deck)
 - Installing all LED bulbs as well as installing an automatic turning lighting system
 - Installing a new integrated aeration system including a sensor system for automatic aeration
 - Installing a high-efficiency refrigeration system and increasing the efficiency of cooling control by adjusting the speed of the electric motor automatically and installing a cold water energy metering system
 - Use of R-134a refrigerant to the main air conditioning system in order to help reducing the destruction of the ozone layer, reducing the global warming, etc.
- The Ninth Towers Grand Rama 9 (“The Ninth Towers”)
 - The project changes the lighting system from fluorescent or incandescent lamps to LED lamps. In 2021, the Company installed additional LED lamps in the total installation area of the project for 100% consisting of parking area from the 3rd floor to the 10th floor, common area and office building areas, etc., which is an ongoing project since 2019.
 - The activities are arranged to adjust the on-off time of the lighting system in the parking lot area which has an area covered from the 3rd floor to the 10th floor of the building by specifying the period between 6.00PM - 10.00PM. The building will turn on the whole system or 100%. However, during the period between 10.01PM - 5.59PM, the parking lot will only partially open or account for 50% of such activities by the Company. It has been operated continuously for the 3rd consecutive year.

2) Respect on Human Rights

The Company is committed to promoting, supporting and respecting the protection of fundamental human rights for employees and all groups of stakeholders. The Company takes care and prevents the Company's business to involve in violation of human rights according to laws and related agencies strictly. We adhere to the principles of compliance with the United Nations Guiding Principles on Business and Human Rights (UNGP) based on three principles; protection of human rights, respect for human rights, and remedies. These are divided into 3 approaches; consideration on the right to safety, respect on employee's rights and fairness. The Company has stipulated policies and guidelines to be the norm in human rights management. The details are disclosed in the 2021 Annual Report, Part 2 Corporate Governance, titled "Policy and Practices on Adherence to Human Rights Protection Laws and Regulations" as well as establishing measures to prevent human rights violations such as:

- Determining policies and practices for respecting laws and human rights principles with announcements on the Company's website according to the details disclosed on the website http://www.grandcanalland.com/en/ir__policies__implementing__guidelines.php The approaches are reviewed annually.
- Public relations for online whistleblowing system both inside and outside the organization, such as the establishment of an online whistleblowing channel on the Company's website according to the details disclosed on the website http://www.grandcanalland.com/en/ir__suggestion.php to receive complaints or whistleblowing.
- Overseeing the human rights of employees regarding safety and hygiene, for example, the establishment of the Safety, Occupational Health and Environment Committee of the workplace to take care of safety and occupational health of employees.
- Training and educating personnel on human rights such as organizing training on Personal Data Protection Act B.E. 2562 (PDPA) and promoting practices for employees in the organization.

3) Social responsibility and community development

The Company has taken action to reduce impacts and develop communities according to social, community and environmental policies. The details are disclosed on the website http://www.grandcanalland.com/en/ir__policies__implementing__guidelines.php set as guidelines for sustainable development. It can create the shared value with the community or CSV aiming to reduce the impact on the community and the environment. The connection can be built with the community and community development by setting the plan and social indicators. These are pushed, supported and monitored by the Corporate Governance and Sustainable Development Committee to define the guidelines for CSV operations of the Company to focus on 3 aspects as follows:

3.1 Being the center of the community

The engagement with the community is created in the dimension that society is looking for along with showing Corporate Social Responsibility (CSR). The assistance is provided in times of disaster. In 2021, the Company emphasized on promoting and supporting good health in public health for communities and society by bringing the existing corporate assets as the common area to adjust the functionality to be part of helping to solve and heal public health issues and quality of life. Especially in the COVID-19 pandemic situation, the Company has allocated an area to set up a donation point for unused corrugated boxes to turn it into a paper field bed and send it to the field hospital to support those infected with the COVID-19 virus in the project of "Together

against COVID-19 turning paper into SCGP paper pitch beds” on the ground floor of the G Tower and The Shoppes @ Belle. A total donation amount of 570 kilograms could be collected. Another project that the Company has undertaken is to cooperate in being a blood donation center in cooperation with the Thai Red Cross Society to allocate temporary areas for blood donation. In 2021, blood could be collected at the amount of 48,800 cc. The Company support the area for blood donation with the tenants of the Siam Commercial Bank Public Company Limited office space 2 times having the total blood donation of 36,400 cc.

We also support the public benefits by creating a Cover Walk Way within the area of the Grand Rama 9 project for serving customers and being a public benefit to the general public who use the services in the project. The construction was carried out in the pedestrian crossing area and the footpath area with decorative flowers and plants along the walkway. The light and CCTV cameras were installed to create safety and convenience for customers and people traveling around. It also helps changing the landscape of the area in the project and enhancing the scenery of the surrounding community to be beautiful and more livable.

In addition, the Company supports the community, charity, appropriate agencies that are related to the community including donations to promote the education sector, which is the foundation for driving society. The Company has donated and supported the charitable golf tournament activities in the program of “The 11th Royal Thai Army College Tradition Golf and Charity Golf AWC. 66” for the Royal Thai Army War College. Part of the proceeds from the competition will be used to support educational activities to foster learning of youth in the development of life skills and career skills.

3.2 Local wealth

The Company improves the well-being of people in the community aiming to reduce inequality and create opportunities for people in the community by managing and organizing marketing activities to become the center of the city. It is the center of local business and is the center of life. The focus is on cooperation with government agencies and civil society in order to create marketing activities that reflect and encourage local people to take pride in the identity of the city and create a community market mechanism to strengthen the local economy. There are activities to promote community markets. Since 2019, the Company has supported the “Chan Ka Phak” shop, which is part of the Chakrabhan Pensiri Plant Development Center under the Royal Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn under the management of the Chaipattana Foundation together with the Mae Fah Luang Foundation continuously. The spaces are allocated with free of charge on the ground floor of The Ninth Towers to be a channel for distributing produce and agricultural products obtained from the cultivation of vegetables from the seeds of the royal family in the project of “We have love and grow our own vegetables”. It can encourage farmers to comply with the rules and regulations for safe and quality vegetable gardening under the Good Agricultural Practice (GPA) standard to promote local agricultural products, develop the local community economy as well as creating good quality of life for farmers in a sustainable way. The support for the area is in the amount of 900,000 baht.



Photos of selling produce and agricultural products of the “Chan Ka Phak” shop at The Ninth Towers Grand Rama 9

3.3 Circular economy

In driving the circular economy, we start with the management of sewage and waste materials according to the approaches of circular economy. We encourage reuse and/or bring sorted garbage into the processing process for maximum benefits. The focus is on participation from key stakeholders. In 2021, we supported the employees who had public mind and love the environment by giving an area awaiting construction of 3.9 rai to develop into the G-Garden project, a vegetable garden in the city center (Rama 9) to allow community enterprises to have temporary agricultural cultivation in the city. It is a prototype to convert the use in empty spaces to create benefits by developing urban ecosystem. The management and rehabilitation of the places are conducted and the efficiency of the treated water use from the Yai Sun Canal, the prototype canal in nearby area, is increased. At the same time, this can increase the income for farmers and uplift the quality of life close to organic agriculture for urban residents. It is a project to help low-income people affected by the COVID-19 epidemic to have skills in self-reliant farming. There are organic vegetables that are free of chemicals to eat. We can build our own food supply to reduce daily expenses and can also be developed into a career in the long term. We also prepare to open a cafe called Sipping in Garden for a full service in 2022.



Photos of G-Garden project, a vegetable garden in the city center (Rama 9) at The Grand Rama 9 Project

In addition, every Saturday, there is also a Farmer’s Market opening the area to trade. The farmers and small entrepreneurs have the opportunity to sell agricultural products. There are more than 15 shops to sell products, rotating each time the market opens. As a result, farmers have the combined income of about 25,000 - 35,000 baht in the 10 months since the project commencement.



Photos of distribution of agricultural products in Farmer's Market G-Garden project, a vegetable garden in the city center (Rama 9)

In addition, we cooperate with the Khlong Toei Dee Jung Group, a group of new generations working with children and youth in Khlong Toei in organizing creative activities, including volunteer work, music, art, selling second-hand goods. This will be used to generate income and provide scholarships for needy children in Khlong Toei.



Photos of donation point of Khlong Toei Dee Jung Group G-Garden project, a vegetable garden in the city center (Rama 9)

In this regard, the Company has adopted the principle of 4R (Reduce, Reuse, Recycle, Repair) as a guideline for choosing furniture to decorate the area. In cooperation with the Central World Shopping Center, we take the old structure from the event to be converted into a new set of 4 field chairs and put them in place for the general public to use and relax at the G-Garden as well.



Photos of field chairs made from taking the old structure to be converted into furniture From G-Garden project, a vegetable garden in the city center (Rama 9)

4. Management's Discussion and Analysis

4.1 Analysis at Business and Financial Performance

(a) Overview

The spreading of COVID-19 situation in Thailand is decreasing with the number of infected people, also the uplift of lockdown measures in the country, results in the people's more normal living behavior. Promote the confidence of the consumer and business sector to be elevated, meanwhile the economic activities of Thailand are still under the pressure from the tourism sector due to the limited number of incoming Tourists. Even with support factors of business recovery in the 2nd half of the year, such as the progression of vaccine development, the economy stimulant measure from the Government Sector, and increase of the Consumer confidence which is slowly recovered, Thailand has facing with the 2nd wave of the spreading at the end of 2020 and 3rd wave at midyear of 2021, the which affect the people life in many areas, including Bangkok. Even the Government measure is not as strict as the first wave, but the people still required to live with caution, reduce the commute outside of the residence and more Work from Home.

The Company 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 employ effective cost control measures to be in-line with the current situation, which has not completely returned to normal. 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 2021 for each business are as follow:

- Office Building Business: operate as usual, the Company has improved the common area and other services in order to better take care and are widely accessible to employees and customers in office building. Before the 2nd wave of COVID-19 spreading, there is 90 percent of employee return to work and during the 3rd wave spreading, employees apply more Work From Home, meanwhile the Company still strictly applies the measure of cleanliness and safety, to take care of employees, whom, must enter the Office Building and customers in the Office Building.
- Retail Area Rental: during the 1st wave of the COVID-19 spreading, most of the shop has closure for 52 days as instructed by the Government Sector, the Company taken care of shops and operators whom effect from the spreading of COVID-19 situation for both 1st and 2nd wave, such as decreased the rental fee as appropriate and promote the marketing campaign etc..
- Real Estate Sell Business: The Company has publicized the Nirati Don Mueang project which is the single detached house, twin house and townhome project having the increasing numbers of customers interested in visiting the project.

(b) Important events in 2021

In the 3rd quarter of 2021, the Company opened for sale of single detached houses, twin houses and townhomes in the Nirati Don Mueang Project which would result in continually growing income from the Company's real estate business.

(c) The Business Plan in the future

The Company gave a priority to maintain, sustainability and steadily strengthen its business growth with the Business performance goal in 5 years (2022-2026) with the compound annual growth rate (CAGR) at least 10 percent annually. One of the Business Development Strategy to sustainability achieve the goal, the Company sets the guidelines by distribute the base business of development and management of Real Estate in many ways, also with support from Central Pattana which is the major Shareholders, and being the leader in the commercial of development and management of the Real Estate for more than 40 years, will give the confidence of business management to growth and sustainability in return, with benefit of every group of stakeholder taken to an account.

(d) Performance

1) Revenue

Revenue by Category	2021	2020	Increase /(Decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from rental and rendering services	1,153	1,247	(94)	(8)
Revenue from sales of real estate	402	221	181	82
Total revenue	1,555	1,468	87	6

In 2021, the Company has revenue from rental and rendering services by 1,153 Million Baht compared with 2020 has amount 1,247 million baht or equivalent to decrease of 8 percent as result of the spreading of COVID-19 situation that affected the lessee stores. The Company necessary to consider giving discounts to the stores especially the stores that had to close 52 days according to government orders. For revenue from sales of real estate has 402 Million Baht, that was recognized revenue from the transfer of single-detached house and townhome in Nirati Donmuang project, resulting in the Company's revenue in such respect increased by 181 Million Baht or equivalent to 82 percent.

2) Gross Profit

In 2021, the Company has gross profit by 1,227 Million Baht, or gross profit margin was 79 percent equal to the previous year was 79 percent due to rental and service cost management.

3) Selling and Administrative expenses

In 2021, the Company has selling and administrative expenses by 307 Million Baht, increased by 25 percent or 62 Million Baht in comparison with 2020.

4) Finance costs

In 2021, the Company has finance costs by 157 Million Baht, decreased by 21 percent or 42 Million Baht in comparison with 2020 due to low cost in source of fund and efficiency in cash management.

5) Net Profit

In 2021, the Company and subsidiaries have net profit (owners of the parent) 574 Million Baht, decreased 142 Million Baht or equivalent to 20 percent form 2020. Which was primarily driven by the recognition of a non-recurring gain on divestment of GLANDRT units in the previous year. Excluding the aforementioned non-recurring items and the impact of financial reporting standards,

which included the change to the fair value of investment properties, net profit would increase by 24% from the previous year. Although rental and services revenues declined, the Company manages to improve its profitability performance compared to the previous year and has also benefited from lower financing costs, which resulted from robust capital structure management throughout the course of the year.

