

23
years

ANNIVERSARY



ANNUAL REPORT
รายงานประจำปี 2020

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

232 Moo 19 Rob Muang, Muang, Roi Et 45000



Call Center
1160



callcenter@globalhouse.co.th
www.globalhouse.co.th

4 Message from the Chairman



5 Message from Chief Executive Officer

6 Financial Highlights



8 General Information

80 Corporate Social Responsibility

20 Nature of Business

85 Internal Control and Risk Management

30 Risk Factors

88 Dividend Policy

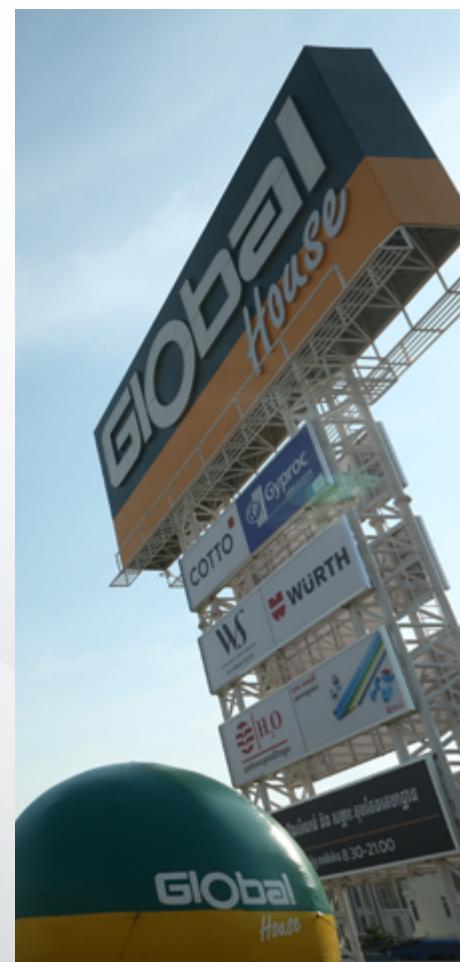
36 Shareholding Structure

89 Related Transactions

40 Organization Chart

42 Management

52 Corporate Governance





98 Management Discussion and Analysis of Financial Status
and Operating Results



107 Board of Directors & Executives Profile

103 Audit and Risk Management Committee's Report

106 Board of Directors' Responsibility for Financial Reporting



122 Financial Statement 2020

184 Other References

“

In this regards, investors may obtain further information from form 56-1 at www.set.or.th

”



Message from the Chairman

“ Siam Global House Public Company Limited, Directors, Executives and all employees, proud to be one part of the company to develop the management system under the good corporate governance to continue the growth and sustainable including create a good return to shareholders and all stakeholders. Finally, I would like to thank all stakeholders, customer, business partners as well as the sponsors that have trust and support the operations of the company well over. ”

Dear Shareholders and Stakeholders.

In year 2020, It's the years of changeable which is cause from the coronavirus (COVID-19) crisis epidemic. The government has to make an announcement to lock down all over the country to control the contagion. The lock down measure is social distancing which impacted to life style, living, sociality and also entrepreneur that they have to shut up their business to survive with strongly depression economic.

Under the circumstances of the coronavirus (COVID-19) crisis, the company has strictly complied with the government policy by carefully operating the business under good corporate governance and adjusting the operation strategy in accordance with the current economic conditions by focus more on selling products and services through online channels and promoting sales of House Brand products. As well as a good-cooperation of the board of directors, executives, and all employees of Siam Global House Public Company Limited, the company continued to perform at a satisfactory level amid the economic recession. In 2020, the company had total revenues of 27,353.89 million Baht, decreasing from 2019 as 4.44 percent. Net profit of 1,975.52 million Baht, decreasing from 2019 as 6.55 percent. However, the company has started 5 new branches last year namely Sai Noi branch, Det Udom branch, Phayao branch, Kuchinrai branch, and Vieng Papao branch.

Over 23 years, Siam Global House Public Company Limited has strictly on good governance to operate the business with transparency. In the past year, the company has concerned of coronavirus (COVID-19) crisis epidemic and people's health therefore the company has cooperate with SCG foundation donated Modular Screening & Swab Unit 3 units for Roi-et Hospital and 6 units for 5 Hospitals in Roiet which is Suvarnaphum Hospital, Tawatburi Hospital, Nong Phok Hospital, Assamat Hospital and Phnom Prai Hospital for use in medical treatment.

Yours Sincerely,

(Mr. Apisit Rujikeatkamjorn)
Chairman



Message from Chief Executive Officer

“ For operational strategies, We still committed to promote our Product Mix strategy to meet our customers’ needs. This strategy maintained gross profits to be in a satisfied level under the slowing economic crisis. ”

Dear Shareholders and Stakeholders.

In 2020, the rapid epidemic of coronavirus (COVID-19) has affected thousands of people, business, and global economy.

In 4th quarter of 2020, our management team has prepared for the workforce management in a slowing economy as soon as we have noticed that the annual budget of 2021 has not been approved yet. When the epidemic of coronavirus (COVID-19) occurred, our 39 of 67 stores were closed for 2 months and half since 22 March 2020. The employees who work for those temporarily closed stores were paid at a rate of 75%. For those who stay home for the sake of the nation were paid in advance by the Social Security Office at a rate of 62%.

In 2020, the company had sales revenue of 26,802.96 million Baht, decreasing from 2019 as 1,278.49 million Baht or a 4.55 percent. Net profit of 1,975.52 million Baht, decreasing from 2019 as 138.56 million Baht or a 6.55 percent. The company has 71 operating stores on the date 31 December 2020, increasing 5 stores from last year. In 2021, we have plans to continuously expand about 5-7 stores for the company’s sustainability growth.

Finally, I would like to thank you shareholders and stakeholders for your supports on the company’s operation. I wish you to be healthy and be safe from COVID-19. Thank you.

Yours Sincerely,

(Mr. Witoon Suriyawanakul)
Chief Executive Officer

1. Financial Highlights for the year 2018-2020

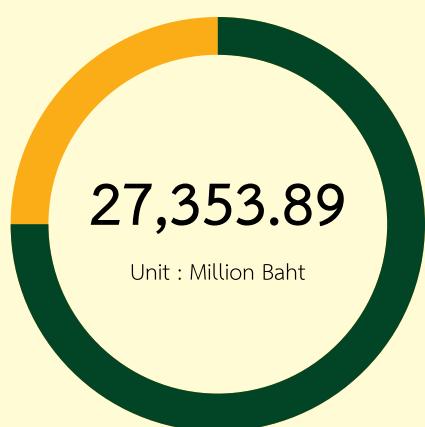
(Unit : Million Baht)

	Summary of Financial Statements Information	Consolidated Financial			Financial Statements in the Equity Method	
		2020	2019	2018	2020	2019
Income Statement						
Sales	26,802.96	28,081.45	25,402.07	26,207.95	27,482.16	25,336.49
Total Revenues	27,353.89	28,624.42	26,262.41	26,752.64	28,020.32	26,196.49
Gross Profit	6,401.96	6,340.38	5,305.93	6,228.60	6,176.68	5,283.83
EBIT	2,676.19	2,875.08	2,713.37	2,582.73	2,783.47	2,727.02
Net Profit (Loss)	1,975.52	2,114.08	1,990.66	1,908.71	2,038.93	2,003.86
Balance Sheet						
Total Assets	36,020.30	35,986.39	31,016.98	35,058.52	35,592.87	30,567.90
Total Liabilities	18,806.46	19,855.47	16,130.62	18,154.99	19,718.07	15,897.57
Total Shareholders' Equity	17,213.84	16,130.92	14,886.37	16,903.53	15,874.80	14,670.33
Financial Ratio						
Gross Profit Margin (%)	23.89	22.58	20.89	23.77	22.48	20.85
Net Profit Margin (%)	7.22	7.39	7.58	7.13	7.28	7.65
Return on Equity (%)	11.85	13.63	14.08	11.65	13.35	14.30
Return on Assets (%)	5.49	6.31	6.72	5.40	6.16	6.82
Debt to Equity Ratio (Time)	1.09	1.23	1.08	1.07	1.24	1.08
Earnings per Share						
Earnings per Share (Baht / share)	0.4444	0.4756	0.4767	0.4336	0.4632	0.4769
Book Value per Share (Baht / Share)	3.9108	3.8393	3.7202	3.8403	3.7783	3.6662
Common Stocks (Shares)	4,401,609,967	4,201,540,599	4,001,469,549	4,401,609,967	4,201,540,599	4,001,469,549

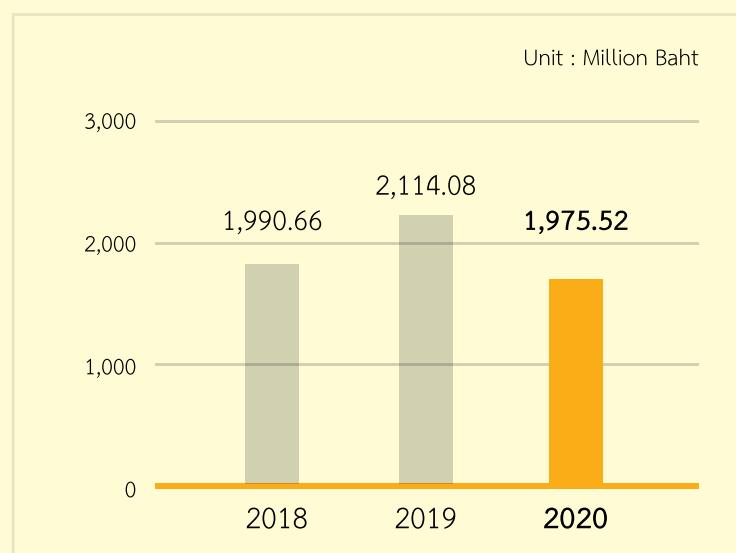
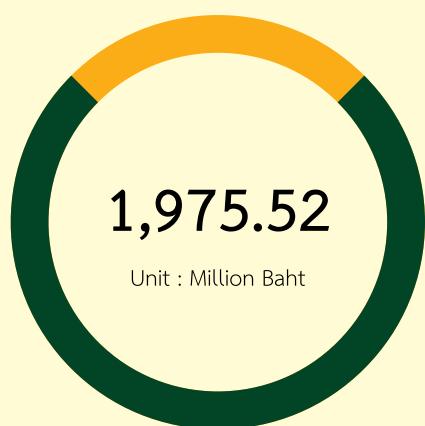
Financial Highlights for the year 2018 - 2020



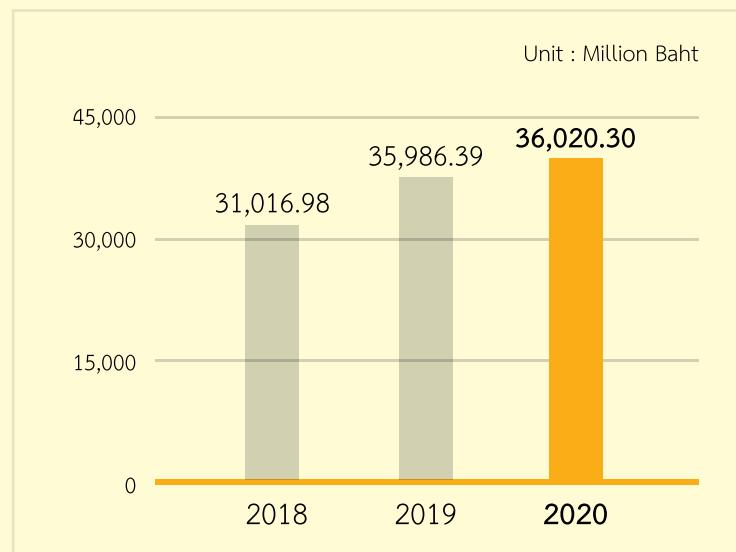
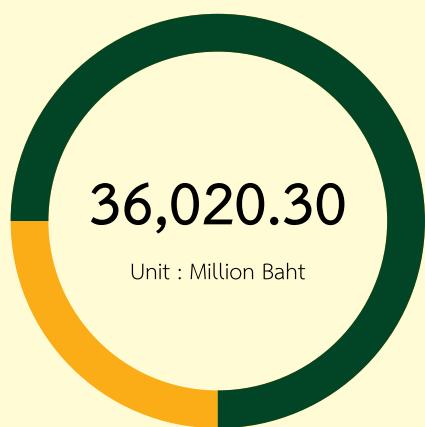
Total Revenues



Net Profit



Total Assets



02

General Information



General Information

Siam Global House
Company Limited



Siam Global House
Khon Kaen
Company Limited

Siam Global House Public Company Limited



Initial Registered Capital
700,000,000 Baht



Company Registration
8th June 2007



First Branch
Roi Et

Mr.Witoon Suriyawanakul

Chief Executive Officer



The Huge Store Warehouse Average Area Of 10,787-32,000 sq.m

Selling goods and providing complete range of services relating to construction, decorations, tools, office equipment, and additional improvement of buildings, houses, and other places as One Stop Shopping.

The Concept

**All Inclusive
for Your House**

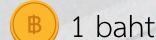
รายการสินค้า
>270,000
รายการ



Registered Capital 4,401,613,960.00 บาท

Paid-up Capital 4,401,609,967.00 บาท

Par Value 1 baht



🏡 232 Moo 19, Rob Muang, Muang, Roi Et, Thailand 45000

📞 0-4351-9777

📠 0-4351-1492, 0-4351-9649

🌐 www.globalhouse.co.th

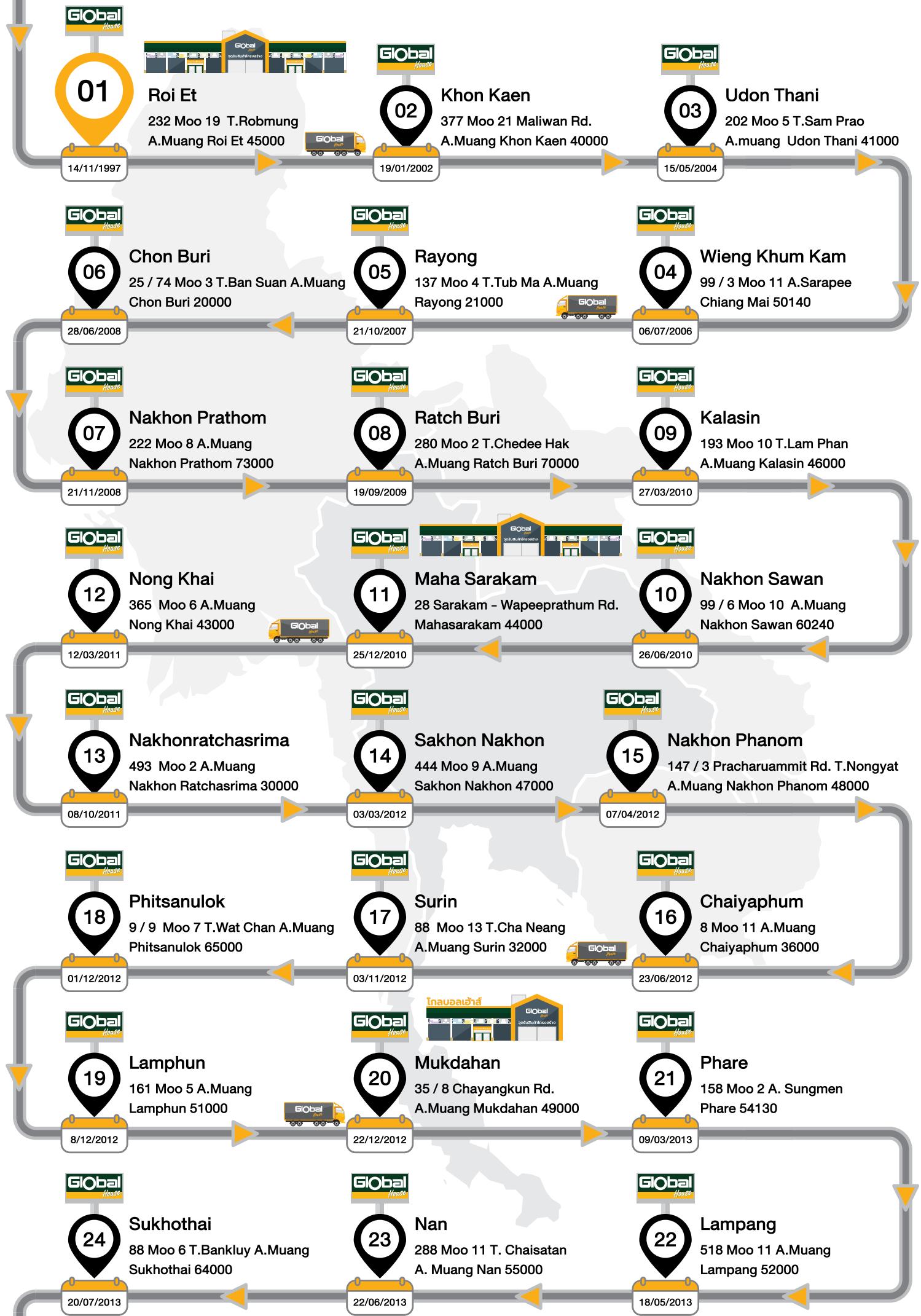
2. General Information

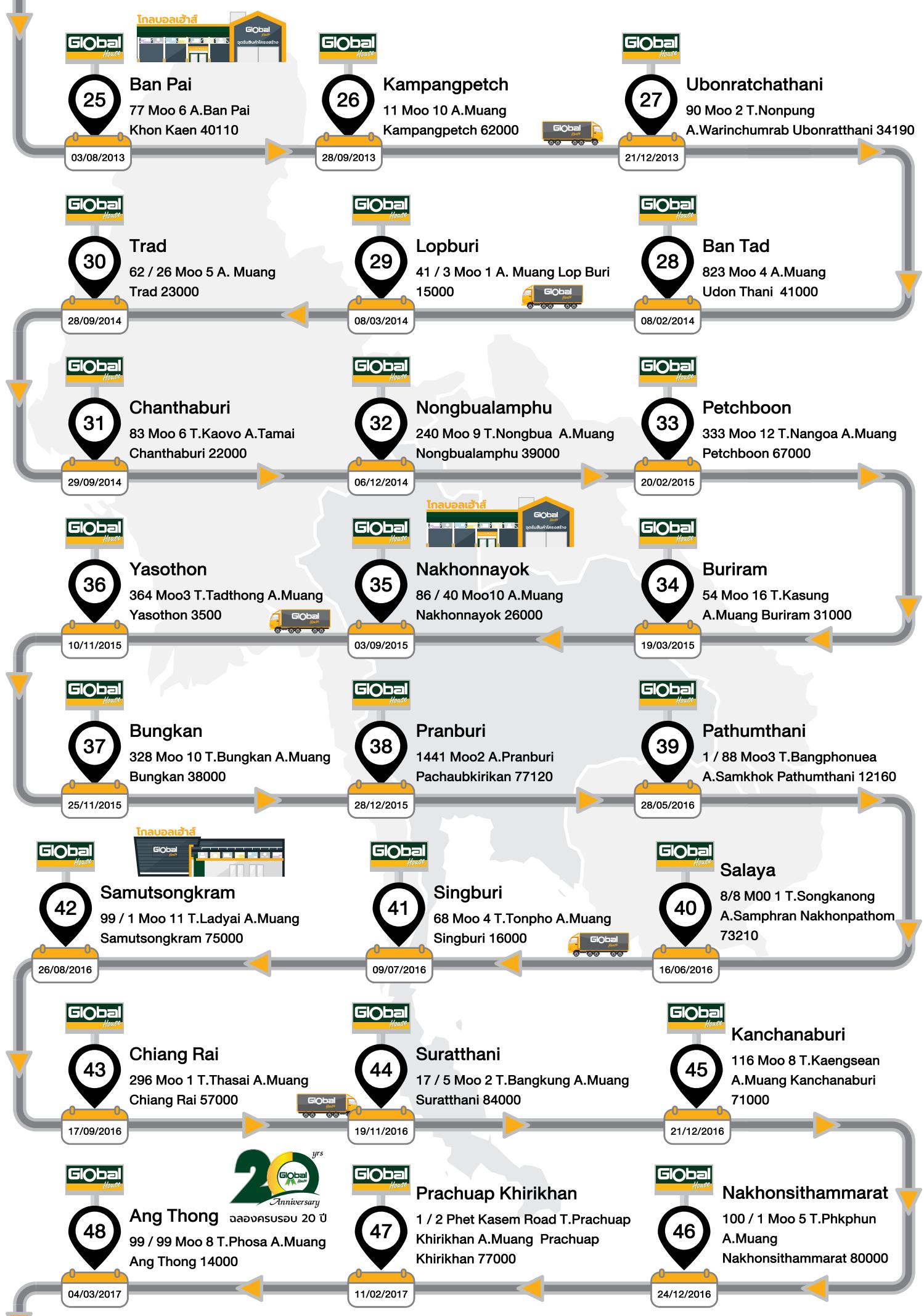
Siam Global House Public Company Limited has established from the merge of two companies (Siam Global House Company Limited and Siam Global House Khon Kaen Company Limited) on 8th June 2007 with initial registered capital of 700,000,000 million Baht. The main objective of the company is to operate a retail business in construction and home improvement segment selling a wide range of product, from heavy construction material to light decorative products, in large warehouse stores under the trade name of “Global House”. The company opened its first branch in Roi Et. Operated by Mr.Witoon Suriyawankul who had experience in construction business over 20 years. Global House operates under the concept “All Inclusive for Your House”. “Global House” was the first of its kind which adopted “the modern trade Innovation system” to distribute construction materials, decorative items and gardening products. The store contains various categories of items more than 270,000 SKUs, over million items. All in the huge store warehouse under the same roof where feature average area of 10,787-32,000 sq.m in order to provide our customers the convenience of viewing, feeling, and selecting the product themselves.

Siam Global House's Information

Company's Listed Name	:	Siam Global House Public Company Limited
Symbol	:	GLOBAL
Registration No	:	0107551000029
Type of Business	:	Selling goods and providing complete range of services relating to construction, decorations, tools, office equipment, and additional improvement of buildings, houses, and other places as One Stop Shopping.
Address	:	232 Moo 19, Rob Muang, Muang, Roi Et, Thailand 45000
Telephone	:	043-519-777
Fax	:	0-4351-1492, 0-4351-9649
Home Page	:	www.globalhouse.co.th
Registered Capital	:	4,401,613,960.00 Baht
Paid-up Capital	:	4,401,609,967.00 Baht
Par Value	:	1 Baht









Global
House





GRAND Opening



The company opened its first branch in Roi Et. Operated by Mr. Witoon Suriyawankul who had experience in construction business over 20 years. Global House operates under the concept

“All Inclusive for Your House”



Shopping Area

This is the place where the customers are able to walk and view the product freely with plenty of service mind staffs who are ready to help and support the customers with the right knowledge immediately.