(e) The Change of Financial Position

1) Asset as of 31 December 2021, the Company and subsidiaries have total assets by 29,331 Million Baht decreased by 107 Million Baht from the end of previous year. The total assets were included:

Current assets include cash and cash equivalents, trade and other receivables and real estate projects development for sale as of 31 December 2021, the Company has current asset by 1,223 Million Baht increased 59 Million Baht from the end of previous year as result of

- Trade and other receivables decrease (22) Million Baht
- Real estate projects development for sale increase 46 Million Baht

Non-current assets include financial asset-long term investment, investments in associates, long term loans to related party, investment properties, property plant and equipment as of 31 December 2021, the Company has non-current asset increased 47 Million Baht from the end of previous year as result of

- Financial asset-long term investment increase 44 Million Baht from investment appraisal
- Investment properties decrease (92) Million Baht

2) Liabilities as of 31 December 2021, the Company and subsidiaries have total liabilities by 13,845 Million Baht decreased 552 Million Baht from the end of previous year. The total liabilities were included:

Current Liabilities include Short-term loans from financial institutions, Trade and other payables, Short-term loans from related parties, Current portion of debentures, Retention payable, Contractor payables and other as of 31 December 2021, the Company has current liabilities by 5,960 Million Baht increased 2,060 Million Baht from the end of previous year as result of

- Short-term loans from related parties and financial institutions 2,208 Million Baht
- Trade and other payables decrease (143) Million Baht

Non-current liabilities include Long-term loans from financial institutions, Lease liabilities, Debentures, Rental and service retention, Advance rental and service income and other as of 31 December 2021, the Company has non-current liabilities by 7,885 Million Baht decreased 2,612 Million Baht from the end of previous year as the result of Long-term loans and Debentures decrease 2,459 Million Baht

3) Shareholders equity as of 31 December 2021, the Company and subsidiaries have equity (owners of the parent) by 14,507 Million Baht increased 604 Million Baht from the previous year due to profit for the year and increase of long term investment appraisal value.

(f) Cost Structure

As of 31 December 2021, the Company has Debt to Equity Ratio was 0.89 times decrease from the previous year which is 0.97 times, and Interest Bearing Debts to Equity Ratio decrease from 0.45 times as the end of 2021 to 0.41 times as the end of 2021. (The Company must maintain the Interest Bearing Debts to Equity Ratio not exceeding 3 times to comply with the term and condition of the previous debenture issuance)

4.2 Significant Factors that may Impact Future Business and Financial Performance

According to the spreading of COVID-19 situation in 2021, people have changed their way of life in a new way (New Normal), such as social distancing, more hygiene care, reduce outside the accommodation, increased online shopping and Work from Home that such the change have resulted in a decrease in demand for office and retail space for rent. Therefore, there is a tendency to increase the rental rate at a lower rate or maintain the rental rate.

In Q3/2021 the Company launched single detached houses, detached houses and townhomes in Nirati Donmuang project, adjacent to the Red Line train that the revenue from the sale of the Company's accommodation increase.

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 Jongperadechanon in 2019-2021 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 2021		31 December 2020		31 December 2019	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Assets						
Current assets						
Cash and cash equivalents	104.28	0.36%	69.76	0.24%	51.23	0.17%
Trade receivables and Other receivables	142.50	0.49%	164.56	0.56%	447.11	1.51%
Real estate projects development for sale	935.45	3.19%	889.57	3.04%	954.05	3.21%
Other current assets	40.18	0.14%	40.12	0.14%	180.48	0.61%
Total current assets	1,222.41	4.17%	1,164.01	3.98%	1,632.87	5.50%
Non-current assets						
Restricted bank deposits	1.00	0.00%	1.00	0.00%	1.00	0.00%
Long-term loans to related parties	4,666.32	15.91%	4,552.60	15.58%	4,039.35	13.60%
Investments in associates	1.11	0.00%	1.11	0.00%	791.46	2.67%
Other non-current financial asset - investment	615.84	2.10%	571.51	1.96%	104.52	0.35%
Investment properties	22,250.84	75.86%	22,341.68	76.45%	22,109.33	74.46%
Property, plant and equipment	481.50	1.64%	485.83	1.66%	488.49	1.65%
Land leasehold right from related parties	-	-	-	0.00%	97.53	0.33%
Deferred tax assets	82.05	0.28%	92.54	0.32%	19.37	0.07%
Intangible assets	2.60	0.01%	2.75	0.01%	3.72	0.01%
Other non-current assets	7.47	0.03%	11.51	0.04%	404.86	1.36%
Total non-current assets	28,108.74	95.83%	28,060.54	96.02%	28,059.63	94.50%
Total assets	29,331.15	100.00%	29,224.55	100.00%	29,692.50	100.00%

Statement of financial position (Cont.)	31 December 2021		31 December 2020		31 December 2019	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Liabilities and equity						
Current liabilities						
Short-term loans from financial institutions	1,000.00	3.41%	550.00	1.88%	1,370.00	4.61%
Trade and other payables	266.11	0.91%	259.37	0.89%	418.09	1.41%
Current portion of lease liabilities	5.06	0.02%	4.38	0.01%	-	-
Short-term loans from related parties	782.21	2.67%	1,426.37	4.88%	170.75	0.58%
Current portion of long-term loans from financial institutions	2,531.91	8.63%	-	-	-	-
Current portion of debentures	1,027.71	3.50%	1,162.60	3.98%	1,399.08	4.71%
Current portion of advance rental and service income	234.09	0.80%	234.08	0.80%	234.47	0.79%
Retention payable	29.61	0.10%	07.17	0.23%	181.70	0.61%
Deposits and advance received from customers	0.40	0.00%	0.20	0.00%	13.22	0.04%
Contractor payables	32.02	0.11%	102.03	0.55%	308.68	1.04%
Current income tax payable	48.00	0.16%	30.33	0.10%	38.21	0.13%
Other current liabilities	3.67	0.01%	3.78	0.01%	9.53	0.03%
Total current liabilities	5,960.79	20.32%	3,900.30	13.35%	4,143.72	13.96%
Non-current liabilities						
Long-term loans from financial institutions	1,100.00	3.75%	2,531.91	8.66%	2,531.91	8.53%
Lease liabilities	132.22	0.45%	129.70	0.44%	-	-
Debentures	-	0.00%	1,026.79	3.51%	2,446.33	8.24%
Deferred tax liabilities	1,656.55	5.65%	1,599.24	5.47%	1,410.58	4.75%
Rental and service retention	200.55	0.68%	203.83	0.70%	212.59	0.72%
Non-current provisions for employee benefits	21.37	0.07%	20.71	0.07%	19.47	0.07%
Advance rental and service income	4,773.59	16.27%	4,984.88	17.06%	5,213.98	17.56%
Other non-current liabilities	-	-	-	-	-	-
Total non-current liabilities	7,884.28	26.88%	10,497.05	35.92%	11,834.86	39.86%
Total liabilities	13,845.08	47.20%	14,397.35	49.26%	15,978.57	53.81%

Grand Canal Land Public Company Limited and its subsidiaries

(Unit : Million Baht)

Statement of financial position (Cont.)	31 December 2021		31 December 2020		31 December 2019	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Equity						
Issued and paid-up share capital	6,499.83	22.16%	6,499.83	22.24%	6,499.83	21.89%
Share premium	1,532.32	5.22%	1,532.32	5.24%	1,532.32	5.16%
Adjustment to present assets purchased under common control at book value	(423.19)	(1.44%)	(423.19)	(1.45%)	(423.19)	(1.43%)
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	25.50%	7,479.62	25.59%	7,479.62	25.18%
Retained earnings						
Appropriated Legal reserve	790.45	2.69%	790.45	2.70%	519.90	1.75%
Unappropriated	5,880.87	20.05%	5,310.35	18.17%	4,864.95	16.38%
Other components of equity	355.99	1.21%	322.89	1.10%	(24.93)	(0.08%)
Equity attributable to owners of the parent	14,506.94	49.46%	13,903.31	47.57%	12,839.55	43.24%
Non-controlling interests	979.14	3.34%	923.89	3.16%	874.38	2.94%
Total equity	15,486.07	52.80%	14,827.20	50.74%	13,713.92	46.19%
Total liabilities and equity	29,331.15	100.00%	29,224.55	100.00%	29,692.50	100.00%

Grand Canal Land Public Company Limited and its subsidiaries

(Unit : Million Baht)

Statement of comprehensive income	31 December 2021		31 December 2020		31 December 2019	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Revenue from rental and rendering services	1,153.03	69.76%	1,247.02	78.49%	1,262.49	47.86%
Revenue from sales of real estate	402.31	24.34%	221.56	13.94%	328.03	12.44%
Gain on changes in fair value of investment properties			-	-	713.48	27.05%
Interest income	84.80	5.13%	104.32	6.57%	132.72	5.03%
Other income	12.81	0.78%	15.94	1.00%	200.91	7.62%
Total revenue	1,652.95	100.00%	1,588.83	100.00%	2,637.63	100.00%
Cost of rent and services	201.72	12.20%	231.63	14.58%	252.92	9.59%
Cost of sales of real estate	126.63	7.66%	77.39	4.87%	112.32	4.26%
Loss on changes in fair value of investment properties	66.23	4.01%	94.41	5.94%	-	-
Selling expenses	24.13	1.46%	13.88	0.87%	8.42	0.32%
Administrative expenses	286.33	17.32%	232.21	14.62%	303.51	11.51%
Finance costs	156.90	9.49%	198.94	12.52%	281.16	10.66%
Total expenses	861.94	52.15%	848.46	53.40%	958.33	36.33%

Grand Canal Land Public Company Limited and its subsidiaries

(Unit : Million Baht)

Statement of comprehensive income (Cont.)	31 December 2021		31 December 2020		31 December 2019	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Share of profit of joint venture and associates accounted for using equity method	6.01	0.36%	206.15	12.98%	66.42	2.52%
Profit before income tax expense	797.02	48.22%	946.52	59.57%	1,745.71	51.34%
Tax expense	(170.32)	(10.30%)	(206.83)	(13.02%)	(391.59)	(14.85%)
Profit for the year	626.70	37.91%	739.69	46.56%	1,354.12	51.34%
Profit attributable to:						
Owners of the parent	573.82	34.71%	715.95	45.06%	1,253.85	47.54%
Non-controlling interests	52.88	3.20%	23.74	1.49%	100.28	3.80%
Total comprehensive income	626.70	37.91%	739.69	46.56%	1,354.12	51.34%
Earnings per share (in Baht)						
Basic earnings per share	0.088		0.11		0.193	

Grand Canal Land Public Company Limited and its subsidiaries

(Unit : Million Baht)

Statement of cash flows	2021	2020	2019
Net cash flows from (used in) operating activities	583.21	629.61	403.99
Net cash from (used in) investing activities	(90.45)	899.96	34.74
Net cash flows from (used in) financing activities	(458.24)	(1,511.05)	(565.86)
Cash and cash equivalents at 31 December 2021	104.28	69.76	51.23

C. Financial Ratios

Grand Canal Land Public Company Limited and its subsidiaries

As at 31 December	2021	2020	2019
Liquidity Ratios			
Current Ratio (Time)	0.21	0.30	0.39
Quick Ratio (Time)	0.04	0.06	0.03
Receivable Turnover (Time)	24.24	20.02	15.94
Collection Period (Day)	14.85	17.98	22.58
Account Payable Turnover (Time)	5.50	1.62	1.08
Payable Period (Day)	65.42	221.80	334.86
Profitability Ratios			
Gross margin ratio (%)	78.89	78.96	77.04
Net Profit margin ratio (%)	37.91	46.56	51.34
Return on equity ratio (%)	4.13	5.18	10.39

As at 31 December	2021	2020	2019
Efficiency Ratios			
Return on total Asset (%)	2.14	2.51	4.59
Return on Fixed Asset (%)	2.79	3.30	6.13
Asset Turnover (Time)	0.06	0.05	0.09
Financial Policy Ratios			
Debt to Equity ratio (Time)	0.89	0.97	1.17
Interest Bearing Debts to Equity Ratio (Time)	0.42	0.46	0.58

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

As at 31 December	2021	2020	2019
Statistics			
Price Per Share	2.23	2.14	1.98
Basic Earnings Per Share	0.088	0.110	0.193
Dividend Yield Per Share	Not Paid *	Not Paid *	Not Paid *
Growth Rate			
Total assets (%)	0.36	(1.58)	1.47
Total liabilities (%)	(3.84)	(9.90)	(5.47)
Total revenue (%)	5.91	(7.67)	6.65
Total expenses (%)	24.91	(21.11)	8.27
Profit for the year (%)	(15.28)	(45.38)	166.91

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 3 rd , 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, 50 th -51 st Floor, South Sathon Road, Yannawa Sub-District, Sathon, Bangkok 10120 Tel 0 2677 2000 Fax 0 2677 2222
Investor Relation	:	Mr. 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 2021 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 2021.



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 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.

- **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:

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

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

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 2021 are as follows:
 - The Board of Directors at a Meeting No. 1/2021, held on 19 February 2021 has resolved to change the Audit Committee to the Audit and Corporate Governance Committee by adding the oversight of corporate governance and good governance.
 - Re-structuring the Nomination and Remuneration Committee in line with guidelines and recommendation of Corporate Governance Report of Thai Listed Companies ("CGR")
 - Review and improvement the Charter of the Nomination and Remuneration 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.

- **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 2021, the Company has been assessed by the Good Corporate Governance as follows:

- The 2021 result from the assessment of Thai listed companies in Corporate Governance Rating (CGR) is Excellent score according to the assessment by Thai Institute of Directors (IOD) by increment of the score in 2020 which is Very Good score.
- The 2021 result from the assessment of Annual General Meeting quality is 100 percent, 2 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.

2021 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 2021 AGM was held on Friday, 23 April 2021, at 2 p.m. at the Meeting Room, 12th floor, the Ninth Towers Grand Rama 9, no. 33/4 Rama 9 Road, Huay Kwang, Bangkok. There were 16 shareholders attending the meeting in person and 27 shareholders attending by proxy, in total amounting to 97.45% of the total 6,499,829,661 shares issued. Out of 9 members of the Board, 9 directors attended the meeting, equal to 100% of the Board. The Chairman of the Board, Chairman of the Audit and Corporate

Governance Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Management Committee, Chief Executive Officer (Acting), Deputy Managing Director, Senior Assistant Managing Director of Business Support Workgroup, Company Secretary, and the external auditor attended the meeting. Details of the AGM proceedings are as follows:

Before the Meeting

- Company provided individual shareholders with rights to propose in advance additional agenda items and nominate directors from 25 September 2020 to 15 January 2021. 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 2021, no shareholder proposed any names or agenda items for consideration.
- Meeting notices are in Thai and English. For the 2021 AGM, the meeting notice was posted on Company's website on 22 March 2021 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.
- 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. At the 2021 AGM, 20 shareholders appointed independent directors as their proxies.
- 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

- Due to the COVID-19 Outbreak situation, the Company held the 2021 AGM under the disease control procedures and measures complying to the government sector's and other relevant regulatory bodies' announcement in order to control the COVID-19 Outbreak situation.
- Company provided at least a two-hour registration period before the meeting. Barcode and computer systems eased registration and vote counting to speed up the process and ensure information accuracy and reliability.
- Company provided shareholders with voting rights equivalent to the number of shares held. One share yields one vote. There was only one type of share, which was ordinary share.
- Shareholders were informed by Company about the vote-tallying procedures before the shareholders' meeting.
- Company introduced the use of ballots for casting votes. The ballots were prepared separately for each agenda item for shareholders' voting convenience.
- Company provided shareholders with the rights to exercise their votes on the nomination of directors by electing them one by one.
- Participants were informed of the voting result for each agenda item and presented with the voting scores.
- Company transparently conducted the AGM by following respective agenda items as stated in the meeting notice, in strict conformance to the law and Company's regulations. Independent party was invited to witness the vote counting.
- Shareholders were allowed to attend a meeting in progress and vote on remaining items.
- Company allowed shareholders to freely express their views and raise their questions at the meeting. The Chairman of the Board, Chairman of all sub-committees, Chief Executive Officer (Acting), senior executives, Company Secretary and external auditor attended the meeting to clearly answer all aspects of shareholders' questions.

After the Meeting

- Company submitted the resolutions of every shareholders' meeting through the SET Community Portal on the same day so that non-attending shareholders might be immediately informed.
- The quality of minutes of shareholders' meeting was emphasized by recording the following information:
 - list of directors attending and in absence at the meeting, including their positions
 - voting rights and methods, including the use of ballots for casting votes
 - shareholders' queries and recommendations, including the explanation of directors or the management
 - shareholders' meeting resolutions and voting-tally on every agenda item that includes voting.
- Minutes of each shareholders' meeting were distributed in Thai and English through the Company's website within 14 days starting from the meeting date, with a copy sent to SET within the stated period.
- The resolutions of Company's 2021 Annual General Meeting of Shareholders were provided on SET's website and disseminated via the Company's website on 23 April 2021, which was the meeting date.
- Shareholders' opinions on the organizing of shareholders' meeting were obtained through a satisfaction survey. The information acquired was then applied to improving the efficiency of future shareholders' meetings.

Company complied with the AGM quality assessment project, jointly conducted by the Thai Investors Association, 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 2021, the Company 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 competency development, as well as managing employees' workplaces to ensure the safety of their lives and properties.
- Arranging the annual performance evaluation as information accompanying consideration of compensation, such as salary increase and bonus payment. The ratio of the indicators would depend on fields of work and behavior as shown by employees at each level.
- Formulating fair compensation and welfare policy for Company's personnel at all levels, setting up the compensation structure of salary and bonus, for instance, to be in line with employee's knowledge, expertise, performance and Company's operating result.
- Provide channels for employees to express their views and suggestions, as well as fair treatment and non-discrimination of all employees.
- Setting up provident fund for employees, on a voluntary basis, to provide employees with additional funds in support of their retirement life or life after quitting.

Customers:

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

Business Partners:

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

Creditors:

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

Business Competitors:

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

Society, Communities and the Environment:

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

Government:

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

Independent Organizations and Related Social Organizations:

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

Policy and Practices on Intellectual Properties

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

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

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

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

Policy and Guidelines on Safety and Occupational Health

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

Section 4: Disclosure and Transparency

1) Disclosure of Information

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

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

IR Activities

Recognizing the value of forging good relations with investors, the Company make time to join investor activities to elaborate the Company's performance outcomes and business directions. In 2021, the Company twice participated in opportunity day activities and the events are also broadcast live via SET's Opportunity Day Webcast Live on SET's website.

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

2) Responsible persons for disclosure of information

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

3) Auditor and financial statements

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

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

Section 5: Responsibilities of the Board

1) The Board's Structure

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

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

2) Board Diversity

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

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

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. Sudhitham Chirathivat ³	■	■	■	■	■	■	■	■	■
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.

³ The Board of Directors at a Meeting No. 4/2021, held on 10 November 2021 has resolved to appoint Mr. Kobchai Chirathivat as the Chairman replaced Mr. Sudhitham Chirathivat and appoint Mr. Sudhitham Chirathivat as the Honorary Chairman, effective on 1 January 2022.

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 2021 the Board supervised Company's business in line with the corporate goals to foster sustainable growth by supplementing long-term for the business. The Board played an important role as seen below:

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

4) Roles of the Chairman and the CEO

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

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

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

5) Directorship in Other Listed Companies

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

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

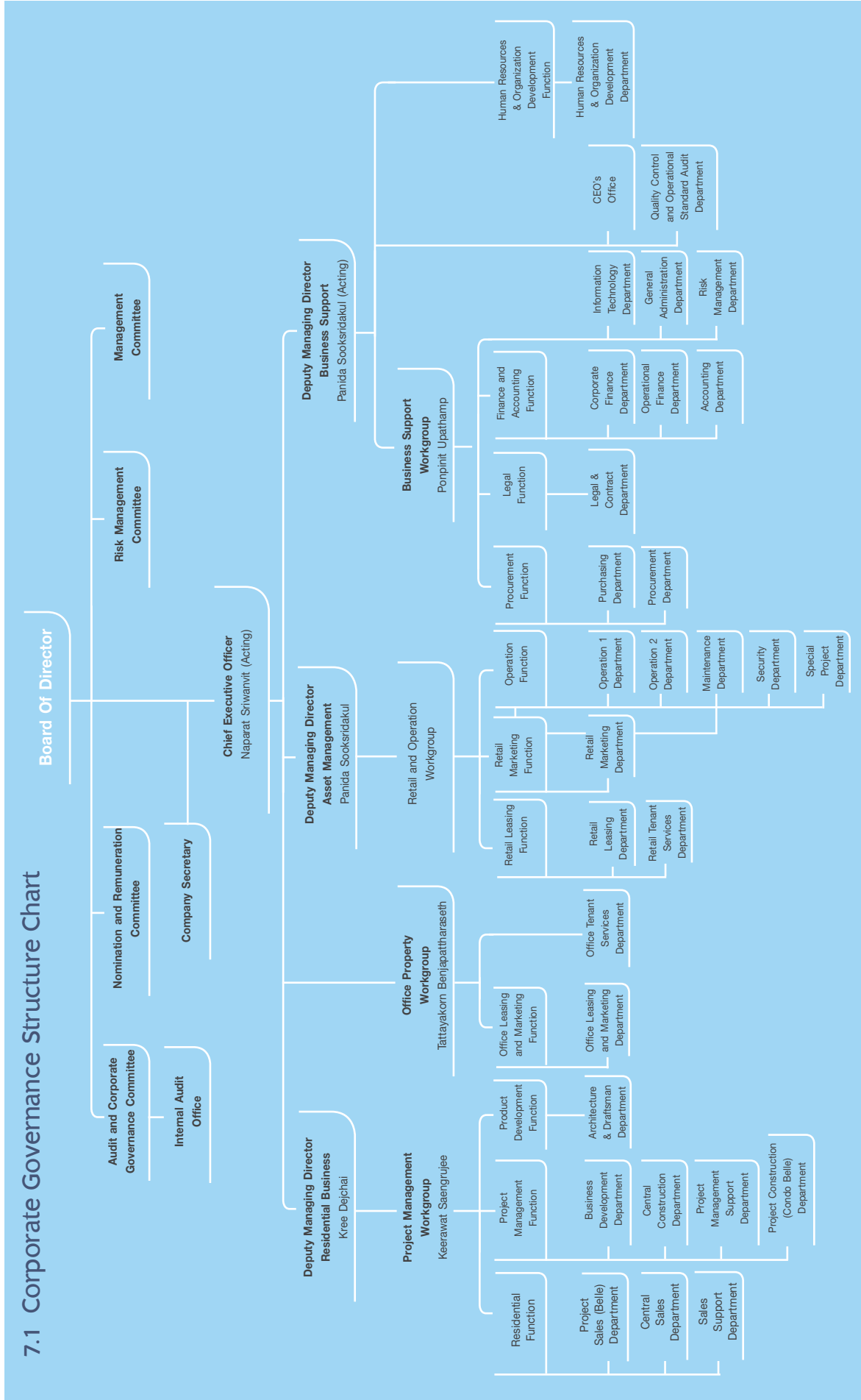
6) Policy on Limiting the Number of Term of Directorship for Independent Directors

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

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

7. 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 Vejjajiva 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.

Remark: - *The Board of Directors at a Meeting No. 4/2021, held on 10 November 2021 has resolved to appoint Mr. Kobchai Chirathivat as the Chairman replaced Mr. Sudhitham Chirathivat and appoint Mr. Sudhitham Chirathivat as the Honorary Chairman, the Honorary Chairman acts as an advisor to the Board and his name does not appear on the page of the Company's Affidavit as a director of the Company, effective on 1 January 2022.

The Authorized Directors

The Authorized Directors of the Company are Mr. Kobchai Chirathivat or Mr. Preecha Ekkunagul or Associate Professor Prapanpong Vejjajiva 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 Vejjajiva	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

* The Board of Directors at a Meeting No. 4/2021, held on 10 November 2021 has resolved to appoint Mr. Kobchai Chirathivat as the Chairman replaced Mr. Sudhitham Chirathivat and appoint Mr. Sudhitham Chirathivat as the Honorary Chairman, effective on 1 January 2022.

Duties and Responsibilities of the Board

- Acting in the best interest of shareholders (Fiduciary Duty) by observing the following four main practices:
 - Performing its duties with faithfulness and honesty (Duty of Loyalty)
 - Performing its duties with responsibility and all due circumspection and caution as well as with accountability and ethics (Duty of Care)
 - 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)
 - Disclosing information to shareholders and stakeholders accurately, completely, and transparently with verification, timeliness and equitability (Duty of Disclosure)
- 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.
- 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.
- 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 Suwannapool Member of Audit and Corporate Governance Committee
3. Mr. Vithaya Chavananand Member of Audit and Corporate Governance Committee

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

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

Duties and Responsibilities of Audit and Corporate Governance Committee

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

5. Auditing

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

6. Compliance with the concerned laws and regulations

- (1) Review conformance by the Company to Securities and Exchange laws, SET requirements, or the Company business-related laws and ethics.
- (2) Review the management's performance and follow up laws and regulations in case of nonconforming.
- (3) Review issues identified by external regulators and remarks by auditor.
- (4) Review the communication of Code of Ethics to the employees and monitor its conformance.
- (5) Review progressed report from management and Company's legal advisor regarding key issues on conforming to the relevant laws and regulations.

7. Report of the audit and corporate governance committee

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

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

Nomination and Remuneration Committee

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

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

- | | | |
|----|-----------------------------------|--|
| 1. | Mr. Vithaya Chavananand | Chairman of Nomination and Remuneration Committee
(Independent Directors) |
| 2. | Assoc. Prof. Prapanpong Vejjajiva | 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 Thitipalatip is appointed as the Nomination and Remuneration Committee's Secretary.

Duties and Responsibilities of the Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination

1. Consider the appropriate structure, size, 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 3 members.

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

- | | |
|------------------------------|---|
| 1. Mrs. Jitmanee Suwannapool | Chairman of Risk Management Committee (Independent Directors) |
| 2. Ms. Napat Sriwanvit | Member of Risk Management Committee |
| 3. Mrs. Panida Sooksridakul | 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. Mrs. Panida Sooksridakul Member of Management Committee
4. Flt.Lt. KreeDejchai Member of Management Committee

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

Duties and Responsibilities of Management Committee

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

Duties and Responsibilities of the Chief Executive Officer

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

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

7.4 Information of Management

As of 1 January 2022, the Company has 5 members of the management team as follows:

1. Ms. Napat Sriwanvit Chief Executive Officer (Acting)
2. Mrs. Panida Sooksridakul Deputy Managing Director
3. Flt.Lt. Kree Dejchai Deputy Managing Director (Acting)
4. Ms. Tattayakorn Benjapattharaseth Assistant Managing Director of Office Property Workgroup
5. Mr. Ponpinit Upathamp Chief Financial Officer (Acting)

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 2021, 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 2021 Annual General Meeting of Shareholders on 23 April 2021. Details were as follows:

Remuneration	Year 2021
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
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

Remuneration	Year 2021
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 2021 are as follows:

- **Salaries and Bonuses**

Company contributed remuneration in form of salaries and bonuses paid to 4 executive management team members in 2021 amounted to Baht 21,085,949.00

- **Provident Fund**

Company contributed the Provident Fund paid to 3 executive management team members in 2021 amounted to Baht 1,005,672.08

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

	2021	2020	2019	2018
GLAND	162	182	166	209
Subsidiary				
- Sterling Equity Co., Ltd.	-	3	3	10
- Gland Reit Management Co., Ltd.	-	-	5	6
- Belle Development Co., Ltd.	1	1	1	3
Total	163	186	175	228

Total Number of Employees of the Company only by Job Function in 2021:

Job Function	Number (person)
Executive Officers	4
Project Management Workgroup	29
Office Property Workgroup	11
Retail and Operation Workgroup	71
Business Support Workgroup	43
CEO's Office	3
Human Resources & Organization Development Function	1
Quality Control and Operational Standard Audit Department	1
Total	163

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	97	62.58%
- 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 2021, Company contributed remuneration in form of salaries, the provident fund and welfare amounted to Baht 100,800,000

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 under "Board and Management Profile". Duties and responsibilities are as follows:

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

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 Thitipalatih as the Company Secretary, also performing as secretary to the Nomination and Remuneration Committee and secretary to the Management Committee. Please see the profile and work experience under "Board and Management Profile". Duties and responsibilities are as follows:

1. Prepare and maintain all documents relating to the Company's statutory register of directors, Annual Reports, notices and minutes of the meetings of the Board of Directors as well as notices and minutes of the shareholders' meetings.
2. Maintain and keep a record of vested interests as reported by directors and executives.