Drive Through

This is the place where distributes construction material. We prepare many facilities such as forklifts and overhead cranes for customer service.



Vision

The best distribution channel for building materials and home furnishings of ASEAN
(A Better Choice for A Better Home)



Mission

The Company will focus on the value of products and services according to the customers' need of each area along with the management of cost and administrative expenses to appropriate level in order to deliver the value of products and services to the customers.



To achieve the vision of "A Better Choice for A Better Home".

In addition the management under the principles of good governance and excellence of working process.



The Company will focus on developing distribution channels, collaboration with the strategic partner along with the development of information technology and human resources to support business growth and the stakeholders.



5 Culture



1 Customer Oriented

Prescribed that both external and internal customers and customers' needs are important and used as a major part of decision-making.



3 Teamwork

Giving importance to the team participation, encourage each other to achieve a goal, and building good relationship and communication between employees and departments to achieve the Company's goal



2 Professional

Performing work at full capacity, using logical decision-making on facts and information, being responsible for the assigned duties, including respect to the commitment for the completion.



4 Innovation



Innovation to discover working methods, solving new problems to increase convenience and speed of working, including other business forms and opportunities for the Company.

5 Social Responsibility

Contribute to the community and society together with volunteering in various activities for the public both outside and inside the Company.



Objectives & Goals

Siam Global House Public Company Limited is a listed company founded which aims to conduct a retail business of construction materials, decorative materials, tools, equipment used for home and garden construction, renovation, decoration within a single large building, using the trade name “Global House”. By the end of the year 2020, there are a total of 71 domestic branches covering 6 regions;

- the central 13 branches ; Nakhon Pathom, Lopburi, Nakhonnayok, Salaya, Pathumtani, Singburi, SamutSongkram , Ang Thong, Tapharak (Samut Prakan), Phra Nakhon Si Ayutthaya, Chai Nat, Krathum Baen (Samut Sakhon) and Soi Noi (Nonthaburi).
- The Eastern 4 branches ; Rayong, Chon Buri, Chanthaburi and Trad.
- The Western 4 branches; Ratchaburi, Pranburi (Prachuap Khirikhan), Kanchanaburi and Prachuap Khirikhan.
- The northeastern 28 branches ; Roi Et, Khon Kaen, Udon Thani, Kalasin, Maha Sarakham, Nong Khai, Nakhon Ratchasima, Sakon Nakhon, Nakhonphanom, Chaiyaphum, Surin, Mukdahan ,Ban-Phai (Khon Kaen), Ubonratchatani, Ban Tad (Udonthani) Nongbualamphu, Buriram, Yasothon, Bungkan, Loei, Chum Phae, Phang khon, Chokchai, Dankhun Thot ,Nang Rong (Burirum), Kanthararak, Det Udom (Ubon Ratchathani) and Kuchinarai (Kalasin).
- The northern 17 brahches ; Chiang Mai, Nakhon Sawan, Phitsanulok, Lumphoon, Phare, Lampang, Nan, Sukhothai, Kampangpecth, Petchboon, ChiangRai, Uttaradit, Fang, Mae Hong Son, Mae Sai (Chaing Rai), Pha Yao and Wiang Pa Pao (Chiang Rai).

- The Southern 5 branches ; Suratthani, Nakhonsithammarat, Phatthalung, Satun and Phuket.
- and 1 oversea branch.

In addition to achieve “The best distribution channel for building materials and home furnishings of ASEAN”, the Company be in process of stores expansion to cover areas of Thailand ,including of distribution channel development to support the changing of life style. Currently, the Company is studying of opportunities to expand distribution channels to other countries in ASEAN.

The company’s objective is to become the leader in retail business of construction and home improvement segment in order to provide our customers with varieties products all at affordable in one store. And realized that the business growth is continuing must come from the growth of the business and expanding stores. Therefore, the Company is focus on serving of the customers’ needs. It will be considered for a review of products and services processes, sourcing of products, reasonable pricing, an efficient storage of goods and cost effective. As well as goods presentation in each store, that depends on consumers behavior. In addition, the Company aims to expand stores which coverage the provinces to response the consumers’ need. In the year 2020, the Company expanded 5 stores. By the end of year, the Company has operated 71 branches.



Sai Noi



Det Udom



Phayao

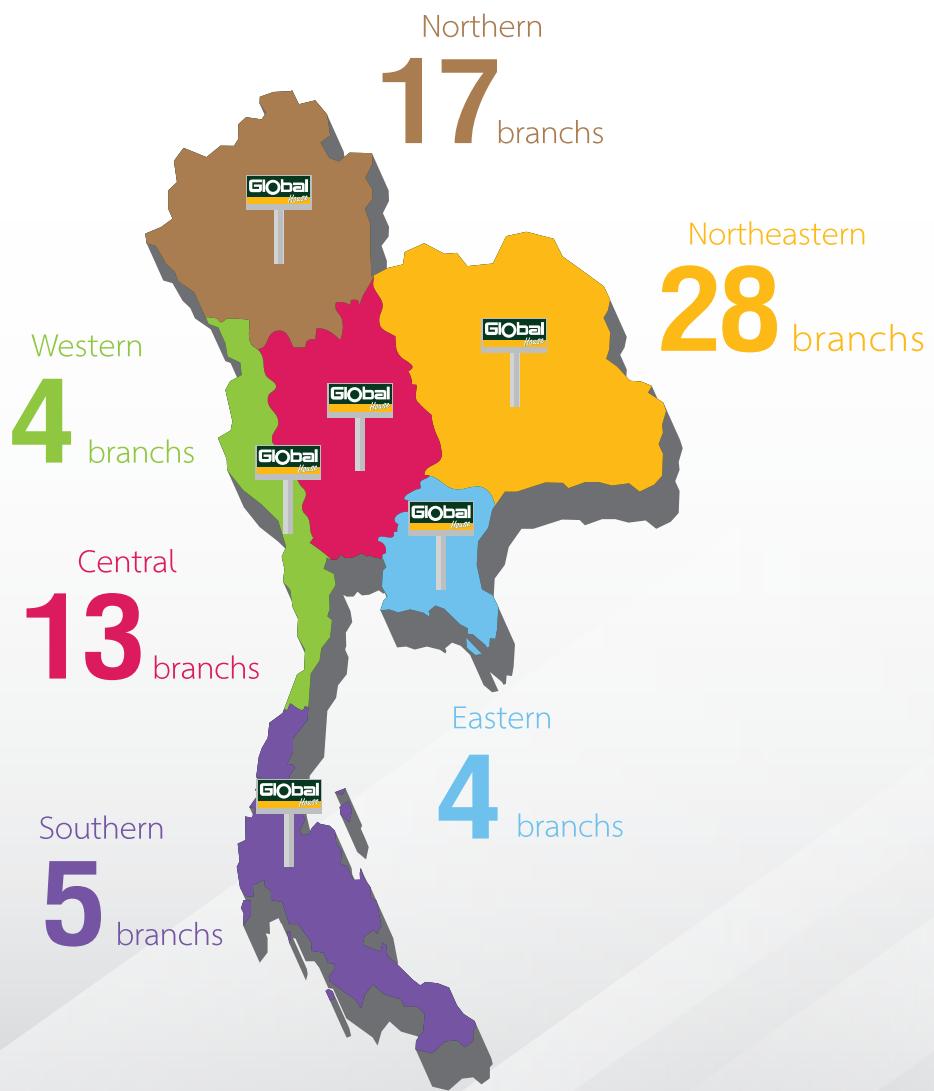


Kuchinarai



Wiang Pa Pao

CONTINUOUSLY EXPANDING STORE



03

Nature of Business

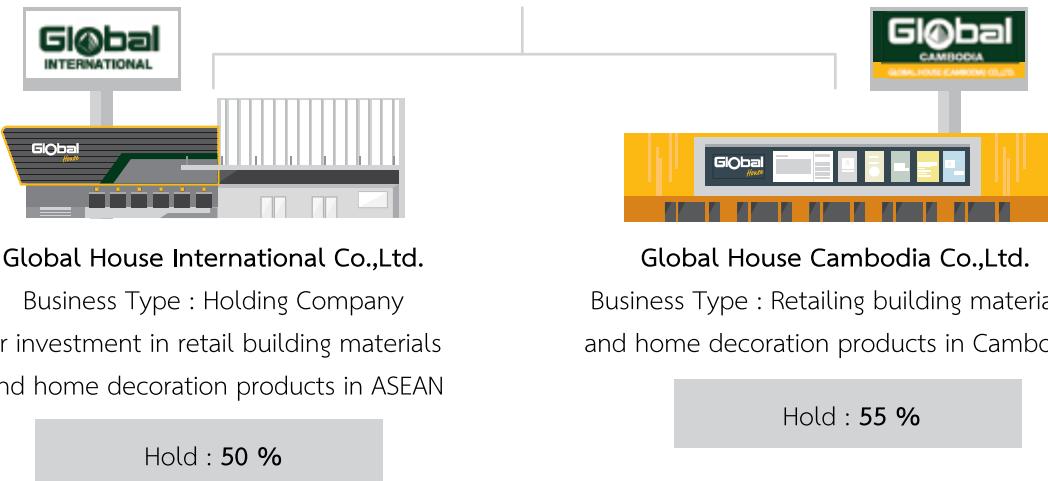
3. Nature of Business

The Structure of Business Group as 31 December 2020



Siam Global House PCL.

Business Type : Retailing building materials and home decoration products



Nature of Business of the Company

“Global House” operates a retail business in construction and home improvement segment selling a wide range of product, from heavy construction material to light decorative products under the concept One Stop Shopping Home Improvement Center. Our target markets are retail customers, small distributor, and professionals. “Global House” divided products into 2 groups;

Building Material Group	Decorative items
Cements and Construction materials	Doors, Windows and Woods
Steels, Nails and Wires	Hardware
Roofs and Installation tools	Electrical Accessories
Tanks, Pipes, Water Systems and Gardening	Sanitary wares and Kitchens
	Ceramic Tiles and Decorative items
	Paints and Chemicals
	Furniture and Appliances

Nature of Business of Subsidiary

Global House Cambodia Co.,Ltd (“GBC”) is a subsidiary and established on 27 February 2017. The objective for retailing construction materials and home decorate materials in Cambodia which Global House holds 55% of GBC.

Global House International Co.,Ltd.(“GBI”) is a joint venture and established on 25 February 2015 by a partnership between Global House Public Company Limited and SCG Distribution Co.,Ltd. proportion of 50:50. The main objective is Holding Company for investment in retailing building materials and home decorate products in ASEAN. The investment of GBI focus on shareholding and participate with local partners. The knowledge and expertise in business management of GBI with local partner. Now, GBI has invested in the Lao People’s Democratic Republic by holding shares 34% of Suvanny Home Center Public Company and republic of the union of Myanma by holding shares 30.33% of Pro-1 Global Co.,Ltd.

Revenue Structure

The Company’s revenues include of sales revenue and other income the detail are as follows;

Revenue Structure	Revenue (Unit : Million Baht)					
	31 December 2020		31 December 2019		31 December 2018	
	Amount	%	Amount	%	จำนวน	%
1. Sale Revenue	26,207.95	95.81	27,482.16	96.01	25,336.49	96.47
1.1 Building Material Products	10,713.21	39.17	10,439.47	36.47	9,746.65	37.11
1.2 Decorative Products	15,494.74	56.64	17,042.69	59.54	15,589.84	59.36
2. Other Revenue	544.70	1.99	538.16	1.88	860.00	3.28
3. Subsidiary Revenue	601.24	2.20	604.10	2.11	65.92	0.25
Total Revenue	27,353.89	100.00	28,624.42	100.00	26,262.41	100.00

Notes : Other revenue is the revenue service, rental, interest income and other income from gain and loss of foreign exchange, in store promotion of vendors

Product Lines and Services

The company distributes construction materials, decorative items and gardening products. All in large store warehouse under single roof under the name “Global House”. The store contains various categories of construction material and decorative item such as; construction material, roofing, steel, sanitary ware and ceramic tile, paint and chemical, electric and lighting, water system and plumbing, door and window, woodcraft and timber, furniture, tool, electric hardware, more than 270,000 SKUs. Each Global store features average area of 10,787 - 32,000 sq.m. and can accommodate more than 200 cars. The product can be divided into 2 categories.

Type of Goods	Example of Goods	Number of items
1. Building Material Group		
• Cement and Structure	Cement Portland, Cement Plaster	719
• Steel, Tack and Wire	Steel Round, Steel Deformed bars	4,020
• Tile and Equipment Installation	Ceramic Tile, Concrete Tile	12,404
• Tank, Waterspout, Water System and Gardening	Plastics Tank and Stainless Tank, Trough and Gardening Equipment	20,167
2. Hardware and Decorative Group		
• Doors, Windows, Woods and Equipment	Wood doors, PVC doors, Windows, Frame	17,926
• Tools	Steels Tools, Wood Tools etc.	45,361
• Electricity and Equipment	Switch, Plug, Cables, Lighting	35,400
• Electrical Appliances and Kitchenware	Home Appliances and Kitchenware	27,761
• Sanitary ware, bath and kitchen	Sanitary ware, Bathtub	29,627
• Ceramic, Floor material and wall	Ceramic flooring, Granites tiles	27,330
• Painting and Chemical material	Paints, Base, Oil	17,200
• Furniture and Home Decoration Products	Bed, Wardrobe, Chairs, Mattress,Sofa, Office Equipments	18,050
• Sport and Leisure Equipments	Bicycle, Exercise Bike, Treadmill, Fitness Equipments	2,298
• Home and Cleaning Equipments	Sideboard, Shelves, Home Equipments, Cleaning Equipments	6,700
• Outlet & Living	Home Decoration and Products, Office Equipment, Recreation, Skill Development Toys for Children, Vehicle Care Products, Coffee Shops	6,154
Total	277,117 Items	

From our concept “All Inclusive for your House”, Global provided the categories of product more than 270,000SKUs. As a result of this, the company adopted “the modern trade Innovation system” to establish large warehouse store. Furthermore, we have divided our store into 2 sections;

Area 1 : Shopping Area. This is the place where the customers are able to walk and view the product freely with plenty of service mind staffs who are ready to help and support the customers with the right knowledge immediately.

Area 2 : Drive Through Area This is the place where distributes construction material. We prepare many facilities such as forklifts and overhead cranes for customer service. Moreover, in the concept of Drive Through system, customers can drive their vehicles through the store to collect their order, from placing order and driving off the store with the product, all within 10 minute.

Services

As a leading construction material and home improvement retailer we focus on being:

GBH Smart People



Fast

Facilitation for the speed of service.



Right

Distribution of quality products and accuracy and reliable service.



Cheap

Selling goods at a fair and affordable price.



Easy

Friendly services, employees with the ability to provide good advice to customers, product placement for convenient browsing and buying, along with delivery service.



Polite

Providing customers with polite, mannered and professional service along with respect.

Special Order

This service provide for the customers who demand the product that the company doesn't stock in the store.

Satisfaction Guarantee and Return Policy

The Company guarantees the satisfaction of customer. We offer the 30 days cash return policy for most of our product in the store. Customer just needs to bring the product and show the receipt under the right terms and conditions.

Installation Service

The Company provides installation service to support our products with the installation guarantee for 180 days by specialist. Furthermore, "Lady Service" which service electric appliance installation and home improvement especially for lady customers.

Sourcing

The company distributes construction materials, decorative items and gardening products. All in the huge store warehouse under the same roof. The products separate into 2 sections, purchasing domestic products about 80% and importing products about 20% of all purchasing the details are as follows:

- The company purchased products from local manufacturers as the product line. We have many of suppliers for more than 500 suppliers. We have supported each other in advertising, public relation, promotion and grand opening event for the new branches.
- The company also purchased products from Chinese and Vietnamese manufacturers totaling more than 200 suppliers. The import products are granite tiles, glass brick, spa bathtub, shower curtain, plywood, steel door, hardware, knob, lamp, insulation, switch and plug, etc.



Click & Collect



Delivery Service



Call Center



Installation Service



Return Policy

Procurement and Management

Procurement

Procurement is managed and operated by our experienced team of buyers located in Roi Et head office. The department always searches for new products by following the guidelines below :

1. The manufacturer offered the products to the Company.
2. Products management and Purchasing Department are sourcing new products from the manufacturers both domestic and abroad by examining the products and appointment to visit the factories before making decision to choose products for sell.
3. Products management and Purchasing Department study the market and customer's needs in order to keep information to provide the products in according with customer's needs.



House Brand

The Company currently has house brands products over 10,000 items. We are providing more alternatives for customer. Global house has registered house brands of good quality product and reasonable price. With the efforts of our Procurement team, we could provide longer guarantee service and low cost products that could make the company become the leading player in the industry.



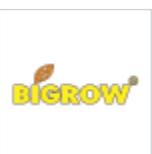
House Brand Products Over
10,000 Items

Quality, You Can Touch



HOUSE BRAND

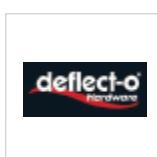
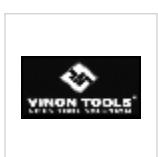
Knob, Hinge and Door Accessories



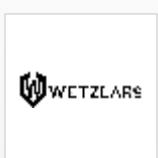
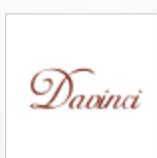
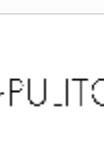
Kitchen Ware



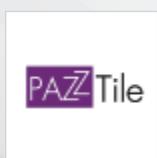
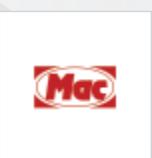
Hardware and Tools



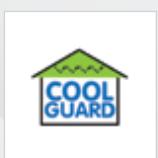
Furniture



Ceramic



Roof



Chemical



HOUSE BRAND

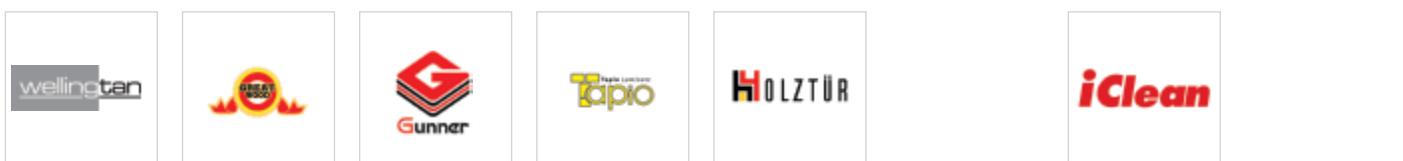
Electric Appliance



Sanitary Ware



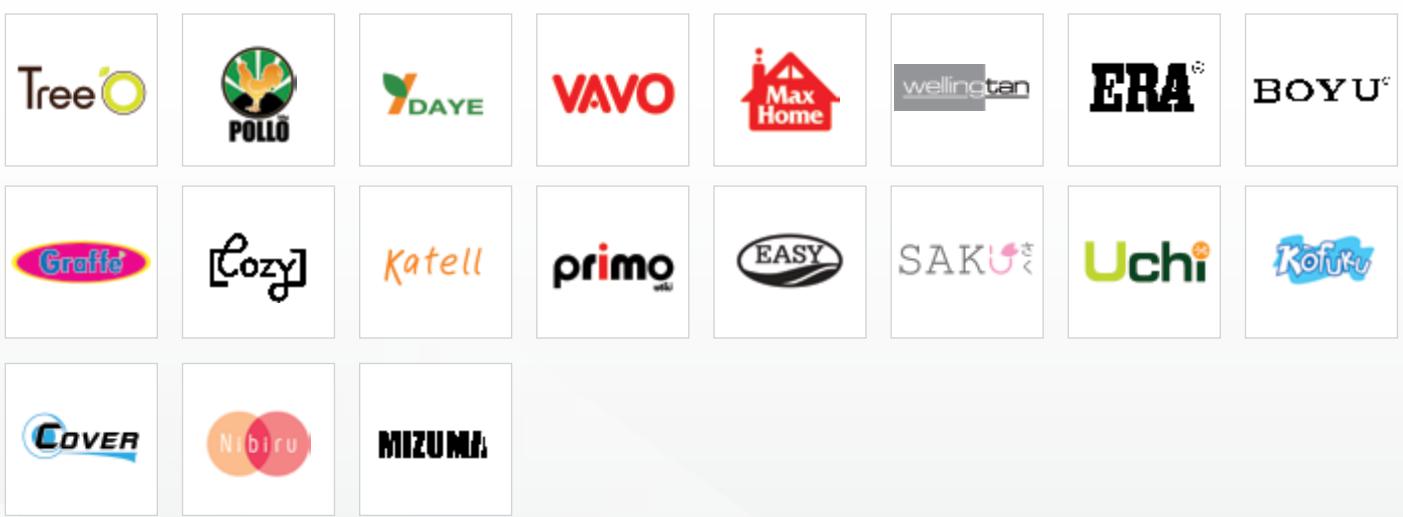
Door, Window and Floor



Cleaning

iClean

Home and Garden



Construction Material



The Vehicle



Fitness Equipment



Marketing and Competition

Competitors

We can divide our competitor into 2 groups :

1. Home Improvement Stores for example :

- **Home Pro** manages by Home Product Center Public Company Limited under an objective to operate a retailing business. The company distributes construction material, home improvement under the concept “One Stop Shopping Home Center”. Home Pro currently has more than 87 branches. and Home Pro'S has 9 branches.
- **Thai Watsadu** manages by CRC Power Retail Company Limited. The company distributes construction material, home improvement under the concept “One-Stop-Shopping Construction Material Suppliers for Thai”. Thai Watsadu has 56 branches.
- **Home Hub** manages by Mr. Ongat Tangmitpracha. The company distributes construction material, home improvement under the concept “Home Hub Fast and Easy”. Home Hub has 5 branches. They establish on Ubon Ratchathani for 3 branches, Khon Kaen and Udonthani.
- **Do Home** manages by Ubonwatsadu Co Ltd,. The company distributes construction material, home improvement under the concept “One-Stop Shopping and Cheap at Do Home”. They have 12 branches and establish on Ubon Ratchathani, Nakhon Ratchasima, Pathumthanee (Rung Sit, Klong 7), Khon Kaen, Udonthani, Bangbuathong, Chiangmai, Rama2, Phet Kasem, BangNa-Trad 38, Surin and Map Ta Phut. And Do Home To Go has 11 branches.
- **MEGA HOME** manage by Mega Home Center, the building materials distribution center and appliances. The major shareholder is Home Product Center Public Company Limited was operated 14 branches in

Rangsit, Minburi, Rojana, Mae Sot, Nong Khai, Boa Win, Kabinburi, Arunprathed, Hat yai, Nakhon Ratchasima, Nakhon Phanom, Chiang Rai, Bang Na and Ban Chang

- **Baan & BEYOND** manage by CRC Thai Watsadu Co.,Ltd. It's department store for home and operated in year 2013, currently has 7 branches in Chaing Mai, Mitthaphap(Khon kean), Pattaya, Ratthanatibat, Ratchapruk, Phuket and Bang Yai.