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

The Internal Auditor Leader

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

The Accuracy of Auditor's Remuneration Details

For the Fiscal year ended 31 December 2021

- Audit Fee

No.	Company's Name	Auditor's Name	Audit fee (Baht)
1.	Grand Canal Land Plc.	Ms. Vannaporn Jongperadechanon	1,550,000.-
2.	Belle Development Co., Ltd.	Ms. Vannaporn Jongperadechanon	400,000.-
3.	Sterling Equity Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
4.	Belle Assets Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
5.	G Land Property Management Co., Ltd.	Ms. Vannaporn Jongperadechanon	200,000.-
6.	Rama 9 Square Co., Ltd.	Ms. Vannaporn Jongperadechanon	350,000.-
7.	Ratchada Asset Holding Co., Ltd.	Ms. Vannaporn Jongperadechanon	120,000.-
8.	Rama 9 Square Hotel Co., Ltd.	Ms. Vannaporn Jongperadechanon	70,000.-
Total audit fee			3,090,000.-

- 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 2021 and 2020, in the amount of Baht 3,090,000 and Baht 3,170,000 respectively.

8. Corporate Governance Report

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

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
<p>Mr. Sudhitham Chirathivat Honorary Chairman</p> <ul style="list-style-type: none"> appointed as the Honorary Chairman effective on 1 January 2022 	<ul style="list-style-type: none"> Director Certification Program (DCP)
<p>Mr. Kobchai Chirathivat Chairman</p> <ul style="list-style-type: none"> as the Chairman replaced Mr. Sudhitham Chirathivat (who resigned) on 1 January 2022 	<ul style="list-style-type: none"> Director Certification Program (DCP)
<p>Assoc. Prof. Prapanpong Vejjajiva Vice Chairman and Nomination and Remuneration Committee</p>	<ul style="list-style-type: none"> Director Accreditation Program (DAP) The Role of Chairman Program (RCP) Audit Committee Program (ACP) The Role of Compensation Committee (RCC)
<p>Mr. Charan Mongkolchan Independent Director and Chairman of Audit and Corporate Governance Committee</p>	<ul style="list-style-type: none"> Director Certification Program (DCP) Audit Committee Program (ACP) Monitoring the Internal Audit Function (MIA) Monitoring Fraud Risk Management (MFM) Monitoring the System of Internal Control and Risk Management (MIR) Monitoring the Quality of Financial Reporting (MFR) Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance

Directors and Executive	Topics / Curriculum / Seminars
<p>Mrs. Jitmanee Suwannapool Independent Director, Chairman of Risk Management Committee, Member of Audit and Corporate Governance Committee and Member of Nomination and Remuneration Committee</p>	<ul style="list-style-type: none"> • Director Certification Program (DCP)
<p>Mr. Vithaya Chavananand Independent Director, Chairman of Nomination and Remuneration Committee an Member of Audit and Corporate Governance Committee</p>	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Director Certification Program (DCP) • Audit Committee Program (ACP) • Monitoring Fraud Risk Management (MFM) • Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance • 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”
<p>Mr. Preecha Ekkunagul Director and Chairman of Management Committee</p>	<ul style="list-style-type: none"> • Director Certification Program (DCP) • Director Accreditation Program (DAP)
<p>Mr. Pandit Mongkolkul Director and Advisory of the Nomination and Remuneration Committee</p>	<ul style="list-style-type: none"> • Director Certification Program (DCP) • Corporate Governance for Capital Market Intermediaries (CGI)
<p>Ms. Nopporn Tirawattanagool Director</p>	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) • Role of the Compensation Committee (RCC) • Audit Committee Program (ACP) • Director Certification Program (DCP) • Financial Institutions Governance Program (FGP) • Anti-Corruption for Executive Program (ACEP) • Risk Management Program for Corporate Leaders (RCL)

Directors and Executive	Topics / Curriculum / Seminars
	<ul style="list-style-type: none"> National Director Conference 2017 “Steering Governance in a Changing World” IOD National Director Conference 2018 “Rising Above Disruption: A Call for Action”
Ms. Napat Sriwanvit Chief Executive Officer (Acting), Member of Risk Management Committee and Member of Management Committee	<ul style="list-style-type: none"> Company Secretary Program (CSP) Director Certification Program (DCP)
Mr. Surakit Thantananont Senior Assistant Managing Director of Business Support Workgroup <ul style="list-style-type: none"> resigned on 1 January 2022 	<ul style="list-style-type: none"> Director Accreditation Program (DAP) Director Certification Program (DCP)

Seminars and Training Courses Attended by Each Director in 2021

Directors	Detail	Organization	Date
Mr. Charan Mongkolchan	- “Economic Outlook 2021”	Organized by Central Pattana	28 September 2021
Mrs. Jitmanee Suwannapool	- “Economic Outlook 2021”	Organized by Central Pattana	28 September 2021
Mr. Vithaya Chavananand	- “Economic Outlook 2021”	Organized by Central Pattana	28 September 2021
Mr. Preecha Ekkunagul	- “Director Leadership Certification Program 2021”	Organized by IOD	April 2021
Ms. Nopporn Tirawattanagool	- Cyber Armor: Capital Market Board Awareness No.1: Capital Market Threat Landscape	Organized by SET	19 May 2021
	- Regulatory Technology: Reg Tech 2021	Organized by PWC	15 July 2021
	- Cyber Armor: Capital Market Board Awareness No.2: Data-driven Cybersecurity and Intelligence Threats Assessment	Organized by SET	23 July 2021
	- National Director Conference 2021: Leadership Behind Closed Door	Organized by IOD	31 August 2021, 7 September 2021
	- Bangkok Fin Tech Fair 2021 “Shaping Digital Finance in the New Decade	Organized by BOT	18-19 October 2021
	- “Economic Outlook 2021”	Organized by Central Pattana	28 September 2021
Mr. Sansrit Yenbumrung	- “Economic Outlook 2021”	Organized by Central Pattana	28 September 2021

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. The evaluation form consists of two key components:

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

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

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

- **Procedure**

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

2. Director's Self-Evaluation Form

- **Criteria**

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

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

- **Procedure**

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

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 2021 can be summarized as follows:

Evaluation	Outcome (%)
The Board of Directors	
1. The Board of Directors (full board)	94.90
2. The Board of Directors (individual)	95.15
Sub-Committees	
3. Audit and Corporate Governance Committee	98.48
4. Nomination and Remuneration Committee	95.00

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 2021 averaged 97.78%, 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 2021 there were four Board meetings, while the ratio of directors’ participation was 100%.
- The Chairman, CEO and Company Secretary jointly set a clear agenda before each Board meeting. All directors can freely propose agenda items for consideration by the Chairman before inclusion in a meeting.

- The Company Secretary must submit meeting documents to the directors at least seven days in advance for consideration, together with an invitation letter specifying the meeting date, time, place, and agenda. In emergencies, to protect Company’s rights or interests, appointments for such meetings can be made through other methods at shorter notice.
- During each meeting, the Chairman allocates enough time for discussion of each significant issue and encourages all directors to creatively and freely express ideas with due discretion, with the Company Secretary and Legal Department in attendance to take notes.
- Any director with a vested interest on any agenda items must abstain from the meeting and voting on that item.
- Each time the Board voted, the Board decided that the Board composition should be recorded in the meeting minutes. To date, voting on each item requiring approval was done by no less than two-thirds of the Board.
- If a situation occurs that is critically important or may have a significant impact on Company and/or any stakeholder, the management will submit full details of the incident to the Board for consideration, opinions, and suggestions, for example, market situations and project investment plans, “social interest” events or those that could involve Company’s business, and CG guidelines, and so on.
- In 2021 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 2021, 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 2021 are as follows:

Directors	Board of Directors	Audit and Corporate Governance Committee	Nomination and Remuneration Committee	Risk Management Committee
	4 Meetings	4 Meetings	3 Meetings	4 Meetings
Mr. Sudhitham Chirathivat*	4/4	-	-	-
Assoc.Prof. Prapanpong Vejajiva	1/4	-	3/3	-
Mr. Charan Mongkolchan	4/4	4/4	-	-
Mrs. Jitmanee Suwannapool	4/4	4/4	3/3	4/4
Mr. Vithaya Chavananand	4/4	4/4	3/3	-
Mr. Preecha Ekkunagul	4/4	-	-	-
Mr. Pandit Mongkolkul	4/4	-	3/3	-
Ms. Nopporn Tirawattanagool	4/4	-	-	-
Mr. Sansrit Yenbumrung	4/4	-	-	-

Remark: - *The Board of Directors at a Meeting No. 4/2021, held on 10 November 2021 has resolved to appoint Mr. Kobchai Chirathivat as the Chairman replaced Mr. Sudhitham Chirathivat and appoint Mr. Sudhitham Chirathivat as the Honorary Chairman, effective on 1 January 2022.

The monthly retainer for the directors and meeting allowances for directors as members of the Board and sub-committees for 2021 totaled Baht 6,515,000.00 with no benefits in other forms.

Details of meeting attendance and remuneration are as follows:

	Meeting allowances (Baht)					Total
	Remuneration (Baht)	Board of Directors 4 Meetings	Audit Corporate Governance Committee* 4 Meetings	Nomination and Remuneration Committee* 3 Meetings	Risk Management Committee 4 Meetings	
Mr. Sudhitham Chirathivat*	762,000.00	60,000.00	-	-	-	822,000.00
Assoc.Prof. Prapanpong Vejajiva	762,000.00	15,000.00	-	30,000.00	-	807,000.00
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	30,000.00	48,000.00	850,000.00
Mr. Vithaya Chavananand	684,000.00	48,000.00	40,000.00	36,000.00	-	808,000.00
Mr. Preecha Ekkunagul	534,000.00	48,000.00	-	-	-	582,000.00
Mr. Pandit Mongkolkul	534,000.00	48,000.00	-	30,000.00	-	612,000.00
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	423,000.00	128,000.00	126,000.00	-	6,515,000.00

Remark: - *The Board of Directors at a Meeting No. 4/2021, held on 10 November 2021 has resolved to appoint Mr. Kobchai Chirathivat as the Chairman replaced Mr. Sudhitham Chirathivat and appoint Mr. Sudhitham Chirathivat as the Honorary Chairman, effective on 1 January 2022.

Supervision of Subsidiaries and Associated Companies

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

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

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

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-

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.

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 2021, 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 directors, executives, and employees may invest in Company's securities. However, to prevent conflicts of interest, these personnel and their related persons (spouses and under-aged children) must not buy, sell, transfer, or accept any transfer of Company's shares during the one-month period before the public disclosure of Company's financial statements. If any of them buys, sells, transfers, or accepts transfer

Company's shares, they must prepare and disclose the report of shareholding and changes to the regulators as specified. The Company Secretary must file a quarterly report on the shareholding of directors, executives, and related persons including spouse and minor children and submit it to the Board.

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

In 2021, Company did not receive any complaints about misuse of inside information committed by any directors or executives.

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.

4. Whistleblowing and Complaints

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

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

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 the year 2021, the Company has a total of 1 complaint. The details can be summarized as follows:

Subject	Inspection results	Company's operation
The land reclamation is in the level higher than the surrounding area causing the surrounding area to be affected.	The Company has conducted the land reclamation in accordance with the land reclamation permit from the government agency.	The Company clarifies the facts to the complainant and has an efficient management of drainage system in the project to prevent the impact on the surrounding area.

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) 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 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 involving both internal and external factors such as strategy, financial, operational, compliance with the rules and regulations, and hazards to life and property. 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 Directors and the Management acknowledged the risk issues and carefully managed the risks, approved and announced the Internal Risk Management, assessed, and analyzed the external risk factors that may affect the operation. The Risk Management policy will be annually revised by the management and reported to the Audit and Governance Committee for an approval
- Every Company department is supervised to execute the key risk assessment by creating a Risk Handling Measure, Risk Indicator, and regularly monitoring the progression of risk management with the risk management to prevent the risk of operation from any department and proper guide as the appropriate guidelines to reduce and mitigate the risk in operation that may occur.
- Arranges communication for employees to ensure they realize the risk by reviewing and specifying control over important information, creating business continuity plan, including a process review in various departments compliance with newly enacted laws such as Personal Data Protection Laws.
- 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 identified business model transformation that may affect business operations due to COVID-19 in order to fine-tune the Company's strategies and goals under changing circumstances.
- 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.
- 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.

- There are rules and operational procedures in place at the Company that support adequate internal control over important processes, including transaction approval procedures such as financial, procurement, and general management. This includes the separation of duties appropriately by stipulating the scope of the approval authority. The Company has established an anti-corruption policy, conflict of interest management, and relate transaction policy as guidelines for the Company's employees. Additionally, the Company communicates with suppliers and keeps many stakeholder groups informed via its website.
- Supervise subsidiaries and Associates in compliance with the Company's policies and directions as well as ensure that the Company's investment is efficient, appropriate, and beneficial.
- The Company has established security system controls through computer network management policies for the information technology officer as well as the usage of computer systems and internet connection policies (guest).

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 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 locatin.
- In terms of the Company Data Security, the Company instructs the Information Security Policy to systematically collect the data and document as well as assessing the information technology to the appropriate control level, to ensure that the Company significant data is secured and has the loss prevention system. The Company also supervises the Directors, the Senior Management, and the Employees along with external partners to operate according to the information security system.
- 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.
- Communication with stakeholders outside the organization is carried out efficiently, and appropriate communication channels are established to support internal control, such as by establishing them for officers or investor relations units to receive complaints, and so on.

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 2021. 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 2021. The Internal Audit Office was continually encouraged to self-develop to observe work compliance with international standards.

- 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.1/2022 on 4 February 2022 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 2021 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 2021.

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

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

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 2021 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 2021 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 2021 in the total amount of 322 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 2021, 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, 2021	Amount (Million Baht)	Remarks
1. Loan		
- Loan from parent company and subsidiaries	4,757	Separate financial statements
- Loan from parent company	782	Consolidated financial statements
2. Lending		
- Lending to subsidiaries	7,129	Separate financial statements
- Lending to associates	5,391	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 Grand Canal Land Public Company Limited's performance data and information for the calendar year 2021

This Assurance Statement has been prepared for Grand Canal Land Public Company Limited 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 2021 “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 for The Ninth Towers building, Unilever house building, G Tower building and The Shoppes @ Belle building only and specifically the following requirements:

- Confirming that the report is in accordance with:
 - GRI Standards (2016)
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:¹
 - Environmental: (GRI 302-1) Energy consumption, (GRI 302-3) Energy intensity, (GRI 303-3 to 5) Water withdrawal, discharge and consumption (2018 edition), (GRI 305-1) Direct (Scope 1), (GRI 305-2) Energy indirect (Scope 2), (GRI 305-3) Other indirect (Scope 3) GHG emissions, (GRI 305-4) GHG emissions intensity and (GRI 306-3 to 5) Waste generated, diverted form and direct to disposal (2020 edition).
 - Social: (GRI 403-9 and 10) Types of injury and rates of injury, occupational diseases, lost workdays, absenteeism, days away/restricted or transfer rate (DART), lost-time injuries frequency rate (LTIFR), occupational illness frequency rate (OIFR) and number of work-related fatalities for all employees and contractors (2018 edition).