2. Specialty Stores for example :

- Small retail store: Home mart, which have the objective to distribute the SCG product. However, the company still lack of the other products such as ceramic tile, paint, electrical equipment and pumping.
- Ceramic and Sanitary ware Center: Boonthavorn, Decormart, Grand Home Mart, Inter Sanitary Ceramic, and IKEA they all focus on ceramic and sanitary ware product.
- Furniture and decorative: such as Index Living Mall and SB Furniture. These companies sell decorative item, furniture, bed room set, living room set and kitchen accessories for high purchasing power customers.
- Electronic Appliances: Power Buy, it is managed by Central Retail Corporation. Power Mall, it is managed by The Mall Group.
- Specialty Store: such as paint store, pumping store, electrical equipment store hardware store etc. However, this kind of store still lack of diversity in product and operate under traditional trade concept.



04

Risk Factors

4. Risk Factors

The Company have realized on the risk that may arise and affect the business operations. Therefore, the Company have been determined the key risk and risk management in order to operate business with target. As a result, the Company is able to reduce likelihood and impact of risks, including maintaining the risk level into acceptable risk level. Risk factors which impact to the operation able to summarize as follows.

4.1 Strategic Risks

1) Risk from domestic business expansion investment

In 2020, the company has opened 5 new stores that totaling 71 branches coverage 57 provinces, which arranged in order of opening operations i.e. Roi-Et, Khon Kaen (3 stores), Udonthani (2 stores), Chiang Mai (2 stores), Rayong , Chonburi, Nakhon prathom (2 stores), Ratchaburi, Kalasin (2 stores), Nakhonsawan, Mahasarakam, NongKai, Nakhonratchasima (3 stores), SakonNakhon (2 stores), NakhonPhanom, Chaiyaphum, Surin, Phitsanulok, Lamphun, Mukdahan, Phare, Nan, Lampang, Sukhothai, Kampangpetch, Ubonratchathani (2 stores), Lopburi, Trad, Chanthaburi, Nongbualamphu, Petchboon, Buriram (2 stores), Nakhonnayok, Yasothon, Bungkan, PrachuapKhiri Khan (2 stores), Pathumthani, Singburi, Samutsongkram, ChiangRai (3 stores), Suratthani, Kanchanaburi, Nakhonsithammarat, Ang Thong, Uttaradit, Loei, Phatthalung, Samut Prakan, Phranakhonsi Ayutthaya, Chai Nat, Mae Hong Son, Satun, Phuket, Srisaket, Samutsakorn, Phayao and Nonthaburi. Now, the Company still has 5 stores which have been under construction such as Prachin Buri (Kabin Buri), Maha Sarakham (Phayakkhaphum Phisai), Surat Thani (Samui), Chiang Rai (Phan) and Udon Thani (Nong Han). which would be operate in 2021.

As, the investment in opening more new branch has to spend money around 300 - 400 million baht. So, the cost of high investment would be risk business if company could not complete the objective on time. The uncontrollable factors can also be effected any problem to company for example, the business crisis in Thailand, the world business crisis, changed government in the country, customer behavior and the situation of coronavirus 2019 (COVID-19) outbreak.

In addition, to invest in new store, the company does probability research and analyze the environment of

business and customer target in the area that company will get business into that area. Moreover, the company has more experience than 20 years of home improvement business. It is easy to find cheaper price than competitors about small cost of land and material of construction.

2) Risk from foreign business expansion investment

The Company has expanded to Cambodia and opening the first store in Phnom Penh on 17 November 2018. It is the first branch in AEC (Asean Economic Community) and the first center of building materials and decoration goods in Cambodia. The Company considers readiness in various parts such as the opportunities of business growth, consumer's behavior and purchasing of consumer's power.

Due the Company has a policy to expand the investment in oversea continuously. The Company managed the risk from expanding oversea investment by studying marketing, law, tax government policies and other factors, in order to assess the impact and opportunities that may occurred for determine the investment plans to reduce the risk.

3) Risk from business competition

Overview of retail businesses on construction materials, decoration and repairing products is highly competitive due to the increasing number of entrepreneurs. Also, the market value has been continuously increasing over the past years, causing major wholesaler and retailer groups such as Home Pro, Home Mart, Thai Watsadu, Home Hub, and Do Home, to continuously expand their branches or appoint distribution agents to areas where are near the communities, business areas and department stores in Bangkok, and other regions. This may affect the Company regarding the market share from sales revenue that may not meet the goal as expected, and it could affect the profit margin of the Company due to the price competition.

However, the Company has made plan to deal with such competition by the emphasis on the differentiation strategy for sales and services, for example, the distribution of various construction materials and equipment more than 270,000 products, allowing customers to browse and purchase for all kinds of items which are necessary for construction, renovation or decoration. In addition, there are structure items such as cement, steel bars, structural steel, roof tiles and construction materials that are available for sale while these products are only sold in certain wholesalers and retailers. Plus, the Company pays attention to the sourcing of plants that could produce high-quality products at the production cost for our competitive advantage. Therefore, these are major factors that help to decrease the competition risk in this industry for the Company.

4) Risk from the major shareholder

The Suriyawanakuls and SCG Distribution Co., Ltd. are the major shareholders that holding shares more than 25%. As at 31 December 2020 held totaling 2,991,732,869 shares or 67.97% of the total issued shares. Therefore the Suriyawanakuls and SCG Distribution Co., Ltd. can control the resolution of the shareholders passed at all, the appointment directors or other matters that require the approval of a majority of the shareholders' meeting. Exception to the law or the Company determines to get 3/4 votes of AGM. So the other shareholders may not have enough votes to check and balance that proposed by major shareholders.

However, the Company has operational requirements in accordance with the Code of Conduct and good corporate governance to protect the rights of shareholders and control the Company's operations with transparency and accountability.

4.2 Operational Risks

1) Risk from inventory investment

As at 31st December 2018, 31st December 2019, and 31st December 2020, the Company had inventory of 13,297.75 million Baht 15,602.53 million Baht and 14,287.20 million Baht respectively, or in percentage to total asset are

42.87%, 43.36% and 39.66%. In addition, the risks of inventory could be becoming damaged, lost, and obsolete. As for mitigation, the Company has plans and practices in place to manage inventory risks such as providing various channels and campaign (i.e. reduce price, buy one get another one for special price, and send coupon for complete any prize) to reduce slow moving stock.

In addition, the company installed the "Automated Storage & Retrieval System: ASRS" for stores that operated in the year 2016. ASRS is a warehouse management system be more efficient and reduced inventory by connecting IT with the management system of the company. That reduces the inventory risk of the company. In addition, the Company also has a policy to install an Automated Storage & Retrieval System for branches that operated before 2016. Which has already started to install ASRS at Roi Et branch , the first branch of the Company.

2) Risk from cost of products volatility

Since the cost of products can fluctuate towards the economic conditions and affect some products that company sells, consisting of the products that have low fluctuate cost and structural products that have frustrations at price all the time such as steel bars, structural steel, wires, etc. Thus, the Company might gain some risk when stocking such items into inventory. However, the Company has set a policy on pricing to be flexible concerning the fluctuating cost and has closely managed on the stock retention period, hence, the Company did not receive much impact by price fluctuation. Besides, the Company has ordered most products directly from the manufacturer, as a result, the Company received a certain price and also cheaper price than ordering through agents. It causes the company to be able to set the price at an appropriate and competitive for the market while the Company still has the ability to earn a profit at the same or greater amount.

3) Risk from conflagration in buildings

As, the conflagration can damage life and destroy any products. So, the company has policy of fire protection by set up the first aid tools to prevent the unexceptional from fire such as fire extinguisher and rubber tube for

water which can find in the proper area around the store. The company also check those tools everyday. Moreover, we also specify and train our staffs about how to do when the conflagration is happened. In addition, the company have been done the Residential and Commercial Property Insurance to defend any caused that can effect to company. We have to concern about the money value from supplier every time because we have to assure that our company are in the protection zone.

4) Risk from a change of consumer behavior and obsolete products

The Company is the distributor of construction materials and furnishing products, that some kind of goods will be popular for a while only .That the Company may not sell the obsolete goods. Therefore, the Company managed by transferred those products to other branches or made the in stores promotion to reduce amount of obsolete goods. Furthermore, the Company has authority to negotiate with the suppliers that can change the new products replace the obsolete products, which reduced the risk of changes in the value's customers and the obsolescence products

5) Fraud risk

The company has a strong control framework in respect of potential fraud or other dishonest behavior, which is regularly reviewed by internal audit. A set of policies is in place to provide colleagues with clear guidance on behavior. In addition, there are ‘whistle blowing’ procedures in place to enable colleagues to raise concerns about possible improprieties on a confidential basis. Internal audit undertakes detailed investigations and highlights its findings to the Audit Committee. Which can be notified via this channels ,example the Company’s website www.globalhouse.co.th in the topic “Whistle Blowing” or e-mail secretary@globalhouse.co.th or Call Center 1160

6) Risk of epidemic disease

The Last year, Thailand and around the world are faced with the epidemic situation of the Coronavirus 2019 (COVID-19) and forcing the government to declare a state of emergency and lockdown the city to control the epidemic of Coronavirus 2019. The lockdown measure

is a measure for social distancing and most of people have work at home which affects to sales and services and consumer’s behavior have changed to buy via online channels. In order to reduce the impact of the event, the Company has a policy to focus on selling products via online channel as well as developing the applications “Click & Collect”, add a payment methods to make the customer access the services easier and more convenient. In addition, the Company developed “Drive Up” channel to pick up the products quickly that customers not get off the cars

In addition, with concern for the health of all stakeholders. The Company has set preventive measures and guidelines on the Coronavirus2019 for employees, partners, visitors, customers and the maintenance of cleanliness the area of stores and office in order to prevent the outbreak. The Company disclosed the guidelines to all departments and stores and strictly observe.

4.3 Financial Risk

1) Financial risk

Although the Company will repayment the long term loan to the financial institutions, but still keep the relationship by continuing to use credit limit with several banks in order to increase the ability of negotiate.

In addition, the company policy is to sell our product mostly in cash and hence most of our revenue is in cash. As in 2018 was 94.22%, in 2019 was 95.89 % and in 2020 was 96.73%. The figures is showing a decreasing trend as the Company is paying a lot of attention giving credits and only consider reliable projects and customers. As at December 31, 2020 the Company has account receivable of 95.85 million Baht.

However, for the credit sales, the Company will consider only project that has reliable financial status, which the company has analyzed the result of operation and financial status or having the contractor place with a letter of guarantee as security against debt payment, etc. Besides, the general accounts receivable which not have guarantees and overdue more than 60 days, the Company

will set the allowance for doubtful bad debts to be 100% and for the accounts receivable- government agencies foreign receivables and related parties receivable which have overdue more than 90 days the Company will set the allowance for doubtful bad debts to be 100%. In 2020, the Company recorded the allowance for doubtful account of 2.93 million Baht and the last year, the Company had not bad debt.

2) Risk from foreign currency volatility

The products in store are both domestic and import from international. As the fluctuation of exchange rate will be gain some problem because we cannot predict the world situation. So to reduce the risk of exchange rate, the company has policy to follow the foreign currency volatility. In addition, the company has to control any risk within the fluctuation of foreign exchange rates by used any forward Contract from banks to defend any risk if occur. The Company had 2 forward contracts and as of December 31, 2020. The volume of monetary is 4,220 million baht and 72.77 million USD, credit used is 272.20 million Baht. However, the Company not effected by exchange rate risk.

4.4 Compliance Risk

1) Risk from acquiring or having in place licenses or maintain licenses for business operations

In operating the business, some kind of products require a license to sell. That the Company has to provide or maintain various licenses to operate business, for examples, a license or possession for the commercial purpose of the invention utensils or other things made of forbidden wood ,license to sell or hold for sell of fertilizer , license for possession of hazardous substance ,license to operate business harmful to health , license to sell controlled seed. The company may have risk in providing a license or unable to renew licenses within the time completely which may affect to business operations. However, the Company pays attention to this issue and closely monitored the operation through the Company's system

2) Risk in compliance with applicable laws and regulations

The Company recognize on strictly comply with applicable laws and regulations. Although government agencies are currently in the process of revising or issuing new laws that relevant with business operations such as the Land and Building Tax Act B.E.2562, Personal Data Protect Protection Act B.E.2562 and Trade Competition Act B.E.2560. The Company place importance on studying and understanding for these laws and informed to relevant departments. Along with planning business operation plans in accordance with the regulations correctly.

4.5 Information Technology Risk

1) Risk from change in technology

Presently, the advancement of technology has significantly impact on business operations and competition as play an important role in consumer's behavior such as the increasing preferences of online purchases or accessing more information through digital media, resulting many entrepreneurs to change their business models. The refore, the Company has developed various approaches to manage the changing of technology and higher competition by revised business strategy and model to enter the Omni- Channel, developing a Click & Collect application to connect data between stores and online channel, including a various of payment channels which allows customers to easily access to products and services. In addition, the Company has improved and developed Roi Et branch which is the first store to be a prototype of the Digital store in order to increase the efficiency of customers service, management and reduce the environmental impact.

“Global House”

operates a retail business in construction and home improvement segment selling a wide range of product, from heavy construction material to light decorative products under the concept

One Stop Shopping Home Center



05

Shareholding Structure

5. Shareholding Structure

Security & Shareholders

As at December 31, 2020, the Company has the authorized capital of 4,401,613,960.00 Baht and the paid-up capital amount 4,401,609,967.00 Baht. There are common stock of 4,401,609,967 shares par values at 1 Baht per share.

The top ten of shareholders holding the shares on the closing date as of December 31, 2020

Rank	Name	Shares	Percentage (%)
1	The Suriyawanakuls	1,572,281,779	35.72
2	SCG Distribution Company Limited	1,419,451,090	32.25
3	Thai NVDR company Limited	152,948,419	3.48
4	Social Security Office	116,825,808	2.65
5	MORGAN STANLEY & CO. INTERNATIONAL PLC	91,904,760	2.09
6	Mr. Boonyong Thanyawut	47,538,874	1.08
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	41,429,011	0.94
8	Mrs.Pitchaya Poonlarp	41,229,066	0.94
9	SCB Dividend Stock 70/30 Long Term Equity Fund	26,097,229	0.59
10	Mr.Jearanai Lerdachkut	20,635,530	0.47
11	Others	871,268,401	19.79
Total		4,401,609,967	100.00

Note : Details of the Suriyawanakuls as following table.

List of the "Suriyawanakuls"

Rank		Name	Shares	Percentage (%)
1	Ms.	Kunnatee Suriyawanakul	497,773,384	11.31
2	Mr.	Kriengkrai Suriyawanakul	490,376,843	11.14
3	Mr.	Kokrit Suriyawanakul	170,542,968	3.87
4	Mr.	Kongphop Suriyawanakul	163,313,334	3.71
5	Ms.	Chama Suriyawanakul	161,806,250	3.68
6	Mr.	Witoon Suriyawanakul	25,161,120	0.57
7	Mrs.	Warunee Suriyawanakul	19,894,299	0.45
8	Mrs.	Ratnawadee Suriyawanakul	19,400,044	0.44
9	Ms.	Patumwan Suriyawanakul	5,879,226	0.13
10	Mr.	Anavat Suriyawanakul	5,643,904	0.13
11	Mr.	Apilas Suriyawanakul	4,194,605	0.10
12	Mrs.	Karuna Suriyawanakul	2,358,121	0.05
13	Mr.	Wiboon Suriyawanakul	2,149,460	0.05
14	Mr.	Yutthana Suriyawanakul	1,709,635	0.04
15	Mr.	Pongsak Suriyawanakul	972,616	0.02
16	Mr.	Pongkorn Suriyawanakul	324,453	0.01
17	Mr.	Pichit Suriyawanakul	282,212	0.01
18	Mr.	Adisak Suriyawanakul	254,731	0.01
19	Ms.	Nipapun Suriyawanakul	109,754	0.00
20	Mrs.	Pawika Suriyawanakul	40,112	0.00
21	Mr.	Pongchai Suriyawanakul	40,000	0.00
22	Mr.	Jakapong Suriyawanakul	32,494	0.00
23	Mr.	Jarupol Suriyawanakul	16,897	0.00
24	Mr.	Wittaya Suriyawanakul	5,317	0.00
Total			1,572,281,779	35.72

Other Securities Issued

The Company issuance and offer of debenture amount 3,000 million Baht following the approval of the 1/2013 Extraordinary General Meeting of Shareholders held on 20 September 2013 at amount not exceeding 5,000 million Baht. And the approval of the Annual General Meeting of Shareholders held on 22 April 2015 to issuance and offering of the additional 3,000 million Baht ceiling of debenture, totaling 8,000 million Baht. Key details are as follow.

Name	:	The Debenture of Siam Global House Pcl. 1 / 2014
Type	:	Unsubordinated and unsecured debentures
Offer Amount	:	3,000,000 Unit
Total	:	3,000 Million Baht
PAR Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issuance Date	:	27 February 2014
Tenor	:	3 Years
Maturity Date	:	27 February 2017
Coupon rate	:	3.85 %
Coupon Payment	:	Semi-annually
Repayment of Debentures	:	Repayment of principal due on maturity date.

The Company was repayment of debentures No.1 / 2014 on 27 February 2017 and the new debenture been offered on 20 June 2018, in the amount of 500 Million Baht by the following details;

Name	:	The Debenture of Siam Global House Pcl. 1 / 2018
Type	:	Unsubordinated and unsecured debentures
Offer Amount	:	500,000 Unit
Total	:	500 Million Baht
PAR Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issuance Date	:	20 June 2018
Tenor	:	3 Years
Maturity Date	:	12July 2021
Coupon rate	:	2.44 %
Coupon Payment	:	3 Monthly
Repayment of Debentures	:	Repayment of principal due on maturity date.

06

Organization Chart

6. Organization Chart



07

Management

7. Management

The management structure of the Company consist of the Board of Directors and 3 sub-committee Executive Committee, Audit and Risk Management Committee and Nomination and Remuneration Committee.

7.1 Board of Directors

As at 31 December 2020, the Board of Directors has totaling 10 persons, consisting of 3 Directors who is management, and 7 Non-Executive Directors.

The Board of Directors has balance sufficient and the appropriate structure as follow;

- Consist of 4 dependent directors which is 1 / 3 of all directors.
- The Audit Committee consist of 3 dependent directors which is dependent, acknowledge, experienced of reviewed financial statements and include of operated in Audit Committee duty.

Name		Position
1. Mr. Apisit	Rujikeatkamjorn	Chairman
2. Mr.Pairoj	Juarprathoom	Director / Independent Director Chairman of Audit & Risk Management Committee
3. Dr.Boonchai	Pitugdamrongkija	Director / Independent Director Audit & Risk Management Committee
4. Dr.Vongsak	Swasdipanich	Director / Independent Director Audit & Risk Management Committee / Nomination & Remuneration Committee
5. Mr. Witoon	Suriyawanakul	Director / Executive Director/ Nomination & Remuneration Committee
6. Mrs.Warunee	Suriyawanakul	Director / Executive Director
7. Pol.Gen.Kawee	Supanun	Director / Independent Director/ Chairman of Nomination & Remuneration Committee
8. Mr. Nithi	Phatrachok	Director / Executive Director
9. Mr. Paramate	Nisagornsen	Director
10. Mr. Bunn	Kasemsup	Director

Authorized Signatory Directors of the Company

1. Mr. Witoon Suriyawanakul signing and affixed thereto with the Company's official seal or
2. Mr. Apisit Rujikeatkamjorn, Mrs. Warunee Suriyawanakul, and Mr. Paramate Nisagornsen signing jointly two persons out of three and affixed thereto with the Company's official seal.

Board of Directors Meeting

The Board of directors shall regularly attend the Board of directors' meeting to acknowledge and jointly regarding the business operations of the Company. At each meeting, the Company has prescribed a minimum quorum policy, describing that at least two-thirds of the Board of directors shall attend the meeting in order to constitute a quorum. Each director must present at the meeting at least 75 percentages of total number of meeting held during the year. The meeting will be set in advance for each year. As for the year 2021, the meeting date is informed to the Board of directors in November 2020. Also, for the Board of director to have adequate time to perceive the contents of the meeting's agendas. The corporate secretary will send the invitation letter with agendas and information 7 days in advance before the meeting unless there is an event of insufficient information or urgent meeting.

Statistics of the meetings for year 2020

Name	Attend / Total Meeting(times)			
	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee
1. Mr.Apisit Rujikeatkamjorn	4/4			
2. Mr.Pairoj Juarprathoom	4/4	5/5		
3. Dr.Boonchai Pitugdamrongkija	4/4	5/5		
4. Dr.Vongsak Swasdipanich	4/4	5/5	2/2	
5. Pol.Gen.Kawee Supanun	4/4		2/2	
6. Mr.Witoon Suriyawanakul	4/4		2/2	7/7
7. Mrs.Warunee Suriyawanakul	4/4			7/7
8. Mr. Nithi Phatrachok	4/4			0/7
9. Mr. Paramate Nisagornsen	3/4			
10. Mr. Wiroat Rattanachaisit*	1/1			
11. Mr.Bunn Kasemsup *	3/3			

Note : * Mr.Wiroat Rattanachaisit resigned from the director with Mr. Bunn Kasemsup held on the position on 26 February 2020



7.2 Executive Officers

The Company's executives 11 persons as at 31 December 2020

Name		Position
1. Mr. Witoon	Suriyawanakul	Chief Executive Officer
2. Mr. Anavat	Suriyawanakul	Vice CEO - Inventory Management and Marketing
3. Mrs. Warunee	Suriyawanakul	Vice CEO - Human Resource
4. Mr. Yuttana	Suriyawanakul	Vice CEO - Import Products
5. Ms. Chutikan	Sriseangchan	Vice CEO - Accounting and Financial
6. Mr. Piphop	Vasanaarchasakal	Vice CEO-Business Development
7. Mr. Isara	Rujikeatkamjorn	Vice CEO
8. Mr. Khemchat	Sungkakam	Vice CEO - Innovation & System Development Development
9. Mr. Pongkorn	Suriyawanakul	Assistant CEO Engineering
10. Mr. Kriangkai	Suriyawanakul	Assistant CEO Supply Chain
11. Mr. Thapanat	Asawachchulamanee	Assistant CEO Innovation & System Development

Authority of Chief Executive Officer

The Managing Director has authority to manage the Company as assigned by the Board of Directors and shall strictly and carefully manages the Company according to the framework and corporate governing policy, and maintain the best interest of the Company and shareholders. Roles and responsibilities are detailed as follows :

- Manage, monitor, and control normal operations of the company
- Manage the company as assigned by the Board of Directors
- Manage and oversee the overall operation of the company according to the policy stipulated by the Board of Directors
- Approval of expense on operation, expense of selling and administrative and capital expenditure according to the plans and budget stipulated by the Board of Directors. Detail of authorities is in accordance to the structure of Authorization.
- Have the authority to approve asset purchases and procurement, expense on operation, expense of selling and administrative and capital expenditure

according to the contracts. Detail of authorities is in accordance to the structure of Authorization.