Our assurance engagement excluded the data and information of GLAND’s subsidiaries where GLAND is not the Property Management 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. GLAND’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.

¹ GHG quantification is subject to inherent uncertainty.



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 G Tower and Unilever house buildings 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: 11 March 2022

Opart Charuratana
LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited
22th Floor, Sirinrat Building, 3388/78 Rama IV Road
Klongton, Klongtoey, Bangkok 10110 THAILAND

LRQA reference: BGK00000589/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 Company’s financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards and practices under appropriate accounting policies applied on a consistent basis following the principles of prudence and impartiality. All important financial information about the Company has been sufficiently disclosed in the notes to the financial statements by considering the best interest and transparency to shareholders and general investors.

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

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



(Assoc. Prof. Prapanpong Vejjajiva)
Authorized Director



(Mr. Pandit Mongkolkul)
Authorized Director

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

Financial statements for the year ended
31 December 2021
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 2021, 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 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Revenue recognition	
Refer to Notes to financial statements 3(q) and 19	
The key audit matter	How the matter was addressed in the audit
<p>Revenue from rental and service are significant amounts in the financial statements. Those revenues are based on a large number of tenancy agreements and service agreements, each with variety of contractual terms and conditions including rental and service discounts given to tenants.</p> <p>Consequently, the accuracy and completeness of revenue recognition related to tenancy agreements and service agreements are areas of focus for my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding the revenue recognition process by inquiring these activities with the relevant management and reading a sample of tenancy agreements and service agreements to understand the key contractual terms and conditions to assist in identifying the risks of inappropriate income recognition pertaining to the various revenue streams; • testing of internal control over the revenue process including key manual controls, the controls on the approval of lease contracts and changes to lease terms and the input of this information to the accounting system, controls on the invoice billings and collection processes, controls on the approval of rental discount granted and credit note issued; • testing of systems-based controls over the revenue process with assistance of KPMG IT specialists including testing of controls over system configuration of rental pricing data and billing and the linkage to usage data that drives revenue recognition;

Revenue recognition	
Refer to Notes to financial statements 3(q) and 19	
The key audit matter	How the matter was addressed in the audit
	<ul style="list-style-type: none"> • testing the recording of revenue from rental and service using a sampling basis and agreeing contractual terms and conditions stipulated in the agreements with related documents including discounts, 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.

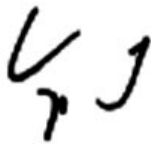
As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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, related safeguards.

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



(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
8 February 2022

Statements of Financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	104,276,639	69,755,079	34,360,034	39,267,421
Trade receivables	5, 7	65,532,094	62,822,624	30,203,281	37,892,309
Other current receivables	5	76,965,384	101,739,631	66,673,131	75,844,096
Short-term loans to related parties	5	-	-	1,721,031,150	1,630,066,780
Real estate projects development for sale	8, 16	935,448,675	889,572,710	622,537,535	623,562,702
Other current financial assets - investment					
in debt securities	24	40,184,698	40,123,262	40,184,698	40,123,263
Total current assets		1,222,407,490	1,164,013,306	2,514,989,829	2,446,756,571
Non-current assets					
Restricted bank deposits	16	1,000,000	1,000,000	-	-
Other non-current financial asset - investment					
in equity securities	11, 24	615,842,480	571,510,076	-	-
Investments in associates	9	1,107,677	1,107,676	89,958	89,958
Investments in subsidiaries	10	-	-	6,807,374,515	6,807,674,514
Long-term loans to related parties	5	4,666,318,762	4,552,604,160	5,407,879,762	5,213,673,094
Investment properties	5, 13, 16	22,250,839,391	22,341,680,716	10,207,252,173	10,364,905,224
Property, plant and equipment	5, 14	481,504,741	485,830,700	26,293,731	28,781,074
Intangible assets		2,600,348	2,752,230	1,976,622	2,726,664
Deferred tax assets	22	82,054,780	92,539,362	-	-
Other non-current assets	5	7,471,952	11,510,722	521,693	4,233,557
Total non-current assets		28,108,740,131	28,060,535,642	22,451,388,454	22,422,084,085
Total assets		29,331,147,621	29,224,548,948	24,966,378,283	24,868,840,656

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of Financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current liabilities					
Short-term loans from financial institutions	16	1,000,000,000	550,000,000	1,000,000,000	550,000,000
Trade and other payables	5	266,107,209	259,370,416	116,260,794	248,115,919
Current portion of lease liabilities	5	5,063,380	4,380,000	4,906,008	4,552,627
Short-term loans from related parties	5, 16	782,210,548	1,426,366,438	4,756,747,283	4,847,905,287
Current portion of long-term loans from financial institutions	16	2,531,906,300	-	-	-
Current portion of debentures	16	1,027,708,160	1,162,596,707	1,027,708,160	1,162,596,707
Current portion of advance rental and service income	5	234,093,820	234,079,801	154,534,067	154,534,067
Current income tax payable		47,998,408	30,331,713	-	1,356,758
Retention payable	5	29,613,378	67,165,506	4,374,973	4,196,386
Deposits and advance received from customers		399,999	200,000	-	-
Contractor payables		32,024,166	162,026,670	10,662,191	14,365,396
Other current liabilities		3,668,538	3,778,434	1,061,399	1,468,218
Total current liabilities		5,960,793,906	3,900,295,685	7,076,254,875	6,989,091,365
Non-current liabilities					
Long-term loans from financial institutions	16	1,100,000,000	2,531,906,300	1,100,000,000	-
Lease liabilities	5	132,218,257	129,700,239	2,030,418	4,954,694
Debentures	16	-	1,026,788,606	-	1,026,788,606
Deferred tax liabilities	22	1,656,552,347	1,599,242,567	896,284,676	881,845,902
Rental and service retention	5	200,548,365	203,826,491	9,935,283	10,861,146
Non-current provisions for employee benefits	17	21,368,608	20,710,439	21,368,608	19,073,627
Advance rental and service income	5	4,773,594,864	4,984,875,211	3,827,882,033	3,961,464,084
Total non-current liabilities		7,884,282,441	10,497,049,853	5,857,501,018	5,904,988,059
Total liabilities		13,845,076,347	14,397,345,538	12,933,755,893	12,894,079,424

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

Statements of Financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<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		5,880,871,273	5,310,347,100	3,346,923,879	3,289,062,721
Other components of equity	18	355,986,764	322,886,757	-	-
Equity attributable to owners of the parent		14,506,935,285	13,903,311,105	12,032,622,390	11,974,761,232
Non-controlling interests	12	979,135,989	923,892,305	-	-
Total equity		15,486,071,274	14,827,203,410	12,032,622,390	11,974,761,232
Total liabilities and equity		29,331,147,621	29,224,548,948	24,966,378,283	24,868,840,656

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Revenue	5				
Revenue from rental and rendering services	19	1,153,033,682	1,247,022,398	296,020,479	315,796,926
Revenue from sales of real estate	19	402,307,969	221,556,185	-	-
Dividend income	9, 10	-	-	-	368,119,552
Interest income		84,797,521	104,316,868	179,956,479	221,575,438
Other income		12,812,575	15,935,578	5,835,107	1,781,429
Total revenue		1,652,951,747	1,588,831,029	481,812,065	907,273,345
Expenses	5				
Cost of rent and services		201,723,481	231,634,270	37,156,719	44,316,041
Cost of sales of real estate	8	126,631,168	77,385,661	-	-
Loss on changes in fair value of investment properties	13	66,228,152	94,411,176	54,843,706	49,449,790
Selling expenses	20, 21	24,128,626	13,884,191	6,360,673	26,607,301
Administrative expenses	20, 21	283,264,067	231,941,210	190,303,573	171,388,905
Total expenses		701,975,494	649,256,508	288,664,671	291,762,037
Profit from operating activities		950,976,253	939,574,521	193,147,394	615,511,308
Finance costs	5	(156,899,860)	(198,939,146)	(116,154,789)	(154,647,095)
(Impairment loss) reversal of determined in accordance with TFRS9	7	(3,062,741)	(268,389)	210,405	(210,405)
Share of profit of joint venture and associates accounted for using equity method	9	6,005,588	206,151,806	-	-
Profit before income tax expense		797,019,240	946,518,792	77,203,010	460,653,808
Tax expense	22	(170,323,579)	(206,831,017)	(16,048,126)	(91,943,221)
Profit for the year		626,695,661	739,687,775	61,154,884	368,710,587

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

Statements of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
<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		44,332,411	-	-	-
Income tax relating to items that will not be reclassified		(8,043,051)	-	823,431	-
Total items that will not be reclassified to profit or loss		32,172,203	-	(3,293,726)	-
Other comprehensive income for the period, net of tax		32,172,203	-	(3,293,726)	-
Total comprehensive income for the period		658,867,864	739,687,775	57,861,158	368,710,587
Profit attributable to:					
Owners of the parent		573,817,899	715,948,812	61,154,884	368,710,587
Non-controlling interests		52,877,762	23,738,963	-	-
		626,695,661	739,687,775	61,154,884	368,710,587
Total comprehensive income attributable to:					
Owners of parent		603,624,180	715,948,812	57,861,158	368,710,587
Non-controlling interests		55,243,684	-	-	-
		658,867,864	739,687,775	57,861,158	368,710,587
Earnings per share (in Baht)	23				
Basic earnings per share		0.088	0.110	0.009	0.057

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

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

	Consolidated financial statements											
	Retained earnings					Other components of equity					Total 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
<i>(in Baht)</i>												
Year ended 31 December 2020												
Balance at 1 January 2020	6,499,829,661	1,532,320,430	(423,185,000)	(129,336,263)	519,900,000	4,864,946,708	(24,927,451)	347,814,208	322,886,757	13,187,362,293	900,153,342	14,087,515,635
Comprehensive income for the year	-	-	-	-	-	715,948,812	-	-	-	715,948,812	23,738,963	739,687,775
Profit	-	-	-	-	-	715,948,812	-	-	-	715,948,812	23,738,963	739,687,775
Total comprehensive income for the year	-	-	-	-	-	715,948,812	-	-	-	715,948,812	23,738,963	739,687,775
Transfer to legal reserve	-	-	-	-	270,548,420	(270,548,420)	-	-	-	-	-	-
Balance at 31 December 2020	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

Note

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

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

	Consolidated financial statements											
	Retained earnings		Other components of equity								Total equity	
	Share premium	Issued and paid-up share capital	Adjustment to present assets purchased under common control at book value	Adjustment of equity interests under reverse acquisition	Legal reserve	Unappropriated income	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
<i>(in Baht)</i>												
Year ended 31 December 2021												
Balance at 1 January 2021	1,532,320,430	6,499,829,661	(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	1,532,320,430	6,499,829,661	(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.

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

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

Note

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

Statements of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Retained earnings	
Year ended 31 December 2021	<i>(in Baht)</i>					
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.

Grand Canal Land Public Company Limited and its subsidiaries

Statements of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	626,695,661	739,687,775	61,154,884	368,710,587
<i>Adjustments to reconcile profit to cash receipt (payments)</i>				
Depreciation and amortisation	9,881,393	10,207,522	7,447,869	6,726,568
(Reversal of) impairment loss recognised in profit or loss	3,062,741	268,389	(210,405)	210,405
(Loss) gain on fair value adjustment - investment in debt securities	(27,885)	272	(27,885)	272
Gain on sales of investment in debt securities	(33,550)	(123,535)	(33,550)	(123,535)
Loss on changes in fair value of investment properties	66,228,152	94,411,176	54,843,706	49,449,790
Real estate development for sale decrease				
from transfer to cost of sale	126,631,168	77,385,661	-	-
Gain on sales of property, plant and equipment	(1,250,675)	(341,919)	(1,235,346)	(327,232)
Provision for employee benefits	2,812,273	2,941,284	4,449,085	3,537,728
Realisation of advance rental and service income	(232,951,303)	(230,637,447)	(157,768,584)	(155,493,935)
Share of profit of associates	(6,005,588)	(207,506,957)	-	-
Share of loss of joint venture	-	1,355,151	-	-
Dividend income	-	-	-	(368,119,552)
Interest income	(84,797,521)	(104,316,868)	(179,956,479)	(221,575,438)
Tax expense	170,323,579	206,831,017	16,048,126	91,943,221
Finance costs	156,899,860	198,939,146	116,154,789	154,647,095
<i>Change in operating assets and liabilities</i>				
Trade and other receivables	34,820,399	127,058,737	18,291,773	110,151,550
Real estate development for sale	(111,537,398)	(88,855,156)	-	-
Other non-current assets	4,038,770	(211,961)	3,711,864	(25,161)
Trade and other payables	88,606,962	43,525,844	12,413,606	(20,320,918)
Retention payables	(37,552,128)	(114,529,987)	178,587	354,106
Advance rental and service income	21,684,975	1,145,746	24,186,532	5,712,640
Deposits and advance received from customers	199,999	(13,018,691)	-	-
Other current liabilities	(109,896)	(100,573,766)	(406,819)	(12,847,906)
Paid for employee benefits	(6,271,261)	(1,703,526)	(6,271,261)	(1,703,526)
Contractor payables	(137,704,918)	(146,650,034)	(13,235,916)	3,845,772
Rental and service retention	(3,278,126)	(8,758,860)	(925,863)	(1,041,731)
Net cash generated from (used in) operating	690,365,683	486,529,013	(41,191,287)	13,710,800
Taxes received	26,217,305	335,699,529	7,240,569	248,032,000
Taxes paid	(133,369,119)	(192,616,067)	(8,681,775)	(79,275,380)
Net cash flows from (used in) operating activities	583,213,869	629,612,475	(42,632,493)	182,467,420

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

Statements of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of property, plant and equipment	(2,915,923)	(8,882,258)	(2,282,566)	(6,975,034)
Proceeds from sales of equipment	1,344,550	1,344,659	1,252,375	1,221,542
Acquisition of investment properties	(65,503,511)	(38,115,282)	(23,452,307)	(24,349,467)
Proceeds from sales investment properties	199,834	4,548,330	-	1,060,990
Acquisition of intangible assets	(663,668)	(52,903)	(27,111)	(52,903)
Proceeds from repayment of short-term loans to related parties	-	-	142,599,158	19,074,094
Payment for short-term loans to related parties	-	-	(234,407,246)	(146,933,558)
Proceeds from repayment of long-term loans to related parties	-	-	6,759	1,363,661
Payment for long-term loans to related parties	(23,000,000)	(11,000,000)	(13,072,959)	(16,043,188)
Proceed from sale of other current financial assets				
- investment in debt securities	70,000,000	306,238,367	70,000,000	306,238,367
Acquisition of other current financial assets				
- investment in debt securities	(70,000,000)	(346,238,367)	(70,000,000)	(346,238,367)
Proceed from capital reduction of associate	-	683,683,536	-	683,683,536
Proceed from capital reduction of subsidiary	-	-	-	9,699,981
Interest received	88,505	188,924	61,089,316	69,489,979
Dividends received	-	308,242,321	-	368,119,552
Net cash from (used in) investing activities	(90,450,213)	899,957,327	(68,294,581)	919,359,185
<i>Cash flows from financing activities</i>				
Proceeds from short-term loan from related parties	1,000,000,000	1,710,000,000	1,973,455,018	2,722,486,718
Repayment of short-term loans from related parties	(1,640,000,000)	(460,000,000)	(2,061,009,321)	(1,094,494,883)
Proceeds from short-term loan from financial institutions	1,850,000,000	2,110,000,000	1,850,000,000	2,110,000,000
Repayment of short-term loans from financial institutions	(1,400,000,000)	(2,930,000,000)	(1,400,000,000)	(2,930,000,000)
Repayment of long-term loans from financial institutions	1,100,000,000	-	1,100,000,000	-
Repayment of debentures	(1,163,000,000)	(1,659,000,000)	(1,163,000,000)	(1,659,000,000)
Payment of lease liabilities	(4,380,000)	(4,380,000)	(4,552,627)	(3,793,856)
Interest paid	(200,862,096)	(277,667,982)	(188,873,383)	(242,834,731)
Net cash flows from (used in) financing activities	(458,242,096)	(1,511,047,982)	106,019,687	(1,097,636,752)
Net increase (decrease) in cash and cash equivalents	34,521,560	18,521,820	(4,907,387)	4,189,853
Cash and cash equivalents at 1 January	69,755,079	51,233,259	39,267,421	35,077,568
Cash and cash equivalents at 31 December	104,276,639	69,755,079	34,360,034	39,267,421

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

Grand Canal Land Public Company Limited and its subsidiaries

Statements of cash flows

Grand Canal Land Public Company Limited and its subsidiaries

Statement of cash flows

Non-cash transactions

During the year ended 31 December 2021 and 2020.

The Group acquired investment properties, property, plant and equipment, and right of used of assets at cost, totalling Baht 118 million (2020: Baht 109 million), the Group paid by cash by Baht 73 million (2020: Baht 47 million), and capitalised interest related to acquisition of assets, totalling Baht 38 million (2020: Baht 45 million) and amounted to contractor payable as at 31 December 2021 totalling Baht 7 million (2020: Baht 17 million).

The Company acquired investment properties, property, plant and equipment, and right of used of assets at cost, totalling Baht 35 million (2020: Baht 39 million), the Company paid by cash by Baht 16 million (2020: Baht 31 million), and amounted to contractor payable as at 31 December 2021 totalling Baht 9 million (2020: Baht 8 million).

The Group built the real estate projects under development at cost, totalling Baht 130 million (2020: Baht 122 million), the Company paid by cash by Baht 112 million (2020: Baht 89 million), and capitalised interest related to acquisition of assets, totalling Baht 8 million (2020: Baht 24 million) and amounted to trade payable as at 31 December 2021 totalling Baht 10 million (2020: Baht 9 million).

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

Notes to the financial statements

For the year ended 31 December 2021

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For the year ended 31 December 2021

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 8 February 2022.

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 2021 and 2020 are given in notes 9 and 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

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 described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Use of judgements and estimates

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

3(k) and 15	Leases: <ul style="list-style-type: none"> - whether an arrangement contains a lease; - whether the Group is reasonably certain to exercise extension options; - whether the Group exercise termination options; - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees
4	Impact of COVID-19

Notes to the financial statements

For the year ended 31 December 2021

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

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

3 Significant Accounting Policies

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

(a) *Basis of consolidation*

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

Subsidiaries

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

Non-controlling interests

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

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.

Notes to the financial statements

For the year ended 31 December 2021

Interests in equity - accounted investees

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.

Transactions eliminated on consolidation

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.

(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*

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

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

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

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

Notes to the financial statements

For the year ended 31 December 2021

(d) *Financial instruments*

(d.1) *Classification and measurement*

Debt securities that the Group issued 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, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

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

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.

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

Notes to the financial statements

For the year ended 31 December 2021

(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 30 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.

(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.

Notes to the financial statements

For the year ended 31 December 2021

(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.

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.

Notes to the financial statements

For the year ended 31 December 2021

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 based on the depreciable amount of buildings and equipments, which comprises the cost of an asset, or other amount substituted for cost, less its residual value, and recognised in profit or loss using a straight-line basis over the estimated useful lives of each component of an asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. No depreciation is provided on freehold land or 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.

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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Notes to the financial statements

For the year ended 31 December 2021

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.

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.

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.

Notes to the financial statements

For the year ended 31 December 2021

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.

(n) Employee benefits

Defined contribution plans

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

Notes to the financial statements

For the year ended 31 December 2021

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:

- 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.

Notes to the financial statements

For the year ended 31 December 2021

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.

(g) Revenue

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

Rental 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.

(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.

Notes to the financial statements

For the year ended 31 December 2021

(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 2021

4 Impact of COVID-19 pandemic

COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021. Due to uncertainty of the situation in 2020, the Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statements for the year ended 31 December 2020 by excluding COVID-19 situation in considering of impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account and fair value under TFRS13, non-financial assets and non-marketable equity securities. The Group choose to exclude the factor of COVID-19 situation, which may affect future financial forecast, in fair value measurement technique. As the accounting guidance already expired on 31 December 2020, the Group has adjusted the value of assets in 2021 (see note 24).

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	Held by a subsidiary
Grand Fortune Company Limited	Thailand	Common directors
CKS Holding Company Limited	Thailand	Common directors
Super Assets Company Limited	Thailand	Common directors
B2S Co., Ltd.	Thailand	Common directors
Common Ground (Thailand) Co., Ltd.	Thailand	Joint venture of the group
CPN 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.

Notes to the financial statements

For the year ended 31 December 2021

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

Transactions	Pricing policies
Project management income	Agreed prices
Rental and service income	Agreed prices
Trust management income and income for proceed disposal of asset	Agreed prices
Sales of investment property	Agreed prices
Sales of equipment	Cost plus margin
Interest income	Rate stipulated in the agreement
Other income	Agreed prices
Dividend income	The declared amount
Rental and service expenses	Agreed prices
Construction management fee/management fee	Agreed prices
Insurance expenses	Agreed prices
Interest expense	Rate stipulated in the agreement

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

<i>Significant transactions with related parties</i> Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Ultimate parent company				
Rental and service expenses	12,069	6,647	12,069	6,647
Construction management fee	3,440	-	3,440	-
Management fee	80,590	58,362	79,209	57,022
Parent company				
Interest Expense	46,632	14,090	46,632	14,090
Subsidiaries				
Revenue from rental and rendering service	-	-	73,131	87,424
Interest income	-	-	179,874	221,427
Interest expense	-	-	26,314	28,892
Rental and service expenses	-	-	3,924	3,294
Dividend income	-	-	-	59,877
Associates				
Revenue from rental and rendering service	-	42,248	-	28,189
Trust management income	-	2,886	-	-
Income for proceed disposal of asset	-	56,290	-	-
Rental and service expenses	6,000	2,170	6,000	2,170
Dividend income	-	-	-	308,242
Interest income	84,709	59,364	-	-
Joint venture				
Interest income	-	44,759	-	-
Other related parties				
Rental income	289,075	238,295	151,934	125,299

Grand Canal Land Public Company Limited and its subsidiaries

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For the year ended 31 December 2021

<i>Significant transactions with related parties</i> Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Project management income	33,340	27,066	21,281	18,139
Other income	53	167	-	-
Rental and service expenses	4,752	1,659	-	1,659
Key management personnel				
Key management personnel compensation				
Short-term employee benefit <i>(including director's remuneration)</i>	38,492	40,169	38,492	39,859

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	6,426	14,904
Other related parties	36,007	20,464	8,149	8,680
Total	36,007	20,464	14,575	23,584
Other receivables				
Ultimate parent company	-	739	-	739
Subsidiaries	-	-	36,767	51,642
Other related parties	2,652	2,604	1,650	1,644
Total	2,652	3,343	38,417	54,025
Property, plant and equipment				
Subsidiaries	-	-	6,936	9,368
Investment Properties				
Other related parties	233,072	231,607	-	-
Rental and service deposit (shown under other non-current assets)				
Other related parties	-	3,074	-	3,074

Notes to the financial statements

For the year ended 31 December 2021

<i>Long-term loans to</i>	Interest rate At the end of the year (% per annum)	Consolidated financial statements			
		At the beginning of the year	Increase	Decrease	At the end of the year
			<i>(in thousand Baht)</i>		
2021					
Associate	3.50	5,198,308	192,418	-	5,390,726
Less The excess of accumulated share of loss from investment in associate over cost of investment		(409,780)	6,005	-	(403,775)
Less The elimination of interest income		(235,924)	(84,709)	-	(320,633)
Net		4,552,604			4,666,318
2020					
Joint venture	-	4,979,062	89,518	(5,068,580)	-
Less The excess of accumulated share of loss from investment in joint venture over cost of investment		(414,359)	(1,356)	415,715	-
Less The elimination of interest income		(131,800)	(44,758)	176,558	-
Net		4,432,903			-
Associate	4.03	-	5,198,308	-	5,198,308
Less The excess of accumulated share of loss from investment in associate over cost of investment		-	(409,780)	-	(409,780)
Less The elimination of interest income		-	(235,924)	-	(235,924)
Net		-			4,552,604

<i>Short-term loans to</i>	Interest rate At the end of the year (% per annum)	Separate financial statements			
		At the beginning of the year	Increase	Decrease	At the end of the year
			<i>(in thousand Baht)</i>		
2021					
Subsidiaries	3.50	1,630,067	294,736	(203,771)	1,721,032
2020					
Subsidiaries	4.03	1,502,336	216,147	(88,416)	1,630,067

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For the year ended 31 December 2021

	Interest rate	Separate financial statements			
		At the end of the year (% per annum)	At the beginning of the year	Increase (in thousand Baht)	Decrease (in thousand Baht)
Long-term loans to					
2021					
Subsidiaries	3.50	5,213,673	194,213	(7)	5,407,879
2020					
Subsidiaries	4.03	4,977,567	237,470	(1,364)	5,213,673

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Trade accounts payable				
Ultimate parent company	6,946	4,557	6,785	4,439
Subsidiaries	-	-	161	135,799
Other related parties	872	2,807	519	2,422
Total	7,818	7,364	7,465	142,660
Other payables				
Ultimate parent company	23,435	8,653	23,461	8,478
Subsidiaries	-	-	16	50
Associates	6,000	-	6,000	-
Other related parties	81	82	-	21
Total	29,516	8,735	29,477	8,549
Retention payable				
Other related parties	-	1,296	-	457
Lease liabilities				
Subsidiaries	-	-	6,279	9,507
Other related parties	135,530	134,080	-	-
Total	135,530	134,080	6,279	9,507
Advance rental and service income				
Other related parties	4,729,285	4,948,650	3,764,121	3,908,548
Rental and service retention				
Other related parties	7,609	6,109	-	-

	Interest rate	Consolidated financial statements			
		At the end of the year (% per annum)	At the beginning of the year	Increase (in thousand Baht)	Decrease (in thousand Baht)
Short-term loans from					
2021					
Parent company	2.75	<u>1,426,366</u>	1,046,637	(1,690,792)	<u>782,211</u>
2020					
Parent company	2.75	<u>170,745</u>	1,724,090	(468,469)	<u>1,426,366</u>

Notes to the financial statements

For the year ended 31 December 2021

<i>Short-term loans from</i>	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
2021			<i>(in thousand Baht)</i>		
Parent company	2.75	1,426,366	1,046,637	(1,690,792)	782,211
Subsidiaries	Fixed deposit rate 6M+2, +0.25	3,421,539	999,768	(446,771)	3,974,536
Total		4,847,905			4,756,747
2020					
Parent company	2.75	170,745	1,724,090	(468,469)	1,426,366
Subsidiaries	Fixed deposit rate 6M+2, +0.25	3,047,687	1,041,355	(667,503)	3,421,539
Total		3,218,432			4,847,905

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.

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 273 million under a land lease agreement and right of using area (31 December 2020: Baht 278 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 4,950 million which interest rate at 4.03% per annum and are repayable on demand.

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.

Notes to the financial statements

For the year ended 31 December 2021

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Cash on hands	0.04	0.10	0.03	0.03
Call deposits	104.24	69.66	34.33	39.24
Cash and cash equivalents	104.28	69.76	34.36	39.27

Call deposits have interest rate at 0.05% - 0.13% per annum (2020: 0.05% - 0.37% per annum).