- Consider, plan, and prioritize business strategies and fundraising for the company to propose for approval to the Board of Directors.
- Have the authority to employ, dismiss, and lay off any employee at any level.
- Have the authority to open and close any of company's saving account at any institutions to facilitate the operation of the company.
- Propose for approval any appropriate consultants necessary for the company to the Board of Directors.

However, the chief executive officer is unable to approve transaction that himself or person who may have conflict of interest in any other ways with the Company or its subsidiary. Any other roles other than stated above are out of Authorization, except for being entrusted at the Board of Directors' meeting in a case-by-case manner.

Structure of Authorization is detailed as follows

Position	Movables		Real Estate		Purchase for Tools Operation per Month
	Per Purchase	Per Sale	Per Purchase	Per Sale	
Board of Executive Directors Committee	50,000,000	50,000,000	300,000,000	100,000,000	According to Normal Business Operation
Chief Executive Officer	10,000,000	10,000,000	10,000,000	10,000,000	According to Normal Business Operation
Vice Chief Executive Officer	500,000	500,000	500,000	500,000	According to Normal Business Operation

Note : As the quantity of procured goods for sell and for internal use vary with the demand of customers and the need for internal use, together with cost of goods, may results in an exceptional high quantity of order. As a consequence, it is not feasible to specify the exact financial amount. However, the principles and framework of practice of the company are followed.

Directors and Executive Officers with the Control over the Company, Subsidiaries and Joint Ventures.

Name	Siam Global House PCL.	Subsidiary and Joint Venture	
		Global House Cambodia Co.,Ltd	Global House Interantional Co.,Ltd
1. Mr.Witoon Suriyawanakul	Director / CEO	Director	Chairman
2. Mrs.Warunee Suriyawanakul	Director / Vice CEO		Director
3. Mr.Apisit Rujikeatkamjorn	Chairman	Chairman	
4. Mr.Nithi Phatrachok	Director		Director
5. Mr.Paramate Nisagornsen	Director		Director
6. Mr.Bunn Kasemsup	Director		Director
7. Mr.Pairoj Juarprathoom	Director		
8. Dr.Vongsak Swasdipanich	Director		
9. Dr.Boonchai Pitugdamrongkija	Director		
10. Pol.Gen.Kawee Supanun	Director		
11. Mr.Anawat Suriyawanakul	Vice CEO		Director
12. Mr.Phphop Vasanaarchasakal	Vice CEO		Director
13. Ms.Chutikan Sriseangchan	Vice CEO		
14. Mr.Yuttana Suriyawanakul	Vice CEO		
15. Mr.Khemchat Sungkakam	Vice CEO		
16. Mr.Isara Rujikeatkamjorn	Vice CEO		Director
17. Mr.Kriangkai Suriyawanakul	Asisstant CEO	Director	

7.3 Secretary of the Board of Directors

On 15 February 2012, the Board of Directors has resolution to appoint Ms. Siriwan Na-Nan manager of Audit Department as the secretary of the Board of Directors.

Authority of Secretary of the Board of Directors:

1. Arrange and maintain documents as follow;
 - Directors registration
 - Notice calling for the Board of Directors Meeting, Minutes of the Board of Directors Meeting and the Annual Report of the Company
 - Notice calling for the Shareholders Meeting and Minutes of the Shareholders Meeting.
2. Maintain the report on interests which have been reported by the directors or executives.
3. Manage other matters as stipulated by the Capital Market Supervisory Board.
4. Facilitate for activities of the Board of Directors.
5. Coordinate with relevant person in order to be in compliance with the resolution of the Board of Directors.

Ms. Siriwan Na-Nan

Age	48 year
Position	Company Secretary
Education	<ul style="list-style-type: none"> • Master of Economics (Business Economics), Ramkhamhaeng University • Bachelor of Business Administration (Accounting), Chiang Mai University
Training	<ul style="list-style-type: none"> • Anti-Corruption: The Practical Guide (ACPG) 46/2018 (IOD) • Developing Leadership for Finance and Accounting Professionals • Smart Disclosure Program (SDP) 2015-2019
Working experience	<ul style="list-style-type: none"> • July 2010 – Present Internal Audit Manager Siam Global House Public Co., Ltd. • 1995 – June 2010 Internal Audit Officer TMB. Bank

7.4 Remuneration for Directors and the Executive Officers

Remuneration of Board of Directors and Chief of Executives Office Policy

The company specifies the remuneration of directors clearly, transparently, and appropriately to the company performance by comparing to that of other companies in the same industrial area. The consideration bases on the performance and responsibilities of the director. Nomination and Remuneration Committee is in charge of setting the remuneration and proposing to the Board of Directors for the approval before proposing to the Shareholders' meeting.

Cash Remuneration

The resolution of the Annual General Meeting of Shareholders 2020 on 24 April, 2020 approved on the remuneration for the directors with amount of not exceeding Baht 15,000,000. The directors' remuneration consists of the monthly remuneration only directors who is not employees of the Company, remuneration per meeting attendance and bonus at the rate not exceed of 0.70% of dividend paid to shareholders. Details of remuneration payment for the Board of Directors and sub-committee for the year 2020 are as follows.

Monthly Remuneration

- Chairman 70,000 Baht / Person / Monthly
- Independent Director / Director 35,000 Baht / Person / Monthly

Remuneration of the BOD 's Meeting

- Chairman 40,000 Baht / Person / Time
- Directors 35,000 Baht / Person / Time

Remuneration of the Sub Committee's Meeting

- Chairman 30,000 Baht / Person / Time
- Directors 25,000 Baht / Person / Time

Detail of Remuneration Directors 2020

(Unit : Baht)

Directors		Position	Meeting Allowances	Monthly Remuneration	Bonus	Total
Mr. Apisit	Rujikeatkamjorn	Chairman	160,000.00	840,000.00	-	1,000,000.00
Mr.Pairoj	Juarprathoom	Director / Chairman of Audit & Risk Management Committee	290,000.00	420,000.00	-	710,000.00
Dr.Boonchai	Pitugdamrongkija	Director / Audit & Risk Management Committee	265,000.00	420,000.00	-	685,000.00
Dr.Vongsak	Swasdipanich	Director / Audit & Risk Management Committee / Nomination & Remuneration Committee	315,000.00	420,000.00	-	735,000.00
Mr. Witoon	Suriyawanakul	Director / Executive Director / Nomination & Remuneration Committee	190,000.00	-	-	190,000.00
Mrs. Warunee	Suriyawanakul	Director / Executive Director	140,000.00	-	-	140,000.00
Pol.Gen. Kawee	Supanun	Director / Chairman of Nomination & Remuneration Committee	200,000.00	420,000.00	-	620,000.00
Mr. Nithi	Phatrachok	Director / Executive Director	140,000.00	420,000.00	-	560,000.00
Mr. Paramate	Nisagornsen	Director	105,000.00	420,000.00	-	525,000.00
Mr. Wiroat	Rattanachaisit	Director	35,000.00	64,166.66	-	99,166.66
Mr. Bunn	Kasemsup	Director	105,000.00	354,666.66	-	459,666.66

Note : * Mr.Wiroat Rattanachaisit resigned from the director with Mr. Bunn Kasemsup held on the position on 26 February 2020

CEO & Executive Remuneration

The executive remuneration consists of salary, bonus, provident fund, social security and other remuneration. The criteria used to pay based on the knowledge, experience and performance by compared with companies in the same business.

Remuneration of CEO & Executives Officers	2018		2019		2020	
	Number of Executives	Amount (Baht)	Number of Executives	Amount (Baht)	Number of Executives	Amount (Baht)
Salary	5	32,230,800.00	12	43,792,800.00	12	47,164,800.00
Bonus	5	5,182,800.00	12	15,641,190.00	12	37,838,850.00
Provident Fund	5	949,829.00	12	2,270,422.00	12	3,311,399.00
Social Security	5	45,000.00	12	108,000.00	12	72,900.00
Others	5	3,718,400.00	12	6,065,400.00	12	6,065,400.00
Total		42,126,829.00		67,877,812.00		94,453,349.00

Remuneration for Non-Monetary Term

In 2011, IAS 19: Employee Benefits announce that company has to keep Additional Expense in reserve for the employees who will be retired and/or quit (These payments are the policy by Department of Labor Protection and Welfare). The Additional Expense in the year 2020 the company reserve amount 733,413.19 Baht.

7.5 Human Resource

The Amount of Staffs during year 2018 - 2020

Employees	31 December 2018	31 December 2019	31 December 2020
Company Employees			
Head Office	420	395	398
Branch	8,110	9,003	8,888
Subsidiary Employees	200	189	181
Total	8,730	9,587	9,467

Not : The amount of staffs had included staff of new stores that will operate next year.

Change in Number of Employee with Significance

By the end of 2018, the number of employees of the Company has increased from the previous year.

This is due to the expanding branch from 61 stores at the end of year 2018 to 66 stores at the end of year 2019 and to 71 stores at the end of year 2020. The amount of staffs at the end of year 2018, 2019, 2020 were 8,530 persons, 9,398 persons and 9,286 persons respectively. For the past 3 years, the Company has no significant labor disputes.

Staffs Remuneration

(Unit : Thousand Baht)

Staff Remuneration	2018		2019		2020	
	Staff (persons)	Amount	Staff (persons)	Amount	Staff (persons)	Amount
Salary	12,709	1,168,789.48	13,265	1,259,686.82	11,381	1,276,965.94
Bonus	5,083	114,937.20	5,755	108,696.02	8,129	149,479.95
Provident Fund	7,070	29,944.24	8,002	35,885.07	8,443	93,839.68
Social Security	12,709	52,745.04	13,265	59,142.26	9,286	88,370.76
Total		1,366,415.96		1,436,410.17		1,608,656.33

Note : The number of employees in 2018 - 2020 which include employees who resigned

The consideration of compensation for the employees, the company has paid remuneration in accordance with the Company's performance each year and also assessment of the competence of individual employees and the performance of segment in order to the consideration relevant with performance both in short term and long term. In addition, the Company has set up a provident fund for employees care in long term.

Human Resource Management Policy

Siam Global House Public Company Limited give priority to "The value of human resources" according to the company policy and practices in the business for long time. In addition to the developing the ability of work and increase their ability to operate business. The company has also focused and pay attention to create environment of workplace for the employees' healthy, that lead to the creation of good performance by 5 parts as follow;

1) The structure of employees.

The company give priority to the public and people who disadvantaged around the store location. Then the company promote the employment in the area , through the process of recruitment by board. Including of the student's supporting in order to training for workforce.

2) The rights and equality of employees

The company adheres to the principle of respect equality and the ability of employees to the company' s code of conduct by instilling employees since starting of work. Comprehensive of human rights.

The company focus on quality of employees' life by providing the training and opportunity in the company's activities. It also supports the employees to develop their skill continuously.

3) The compensation and benefits management.

The company manage compensation and benefits under the merit system and focus on the ability of each employee. Including career path with the self- improvement. The welfare, the company base on appropriate and benefit of most employees which accordance with situation and capabilities of company.

4) The management of occupational health and safety.

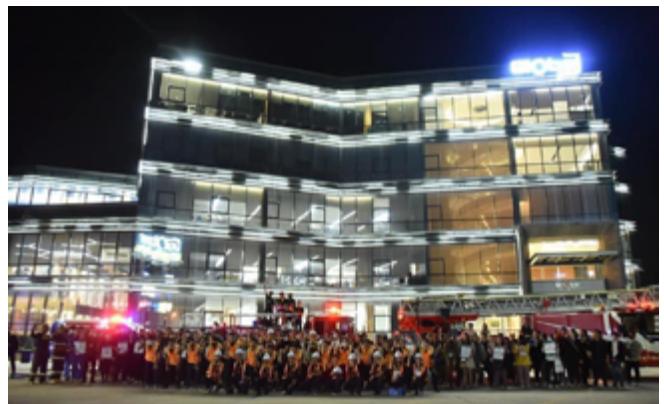
The company adhering to the policy of health and safety at work of employees and targeted “Accidents to zero”. The regulatory measures cover safety established business partner , third party and surrounding community.

5) The employees development.

The company continue to improve and develop curriculum and employees development in accordance with the environment and business practices. In order to provide employees with knowledge and ability to effective performance. The company has set guidelines for employee development to enhance performance such as follows;

- E-learning system for self – learning continuously.
- Skill Base system for employees in each function of work.
- The development by on the job training and mentor.
- The trainee management project by learning the function and actual work.
- The executive program development by selecting the potential employees to training in the learning center at head office.

In addition, the Company has policy to apply the information technology and software for developing and improving the working process of human resource management and employee care. Examples, HR Management System , Time Management System , Business Intelligence System for high efficiency and flexible to business operation.



08

Corporate Governance

8. Corporate Governance

The Company realizes the importance of the good Corporate Governance, the transparent management system and accountability in order to confidence of shareholders, investors and stakeholders. Therefore, the Board of Directors had set the manual Code of Conduct for committee , executive officer and employees and published through https://www.globalhouse.co.th/service/inv_corpor

8.1 Corporate Governance Policy

The company gives priority to the good governance, transparent management system, and the accountability to promote trust among shareholders, investors, and all relevant people. The company implements Code of Best Practices principles as the guidelines for business operation which involving the following five articles.

1. Rights of Shareholders

The Board of Directors of the Company gives the importance to the right of shareholders by not performing any act that violates or lessens the rights, and to facilitate the exercise of rights on various matters.

Shareholders will be protected under the basic rights as follows:

- 1) The Company invites shareholders to propose meeting agenda in advance to be submit the AGM 2020 from October 16, 2019 to January 15, 2020.
- 2) Shareholders will be provided with information relating the annual Shareholders Meeting such as date, time, place, and the agenda in advance prior to the Meeting. Meeting calling notices including related information and meeting's agenda will be sent to Shareholders at least 21 days prior to the Meeting according to the company's rules or 14 days prior depending on the agenda and/or as stipulated by the laws.
- 3) The Company has a policy to accommodate the shareholders and institutional shareholders to attend the meeting. Therefore, the Company has chosen meeting venue location with access by convenient transportation for shareholders attending the meeting
- 4) The Company will provide guidelines regarding the meeting. The information will be posted on the Company's Website for Shareholders' decision-making.
- 5) The company facilitates Shareholders in attendance of the Meeting and in using the right to vote. The company will ensure every Shareholder has equal opportunity to attend the Meeting.
- 6) In the general meeting of shareholders, the company will treat every Shareholder fairly and give opportunity for Shareholders to comment and ask questions.
- 7) In case of the shareholders cannot attend the meeting that they can appoint Independent Directors to be their proxy. The annual general meeting of shareholders for the year 2020, the Company has provided Mr.Pairoj Juarparthoom and Dr.Boonchai Pitugdamrongkija
- 8) After the general meeting of Shareholders, the company will consistently keep the Shareholders informed on the information related to the Company through the Company's Website or the Stock Exchange of Thailand's website within 14 days.
- 9) The Company informed the performance to shareholders through the Company website or the Stock Exchange of Thailand.
- 10) The company has the policy to promote the institutional investors to attend the shareholders' meeting. The company shall coordinate to facilitate the registration one day prior to the meeting.
- 11) In voting, the company uses the ballot by implementing barcode system for counting for the convenience, time-saving, and efficiency. There is the representative as the witness to the counting

and it shall be clearly disclosed in the shareholder's report, including the vote count for agreed, disagreed, and no vote.

12) The Annual General Meeting of Shareholders 2020 on 24 April 2020, the Company encourages the shareholders to attend the meeting by holding the meeting at Siam Global House Public Company Limited. The company has facilitated the shareholders by organizing a shuttle bus between Roi Et Bus Station and Roi Et Airport to the meeting place. Regarding the situation of the Coronavirus 2019 (COVID-19) outbreak, the Company concerns over of the shareholders' and attendees' health, therefore, set the guideline for attending the meeting as follows:

- Shareholders can exercise the right to the Annual General meeting of Shareholders by appointing any of the Company's independent directors as a proxy instead of attending in person and submit the proxy form and other documents at least 1 day before the meeting date.
- Shareholders who are in a high-risk of situation, e.g. having recently returned from any high-risk countries (in accordance with the announcement of the Ministry of Public Health), or having any respiratory symptoms. The Company advised to grant a proxy to another person or the Company's independent directors attend the meeting.
- Shareholders or proxy who intend to attend the meeting themselves, the Company will be arranging screening point and reserve the right to deny attend the meeting, if they are considered a health risk. The Company will require attendees to wear a facemask during the meeting.

13) The Company has submitted the invitation letter along with attachments for share holders in advance on 26 March 2020, as well as published the company website on 12 March 2020 for shareholder's to consider before the meeting

2. Equitable Treatment of Shareholders

The Company has policy to treat shareholders equally by assigning independent directors to be responsible for minority shareholders. The minority shareholders be able

to suggest or express opinions to independent directors. The independent directors will consider the appropriate of each issue such as the complaint, the independent directors investigated and find appropriate resolution. Therefore, the shareholders able to propose any questions to be include in the agendas and nominating persons to be elected as directors via website of the Company <http://www.globalhouse.co.th>

In 2020, the shareholders not to propose agenda or nominating persons to be elected as directors in advanced before the Annual General Meeting of Shareholders.

2.1 Prevention misuse of Inside information

The Board of Director has determined measures to prevent misuse of inside information by related person including directors, executives, staff and employee of the Company (include spouse and minor child) used inside information before disclosure in order to buy , sell, transfer or receive stocks of the Company for 30 days before disclosure financial statements to SEC or public. The Company imposed penalty on information disclosure or using information for personal benefit in according with the policy to prevent of misuse inside information. And providing knowledge to the Board of Director and executives responsible to report securities holding to SEC under Section 59, Securities and Exchange Act B.E.2535 (1992), information from SEC and SET. In 2020, Directors and executives unused of Inside information to buy/sell securities and no violation of the securities trading rules.

2.2 Related Transactions

In case of related transactions must be considered and approved by the Board of Directors. Transaction prices are charged at fair market price like the transactions with other outside parties and no objective to siphon profits between the company and that person. In the case of normal deal, administrative section can process normally under the Meeting's resolution. Moreover, the company will prepare the summary report for the higher than 10 million Bath deal for every quarter and also report to the meeting for not-over 10 million Bath deal every quarter. In the case of related transaction which may cause conflict, the audit committee will give opinion on the

necessity of related transaction. If the audit committee does not have the expertise to consider the transaction, the Company will provide an independent expert or the Company's auditor to give opinion on that transaction to use as guidance for the Board, the audit committee or the shareholders. Moreover, the Company must comply with the laws concerning securities and exchange, rules, notification, order and regulation of the SET, the person who has conflict of interest in the connected transaction will not have the right to vote.

2.3 conflict of interest

Board of Directors sets the policy for conflict of interest bases on the principle that any decision-making on business operation shall be taken for the highest benefits of the company and avoid the action leading to conflict of interest.

- Person related to or connected to the considering issue shall inform the company about the relationship or the connection to the issue, and shall not take part in the consideration, or has any authority to approve the transaction.
- Audit Committee shall propose the connected transactions and the transaction with the conflict of interest which is considered carefully to the Board of Director.
- The company shall follow the criteria of SET strictly about pricing and conditions to the person that potentially have conflict of interest as same as to the outsider, and send the report at the time required by SET.
- Executives, employees, families, and the residents in the same residency shall not run the business or any activity that mislead the public to understand that it is the business or activity that has conflict of interest with the company directly and indirectly.
- Executives and employees shall not cooperate with the family member or the intimate person to operate business or activity that may lead to the conflict of interest directly or indirectly. To avoid the potential inappropriateness, the relationship of family member or other people that may lead to conflict of interest should be disclosed to the supervisor in written.

3. Roles of Stakeholders

The company has considerate for the rights of all stakeholders involved the company including internal stakeholders who is shareholders, employee and board of director or external stakeholders who is competitor, Partners, customers, community and society etc. The company realized that the support and get the feedback as well as build a good relationship to the stakeholders will be good benefit for the operation and develop the company to grow and expand in the future. The company has provide the group to get the rights in Equitable including comply with provision of the laws and regulation related as below.

1) Shareholders

The company focus on being a good representation to satisfy the shareholders by considerate about the growth of company value over the long term with the good control system and internal audit with clean disclosure information.

2) Employee

The company are supporting the development of the potential of human resource for maximum benefit because the company has considerate that the employee is one of the primary resources that are critical in the development of the organization to grow therefore, the company are treat the employee all equally and fairly without discrimination by give the rewards and welfare proper. Including, the opportunity for employees to complaints in the case of not being fair.

2.1 Recruiting and Employment

The Company promotes employment within the community and areas of the stores located to support economic and labor development in the community. In addition, the Company also promotes the careers for disadvantaged. Including cooperation and support for the government's employment policy. Examples, employment of older workers, employment of disabilities persons, employment of new graduates, the details as follows :

Employment of Older Workers

The Company encourages the employment of older workers according to employment of older workers program (age over 60 years) as well as providing appropriate jobs relevant to older workers' potential. In 2020, the Company has older workers totaling 35 persons by working in 18 stores.

Information of Disabilities persons

Employment and promote careers of Disabilities persons

The Company support employment of disabilities persons and provide appropriate work according to potential of older workers. Inaddition, provided the area for disability persons to sell government lottery, without charge in order to support and encourage disabilities persons to has career for take care themselves. In 2020, the Company employ disabilities persons as follow;

Transaction	31 Dec 2020
Disabled Employees	80
To provide the area to sell lottery without cost	16
Total	96
Total Employees	9,286

The new graduate employment program

The Company supported the government's policy according to the new employment of promotion program for new graduates by continuously accepting applications from October 2020. In 2020, the Company employed 15 persons according to this program.