7 Trade accounts receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 31 December				
Within credit terms	8.18	14.70	12.33	24.07
Overdue:				
Less than 3 months	23.70	25.80	1.59	0.91
3 - 6 months	18.98	4.20	2.59	0.09
6 - 12 months	2.22	0.12	-	0.10
More than 12 months	0.16	0.15	0.02	-
Accrued rental service revenue	17.34	19.85	13.67	12.93
Total	70.58	64.82	30.20	38.10
Less allowance for expected credit loss	(5.05)	(1.99)	-	(0.21)
Trade receivables net	65.53	62.83	30.20	37.89

<i>Expected credit loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
- Additions (reversal)	3.06	0.26	(0.21)	0.21

8 Real estate development for sale

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Real estate under development	897	878	623	624
Real estate developed	38	12	-	-
Total	935	890	623	624
Finance costs capitalised during the year	8	24	-	-
Rates of interest capitalised (% per annum)	3.50	4.03	-	-

Notes to the financial statements

For the year ended 31 December 2021

Real estate projects under development recognised as an

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
expense in 'cost of sales of real estate project'				
- Cost	127	77	-	-

The Group has mortgaged its certain land and construction thereon with banks to secure loans from the banks.

At 31 December 2021, real estate under development of the Group amounted of Baht 489 million (2020; Baht 489 million) are expected to be completed more than one year after the reporting period.

Notes to the financial statements

For the year ended 31 December 2021

9 Investment in associate and joint venture

	Type of business	Ownership interest (%)	Consolidated financial statements (in million Baht)										
			Paid-up capital 2021	Paid-up capital 2020	Cost 2021	Cost 2020	Equity 2021	Equity 2020	Fair value of listed securities 2021	Fair value of listed securities 2020	Dividend income 2021	Dividend income 2020	
Associates													
GLAND Office Leasehold Real Estate Investment Trust (Under liquidation process)	Investment trust	15	1	1	0.1	0.1	1	1	-	-	-	-	308
Bayswater Co., Ltd. (Indirect shareholding by a subsidiary)	Real estate development	50	10	10	-	-	-	-	-	-	-	-	-
			0.1	0.1	0.1	0.1	1	1	-	-	-	-	308

	Type of business	Ownership interest (%)	Separate financial statements (in million Baht)								
			Paid-up capital 2021	Paid-up capital 2020	Cost 2021	Cost 2020	Fair value of listed securities 2021	Fair value of listed securities 2020	Dividend income 2021	Dividend income 2020	
Associates											
GLAND Office Leasehold Real Estate Investment Trust (Under liquidation process)	Investment trust	15	1	1	0.1	0.1	-	-	-	-	308

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 2021

At 31 December 2021, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 724.4 million as a deduction from long-term loan to associates (*31 December 2020: Baht 645.7 million as a deduction from long-term loan to joint venture*) in the consolidated financial position.

On 22 November 2019, the unit trust holders approved that GLANDRT transferred property projects to CPNREIT and liquidated and appointed liquidator. GLANDRT was in liquidation and delisting of GLANDRT from being listed securities on the Stock Exchange of Thailand on 3 March 2020.

Associate and Joint Venture

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

The summary of the financial information as follows:

	GLAND Office Leasehold Real Estate Investment Trust		Bayswater Co., Ltd.	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Associates				
Revenue	-	1,913	12	12
Total comprehensive income (100%)	-	1,807	12	12
Total comprehensive income of the Group's interest	-	202	6	6
Current assets	-	7	-	14
Non-current assets	-	-	10,067	9,656
Current liabilities	-	-	(11)	(8)
Non-current liabilities	-	-	(10,781)	(10,397)
Net assets	-	7	(725)	(735)
Shareholding percentage (%)	-	15	50	50
Share of net assets	-	1	(363)	(368)
Less: Elimination entries	-	-	(41)	(42)
Carrying amounts of associates	-	1	(404)	(410)
			Bayswater Co., Ltd. 2020	
			<i>(in million Baht)</i>	
Joint venture				
Revenue				-
Total comprehensive income (100%)				(2)
Total comprehensive income of the Group's interest				(1)

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During the year 2020, Central Pattana Public Company Limited obtained the control over Bayswater Co., Ltd. from purchase the ordinary shares of BTS Group Holding Public Company Limited. Investment in such company was classified from indirect joint venture to indirect associate.

10 Investments in subsidiaries

At the annual general meeting of shareholders of GLAND REIT Management Co., Ltd. held on 24 June 2020, approved a resolution to dissolve the company. The company registered for the dissolution to the Ministry of Commerce on 29 June 2020. Moreover, the meeting has resolved to approve as follows;

- Dividend payment from operating result from 1 January - 29 June 2020 (the Dissolution date) and dividend from retained earnings of the company of Baht 59.9 million.
- Payment for dividend reduction on 23 July 2020.

For the year ended 31 December 2021

		Separate financial statements							
		<i>(million Baht)</i>							
Subsidiaries	Type of business	Ownership interest (%)		Paid-up capital		Cost method		Dividend income	
		2021	2020	2021	2020	2021	2020	2021	2020
Direct									
Belle Development Ltd.	Real estate development	79.57	79.57	2,064	2,064	1,920	1,920	-	-
Praram 9 Square Ltd.	Real estate for rent and development	93.09	93.09	1,900	1,900	1,771	1,771	-	-
Sterling Equity Co., Ltd.	Real estate development	100.00	100.00	1,800	1,800	1,765	1,765	-	-
Belle Assets Co., Ltd.	Real estate development	100.00	100.00	11	11	11	11	-	-
G Land Property Management Co., Ltd.	Real estate development	100.00	100.00	1,300	1,300	1,334	1,334	-	-
Ratchada Asset Holding Co., Ltd.	Investment company	100.00	100.00	6	6	6	6	-	-
GLAND REIT Management Co., Ltd. <i>(under liquidation process)</i>	Trust manager	-	100.00	-	10	-	0.3	-	60
Indirect									
Praram 9 Square Hotel Ltd.	Hotel	100.00	100.00	16	16	-	-	-	-
Total				6,807	6,807	6,807	6,807	-	60

All subsidiaries were incorporated in Thailand.

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

Grand Canal Land Public Company Limited and its subsidiaries

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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 2021, gain on fair value adjustment recognised in other comprehensive income (OCI) amounting to Baht 44 million (2020 : *Baht 467 million*).

Notes to the financial statements

For the year ended 31 December 2021

12 Non-controlling interest

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

	31 December 2021		31 December 2020		Total
	Belle Development Ltd.	Praram 9 Square Ltd.	Belle Development Ltd.	Praram 9 Square Ltd.	
Non-controlling interest percentage	20.4%	6.9%	20.4%	6.9%	
Current assets	2,627	1,122	2,557	847	
Non-current assets	536	7,731	521	7,671	
Current liabilities	(70)	(2,696)	(92)	(330)	
Non-current liabilities	(67)	(925)	(75)	(3,421)	
Net assets	3,026	5,232	2,911	4,767	923
Carrying amount of non-controlling interest	617	362	594	329	
Revenue	2,613	790	316	1,049	
Profit for the year	115	425	(92)	615	
Total comprehensive income	115	425	(92)	615	23
Profit allocated to non-controlling interest	23	29	(19)	42	
Cash flows (used in) from operating activities	13	63	(173)	320	
Cash flows (used in) from investing activities	(15)	(60)	188	(382)	
Cash flows (used in) from financing activities (dividends to non-controlling interest: none)	(8)	-	(4)	62	
Net increase (decrease) in cash and cash equivalents	(10)	3	11	-	

Notes to the financial statements

For the year ended 31 December 2021

13 Investment properties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 1 January	22,341	22,339	10,365	10,383
Additions	76	56	31	32
Disposals	(138)	(5)	(134)	(1)
Finance cost capitalised	38	45	-	-
Loss on change in fair value	(66)	(94)	(55)	(49)
At 31 December	22,251	22,341	10,207	10,365

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Amounts recognised in profit or loss				
Rental income	1,153	1,247	296	316
COVID-19 rent concessions	(28)	(13)	(3)	(2)
Loss on change in fair value	(66)	(94)	(55)	(49)
Repair and maintenance expense				
- property that generate rental income	(20)	(21)	(2)	(5)

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.

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For the year ended 31 December 2021

Key assumptions used in the valuation of office rental project units for rent, land for rent and land awaiting development as at 31 December 2021 are summarised below.

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Discount rate	10% - 11.5%	10% - 11%	Decrease in fair value
Occupancy rate (depending on location of assets)	40 % - 100%	40 % - 85 %	Increase in fair value
Rental rate per month (depending on location of assets)	Baht 720 - 1,285 per square meter	Baht 720 - 1,200 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
	<i>(in million Baht)</i>					
Cost						
At 1 January 2020	339	22	145	10	68	584
Additions	-	7	1	-	1	9
Disposals	-	(1)	(2)	-	(1)	(4)
At 31 December 2020 and 1 January 2021	339	28	144	10	68	589
Additions	-	-	1	3	-	4
Disposals	-	-	(6)	(4)	-	(10)
At 31 December 2021	339	28	139	9	68	583
Depreciation						
At 1 January 2020	-	15	72	9	-	96
Depreciation charge for the year	-	2	7	-	-	9
Disposals	-	-	(2)	-	-	(2)
At 31 December 2020 and 1 January 2021	-	17	77	9	-	103
Depreciation charge for the year	-	2	7	-	-	9
Disposals	-	-	(6)	(4)	-	(10)
At 31 December 2021	-	19	78	5	-	102
Net book value						
At 31 December 2020	339	11	67	1	68	486
At 31 December 2021	339	9	61	4	68	481

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	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 2020	1	30	5	7	43
Additions	20	1	-	-	21
Disposals	(1)	(1)	-	-	(2)
At 31 December 2020 and 1 January 2021	20	30	5	7	62
Additions	-	1	3	-	4
Disposals	-	(5)	(4)	-	(9)
At 31 December 2021	20	26	4	7	57
Depreciation					
At 1 January 2020	-	23	5	-	28
Depreciation charge for the year	4	2	-	-	6
Disposals	-	(1)	-	-	(1)
At 31 December 2020 and 1 January 2021	4	24	5	-	33
Depreciation charge for the year	5	2	-	-	7
Disposals	-	(5)	(4)	-	(9)
At 31 December 2021	9	21	1	-	31
Net book value					
At 31 December 2020					
Owned assets	6	6	-	7	19
Right-of-use assets	10	-	-	-	10
	16	6	-	7	29
At 31 December 2021					
Owned assets	6	5	-	7	18
Right-of-use assets	5	-	3	-	8
	11	5	3	7	26

15 Leases

As a lessee

	Consolidated financial statements	Separate financial statements
Right-of-use assets at 31 December 2021	<i>(in million Baht)</i>	
Land	233	-

In 2021, additions to the right-of-use assets of the Group were Baht 2 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.

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For the year ended 31 December 2021

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	
	2021	2020	2021	2020
	<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	7
Expenses associated with low-value asset leases	1	1	-	-

In 2021, total cash outflow for leases of the Group were Baht 4.38 million and Baht 3.79 million, respectively.

As a lessor

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 1-5 years. Subsequent renewals are negotiated with the lessee.

<i>Lease payments to be received from operating leases</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 31 December 2021				
1 st year	699	900	26	33
2 nd year	278	978	18	53
3 rd year	18	-	7	-
4 th year	1	-	1	-
Total	996	1,878	52	86

<i>Minimum lease payments under receivable operating lease</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 31 December 2021				
Within 1 year	699	900	26	33
1 - 5 years	297	978	26	53
Total	996	1,878	52	86

Notes to the financial statements

For the year ended 31 December 2021

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	2021		Secured	2020	
		Unsecured	Total	Unsecured	Unsecured	Total
	<i>(in million Baht)</i>					
Debentures	-	1,028	1,028	-	2,189	2,189
Short-term loans and current portion of long-term loans from financial institutions	2,682	850	3,532	-	550	550
Short-term loans from related parties	-	782	782	-	1,426	1,426
Long-term loans from financial institutions	1,100	-	1,100	2,532	-	2,532
Lease liabilities	-	137	137	-	134	134
Total interest-bearing liabilities	3,782	2,797	6,579	2,532	4,299	6,831

	Separate financial statements					
	Secured	2021		Secured	2020	
		Unsecured	Total	Unsecured	Unsecured	Total
	<i>(in million Baht)</i>					
Debentures	-	1,028	1,028	-	2,189	2,189
Short-term loans from financial institutions	150	850	1,000	-	550	550
Short-term loans from related parties	-	4,757	4,757	-	4,848	4,848
Long-term loans from financial institutions	1,100	-	1,100	-	-	-
Lease liabilities	-	7	7	-	10	10
Total interest-bearing liabilities	1,250	6,642	7,892	7,597	7,597	7,597

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For the year ended 31 December 2021

<i>Assets pledged as security for liabilities as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Real estate development for sale	623	624	623	624
Investment properties	11,156	11,240	4,536	4,600
Total	11,779	11,864	5,159	5,224

Current portion of 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. As at 31 December 2021, the Group had utilised Baht 2,532 million (2020: Baht 2,532 million).

Long-term loans from financial institutions

In September 2021, the Company entered into a loan agreement within credit line Baht 1,100 million with financial institution. Such agreement stipulated the Company to repay the principal within 2 years from loan utilised date.

Debentures

The Group's debentures as at 31 December 2020 and 2019, were registered, unsubordinated, unsecured, with no debenture holders' representative (except for the second to fifth series, which have a debenture holders' representative) and no early redemption provisions. These debentures have a face value of Baht 1,000. At shareholders' meetings of the Company, the shareholders approved the issuance and offer for sale of debt securities as follows:

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

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

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

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

As at 31 December 2021, the Group had unutilised credit facilities totalling Baht 410 million (*2020: Baht 940 million*).