2.2 Employees Development and Training

The Company focus on personnel development to improve potential and efficiency for working at every levels to support business growth. In 2020, the Company has trained the employee 8,489 persons total 69,157 hours and training cost amount 397,301.12 Baht. The details as follow ;

Course	Employees (Persons)	Total Training Hour	Average Hour / Person
AIS cloud workshop	50	365	7.3
Chief Digital Officer Trend , Digital to OMNI Channel , Digital to E-Commerce	100	700	7
Products Knowledge	92	616	6.7
Developing service personality and sales potential	3,833	26,497	6.91
Professional for Selling Skill	2,559	17,568	6.87
Occupational safety, health and Environment, Knowledge of Using Equipment	72	1,700	23.61
Shift the working skill of Deputy Branch manager and Branch Manager	99	9,599	95.96
HR Professional: Human Resources and Knowledge Management, Labor Protection Law	376	2,612	6.95
Strategy of Accounting Practice Guidelines	186	1,884	10.13
Strategy and Marketing Techniques via Social Media channel	114	816	7.16
Organization Working Standard	784	5,264	6.72
Enhance working efficiency with 5 S Activity	224	1,536	6.89

In addition the employee development above, the Company has also expanded cooperation to educational institutions by signing Memorandum of Understanding (MOU) with Rajabhat Maha Sarakham University about co-production of graduates and work integrated learning (Work Integrated Learning : WIL). Which linking classroom learning with real experience in work place in order to develop student's characteristics and skills, Business Administration Program, Digital Business Program according with the needs of business sector

The Company participated to share and exchange the experiences on the skills and traits necessary for business sector today to educational institutions that interested to visit such as Rajabhat Roi Et University, Rajabhat Sakonnakorn University for developing of graduates' skill in various fields to according with the needs of business sector in the future.

2.3 Caring for Employees

The Company relized the value of employees, which is the key factor for business operation, praise, reward and be a morale for dedication of employees to the Company for long time.

Remuneration and Employee Benefit Policy

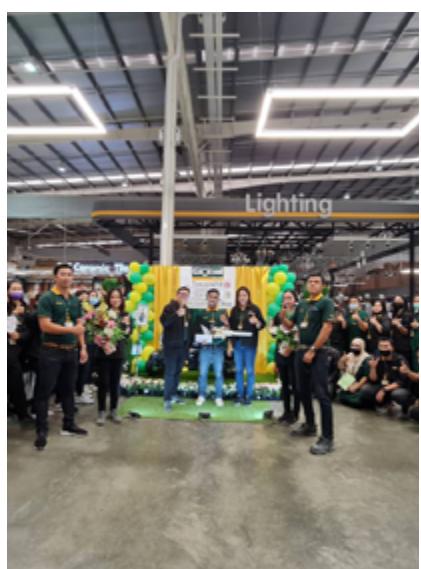
1) Short-term employee benefits

The Company has determined the employee compensation in salary, bonus, social security fund contribution, special compensation relevant to professional skills and performance, etc. which the Company has a performance assessment system every quarter (total 4 times per year). And take the assessment results to consideration of bonus payments and annual adjustment, including adjustment of promotion and remuneration according to the qualifications and abilities. In addition, the Company has special adjustments during year for employees with excellent performance and qualifications as specified.

2) Provident Fund

The Company has provided the provident fund as the benefit for employees with the objective to promote long-term savings of the Company's employees, which will allow them to have reserve money for retirement or resignation for paying contributions to the provident fund that the employees can choose the accumulated rate at 3 to 15 percent of wages, including choose an investment program as appropriate. The Company pays the contributions to the fund according to the years' experience of employees at 3 to 7 percent of wages as follow.

Employment Period (Year)	The Company's Contribution Rates (Percentage of wages)
Less than 5 years	3
From 5 years but less than 10 years	4
From 10 years but less than 15 years	5
More than 15 years	7



3) Rewarding performance for 10 years, 15 years and 25 years.

In 2020, the Company gave reward and certificate to the employees and the detail as follow;

Duration of Employment	Employees (Persons)	Reward
10 years	95	Golden Medal 25 St.
15 years	40	Golden Medal 50 St.
25 years	2	Golden Medal 2 Baht.

**The employee with the right to receive rewards must have status the Company's employees at the date of the reward only.



4) Employee Benefits for retirement

According to the regulation of the Company that the employees' termination, compensation and special compensation. The Company provide benefit to employees who retirement aged 60 years by paying compensation according to the law and consider the right for employees to join the employment program for the elderly (aged over 60 years), in 2020 the company has paid compensation to retired employees of 60 years totaling 15 persons and 12 stores

5) Other benefits

The Company provides benefit and activities to employees such as accident insurance, uniform, scholarships for employees' children, employee welfare, sport day, travel program for domestic country and abroad for the employees who had meet target

Regarding the situation of Coronavirus 2019 at the last year, the Company does not have a policy to lay off employees and set the relief's guideline for employees that were temporarily closed by government orders. Examples, the welfare to provide mask and alcohol gel, special project for helping employees who has healthy risk, special allowance for employees who are off work according to government orders and provision of social security payment to those employees in advance , suspension of debt to employees.

2.4 Safety and Occupational Health

Safety Policy

The Company concerned for the employees' health and safety by keeping the working environment hygienic and safe, along with risk assessment, prevention of accidents, health effects from operation, instill awareness of such matters for employees and related persons, and to operate as relevant guidelines:

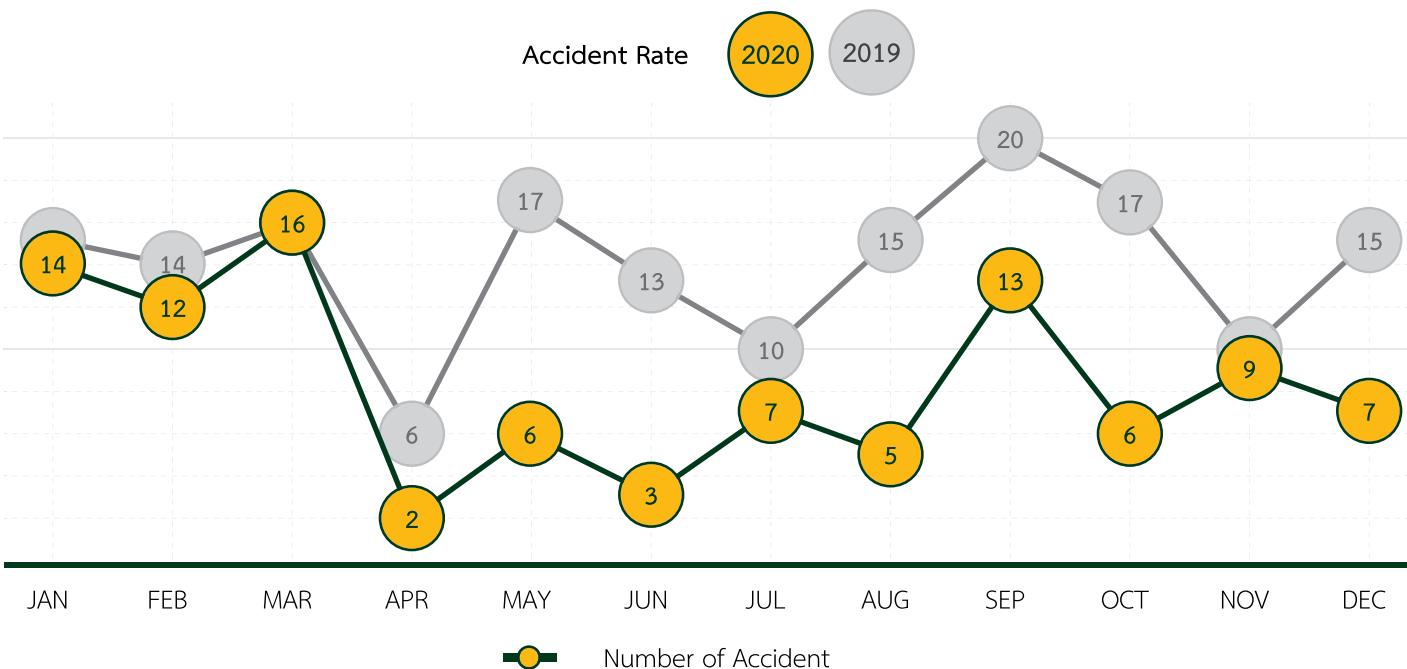
- 1) Comply with the laws, regulations and guidelines for health and safety which are published at present and in the future.
- 2) Risk assessment of activities related to business operations such as conflagration, inventory storage, the use of machines, forklift, equipment, chemical and electrical system, etc.
- 3) Determine appropriate preventive measures and provide safety protection equipment to be adequate and ready to use anytime.

- 4) Improving knowledge and cultivating health and safety awareness to employees through various channels and activities such as training, safety activity, and media via various channels, etc.

In 2020, the Company still continues to reach the goal "Zero Accident" for employees' safety of operation by providing the safety training in order to encourage and develop them to gain knowledge and understanding to the safety of operation from various programs as follows:

- Safety, occupational health and working environment program for general and new employees
- Program to enhance the potentiality for safety officer in supervisor level at the enterprise
- Safety of operation program
- Safe and proper operation of crane for particular personnel program
- Safe and proper forklift driving program

In addition to the training for employees, the Company also provides Personal Protective Equipment (PPE) such as back-support belts, safety shoes, safety helmet, gloves and reflective vests which required employees to wear while working every time. The statistic of accidents which have caused to absences in 2020 was 99 times from all 71 branches, a decrease of 41.07% compared to the year 2019 as shown below :



3) Partners

The Company will treat the business partners in accordance with the trustworthy trading framework, adhering to regulations in contracts, trade terms, and the commitment given to partners. In order to building good business relationships which will be beneficial to all parties. In addition, the Company has a policy and sustainable guideline for business partners, which aims for partners to comply as follows :

3.1 Business Ethics

Business Integrity

Conduct business in an ethical manner with adherence to correctness, honesty, integrity and transparency and strictly comply all applicable laws and regulation and shall not participate in any fraudulent act or corruption, shall not offer, give, or promise any bribes, valuable things, gifts, or other advantages to any person, nor shall improperly influence any action or decision for their own benefit or the benefit of any other person.

Fairness

Conduct business responsibly to ensure fair treatment to all stakeholders.

Information Disclosure

Provide full and accurate disclosure of information as stipulated by law.

Confidentiality

Do not disclose or use any confidential information of customers or related partied without consent.

Intellectual Property

Respect intellectual property rights of other and undertake not to allow violation of such rights.

3.2 Labor & Human Rights

Non-discrimination

Respect human dignity, equality, and fairness and shall not discriminate against employees on the grounds of physical or mental differences, race, nationality, religion, gender, age, education, or any other matter.

Labor Protection

- 1) Do not employ child labor younger than the legally required minimum age. Should child labor above the legally required minimum age be employed, their legally mandated rights shall be fully protected and proper development and promotion of quality of life and work be provided.

2) Female employees shall not engage in work which may harm their health and safety . Pregnant workers shall be protected and provided their legally - mandated benefits.

- 3) Employment of foreign workers must be fully compliant with the regulatory requirements

Prevention of Involuntary Labor

Do not use or exploit forced labor through the use of corporal punishment, threat, confinement at the workplace, coercion, harassment, human trafficking or any other means of violence.

Wages and Benefits

Pay workers wages, overtime pay, and holiday pay, as well as provide legally mandated benefits accurately, fairly, and not less than the minimum wage according to applicable laws. Wages, overtime pay or other benefits shall be allocated within the time set.

Working Hours

Do not force workers to work longer than the maximum working hours specified by applicable laws. Working overtime or working on a public holiday is voluntary. Workers must be granted holidays and leave as required by applicable laws.

3.3 Occupational Health & Safety

Safety and Working Environment

Implement safety systems for workers and involved persons by providing a safe and healthy work environment; reducing and controlling accident risks and health impacts associated with performance of duty, transport, and service; and establishing an emergency plans in order to reduce loss.

Personal Protective Equipment

Provide workers sufficient and reliable personal protective equipment appropriate for risk exposure and ensure its proper use and care.

3.4 Environment

Operate in an environmentally responsible manner, preserve the environment, utilize natural resources efficiently and effectively. Conserve natural resources, and minimize the environmental impacts of their business activities Consistent with the 3R Concept as follows : Reduce, Reuse / Recycle, Replenish

3.5 Laws & Regulation

Abide by all applicable laws, rules, and regulation

4) Competitor

Treat the competition have a code of ethics with great competitiveness by avoiding competition with dishonest way to destroy rivals.

5) Customers

The company are concentrate to give a great service and satisfy for customers. Supply of goods and services quality. Trade with customers with honesty and fairness.

5.1 Customers Responsibility

Pre-Sales Service

- The Company committed to fair marketing that employees must provide the fact information of products and service and not conceal important information that lead to misunderstanding. Which affect the customers' decision to buy products.

- The employees must inform products instruction , risk from products using and hazard prevention to the customers.

After-Sales Service

- Delivery and Installation Service :** Electrical appliances , electric system, floor tile, doors-windows , laminate, tank, water pump and paint according to the Company's conditions including after warranty installation.
- Products Repair Service:** For the House Brand products ,the Company responded to repair by specified conditions. For the national brand products, the Company coordinated with the products owners and tracking the repaired until completed.
- The Company has policy of products returned within 30 days afters purchased date.

5.2 Customers Satisfaction

The Company has process to survey customers satisfaction and customers feedback to develop products and service. As well as improving business operation continuously.



6) Community Society and Environment

6.1 Community and Society

The Company committed to create good and sustainable things for society almost 20 years, by considered that the Company was a part of social. The Company set the business policy that relized to importance of education, employment, health care and social investment for participate social development as follows ;

- 1) Encouragement Employment: the Company determined the policy of employment workers in the area in order to encourage people in the area to have income and better quality of life which affect to society and country.

- 2) Encouragement employee to training : the Company participated annually with Institute for Skill Development in each area for skill and abilities development of employees to be potential employees.
- 3) Paying Value Added Tax of each stores to Revenue Department Aera in order to used for local development.
- 4) Supporting Education of Community: the Company participated suppliers to give scholarships to schools in the community, while opened new stores in stead of receiving gifts.

- 5) Anti-Drug Campaign: the Company determined the policy to inspect the addictive substance annually and training the employees to acknowledge of the danger of drug to support the drug-free community.

6.2 Environmental

The Company has set the business policy together with the conservation of the environment by adhering to sustainable resource use, along with climate change mitigation and adaptation. Hence, the Company designed the building structure with high roofs and surrounding air ventilation, installed insulation throughout the building, implemented the warehouse management system (Automated Storage & Retrieval System), and installed the solar panels on the roof of store buildings by the guideline as follows :

- 1) Changing the light bulbs in the stores into LED High Bay, reducing the electrical energy up to 75%
- 2) Increasing the skylight to the store roofs to reduce electrical energy.
- 3) As for the office area, the work unit was divided into separate office rooms to reduce the electrical energy of large air conditioning.

- 4) Changing the paper size for receipt/tax invoice from A4 to A5 including required office staff to reduce printing, paper usage, and using the reused papers. As well as promoting the paperless work.
- 5) Implementation of the Automated Storage & Retrieval System (ASRS) for the stores that have been operated in 2016 onwards which is a more efficient warehouse management system. The operation of ASRS is a closed system that does not require light while it is operating, reducing the electricity consumption of the Company. By the end of 2020, there are a total of 35 branches that implemented the automatic warehouse management system.
- 6) Since 2017, the Company has policy aims to use renewable energy from solar energy instead of using power from electricity. Hence, the solar roof systems were installed to the store buildings of every branch to produce electricity from solar energy. After implemented to all branches in 2019, the Company could reduce the operating costs, and it could also help to reduce the impact on the environment since solar energy is clean and does not cause carbon dioxide emissions.

Power Consumption

Year	Total of Stores	Number of Stores with Evaporative Cooling	Number of Stores With Air Conditioning
2018	61	50	5
2019	66	-	66
2020	71	-	71

Operating Results

Year	Total of Stores	Accumulated Stores with Solar System	Amount of Electricity Produced (kwh/year)	Amount of Carbon Dioxide Reduction (tCo ₂ /year)	Amount of Coal Savings (ton/year)	Equivalent Tree Planting (Trees)
2018	61	19	5,431,120	3,091.39	1,237	169,406
2019	66	66	18,505,129	10,533.12	4,213	577,215
2020	71	71	20,083,758.85	11,431.68	4,573	626,456

Note : tCo₂e / MWh = 0.5692 reference from Thailand Green House Gas Management Organization.



7) Creditor

The Company has treated creditors fairly with the policy and guideline as follows;

- 7.1 Comply with contract agreements strictly
- 7.2 Using loan for the purpose of borrowing
- 7.3 Repayment of loans according to the time
- 7.4 Prepare contracts with creditors legally and transparently

No infringement of intellectual property or copyright

The company has the policy and guidelines for non-infringement of intellectual property by not supporting any actions considered intellectual property infringement, as stated in intellectual property law. If the company discovers any infringement, the quick appropriate process shall be implemented to cease or stop the access to the infringement.

Anti - Corruption

The company is committed to protecting and promoting the anti-corruption which is regarded as a crucial policy to strictly conduct business with integrity, honesty, transparency and accountability so as to create good values and corporate image. The company has expressed intention in the project of Collective Action Coalition against Corruption in the year 2015. And in the Board of directors meeting no.6/2016 held on 21 December 2016, resolved to approve the Anti-Corruption Policy. That prescribed the company's personnel must comply with the "Anti-Corruption Policy" and not be involved in all forms of corruption, whether direct or indirect. Including defined the definitions according to the Anti - Corruption Policy, duties and responsibilities, practice guidelines and penalties which were promulgated throughout the company, acknowledged and implemented by the directors ,executives and employees.

The Company has set anti - corruption policy and the guidelines are as follows :

- 1) Directors, executives and employees at all levels of the Company must comply with Anti - Corruption policy and do not act or involved in the corruption. Whether directly or indirectly.
- 2) Prohibiting executives and employees demanding or receiving any benefits from trade partners or any other persons who do business with the Company.
- 3) The executives and employees of the Company avoid giving or receiving gift from person to contact for trade partner. Except to traditional or local trade.
- 4) The executives and employees avoid the reception party or accepting from trade partner. Those who do business or negotiating with the Company.
Except there is reasonable cause and the regular entertainment in general.
- 5) The employees should not neglect or ignore, when found the corruption with the Company. Then need to notify supervisors or persons who responsible. Through various defined and to cooperate in the investigation.
- 6) The Company will ensure fairness and protect employees who refuse or inform the corruption. The protective measures for complainants as defined in the code of conduct regarding the complaints and suggestions.
- 7) Those who act corruption that violation of regulations on business ethics and best practices. Which be considered by disciplinary regulations may also punished by law. If the actions is illegal.
- 8) The Company recognizes the importance of disseminating knowledge and understanding of the other person to perform with the company or may impact on the company, that comply with the anti - corruption policy.
- 9) The Company is set to be evaluated, compliance policy of anti-corruption by the unit responsible for monitoring and report to Audit Committee. To ensure that the implementation of the policy get response from the person concerned.
- 10) The Company is committed to create and maintain a corporate culture that corruption is unacceptable all transactions with government and the private sector.

Guidelines and Risk Assessment

The Company emphasizes all employees and product consultants (PC) must comply with anti-corruption and business ethics policy by not being involved in all forms of corruptions whether by direct or indirect way. The Company has set up the internal control and audit process in all aspects regarding to the corruption risk management, including the assessment of potential risks. Also, to encourage all employees and PC to attend the trainings, and promote to related persons for the comprehension of such policy. Employees and PC must not ignore any corruptions, including to impose the penalties for employee or PC who are involved in corruption.

In addition, the Company has set operational guidelines in accordance with anti-corruption to promote in the organization. By prohibiting employees or product consultant (PC) to get products installation directly without passing the Company's channel and informed operational guidelines to all branches for all employees to acknowledge and cooperate in practice, in order for customers to get service quality and prevent customers being charged from employees.

Training and Communication

- The company is publishing and communications the Anti-Corruption Policy to directors ,executives and employees as well as stakeholders to acknowledge on the company's website https://www.globalhouse.co.th/service/inv_corpor
- The Company set the training about knowledge of anti - corruption. The practical on orientation day of new employees every 1st and 16th of months.

Monitoring of the Practice, Notification and Reporting of Anti-Corruption

Directors, executives and employees are responsible for acknowledge and understanding that good corporate governance policy. And guidance in practice for promote effective implementation, administration and good governance. The Company has set communication channels to complaint from stakeholders that directly to the Board or Director (Whistle Blowing)

In case of reporting a complaint, please contact

- E-mail secretary@globalhouse.co.th
- Website <http://www.globalhouse.co.th>
- Letter Secretary Company Siam Global House Public Co.,Ltd. 232 Moo 19 T.Robmuang A.Muang Roi Et 45000
- Tel. 043-519777 ext. 101, call center 1160
- Fax 043-519649



4. Disclosure and Transparency

The Company realized the importance of disclosure with transparency including financial reports and general information complied with regulation of SEC and SET. As well as other information that affects to price of securities and decision making of investors and stakeholders. The Company will disclose information to shareholders or investors through SET and SEC including the Company's website, newspapers for the shareholders access to information equally. In 2020 company disclosed the following information :

4.1 Board of Directors requires the financial report to show the financial status and performance as required by law according to the generally accepted accounting standard by appointing the audit and risk management committee who is responsible for reviewing financial report to be accurate, complete, and reliable.

4.2 The company has the disclosure policy for financial report, general information affecting the security price, which has impact on the decision-making of the investors and stakeholders of the company, to be complete, accurate, and timely.

4.3 Prepare a report on the responsibility of the Board of Directors for financial reports

4.4 The Company disclosure additional information in the Annual Report and Form 56-1 as follows ;

- Roles, duties and attendance of the board of Directors meeting and Sub – Committee
- Remuneration of directors and executives
- Disclosure directors' profile and training by individual
- Disclosure audit fee and other service in Annual Report

4.5 The Company has disclose the Invitation Letter of the Annual General Meetingm 2020 via the Company's website on 12 March 2020 that the meeting held on 24 April 2020

4.6 Disclosure the Code of Conduct on the Company's website for the Directors, executives and employees to adhere the guidelines.