Notes to the financial statements

For the year ended 31 December 2021

Effective interest rates and reprising / maturing analysis

	Effective Interest rate (% per annum)	Consolidated financial statements			
		The periods in which those liabilities mature		Book value	Fair value
		Within one year	After one year but Within five years		
<i>(in million baht)</i>					
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	3,532	1,100	4,632	4,619
Loan from related parties	2.75	782	-	782	782
Total		5,342	1,100	6,442	6,433
As at 31 December 2020					
Financial liabilities					
Debentures	4.9 - 5.0	1,163	1,026	2,189	2,215
Loan from financial institutions	2.2 - 2.5	550	2,532	3,082	3,071
Loan from related parties	MLR-0.75	1,426	-	1,426	1,426
Total		3,139	3,558	6,697	6,712

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	Separated financial statements			
	The periods in which those liabilities mature		Book value	Fair value
	Within one year	After one year but within five years		
	<i>(in million Baht)</i>			
As at 31 December 2021				
Financial liabilities				
Debtures		-	1,028	1,032
Loan from financial institutions	1,000	1,100	2,100	2,093
Loan from related parties	4,757	-	4,757	4,757
Total	6,785	1,100	7,885	7,882
As at 31 December 2020				
Financial liabilities				
Debtures		1,026	2,189	2,215
Loan from financial institutions	550	-	550	548
Loan from related parties				
Total	4,848	-	4,848	4,848
	6,561	1,026	7,587	7,611
Effective Interest rate <i>(% per annum)</i>				
	4.9 - 5.0			
	1.85 - 2.87			
	MLR-0.75			
	4.9 - 5.0			
	2.2 - 2.3			
	MLR-0.75			
	Fixed deposit rate 6M+2, +0.25			

Notes to the financial statements

For the year ended 31 December 2021

17 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Defined benefit plan	21	21	21	19

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.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 1 January	21	19	19	17
Recognised in profit or loss:				
Current service cost	2	3	2	3
Interest on obligation	-	1	-	1
Loss from segment transferring	-		2	
	<u>2</u>	<u>4</u>	<u>4</u>	<u>4</u>
Recognised in other comprehensive income:				
Actuarial loss				
- Financial assumptions	4	-	4	-
Benefit paid	<u>(6)</u>	<u>(2)</u>	<u>(6)</u>	<u>(2)</u>
At 31 December	<u>21</u>	<u>21</u>	<u>21</u>	<u>19</u>

Principal actuarial assumptions	Consolidated and Separate financial statements	
	2021	2020
	<i>(%)</i>	
Discount rate	1.6	2.3 – 2.8
Future salary growth	5.0	6.0

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

At 31 December 2021 and 2020 the weighted-average duration of the defined benefit obligation was 10 years.

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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 2021</i>				
Discount rate (0.5% Change)	3	3	2	3
Future salary growth (1% Change)	2	2	3	2
<i>At 31 December 2020</i>				
Discount rate (0.5% Change)	(1)	1	(1)	1
Future salary growth (1% Change)	2	(2)	2	(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 2021

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:

Year ended 31 December	Real estate for sale business		Real estate for rental and service business		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in million Baht)</i>					
Information about reportable segments						
External revenues	402	222	1,153	1,247	1,555	1,469
Inter-segment revenue	-	-	89	123	89	123
Total revenue	402	222	1,242	1,370	1,644	1,592
Interest income	5	14	80	90	85	104
Finance costs	9	-	148	199	157	199
Profit before income tax expense	276	144	1,041	1,138	1,317	1,282
Timing of revenue recognition						
At a point in time	402	222	-	-	402	222
Over time	-	-	1,242	1,370	1,242	1,370
Total revenue	402	222	1,242	1,370	1,644	1,592

	2021	2020
	<i>(in million Baht)</i>	
Profit or loss		
Total revenue from reportable segments	1,317	1,282
Other revenue	97	120
	1,414	1,402
Elimination of inter-segment revenue	(89)	(123)
Unallocated amounts:		
Loss on changes in fair value of investment properties	(66)	(94)
Other expenses	(468)	(444)
Share of profit of associates and joint venture	6	206
Total profit before tax	797	947

Major customer

In 2021, the Group has revenue from major customer is CPN Retail Growth Leasehold REIT (other related party) approximately Baht 224 million (2020: CPN Retail Growth Leasehold REIT (other related party) Baht 187 million) in the consolidated financial statements and Baht 149 million (2020: Baht 125 million) in the separate financial statements from office building for rent.

Notes to the financial statements

For the year ended 31 December 2021

Balance of contract liability

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

	Consolidated financial statements contract liability	
	2021	2020
	<i>(in million Baht)</i>	
At 1 January	(0.20)	(13.13)
Recognised as revenue during the year	43.23	62.53
Advance received from customer	(43.43)	(49.60)
At 31 December	(0.40)	(0.20)

20 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Wages and salaries	132	113	60	57
Defined benefit plans	2	4	4	4
Defined contribution plans	5	2	5	2
Other welfares	12	19	8	16
Total	151	138	77	79

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	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Finance costs	157	199	116	155
Salaries, wages and other employee benefit expenses	151	138	78	79
Utility expenses	122	145	9	10
Cost of sale of real estate	127	77	-	-
Consulting and other fees	136	91	115	78
Maintenances and repairs	26	28	7	7
Advertising expenses	23	14	6	26

Notes to the financial statements

For the year ended 31 December 2021

22 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Current tax expense				
Current year	109	92	1	81
Deferred tax expense				
Movements in temporary differences	61	115	15	11
Total income tax expense	170	207	16	92

	Consolidated financial statements					
	Before tax	2021 Tax (expense) benefit	Net of tax	Before tax	2020 Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Income tax recognised in other comprehensive income						
Defined benefit plan actuarial losses	4	(1)	3	-	-	-
Gain on investments in equity instruments designated at FVOCI	(44)	9	(35)	-	-	-
Total	(40)	8	(32)	-	-	-

	Separate financial statements					
	Before tax	2021 Tax (expense) benefit	Net of tax	Before tax	2020 Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Income tax recognised in other comprehensive income						
Defined benefit plan actuarial losses	4	(1)	3	-	-	-

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2021		2020	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		797		947
Income tax using the Thai corporation tax rate	20	159	20	189
Income tax reduction - current		(2)		(38)
Income not subject to tax		(3)		-
Expenses not deductible for tax purposes		14		15
Under (over) provided in prior years		-		19
Current year losses for which no deferred tax asset was recognised		2		-
Recognition of previously unrecognised tax losses		-		22
Total	21	170	22	207

	Separate financial statements			
	2021		2020	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		77		461
Income tax using the Thai corporation tax rate	20	15	20	92
Income not subject to tax		-		(12)
Recognition of previously unrecognised tax losses		-		11
Under provided in prior years		-		16
Income tax reduction - current		(1)		(24)
Expenses not deductible for tax purposes		2		9
Total	21	16	20	92

At 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(in million Baht)		
Deferred income tax assets	82	93	-	-
Deferred income tax liabilities	(1,657)	(1,599)	(896)	(882)
	(1,575)	(1,506)	(896)	(882)

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

Deferred tax	Consolidated financial statements			
	At 1 January	(Charged) / credited to:		At 31 December
Profit or loss		Other comprehensive income		
		(in million Baht)		
2021				
Deferred tax assets				
Trade accounts receivable (expected credit losses)	-	1	-	1
Real estate projects development for sale	3	-	-	3

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<i>Deferred tax</i>	Consolidated financial statements (Charged) / credited to:			At 31 December
	At 1 January	Profit or loss	Other comprehensive income	
		<i>(in million Baht)</i>		
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
Loss on fair value of investment properties	64	(10)	-	54
Total	93	(12)	1	82
<i>Deferred tax liabilities</i>				
Deferred debenture issuing costs	(1)	-	-	(1)
Unrealized gain from investment in equity securities measured at FVOCI	(99)	-	(9)	(102)
Gain on fair value of investment properties	(1,505)	(49)	-	(1,554)
Total	(1,599)	(49)	(9)	(1,657)
Net	(1,506)	(61)	(8)	(1,575)
2020				
<i>Deferred tax assets</i>				
Real estate projects development for sale	3	-	-	3
Gain on sales of assets to related party	1	-	-	1
Advance service income	5	1	-	6
Provisions for employee benefits	-	4	-	4
Revenue and expense recognitions of real estate business	2	-	-	2
Loss carry forward	26	(13)	-	13
Loss on fair value of investment properties	70	(6)	-	64
Total	107	(14)	-	93
<i>Deferred tax liabilities</i>				
Deferred debenture issuing costs	(1)	-	-	(1)
Unrealized gain from investment in equity securities measured at FVOCI	-	(93)	-	(93)
Gain on fair value of investment properties	(1,427)	(8)	-	(1,505)
Total	(1,428)	(101)	-	(1,599)
Net	(1,391)	(115)	-	(1,506)

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / credited to:		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in million Baht)</i>		
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)
2020				
Deferred tax assets				
Provisions for employee benefits	-	4	-	4
Deferred tax liabilities				
Deferred debenture issuing costs	(1)	-	-	(1)
Gain on fair value of investment properties	(870)	(15)	-	(885)
Total	(871)	(15)	-	(886)
Net	(871)	(11)	-	(882)

As at 31 December 2021, the Company's unused tax losses totaling Baht 23 million (2020: Baht 2 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	
	2021	2020	2021	2020
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	574	716	61	368
Number of ordinary shares outstanding	6,500	6,500	6,500	6,500
Earnings per share (basic) (in Baht)	0.088	0.110	0.009	0.057

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24 Financial instruments**(a) Carrying amounts and fair values**

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

	Consolidated financial statement					
	Carrying amount			Fair value		
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	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	-	-	-	40	-
Other non-current financial assets - investment in equity securities	-	615	-	-	-	615
Investment properties	22,251	-	-	-	-	22,251
Financial liabilities disclosed at fair value						
Short-term loans from financial institutions	-	-	(1,000)	-	-	(1,000)
Current portion of long-term loans from financial institutions	-	-	(2,532)	-	-	(2,526)
Debentures	-	-	(1,028)	-	(1,032)	-
At 31 December 2020						
Financial assets measured at fair value						
Other current financial assets - investments in debt securities	40	-	-	-	40	-
Other non-current financial assets - investment in equity securities	-	572	-	-	-	572
Investment properties	22,342	-	-	-	-	22,342
Financial liabilities disclosed at fair value						
Short-term loans from financial institutions	-	-	(550)	-	-	(548)
Long-term loans from financial institutions	-	-	(2,532)	-	-	(2,523)
Debentures	-	-	(2,189)	-	(2,215)	-

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	Separate financial statements				
	Carrying amount		Fair value		
	Measured at FVTPL	Measured at amortised cost	Level 1	Level 2	Level 3
	(in million Baht)				
At 31 December 2021					
Financial assets measured at fair value					
Other current financial assets - investments in debt securities	40	-	-	40	-
Investment properties	10,207	-	-	-	10,207
Financial liabilities disclosed at fair value					
Short-term loans from financial institutions	-	(1,000)	-	-	(1,000)
Debentures	-	(1,028)	-	(1,032)	-
At 31 December 2020					
Financial assets measured at fair value					
Other current financial assets - investments in debt securities	40	-	-	40	-
Investment properties	10,364	-	-	-	10,364
Financial liabilities disclosed at fair value					
Short-term loans from financial institutions	-	(550)	-	-	(548)
Debentures	-	(2,189)	-	(2,215)	-

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

- a) 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.
- b) For fixed rate debentures, their fair value is determined by using the price as announced by the Thai Bond Market Association.
- c) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.
- d) Investment in non-marketable equity securities, the fair value is determined by using financial pricing model.
- e) Investments in marketable unit trusts classified as financial assets measured at FVTPL is determined using the net asset value as of the reporting date.

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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.

(b) Movement of marketable debt securities

<i>Marketable debt securities</i>	Consolidated / separate financial statements				
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
	<i>(in million Baht)</i>				
2021					
Current financial assets					
Debt securities measured at					
- FVTPL	40.12	70.00	(70.00)	0.06	40.18
2021					
Current financial assets					
Debt securities measured at					
- FVTPL	-	346.24	(306.24)	0.12	40.12

Sensitivity analysis

For the fair values of financial assets and financial liabilities 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

<i>Effect to profit or loss</i>	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 2021				
Investment properties				
Discount rate	(1,001)	1,182	(282)	352
Other current financial assets - investments in debt securities				
Discount rate	(1,205)	1,317	-	-

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(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.

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.

Notes to the financial statements

For the year ended 31 December 2021

(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.

(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	Total
<i>(in million Baht)</i>				
<i>At 31 December 2021</i>				
<i>Non-derivative financial liabilities</i>				
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	5,716	1,362	7,078
<i>At 31 December 2020</i>				
<i>Non-derivative financial liabilities</i>				
Loans from financial institutions	3,082	550	2,532	3,082
Trade and other payables	259	259	-	259
Lease liabilities	134	4	130	134
Loans from related parties	1,426	1,426	-	1,426
Debentures	2,189	1,163	1,026	2,189
Rental and service retention	204	76	128	204
Contractor payables	162	162	-	162
	7,456	3,640	3,816	7,456

Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements			
	Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year	Total
	<i>(in million Baht)</i>			
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	4,757	-	4,757
Debentures	1,028	1,028	-	1,028
Rental and service retention	10	6	4	10
Contractor payables	11	11	-	11
	8,029	6,923	1,106	8,029
At 31 December 2020				
Non-derivative financial liabilities				
Loans from financial institutions	550	550	-	550
Trade and other payables	248	248	-	248
Lease liabilities	10	5	5	10
Loans from related parties	4,848	4,848	-	4,848
Debentures	2,189	1,163	1,026	2,189
Rental and service retention	11	6	5	11
Contractor payables	14	14	-	14
	7,870	6,834	1,036	7,870

(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 2021

26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Contracted but not provided for:</i>				
Building and utility system	26	27	18	3
<i>Other commitments</i>				
Real estate projects under development contract	57	91	-	-
Services contract	112	48	26	1
Other contracts	-	16	-	-
Total	169	155	26	1

Others

At 31 December 2021

- a) The Group and the Company have outstanding bank guarantees of approximately Baht 19 million and Baht 7 million, respectively (*2020: Baht 19 million and Baht 8 million, respectively*) issued by the banks in respect of certain performance in the normal course of businesses.

27 Litigations

During 2020, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of management and construction contract of approximately 5.8 million Baht. 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 the second quarter of 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 March 2022.

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.

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. This case is in the process of preparing a power of attorney and attorney’s certificate.

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 legal cases.

Grand Canal Land Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

28 Thai Financial Reporting Standards (TFRS) not yet adopted

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2022 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Group has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application.



GRAND CANAL LAND PUBLIC COMPANY LIMITED

161 Rama 9 Road, Huaykwang, Bangkok 10310

Tel. (662) 246 2323 Fax. (662) 247 1082

www.grandcannalland.com

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