Information Dissemination Channels

The Company relized to disclosure of financial and operating results information, that was accurated, completed, transparent. The Company provide the

information dissemination channels as follows;

- Organized the investor relation unit to be communication channel for domestic investors and foreign investors.
- Arrange activities to meet investors both domestic and abroad.
- Published informations in various such as press releases, news, advertising media and social media.
- Prepare publications to disseminate various information of the Company such as annual report.
- Disseminate information to the employees via various electronic media such as intranet, email and social media.
- Disclosure information via the Company's website <https://www.globalhouse.co.th/>

Investor Relation Unit

The Company has assigned the investor relation department the responsibility to communicate with institutional investors, small investors, retail investors, shareholders and security analysts. If additional information are needed, investors could contact the investor relation department via Mr.Yutthana Suriyawanakul,

- Tel : 043-519777, Call center 1160
- Fax: 043-511-492, 043-519-649 or
- Email : IR@globalhouse.co.th or on the Company's website https://globalhouse.co.th/Contactinvs/contact_inv.

In 2020, the Company organized various activities in support of security analysts, institutional investors both domestic and international and individual investors as follows :

- Holding 30 conference calls with investors for analysts, investors, and institutional investors from both domestic and international to acquire Company information.
- Participating in Opportunity Day hosted by the Stock Exchange of Thailand 2 times in 2020: 22 March, and 11 November.
- 1 domestic roadshows both individual and institution investors

5. Responsibility of Board of Directors

- The Board of Directors determined a corporate good governance policy in order to be guideline. As well as defined the roles, duties and responsibilities of the Board of Directors.
- The Board of Directors determined a Code of Conduct and published on website by being as an honest policy for directors, executives and employees that must comply with the requirements.
- The Board of Directors has clearly defined the vision and mission of the Company. For all employees upheld as guidelines for accomplish their work as targeted. The Board of Directors will consider these vision and mission on an annual basis. In 2020, The Board of Directors reviewed vision and mission shall remain unchanged.
- The Board of Directors has approved the strategic plans and reviewed on an annual basis to be in line with the current economic. The management is the operator and report the performance to the Board of Directors on a quarterly basis.

5.1 Board of Directors structure

Board of Directors involves the persons who has knowledge and experiences that facilitate benefits for the company. They plays important roles in giving agreement on policy setting and business plan. Further, they give importance to the internal control and internal audit system for the benefits of company and shareholders.

Currently, Board of Directors consists of 10 people, involving three executive directors, three non-executive directors, and four non-executive directors who are independent directors, which is more than one-third of all directors, whose roles are to balance the voting for any consideration and to verify the performance of management to ensure the highest benefits of the company. Besides, the company appoints the sub-committee consisting of Audit Committee, Nomination and Remuneration Committee, and Executive Committee, and sets the scope of roles and responsibilities of each committee clearly.

5.2 Roles and responsibilities of Board of Directors

1. Board of Directors is responsible for setting vision, objectives, strategies, and goals of business operation, including considering and reviewing operational strategies and goals every year.
2. Board of Directors shall perform duties with responsibilities, care, and honesty (duty of care and duty of loyalty), and supervise the operation to comply with laws, regulations, and resolution of the shareholders' meeting for the highest benefits and fairness of the stakeholders.
3. Board of Directors shall consider and determine business plan and annual budget to correspond with the company objectives and goals by considering the resources allocation and appropriate operation, including environmental analysis, factors and risk that may affect the stakeholders.
4. Board of Directors shall ensure that the strategies are implemented and monitor the performance by having the report constantly, and developing and improving business operations with health and safety concern, social and environmental responsibility.
5. Board of Directors shall issue Board of Directors Charter, Corporate Governance and Ethics policy as the guidelines for the directors, executives, and employees in coupled with company rules and regulations for the fairness of the stakeholders.
6. Board of Directors shall supervise and promote the useful innovations for the company, customers, partners, society, and environment.
7. Board of Directors shall ensure that the company has the reliable accounting system, financial report, accounting audit, risk management and internal control, and internal audit, and monitor, evaluate, and review risk management and internal control system regularly for the efficiency and effectiveness.
8. Board of Directors shall supervise the implementation of information technology management and technologies to strengthen competitiveness under the social and environmental responsibility.
9. Board of Directors takes care of anti-corruption practice, promotes all employees to comply with relevant policies, laws, and regulations, and monitors the compliance with anti-corruption constantly.

10. Board of Directors considers development plan and carry on the top management positions, and supervises the evaluation of top management performance every year.
11. Board of Directors shall review and evaluate the performance of the board and individual director once a year.
12. Board of Directors arranges continuing knowledge and work potential development by participating in the courses related to director performance, or the seminar to enhance and pursue knowledge.
13. Board of Directors shall attend all meetings. In the force majeure circumstance and unable to attend, inform the Chairman or the Secretary prior to the meeting.

Regarding, the directors or any persons having conflict of interest with the Company do not exercise right to vote on that matter.

Approval Authority of the Board

1. To approve vision, mission objective and major policy such as the Corporate Government Policy, Code of Conduct, Risk Management Policy, Monitoring of Insider Trading Policy, Anti-corruption Policy, Internal Control Policy, Related Transaction Policy and Policy on Conflict of Interest.
2. To approve procurement that exceeds the Executive committee's approval as authorized for each item.
3. To approve investment projects and major operations under the Company's objectives, articles of association, resolutions of the shareholders' meetings and relevant laws, and supervise the management to implement policies and plans as defined with efficiency and effectiveness.
4. To approve transaction under the Securities and Exchange Act, such as connected transactions, property acquisition, and disposal.
5. To approve the interim dividends payment to shareholders.

The transactions that be approved by shareholders' meeting

These transactions in following cases must be approved by the board of directors meeting and the shareholders'

meeting with a vote not less than 3 of 4 of total votes of shareholders who attend the meeting and have the right to vote.

- Selling or transferring all or significant amount of shares
- Buying or receiving shares from other companies in the name of the Company
- Signing, changing, or canceling of lease of company in significant amount.
- Altering or changing of memorandum or regulations
- Fundraising, Fund reducing, issuing corporate bond, merging or closing

5.3 Roles and responsibilities of Chairman of Board of Directors

1. Supervise and monitor the performance of directors and subcommittee to be efficient in order to achieve the objectives of the company.
2. Supervise to ensure the participation of directors in promoting ethical organization culture and Good Corporate Governance.
3. Set the agenda of Board of Directors meeting and ensure that the directors receive accurate and complete information before the meeting for the appropriate decision-making.
4. Lead the Board of Directors, act as the Chairman of the Board of Directors meeting, and allocate time sufficiently by controlling and running the Board of Directors meeting, allow all directors to discuss and exchange opinions freely, use discretion in decision-making carefully and efficiently.
5. Be the leader of the shareholders' meeting to follow the agenda, company regulations, and laws, give a chance for expressing opinion equally, and control the questions and answers of the shareholders appropriately and transparently.
6. Strengthen the positive relationship between the executive directors and non-executive directors.

5.4 Roles and responsibilities distribution between directors and management

The company distributes the roles and responsibilities between the Board of Directors and management clearly. Board of Directors is responsible for policy making and

supervising the operation of management. Meanwhile, the management administrates the operation followed the policies. Therefore, Chairman of Board of Director shall not be the same person.

5.5 Determination of number of registered company the director and CEO taking position of director

Board of Directors identifies the number of registered company the director can take the position of director to ensure the sufficient and efficient dedication to the company. Therefore, Board of Directors identifies that the director is able to hold the position of director in the other five registered companies at the maximum. As for the Chief Executive Officer who will be a director in other listed companies must be approved from the Board of Directors.

5.6 The performance assessment of the Board of Directors, Sub-Committee and Executives

The performance Assessment of the Board of Directors: the Company assess annually of the Board of Directors, Sub-Committee and Executives by assessment in 3 forms such as Board of Directors Assessment form, Sub-Committee Assessment form and Individual Assessment form. The Company's secretary sent assessment form to all directors to assess the performance of the Board of Director and Sub-Committee.

Then the secretary collected and summarize the performance assessment before submit to the chairman, which has criteria of performance assessment be in line with the Stock Exchange of Thailand as follows;

The performance assessment results of the Board of Directors and Sub - Committee in 2020

	Board-Committee Assesment		Individual Assesment	
	Scored	Rating	Scored	Rating
Board of Directors	97.41%	Excellent	98.18%	Excellent
Audit and Risk Management Committees	98.00%	Excellent	99.24%	Excellent
Nomination and Remuneration Committees	94.74%	Excellent	96.97%	Excellent

1. Performance assessment form of Board of Directors by group cover 6 main categories;
 - 1) Structure and qualifications of the Board of directors
 - 2) Roles, duties and responsibilities of the Board
 - 3) Board of Directors' meetings
 - 4) Performances of the duties of directors
 - 5) Relationship with management
 - 6) Self-development of directors and development of executives
2. Performance assessment form of Sub-Committee by group cover 3 main categories;
 - 1) Structure and qualifications of Sub-Committee
 - 2) Sub-Committee's meeting
 - 3) Roles, duties and responsibilities of Sub-Committee
3. Performance assessment form of Board of Directors and Sub Committee by individual (self - assessment) cover 3 main categories;
 - 1) Structure and qualifications of directors
 - 2) Directors' meeting
 - 3) Roles, duties and responsibilities of directors

The method of scoring as a percentage from the full score of each item is as follows;

Over 90 % = Excellent

81 - 89 % = Very Good

66 – 80 % = Good

50 – 65 % = Satisfactory

Under 50 % = Poor

The overall result of the 2020 Board Assessment indicates an average rating of “Excellent” both Board of Directors & Sub-Committee Assessment and Individual Assessment. The Board of Director will consider assessment result for improving the performance in the future.

The Performance Assessment of Executives In 2020

The Nomination and Remuneration Committee will assess performance of executives by considered from business operation result, business operation according to the Board of Directors' policy, abilities to business development and improving the business's operation efficiency yearly with the overall of economic and social situation. Which have criteria according to the Stock Exchange of Thailand by separate 3 parts as follows;

- Progressive of Business Plans
- Performance Measurement
- CEO Development

The result of performance will be considered and determined the compensation of Chief Executive Officer and approved by the Board of Directors.

5.7 Training Program for the Board of Directors and Executive Officers

1. The Board of Directors promote and support directors to attend training course or seminars in order to accumulate knowledge that will benefit the Company annually at least 1 person. The Board of Directors assigned the Secretary of the Board of Directors to collaborate and notify directors of upcoming training courses and seminars.
2. The Company has policy to organize orientation to every newly direct or in order to acknowledge the roles, duty and responsibility and nature of business. By presenting information, manual of the code of conduct and Company's Articles of Association. Including training programs for newly directors held by Thai Institute of Directors(IOD).
3. The Board of Directors assigns the Chairman of the Executive Directors to acknowledge about the development plans and prepare a succession plan in case incapable of performing duties.



4. The Board of Directors Form Directors' development project and the Chairman of Executive Director report back the progress every year and assess in conjunction with the succession plan.

In 2020, the Company appointed a new director to replace resigning director, Mr. Bunn Kasemsup had passed the courses Directors certification Program (DCP) and Directors Accredited Program (DAP) of Thai Institute of Directors Association (IOD). In addition, the Company organized a visit at head office for directors to inform the Company's details and business direction

The directors completed the training courses by Thai Institute of Directors Association (IOD).

Directors	Position	Course
Mr.Apisit Rujikeatkamjorn	Chairman	<ul style="list-style-type: none"> • Director Accreditation Program 21 / 2004 • Director Accreditation Program 27 / 2004 • Finance for Non-Finance Director (FND) 24 / 2005 • Understanding the Fundamental of Financial Statements Program (UFS) 5 / 2006 • Audit Committee Program 22 / 2008 • The Role of Chairman Program 26 / 2011 • Director Certification Program 166 / 2012
Mr.Pairoj Juarprathoom	Director /Chairman of Audit & Risk Management Committee / Independent Director	<ul style="list-style-type: none"> • Director Accreditation Program 161 / 2019
Dr.Boonchai Pitugdamrongkija	Director /Member of Audit & Risk Management Committee / Independent Director	<ul style="list-style-type: none"> • Director Certification Program 155 / 2012
Pol.Gen.Kawee Supanun	Director /Chairman of Nomination & Remuneration Committee / Independent Director	<ul style="list-style-type: none"> • Director Accreditation Program 129 / 2016
Dr.Vongsak Swasdipanich	Director / Independent Director / Member of Audit & Risk Management Committee / Member of Nomination & Remuneration Committee	<ul style="list-style-type: none"> • Director Accreditation Program 134 / 2017
Mr.Witoon Suriyawanakul	Director / Executive Director	<ul style="list-style-type: none"> • Director Accreditation Program 68 / 2008
Mrs.Warunee Suriyawanakul	Director / Executive Director	<ul style="list-style-type: none"> • Director Accreditation Program 68 / 2008
Mr.Nithi Phatrachok	Director / Executive Director	<ul style="list-style-type: none"> • Director Accreditation Program 140 / 2017
Mr.Paramate Nisagornsen	Director	<ul style="list-style-type: none"> • Director Certification Program 258 / 2018
Mr.Bunn Kasemsup	Director	<ul style="list-style-type: none"> • Director Accreditation Program 2006 • Director Certification Program 116 / 2009

5.8 Appointment and term of Board of Directors

Appointment of Board of Directors

- Nomination and Remuneration Committee selects and nominates the qualified person to take the position of director or independent director of the company by considering from the experience, knowledge, capability that shall be useful for the company before proposing to the Board of Directors for consideration. Board of Directors shall propose the opinion in the Annual General Meeting of Shareholders for approval. The resolution shall be approved with the majority votes from the shareholders attending the meeting.
- The company gives the opportunity to the shareholders to nominate the list of qualified person to be considered for the director in advance before the Annual General Meeting of Shareholders.

Office term

- In the Annual General Meeting of Shareholders, one-third of the directors at the time being shall resign from the position. If the number of the director cannot be divided into three portions, the number closest to the one-third is applied. Those who are vacated may resume the position.
- Director shall vacate the position in case of death, resignation, lack of qualifications, or having incompatibility according to Securities and Exchange law, resolution from the shareholders' meeting, or the judicial order.

- The company determines the year of the office term of the director to comply with Public Limited Companies Act, B.E.2535. Currently, there are 10 directors who will be holding the position for three years.
- The independent director has the office term not exceeding nine years from the first term appointed as the independent director. Board of Directors may propose the independent director name to the Shareholders' meeting to consider resuming the position if the person is knowledgeable and experienced.

8.2 Sub- Committees

8.2.1 Board Structure

From the Second Meeting of the Board of Director (2/2012), the Board Director have made an adjustment to decrease the number of Sub-Committees from 5 committees to be 3 committees on 28 April 2011. This adjustment would be flexible to manage and useful for the company.

1. Executive Committee

Name	Position
1. Mr.Witoon Suriyawanakul	Chairman of the Executive Committee
2. Mr.Anavat Suriyawanakul	Executive Director
3. Mrs.Warunee Suriyawanakul	Executive Director
4. Mr.Nithe Phatrachoke	Executive Director
5. Mr.Yutthana Suriyawanakul	Vice - CEO Import Products
6. Ms.Chutikan Sriseangchan	Vice - CEO Accounting and Financial

Functions and Responsibilities of Executive Directors

- Plan and manage company's operation according to the frameworks and policies assigned by the Board of Directors.
- Lay out strategies and directions for the company under the framework and boundary of goals and objective of the business and/or policy of business.
- Propose appropriate investment and/or fundraising plans to the Board of Directors and/r the Shareholder's meetings.
- Consider and approve business consultants necessary to business operations.
- Have authority in any resource allocation, procurement, leasing, renting, and utilization as approved by the Board of Directors.
- Have the authority to approve asset purchases and procurement, expense on operation, expense of selling and administrative and capital expenditure according to the contracts. Detail of authorities is in accordance to the structure of Authorization.
- Approval of expense on operation, expense of selling and administrative and capital expenditure according to the budget approved by the Board of Directors. Detail of authorities is in accordance to the structure of Authorization.
- Approval of loans from banks, corporations, and/or other institutions according to the budget approved by the Board of Directors. Detail of authorities is in accordance to the structure of Authorization.

However, the Executive Director is unable to approve transaction that himself or person who may have conflict of interest in any other ways with the Company or its subsidiary.

2. Audit and Risk Management Committees

Name	Position
1. Mr.Pairoj Juarprathoom	Chairman of Audit & Risk Management Committee (Independents Directors)
2. Dr.Boonchai Pitugdamrongkija	Member of Audit & Risk Management Committee (Independent Directors)
3. Dr.Vongsak Swasdipanich	Member of Audit & Risk Management Committee (Independent Directors)

Note : Mr. Pairoj Juarprathoom, have well knowledge about accounting and financial management.

Roles of Audit and Risk Management Committee

Functions and Responsibilities of the Audit Committee

1. To review the accuracy and sufficiency of the financial reports of the company.
 2. To review the company to ensure that the internal control and internal audit systems are suitable and effective, and to review the independence of internal audit section, including approving the appointment, transference, or termination of internal audit section s supervisors (heads) or those of other workgroups responsible for internal audit.
 3. To review the company to ensure that their operations are in accordance with securities laws and SET legal requirements, rules and regulations, as well as other laws that may be related to the company s business.
 4. To consider, propose, appoint and dismissal independent persons who shall be assigned as the company s auditors, to propose their remuneration, and to participate in a meeting with the auditors at least once a year without management team.
 5. To review connected transactions and any other transaction that may cause potential conflicts of interest in accordance with SET laws and SET regulations in order to ensure that those items are reasonable and of utmost benefits to the company.
 6. To publicize the audit committee report signed by the chairman of the audit committee in company annual report; the report should include the following details :
- 6.1 Opinions on accuracy, completeness and credibility of the company's financial reports;
 - 6.2 Opinions on sufficiency of the company s internal control system;
 - 6.3 Opinions on the company s compliance with securities and SET laws and SET regulations, or business laws related to the company and its subsidiaries;
 - 6.4 Opinions on suitability of external auditors of the company;
 - 6.5 Opinions on transactions of possible conflicts of interest;
 - 6.6 The number of audit committee meetings, and attendance of each audit committee member;
 - 6.7 Opinions or observation by the audit committee during their auditing practice according to charter;
 - 6.8 Other transactions that shareholders and public investors should be informed under the scope of work and responsibilities assigned by the company s board of directors.
 7. To take care of any other action assigned by the board of directors with the consent of audit committee

Functions and Responsibilities of the Risk Management Committee

1. To determine and principles and framework for proper risk management to the Board of Directors.
2. To consider and analyze all risks and problems that may arise
3. To consider and approve risk management plans
4. To report to the Board of Director about the risks and plans in place that may affect the corporate objectives and operation
5. To monitor the risk in each function of operation
6. To monitor risk of false reports including internal and external reports and documentation
7. To monitor that the business operates and govern in compliance with governing laws and regulations.

3. Nomination and Remuneration Committee

Name	Position
1. Pol.Gen. Kawee Supanun	Chairman of the Nomination and Remuneration Committees (Independent Directors)
2. Dr.Vongsak Swasdipanich	Member of the Nomination and Remuneration Committees (Independent Directors)
3. Mr.Witoon Suriyawanakul	Member of the Nomination and Remuneration Committees (Independent Directors)

Functions and Responsibilities of the Nomination and Remuneration Committees

Nomination

1. Consider the criteria and procedure in nomination of qualified persons for the director and executive officer positions, including selection of persons according to the prescribed nomination procedure, proposing opinions to the Board of director for further proposal to the shareholders' meeting to appoint directors subsequently.
2. Prepare developing plans for trainings relating to the directors' duties and knowledge related to the business of the Company for the Board of directors and executive officers continuously to increase the potential of the Board of directors and the Company's executives.
3. Prepare and review the succession plan of the Company's chief executive officer. In order to prepare the potential person for the succession in management position for the Company to be able to perform its operations continuously.
4. Select directors who have appropriated qualification as committee member in the sub-committee. In order to propose to the Board of directors meeting for appointment when there is a vacancy.
5. Propose to the shareholders' meeting to elect the directors with the rules and procedures in accordance with the Company's Articles of Association as follows:
 - A shareholder shall have one vote per share.
 - A shareholder must exercise his right according to number of votes specified under (1) to vote for directors, either one candidate at a time or a group of persons. In case of a group of persons, the number of votes cannot be divided differently for each person.
 - The persons who have been received majority votes respectively shall be elected as directors in accordance with the number of directors required or to be elected at a time. In the event of persons received equal votes exceeding the number of directors required, the Chairman of the meeting shall have the casting vote.

In this regard, the abovementioned delegation of authority of roles and responsibilities of Risk Management Committee will not include the authority and/or the delegation of authority to appoint a Sub-Attorney to approve any transactions in which the Committee or a Sub-Attorney or any related persons who may have any conflict (as defined in the Notification of the Securities and Exchange Commission) or interest with the Company or its subsidiary. Any approval of such matter shall be proposed to the Board and/or the shareholders' meeting (as the case may be) for approval of such matter as stipulated in the Company's articles of a subsidiary company or any applicable laws.

6. At the annual general meeting of shareholders, one-third of the directors shall be retired. If case of one-third of the number is impossible, the nearest number to one-third of number of directors will be retired. The retired directors may be reelected. The directors retiring in the first and second year after registration of the company shall be done by drawing lots. As for the subsequent years, the directors holding longest position shall be retired automatically.
7. In case a director demands to resign, that person need to submit resignation letter to the Company. Resignation will be considered effective once reached.

Remuneration

1. Consider and determine remuneration of the directors, Sub-committee and executive officer to propose opinions for the Board of directors.
The Board of directors will consider the approval for remuneration of executive officer. As for the remuneration of directors and Sub-committee, it must be proposed to the shareholders' meeting for approval.
2. Review all types of remuneration, considering by the amount of money and the portion of each type of remuneration to be appropriate, compared to the companies that operate in the similar business.
3. Consider the suitability and various conditions in case the Company will make a public offering of securities or warrants to purchase shares for the directors and employee as a remuneration and motivation to perform their duties.

4. Perform other duties related to the nomination and remuneration as assigned by the Board of directors.

In this regard, the abovementioned delegation of authority of roles and responsibilities of Nomination and Remuneration Committee will not include the authority and/or the delegation of authority to appoint a Sub-Attorney to approve any transactions in which the Committee or a Sub-Attorney or any related persons who may have any conflict (as defined in the Notification of the Securities and Exchange Commission) or interest with the Company or its subsidiary. Any approval of such matter shall be proposed to the Board and/or the shareholders' meeting (as the case may be) for approval of such matter as stipulated in the Company's articles of a subsidiary company or any applicable laws.

8.2.2 Financial Statement Auditing

The Audit Committee who has knowledge and experience in financial statement auditing, Mr. Pairoj Juarprathoom.

8.3 Independent Directors

Definition of Independent Directors

In accordance to the corporate governance of the Company's policy and comply with the rules of the Stock Exchange of Thailand. The Company has defined of independent director as follow:

Independent Director means the director who is independent in expressing his opinion to the operation of the Company, must be a person who has no involvement or interest to the result of operation either directly or indirectly.

There are 4 independent directors of the company which consists of :

Name		Position
1.	Mr.Pairoj Juarprathoom	Independent Directors
2.	Pol.Gen.Kawee Supanun	Independent Directors
3.	Dr.Boonchai Pitugdamrongkija	Independent Directors
4.	Dr.Vongsak Swasdipanich	Independent Directors

The Company has determined the qualification of Independent Director as follow;

1. Are restricted in the number of shares they may hold to not greater than 1% of the voting shares in the Company, its affiliates, its associated companies, or its juristic persons that may impose conflicts of interest.
2. Does not have management participation in the Company, its affiliates, or its associated companies; and are not employees or regularly paid consultants, or persons who have control over the Company, its affiliates, or its associated companies or its juristic persons that may impose conflicts of interest.
3. Does not have business relationship with the Company, its affiliates, or its associated companies; and not have any loss or gain, directly or indirectly, in the finance or management of the Company, its affiliates, or its associated companies; or its juristic persons that may impose conflicts of interest, for at least 2 years before appointing the duty of Independent Director.
4. Is not a person having blood relationship of other directors, management person, major shareholder, controlling person, or the person being nominated to be a director, management person or a controlling person of the Company or subsidiary company
5. Must not be appointed to protect the interest of any director or major shareholders.
6. Capable, talented and knowledgeable, with backgrounds and experience deemed beneficial to the Company and report result of duty performing as assigned by the Board of Directors, not under the control of the Executive or major shareholders of the Company, including related person or close relatives of such person.
7. Does not have any other characteristics which may restrict such person from offering independent comment or opinion on the Company's operations.

All the definition about has complied with the rules and regulations stipulated by Securities and Exchange Commission and the Stock Exchange of Thailand.

Criteria for Selection of Independent Directors

The Nomination and Remuneration Committee recruits qualified persons to be Independent Directors and propose to the Board of Directors Meeting and/or the Annual General of Shareholders Meeting for consideration and appointment of Independent Directors.

8.4 Nomination and Appointment of the Board of Directors and Sub-Committee

The Company assigned the Nomination and Remuneration Committee to select qualified persons to be directors by considering persons who have knowledge, abilities and experience.

Criteria for Selection of the Directors are as follows:

1. The Board of Directors consists of at least 5 Directors, not exceeding 15 Directors are appointed in the Shareholders' Meeting, (More than half of the number must be residence of Thailand and must have all the criteria and requirement of the laws and regulations).
2. The appointment of Directors at the shareholders' meeting in compliance to regulations and corporate procedures as follows:
 - 2.1 Each shareholder has the vote equivalent to one vote per one share held.
 - 2.2 Each shareholder shall use all his/her voting rights under (2.1) to elect one person or more as the Director, but is not capable to share his/her varied voting rights to any person.
 - 2.3 The person who receives the highest votes in a descending order would be elected as directors accordingly to the number of Directors allowed in such meeting. In the event of any person who has been elected in the lower order received equal votes but there will be over the number of allowance, the Chairman of such meeting shall have a casting vote.
3. In the shareholder annual meeting, one third of directors must be retired. In case one third (1/3) of the number is impossible, use the nearest to one third of number of directors. The retired directors may be reelected. The longest directors in the Board will automatically be tired but may also be reelected.

4. In the case where a director demands to resign, that person need to submit resignation letter to the company and will be considered effective once reached.
5. In the event where a director is voted to dismiss prior to the completion term, the votes must be more than three in four (3/4) of the shareholders attending the meeting with the right to vote.

Criteria and Selection of Audit and Risk Management Committee as follows:

Audit and Risk Management Committee must be the Director of the Company appointed by the Board of Directors and must have the requisite qualifications in compliance with the rules of the Securities Exchange Commission and Stock Exchange of Thailand, the relevant laws, rules or other regulations. It must also consist of at least 3 persons with at least 1 person with knowledge, capability and experience in Accounting and Finance.

Criteria and Selection of Nomination and Remuneration Committee as follows:

Nomination and Remuneration Committee must be the Directors of the Company appointed by the Board of Directors and must have the requisite qualifications in compliance with the rules of the Securities Exchange Commission and Stock Exchange of Thailand, the relevant laws, rules or other regulations. It must also consist of at least 3 persons with at least 1 Independent Director.

Criteria and Selection of Executive Directors as follows:

Executive Directors must be the Directors of the Company appointed by the Board of Directors. The Board of Directors considers the number of the Executive Directors and the Board of Director will appoint one Chairman of Executive Director.

The Board Diversity Policy

The Board of directors has set the diversity in structure of the Board of directors policy for persons who will be directors, considering by their professional skills, expertise, knowledge and ability in particular fields related to the business of the Company. Also, they shall be able to devote their time to perform their works

and responsibilities without restrictions on age, gender, religion, or any restrictions in order to be the factors that support the balance in thinking and quality of work which are beneficial for the business' operation.

In addition, the Board of Directors has required the qualifications and skills necessary for the selection of directors (Board Skill Matrix), comprising of engineering, marketing strategy and competition, accounting and financial, economics, legal, risk management, government administration, and other aspects which are in line with the Company's business goal.

8.5 Selection of Executive and Succession Plan

The Company has personnel selection plan to be the executive which appropriate and transparent to ensure that executive has knowledge, skill, professionalism and effectively management. The Nomination and Remuneration Committee will prepare succession plans to propose the Board of Director for considering. The Company has executive recruitment process by considering educational qualifications, abilities, skill, experience for business operation, able to manage that achieve the objectives and understanding of the business. Including, not possessing prohibited characteristics under the Public Limited Companies Act B.E.2535.

8.6 Control of Subsidiaries and Associated Companise's Business Operations

Global house(Cambodia) Co.,Ltd (“GBC”) and Global house International Co.,Ltd (“GBI”) are subsidiary company and joint venture . The objective for investment in building materials retails and home decorate products in ASEAN and Cambodia. The investment attribute to take equity and collaborative management with the individual local partner.

The Board of Director has appointed directors and executives to position in GBC and GBI for managing and policies as same as the Company

8.7 Internal Information Monitoring

Internal Information Monitoring Policy

The Company realized the importance of controlling the use of inside information, especially the information that undisclosed to public which may affect to price securities. By defining a policy on code of conduct manual as follow;

1. The Board of Directors has define stipulation to prevent the wrongfully use of inside information by individual concerned that including directors, executive officers and employees (including spouse and minor child).By using the inside information was undisclosed for buy , sales or transfer the securities within 30 days before disclosure information to SEC or the publicly.
2. The Company assigned the Accounting and Financial department submit the financial reports to SET and SEC that reviewing by the Audit Committee and the Board of Directors in order to insure that the information will not be disclosed to public prematurely.
3. Informing to directors and executive officers for disclosure of shareholding to SEC according to the Article no.59 and penalties under the Public Limited Companies Act B.E 1992.

Penalty Measure

The Company has implemented measure of penalty to misuse of inside information, according to the Public Limited Companies Act B.E.2535 (Including additional amendments) and relevant other regulations for transparency and treating all stakeholders fairly.

ANTI-CORRUPTION POLICY



ANTI-CORRUPTION POLICY

Details of Company's shareholding of the Directors and Executive Officers as 31 December 2020

No	Name	Position	A number of shareholding		
			31 Dec 2020	31 Dec 2019	Increase / (Decrease)
1.	Mr. Apisit Rujikeatkamjorn	Chairman	-	-	-
2.	Mr.Pairoj Juarprathoom	Director / Audit Committee	-	-	-
3.	Dr.Boonchai Pitugdamrongkija	Director / Audit Committee	-	-	-
4.	Pol.Gen.Kawee Supanun	Director / Audit Committee / Nomination&Remuneration	-	-	-
5.	Dr.Vongsak Swasdipanich	Director / Audit Committee / Nomination&Remuneration	-	-	-
6.	Mr.Witoon Suriyawanakul	Director / Executive	25,161,120	22,719,706	2,441,414
7.	Mrs.Warunee Suriyawanakul	Director / Executive	19,894,299	18,990,013	904,286
8.	Mr.Nithi Phatrachok	Director / Executive	-	-	-
9.	Mr.Paramate Nisagornsen	Director	-	-	-
10.	Mr.Bunn Kasemsup	Director	-	-	-
11.	Mr. Anavat Suriyawanakul	Vice - CEO	5,643,904	5,096,455	547,449
	Spouse and minor children		189,943,012	191,201,194	(1,258,182)
12.	Mr. Yutthana Suriyawanakul	Vice - CEO	1,709,635	1,631,925	77,710
13.	Ms. Chutikan Srisaengchan	Vice - CEO	1,108,024	1,148,437	(40,413)
14.	Mr. Piphop Vasanaarchasakul	Vice - CEO	-	-	-
15.	Mr. Isara Rujikeatkamjorn	Vice - CEO	9,279,940	8,858,125	421,815
16.	Mr. Khemchat Sungkakam	Vice - CEO	135	129	6
	Spouse and minor children		253	242	11
17.	Mr. Pongkorn Suriyawanakul	Assistant - CEO	324,453	309,706	14,747
18.	Mr. Kriangkai Suriyawanakul	Assistant - CEO	490,376,843	468,086,987	22,289,856
	Spouse and minor children	Assistant - CEO	40,112	17,499	22,613
19.	Mr. Tahpanat Asawachchulamanee		144	138	6
	Spouse and minor children	Assistant - CEO	-	-	-

Note ; The numbers of shares that increase in 2020 mostly from the stock dividend payment.

8.8 Audit Fee

The resolution of Annual General Meeting of shareholders 2020 approved and appointed Mr. Methee Ratanasrimetha Certified Public Accountant Registration No. 3425 or Ms. Varaporn Vareesawedsuvan Certified Public Accountant Registration No. 5087 or Mr. Akadet Pliensakul Certified Public Accountant Registration No. 5389 or Ms. Kornthip Wanichwisedkul Certified Public Accountant Registration No. 6947 of M.R. & Associates Company Limited to be the Company's auditors for the year 2020 with 3,400,000 Baht.

Transaction / Year	2018	2019	2020
Audit Fee	2,800,000.00	3,100,000.00	3,400,000.00
Out of Pocket Expense	134,365.00	140,920.00	178,210.00

8.9 Implementation of Corporate Governance Code for Listed Companies 2017

The Board of Directors has recognized with the principles of Corporate Governance Code for Listed Companies 2017, that issued by the Securities and Exchange Commission, Thailand agreed to revised and update the corporate governance manual and the code of conduct of the Company in accordance with the new principles. And promulgated to director's executives and employees of adopting for the Company's sustainable value creation.

8.10 Good corporate governance guidelines in other aspects

The Company has consistently implemented the principles of "Corporate Governance Code" for listed companies of the Stock Exchange of Thailand. In 2020, the Board of Directors has considered to apply the principles of "Corporate Governance Code" for listed companies 2017 that issued by the Securities and Exchange Commission, Thailand and regional international guidelines "ASEAN CG Scorecard" being adopted to consistent with the business of the Company. In 2020, the Company has not adopt with the principles of Corporate Governance Code as follows;

All members of the Nomination and Remuneration Committee are independent directors

The Nomination and Remuneration Committee comprises 3 members, 2 independent directors that more than half of the committee, and the chairman of the Nomination and Remuneration Committee is also an independent director. In order to the recruitment and remuneration of the Company to be the most independent.

1. Noninfringement of intellectual property or copyright

The company has the policy and guidelines for non-infringement of intellectual property by not supporting any actions considered intellectual property infringement, as stated in intellectual property law. If the company discovers any infringement, the quick appropriate process shall be implemented to cease or stop the access to the infringement.

2. Anti - Corruption

The company is committed to protecting and promoting the anti-corruption which is regarded as a crucial policy to strictly conduct business with integrity, honesty, transparency and accountability so as to create good values and corporate image. The company has expressed

intention in the project of Collective Action Coalition against Corruption in the year 2015. And in the Board of directors meeting no.6/2016 held on 21 December 2016, resolved to approve the Anti-Corruption Policy. That prescribed the company's personnel must comply with the "Anti-Corruption Policy" and not be involved in all forms of corruption, whether direct or indirect. Including defined the definitions according to the Anti-Corruption Policy, duties and responsibilities, practice guidelines and penalties which were promulgated throughout the company, acknowledged and implemented by the directors, executives and employees. The company put the policy and practice guidelines as follows

09

Corporate Social Responsibility

9. Corporate Social Responsibility

Activities for Social Benefits

“Global House” is aware of the importance of the business conduct under good corporate governance, and adheres to the virtuous principles along with being responsible for the society and environment by considering the benefits of all groups of related stakeholders. Therefore, the Company has defined the Corporate Social Responsibility policies as follows;

1. **Fair business operation** The company is committed in fair and ethical business practices, action to strictly comply with the laws. The Company prohibits any illegal practice or circumvention of the law, action violating intellectual property or copyright as well as opposes all forms of corruption. Hence, the Company stipulates the policies to set up the Business Code of Conduct and work practices to guide fair business conduct.
2. **Respect and treatment in human rights** The Company focuses on employees that established an integrated human resources management system to maximize work efficiency from talent acquisition to talent development with regular trainings, providing fair compensation and appropriate welfare as well as provide safe environment for both life and assets of the employees to create good quality of life for them.
3. **Responsibilities to customers** The Company commits to dealing honestly and satisfaction with customers by stress the importance of the standard of product and service along with the availability of employees under the quality policy “GBH Smart People”.
 - **Fast** Facilitation for the speed of service.
 - **Right** Distribution of quality products and accuracy and reliable service.
 - **Cheap** Selling goods at a fair and affordable price.
 - **Easy** Friendly services, employees with the ability to provide good advice to customers, product placement for convenient browsing and buying, along with delivery service.
 - **Polite** Providing customers with polite, mannered and professional service along with respect.
4. **Participation in community or social development.** The Company focuses on the development of the surrounding communities or society, strive to constantly operate business to create society, communities and the environment for better lives as well as the business growth and engage those activities by the Company or in cooperation with government agencies, private firms and communities, as follows;
 - The Company has policy to recruit the employees from the residents within the area where branches located.
- To support and take part in activities organized by nearby communities to creation society, customs, traditions and cultures of the areas where branches located.
- The official opening ceremony of new branch, the Company raised the fund from partners who have congratulated instead of accepting a gift to procurement of medical equipment to the hospitals in provinces where the branch located with the target of donation 100,000.00 Baht each which operated since 2014 onward.
5. **Environmental Preservation** The Company has a policy to operate in parallel with the maintenance of no impact on the environment and reduce resource consumption to preserve the environment and natural resources by stipulating the operation guidelines as follow;
 - **Energy management** The Company has a policy to install solar cell on the roof top of buildings to generate electricity from solar energy. Instead of using energy from electricity by completing all branches in 2019 which resulting in reducing the impact on the environment and not generate carbon dioxide gas. In addition, the Company improved the products storage by installing an Automated Storage & Retrieval System (ASRS) .Which is a closed system and not require lighting to work and reduce the electricity consumption.
 - **Waste reduction** The Company participated in the campaign to reduce the use of plastic bags and realized that plastic bags are one of the reasons that cause waste and burning will produce carbon dioxide gas. This caused the global warming and the greenhouse effect, therefore the Company organized a project of “Green Shopping” by inviting customers to reject of plastic bags as well as adding reward points for customers who are the members of “Global Club”.
6. **CSR After Process** The Company continues to support activities for social benefits; donation of money and goods, or corporate with government or private sector through 71 stores of our branches. In 2020, the Company supported activities for social benefits, representing 356 transactions with the total amount of 17,299,918.58 Baht and the details are as follows :

- Education and Youth Development :** The Company donated goods for teaching and learning materials for schools, vocational college, technical college, a total of 18 educational institutions in 14 provinces where branches located. Donated funds for the improvement of school building to Ban Khlong Nuea Community school , Nakhon Nayok province amount of 270,000.00 Baht , supporting rewards in Children's Day activities total 33 places in 21 provinces where branches located.
- Medical :** The Company has concerned and recognized the importance of saving human lives. In the past year Thailand and the world faced the situation of COVID-19 outbreak. The Company in cooperation with SCG Foundation, supports the "Modular Screening & Swab Unit" that developed by SCG 3 rooms and 1 finished bathroom total amount 1,992,790.00 Baht to Roi Et Hospital for enhance the readiness for testing and confidence of people and medical personnel , donation of 6 biological safety cabinets amount of 560,748.00

Baht to five hospitals in Roi Et province consists of Suwannaphum Hospital, Thawat Buri Hospital, Nong Phok Hospital, At Samat Hospital and Phanom Phrai Hospital for medical treatment. In addition, the Company support fund 400,000.00 Baht to construction of outpatient department buildings of Phon Hospital, Phon district, Khon Kean province.

- Helping Disabled and Disadvantaged Persons :** Being a part of raising donation from the faithful customers and employees in our stores with "The project of your 1 Baht for creating dream and opportunity" for the Roi Et School for the Blind by placing donation boxes in our stores which could collect donations up to 350,000.00 Baht. Including supporting rewards in activities international disabled day and support money for procurement of equipment to help the disabled persons.
- Religion :** The Company donated goods, materials and equipment for the construction and restoration of the Buddhist sanctuary, Parsonage and temple pavilion, which are a total of 25 places



- Other Activities :

Supporting 33,984 bottles of drinking water “LAMAYON” brand, alcohol based cleansing gel 70% and hygienic mask with total value of 1,257,977.33 Baht to support activities of government agencies and firms pass the branches of the Company.



“Global House”

is aware of the importance of the business conduct under good corporate governance, and adheres to the virtuous principles along with being responsible for the society and environment by considering the benefits of all groups of related stakeholders.



The Company focuses on the development of the surrounding communities or society, strive to constantly operate business to create society, communities and the environment for better lives



The Company continues to support activities for social benefits ; donation of money and goods, or corporate with government or private sector through 71 stores of our branches



The Company has a policy to operate in parallel with the maintenance of no impact on the environment and reduce resource consumption to preserve the environment and natural resources by stipulating the operation guidelines



The Company has concerned and recognized the importance of saving human lives. In the past year Thailand and the world faced the situation of COVID-19 outbreak. The Company in cooperation with SCG Foundation, supports the “Modular Screening & Swab Unit” that developed by SCG 3 rooms and 1 finished bathroom total amount 1,992,790.00 Baht to

- Roi Et Hospital for enhance the readiness for testing and confidence of people and medical personnel.
- Donation of 6 biological safety cabinets amount of 560,748.00 Baht to five hospitals in Roi Et province consists of Suwannaphum Hospital, Thawat Buri Hospital, Nong Phok Hospital, At Samat Hospital and Phanom Phrai Hospital for medical treatment.



10

Internal Control and Risk Management

10. Internal Control and Risk Management

The opinion of the Board of Directors

The Board of Directors assigned to the Audit & Risk Management Committee that consist of 3 independent directors who not employees of the Company and their responsibilities for reviewed the accuracy of financial report and effectiveness of internal control system.

The Board of Director meeting 1/2021 on 10 February 2021, the directors and the Audit Committee evaluated the adequacy of internal control system. The Board of Directors' opinion that the internal control system was adequate and appropriated to nature of business and accordance with COSO (The Committee of Sponsoring Organization of the Treadway Commission) as follow ;

1. Organization and Environment

The committee agreed that the company has clear organization chart and specified scope of authority and responsibility of each department. There is clearly state of business goal. The Management and administrator considered and defined business target and strategies, which can be adapted accordingly to environment.

The Board of Directors approved the code of conduct manual and published to website and intranet of the Company in order to be guideline for directors executives and staffs to adhere. For the policy of employees, the company was training all employees to develop skill and reviewed operation to be in the same line. Furthermore, also educated employees to love organization and provide best environment and welfares, as well as defined standard of performance assessment and fairly compensation.

2. Risk Management

The committee agree that the company has regularly considered and risk assessment that impact on operations. The Management committee have meeting with all relevant departments every months to acknowledge and follow up the result of operation and closely tracking for setting risk management to control the risk to be at acceptable level

3. Operational Control

The committee agree that the company has specified the scope of authority and detail of approval in each level clearly. There is completely separated duty and responsibility for approval , account booking and information technology for examine each other.

4. Information Technology and Communication System

The committee agree that the company emphasis on Information Technology. There is development and improvement about operational system for more efficient and support internal control system.

For the communication between executive officers and employees, the company has developed internal communication channels for more effectively, for employees are aware of policies and procedures in order to operate in the same line.

5. Monitoring System

The committee agree that the company has specified to meeting with all relevant departments every months to acknowledge and follow up regularly. Furthermore, specifying to Internal Audit Department directly reported audit's result and evaluated of internal control system of units to Management Committee and Audit and Risk Management Committee so that internal auditors can perform independently

The committee's opinion of the internal control system all 5 components is sufficient, appropriate and provided staffs to perform on internal control to be effective. The management has focused on the understanding of internal control with training on supervisors to optimize the performance.

The Executive Committee assigned to the Account and Financial department to audit and accurate of the Company's assets regularly. In addition, the auditing of financial statements of the year 2020 the certified auditor has no comment about the internal control system. and the risk management is set to promptly handle with any situation.

The opinion of Audit and Risk Management Committee.

The Audit and Risk Management Committee agree with the Board of Directors that the internal control system has adequate and appropriate with the Company' business, satisfactory level, acceptable of risk management, accounting system and accuracy of financial reports and complied with the regulations related to the Company's business.

Internal Audit Manager

The Audit and Risk Management Committee had appointed Ms. Siriwan Na-Nan to be the Internal Audit Manager. She has educated and experienced in internal audit and trained related courses of internal audit. Including also understanding of the Company's operations. As a result, it is appropriate to appoint her to perform such duties.

The Audit and Risk Management Committee is responsible for approving the appointment, dismissal and transfer of the Internal Audit manager.

Name : Mr. Siriwan Na-Nan

Position : Internal Audit Manager

Education :

- Master of Economics (Business Economics), Ramkhamhaeng University
- Bachelor of Business Administration (Accounting), Chiang Mai University

Specific Training Courses :

- Anti-Corruption: The Practical Guide (ACPG) 46/2018 (IOD)
- Developping Leadership for Finance and Accounting Professionals
- Internal Control System Framework COSO 2013, Federation of Accounting Professions
- Internal Control for Auditor
- Control Self Assessment, for Risk Management, PWC.
- IDEA Program for Auditing

The Brief Working Experience

July 2010 – Present Internal Audit Manager Siam Global House Public Co., Ltd.

1995 – June 2010 Internal Audit Officer TMB. Bank

Shareholding: 0.00%

11

Dividend Policy

The Company has the policy to pay dividend to shareholders not less than 30% of the net profit of each year after deducting the legal reserve. However, the consideration for dividend payment will take other factors into account such as result of operation and financial status of the Company, Liquidity, Expansion of Business and other factors relating to the management of the Company. Each dividend payment is required to obtain approval from shareholders and Board of Directors.

The dividend payment for the year 2017 - 2019

	2017	2018	2019
Earning per share (baht / share)	0.4199	0.5008	0.4853
Dividen per share (baht / share)	0.2263	0.2556	0.2529
Proportion of dividends payment of net profit (%)	56.74	53.71	52.12

Note : The earning per share above is basic earnings per share which based on the financial statements of each year, that did not adjust the number of shares of previous years due to increasing of capital for stocks dividend payment

12

Related Transactions

12. Related Transactions

In 2020, the Company had significant business transactions with related parties (related by having common shareholding or co –directors), which have been concluded on commercial terms and bases agree upon in the ordinary course of business between the Company and those companies. The Company had related transaction between 2018-2020 as follows ;

(Unit : Million Baht)				
Name of Company / Relationship	Transaction	2020	2019	2018
1. Inter Concrete Industry Co.,Ltd.				
• 3 co-directors and major shareholder 80.82% of capital register.	Sale	12.70	10.10	10.05
1. Mr.Witoon Suriyawanakul	Purchase	0.03	0.23	-
2. Mr.Anawat Suriyawanakul	Account Receivable	1.53	0.99	0.50
3. Mrs.Warunee Suriyawanakul	Purchase Assets (As of 31 Dec)	-	-	0.11
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
2. Siam Global Engineering Co.,Ltd.				
• 1 co-directors Mr. Anawat Suriyawanakul and 3 co-directors are shareholders 29.65% of capital register;	Sale	53.99	79.29	83.46
1. Mr. Witoon Suriyawanakul	Purchase	3.02	0.62	-
2. Mr. Anawat Suriyawanakul	Account Receivable	0.29	0.76	11.57
3. Mrs.Warunee Suriyawanakul	Purchase Assets	560.77	385.69	486.03
	Other expense	0.67	0.72	-
	Other Payables (As of 31 Dec)	222.57	135.93	169.09
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
3. Sima Kraft Industry Co.,Ltd.				
• Subsidiaries of The Siam Cement PCL	Sales Other Income (As of 31 Dec)	0.02 0.10	0.06 -	0.06
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				

(Unit : Million Baht)

Name of Company / Relationship	Transaction	2020	2019	2018
4. Sosuco and Group (2008) Co.,Ltd.	Sales	-	-	0.01
• Subsidiaries of The Siam Cement PCL.	Purchase	-	-	73.61
	Other Account Receivable	0.10	-	5.62
	Other Income	-	-	0.07
	Sale promotion income	-	-	7.30
	Distribution management income	0.02	-	0.04
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
5. Thai-German Ceramic Industry PCL.	Sales	-	-	0.01
• Subsidiaries of The Siam Cement PCL.	Account Receivable	0.01	-	-
	Other Account Receivable	-	-	0.42
	Purchase	-	-	62.10
	Sale promotion income	-	-	2.64
	Distirbution management income	0.01	-	0.05
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
6. SCG Logistic Management Co., Ltd.	Sales	0.42	0.13	0.53
• Subsidiaries of SCG Distribution Co., Ltd.	Purchase	19.41	33.63	27.94
	Account Payable	0.44	0.18	0.35
	Other income	0.32	0.40	2.23
	Other expense	-	0.03	-
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				

(Unit : Million Baht)

Name of Company / Relationship	Transaction	2020	2019	2018
7. Thai Ceramic Co., Ltd.				
• Subsidiaries of The Siam Cement PCL.	Sales	-	-	0.04
	Purchase	-	-	53.75
	Other Account Receivable	0.12	-	0.01
	Sale promotion income	-	-	0.75
	Other income	-	-	0.01
	Distribution management income	0.12	-	0.17
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
8. Siam Sanitary ware Industry Co.,Ltd.				
• Subsidiaries of The Siam Cement PCL.	Account Payable	22.03	20.26	15.18
	Purchase	85.35	104.11	82.14
	Sales	0.03	0.02	0.03
	Other Account Receivable	3.25	2.47	1.94
	Sale promotion income	8.79	11.67	7.16
	Distribution management income	0.08	0.11	0.35
	Other Income	1.17	0.23	0.10
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
9. The Nawaplastic Industries (Saraburi) Co., Ltd.				
• Subsidiaries of The Siam Cement PCL	Sales	-	0.01	0.04
	Purchase	-	279.68	236.50
	Account Payable	-	-	8.94
	Other Account Receivable	0.14	-	2.17
	Sale promotion income	-	2.49	4.01
	Distribution management income	0.14	5.01	4.16
	Other Income	-	0.51	0.84
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				

(Unit : Million Baht)

Name of Company / Relationship	Transaction	2020	2019	2018
10. SCG Cement - Building Materials Co.,Ltd				
• Subsidiaries of The Siam Cement PCL.	Sales	0.11	2.07	4.62
	Purchase	486.52	1,001.57	810.18
	Account Payable	-	15.10	2.71
	Other Account Payable	-	1.62	0.79
	Account Receivable	-	0.01	1.04
	Other Account Receivable	0.05	11.36	14.85
	Management Fee	-	8.84	8.84
	Sale promotion income	37.53	59.21	52.54
	Other Income	1.54	2.01	1.84
	Distribution management income	0.62	0.75	0.16
	Administrator Ecpenses (As of 31 Dec)	4.42	-	-
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
11. Souvanny Home Center Public Company.				
• Associate of Global House International Co., Ltd.	Sales	-	-	0.72
	Other Income	-	0.25	0.33
	Account Receivable	-	0.07	0.01
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
12. Global House International Co., Ltd.				
• Joint venture	Interest Expense	-	-	3.98
	Interest income	0.12	0.12	0.06
	Other Income	0.24	0.24	0.12
	Other Account Receivable	6.74	6.74	6.62
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				

(Unit : Million Baht)

Name of Company / Relationship	Transaction	2020	2019	2018
13. SCG Trading Vietnam Co.,Ltd, • Subsidiaries of The Siam Cement PCL.	Purchase (As of 31 Dec)		136.61	205.73
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
14. Lok Chum Teav Kim Heang • A shareholder of subsidiary	Rental Expense Accrued Rental (As of 31 Dec)	568.72 15.03	21.80 33.34	22.75 41.90
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and negotiated agreement price.				
15. SCG CERAMICS PUBLIC COMPANY LIMITED • Subsidiaries of The Siam Cement PCL.	Sales Other Income Purchase Account Payable Account Receivable Other Account Receivable Sale promotion income Distribution management incom (As of 31 Dec)	0.09 0.40 160.71 17.39 - 2.74 4.13 1.24	0.14 0.14 556.48 36.09 - 4.90 26.43 -	0.03 - 148.43 42.23 0.01 6.44 14.83 -
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
16. SCG Experience Co.,Ltd • Subsidiary of SCG Distribution Co.,Ltd	Sales Other Income Other Account Receivable (As of 31 Dec)	0.26 - -	1.38 0.68 0.02	-
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				

(Unit : Million Baht)

Name of Company / Relationship	Transaction	2020	2019	2018
17. SCG Distribution Co., Ltd.				
• Major Shareholder	Sales	0.03	-	-
	Other Account Receivable	9.90	-	-
	Purchase	484.19	-	-
	Administrator Expenses	4.42	-	-
	Account Payable	17.80	-	-
	Other Account Payable	0.79	-	-
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
18. SCG International Corporation Co., Ltd.				
• Subsidiary of SCG Distribution Co., Ltd.	Purchase	603.57	-	-
	Purchase Assets	7.73	-	-
	Account Payable	2.30	-	-
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
19. Nexter Digital Co., Ltd.				
• Subsidiary of SCG Distribution Co., Ltd.	Sales	0.16	1.06	0.04
	Account Receivable	-	0.34	-
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
20. The Siam Forestry Co., Ltd.				
• Subsidiaries of The Siam Cement PCL.	Sales	0.25	0.30	0.16
	Account Payable	0.60	1.09	-
	Purchase	6.78	5.89	-
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				

(Unit : Million Baht)

Name of Company / Relationship	Transaction	2020	2019	2018
21. The Paper Co., Ltd.				
• Subsidiaries of The Siam Cement PCL.	Sales	-	0.01	0.01
	Other Account Receivable	-	-	0.01
	Distribution management income	0.01	-	-
	Purchase	0.27	0.23	0.25
	Account Payable	0.07	0.09	0.02
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
22. The Nawaplastic Industrids Co., Ltd.				
• Subsidiaries of The Siam Cement PCL.	Sales	0.03	-	0.01
	Other income	0.76	0.14	-
	Distribution management incom	9.39	1.66	0.04
	Sale promotion income	7.57	0.01	0.03
	Other Account Receivable	4.76	2.79	0.03
	Purchase	307.73	82.05	1.71
	Account Payable	15.70	12.46	-
	(As of 31 Dec)			
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				
23. Pro 1 Global Co., Ltd.				
• Associate of Global House International Co., Ltd.	Other income ((As of 31 Dec)	-	0.25	0.25
Audit Committee's Opinions : The transactions are under normal business practices as well as the same price with other business that unrelated. The Audit Committee has considered that the transactions is reasonable and market prices.				

Audit Committee Commendations

From the meeting of the Audit Committee No.1/2020 on 10 February 2021, audit committee commented on the related transaction between the company and person which may cause conflict of interest or will cause conflict of interest in the future follow Notification of Capital Market Supervisory Board. The meeting resolved unanimously that these related transaction was reasonable and fair price and benefit the company's business. Transaction prices are charged at fair market price like the transactions with other outside parties and no objective to siphon profits between the company and that person.

Procedure to Approve the Related Transaction

From the meeting of the Board No.4/2008 on 11 August 2008, the board approved on the case of entering into any deal or contract between the company and director, manager or any related person which may cause conflict. Transaction prices are charged at fair market price like the transactions with other outside parties and no objective to siphon profits between the company and that person. In the case of normal deal, administrative section can process normally under the Meeting's resolution. Moreover, the company will prepare the summary report for the higher than 10 million Bath deal for every quarter and also report to the meeting for not-over 10 million Bath deal every quarter.

In the case of related transaction which may cause conflict, the audit committee will give opinion on the necessity of related transaction. If the audit committee does not have the expertise to consider the transaction, the Company will provide an independent expert or the Company's auditor to give opinion on that transaction to use as guidance for the Board, the audit committee or the shareholders. Moreover, the Company must comply with the laws concerning securities and exchange, rules, notification, order and regulation of the SET, the person who has conflict of interest in the connected transaction will not have the right to vote.

Guidelines for Treating Future Related Transactions

If the company have to make the transaction with person who may cause conflict of interest or will cause conflict of interest in the future, the company will give policies on the necessity of related transaction and the appropriate

pricing of that transaction and consider the conditions to be in line with the general business in this industry and compare the price with the transaction done with a third party or the market price. In addition, the company will provide an independent expert or the company's auditor to give opinion on that transaction to use as guidance for the Board.

The future related transaction must comply with the laws concerning securities and exchange, rules, notification, order and regulation of the SET and not approve any transaction which may cause conflict of interest. In the case of related transaction between Siam Global House Public Company Limited and person who may cause conflict in the future, the audit committee will give opinion on the necessity of related transaction. If the audit committee does not have the expertise to consider the transaction, the Company will provide an independent expert or the Company's auditor to give opinion on that transaction to use as guidance for the Board, the audit committee or the shareholders. Moreover, the Company must comply with the laws concerning securities and exchange, rules, notification, order and regulation of the SET. The information was shown on 56-1 and 56-2 document.

Investor protection

In the order to protect the investor, the transaction which may cause conflict of interest in the future has to review by the audit committee in the meeting. Moreover, the company must comply with the laws concerning securities and exchange, rules, notification, order and regulation of the SET and follow the rule of transaction disclosure.

13

Management Discussion and Analysis

Overview of Business Operating Results

The last year, Thailand's economic be affected by the coronavirus 2019(COVID-19) outbreak ,flash mob and natural disasters but had not impact to the business operations and everything went according to plans. The Company expand new branches continuously from 61 stores in the end of year 2018 to 71 stores in the end of year 2020, by 10 stores which opened 2 years such as Satun, Phuket, Kanthararak(Sisaket), Mae sai (Chiang Rai), Krathum Baen(Samut Sakhon), Sai Noi(Nonthaburi), Det Udom(Ubon Ratchathani), Pha Yao, Kuchinaraï(Kalasin) and Wiang Pa Pao(Chiang Rai) respectively.

In addition, the policy of expanding branches continuously in domestic. The Company has a policy to expand branches to neighboring countries. By the end of 2018, the Company has opened a branch of the subsidiary company GLOBAL HOUSE (CAMBODIA) Co., LTD in Phnom Penh. Which is the first center for construction materials and home decoration products in Cambodia.

01

The overall of performance during 2018-2020

Total Revenue



The operating results for the year 2020 the Company has net profit (consolidated financial statement) is 1,975.52 million Baht that decrease by 138.56 million Baht or decrease 6.55 % compared to the year 2019 and equal 7.37% of sales which the mainly result from the sharp economic contraction due to the Coronavirus2019 (COVID-19) outbreak and forcing the government to declare a state of emergency and lockdown the city (Lockdown).The Company has to temporarily closing the stores between 22 March-16 May 2020 and the recurrence of the outbreak between 21-31 December 2020 which affects to sales and services. Therefore, the Company has adjusted the operating strategy in according with the economic condition by promoting the sale of House Brand products and focus on salling via online channels.

Regarding the situation of Coronavirus 2019(COVID-19) outbreak, the Company has monitored the situation and continuously assessed the impact, including strategies and policies adjustment in accordance with the situation. As a result the group of Company is not affected by the situation of COVID-19 and able to operate normally with the operating results as following;

Sales Revenues	95.81 %
Other Revenues	1.99 %
Revenues from Subsidiary	2.20 %

Unit : Million Baht

Transaction	31 December 2020		31 December 2019		31 December 2018	
	Amount	%	Amount	%	Amount	%
1. Sales Revenues	26,207.95	95.81	27,482.16	96.01	25,336.49	96.47
1.1 Building Material Products	10,713.21	39.17	10,439.47	36.47	9,746.65	37.11
1.2 Decorating Products	15,494.74	56.64	17,042.69	59.54	15,589.84	59.36
2. Other Revenues	544.70	1.99	538.16	1.88	860.00	3.28
3. Revenues from Subsidiary	601.24	2.20	604.10	2.11	65.92	0.25
Total revenues	27,353.89	100.00	28,624.42	100.00	26,262.41	100.00

The Company's total revenue since 2018 - 2020 has grown from 26,262.41 million Baht in 2018, 28,624.42 million Baht in 2019 and 27,353.89 million Baht in 2020. These figures are reflections of the performance of same stores and branches expansion continuously. For the 2020, total revenue decline was the effect of temporary of stores comply with government measures. The total revenues comprise of the following;

- Sales revenues, which separate products into 2 groups as construction materials products and home decorating products
- Other revenues which comprise of service revenue and promotional revenue.

02 Distribution Costs and Administrative Expense

The proportions of costs of sales to the revenues from 2018- 2020 were 76.52%, 75.95% and 74.58% respectively. Administrative expenses from 2018 – 2020 were 3,467.20 million Baht, 4,038.47 million Baht and 4,300.98 million Baht respectively. It was mainly driven by the increase of salary expenses of new stores from 61 stores in 2018 to 71 stores in 2020 and expenses for renovating the same stores to create the atmosphere and image of the stores to be modern in accordance with the customers' behavior in the present.

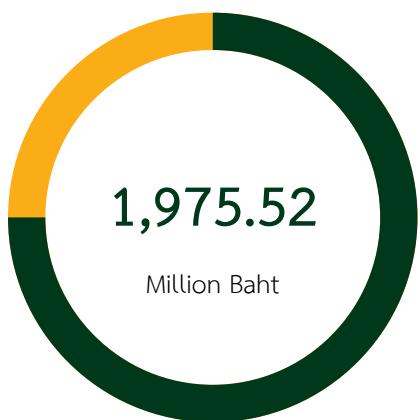
03 Gross Profit

The Company' gross profit from 2018-2020 were 5,305.93 million Baht, 6,340.38 million Baht and 6,401.96 million Baht respectively. If comparing with sales revenues that the Company has gross profit margin in 2018 - 2020 equal 20.89%, 22.58% and 23.88% respectively. The gross profit margin which has been increasing because of the increase in the proportion of house brand products.

04 Net Profit

The Company' net profit in 2018-2020 were 1,990.66 million Baht, 2,114.08 million Baht and 1,975.52 million Baht respectively.

If comparing with total revenues that the Company has profit margin in 2018 - 2020 equal 7.58%, 7.39% and 7.22% respectively. The mainly driven by the adjustment of business operating strategy to be in line with the economics and efficiency in managing the company's expenses.



05 Total Assets

The total assets of the Company from 2018 – 2020 were 31,016.98 million Baht, 35,986.39 million Baht and 36,020.30 respectively. Significant changes are as follows:

- 1) Cash and cash equivalent as at 31st December 2018 was 661.60 million Baht , as at 31st December 2019 was 1,299.27 million Baht, and as at 31st December 2020 was 1,224.29 million Baht.
- 2) Account receivables as at 31st December 2018 was 161.20 million Baht, as at 31st December 2019 was 159.45 million Baht, and as at 31st December 2020 was 92.92 million Baht. Show that, there was the increasing of account receivable in 2018-2020. However, the company has the policy to strict on giving credits and collection to reduce any risk of lately payment.
- 3) Inventory as at 31st December 2018 was 13,297.75 million Baht, as at 31st December 2019 was 15,602.53 million Baht and as at 31 December 2020 was 14,287.20 million Baht. The significant increase in inventory was the result of stores expansion.
- 4) Land, Building and equipment as at 31st December 2018 was 13,958.58 million Baht, as at 31st December 2019 was 16,105.03 million Baht and as at 31 December 2020 was 17,147.93 million Bath. Including, Land not use in operation as at 31 December 2018 was 500.36 million Baht, as at 31 December 2019 was 500.36 million Baht and as at 31 December 2020 was 500.36 million Baht. This is due to the expansion of stores every year and do not new revaluation.

	Total Revenue	27,353.89	million		Total Assets	36,020.30	million
	Gross Profit	6,401.96	million		Liabilities	18,806.46	million
	Net Profit	1,975.52	million		Shareholders' Equity	17,213.84	million

06 Liabilities

The total liability as at 31st December 2018 was 16,130.62 million Baht, as at 31st December 2019 was 19,855.47 million Baht and 31 December 2020 was 18,806.46 million Baht. The debt ratios over the three years were 1.08, 1.23 and 1.09 respectively.

07 Shareholders' Equity

The Company has shareholders' equity as at 31st December 2018 was 14,886.37 million Baht, as at 31st December 2019 was 16,130.92 million Baht and as at 31 December 2020 was 17,213.84 million Baht. In the year 2020 the Company has increase the registered capital amount 4,401,613,960.00 Baht and paid-up capital of 4,401,609,967.00 Baht. As at 31st December 2020, the Company has the appropriated retained earnings and in compliance with the laws of 484.18 million Baht and had inappropriate retained earnings of 7,361.01 million Baht, which means the shareholder's equity increased comparing to 2019 approximately by 6.71%

08 Cash flows

Unit : Million baht

Transaction	Consolidated Financial Statement		Separate Financial Statement	
	2020	2019	2020	2019
Cash flows from operating activities	4,829.93	1,530.20	4,796.93	1,521.61
Cash flows from investing activities	(2,469.84)	(2,862.56)	(2,156.26)	(2,864.37)
Net cash provided by (used in) financing activities	(2,431.75)	1,981.56	(2,173.48)	1,981.56
Transaction adjustments	(3.32)	(11.53)	-	-
Net increase (decrease) in cash and cash equivalents	(74.98)	637.67	(73.17)	638.80

As at 31 December 2020, the Company has cash and cash equivalents were 1,224.29 million Baht that decrease from 31 December 2019 amount 74.98 million Baht because of the following activities;

In 2020, the company had profit from operating activities before change in operating assets and liabilities of 3,888.90 million Baht. There are other significant transactions from operation such as cash received from inventory management 1,287.41 million Baht, cash received from account receivable 610.91 million Baht , paid income tax expense 508.05 million Baht and repayment of creditors 451.76 million Baht, thus resulting in net cash from operating activities of 4,829.93 million Baht.

Net cash flows investing activities 2,469.84 million Baht that comprising of key transaction such as purchased the property plant and equipment of 2,192.81 million Baht , net temporary investment 8.69 million Baht and received compensation 29.38 million Baht.

Net cash flows from financing activities. There are significant transactions such as the Company repayment for short-term loans and long-term from financial institutions 3,026.66 million Baht and 1,341.44 million Baht respectively, disbursed additional from financial institution for long-term loans 2,751.10 million Baht, dividends payment 862.54 million Baht interest expense payment 243.80 million Baht. In summary, the Company has paid for financing activities totaling 2,431.75 million Baht.

Factors that may affect the Company's performance in the future.

The key factors that may affect to the Company's performance in the future consist of 4 cases as follow;

1. The fluctuations of the domestic economy

Currently, the opinion of academics and economic experts shown the economics of Thailand may be slow down by several factors, especially the drought in several regions of country that may affect to investment and including the reduction of public spending. During the past, the Company has been monitoring the situation and analyzed the impact on sales continuously. The Company trust on the strength of financial status of the Company that will support long term plans to expand business cover the country and ASEAN. In addition, the Company is establishing a distribution center in Ayutthaya province. In order to improve supply chain management which enhance the company's profitability in long term. The Distribution Center has operated in October 2017.

2. The fluctuations of exchange rate

The Company has imported goods for sales and the fluctuation of exchange rates is a key factor in business operation. The monthly executive meeting was tracked economic and financial situation in order to risk assess and impact from exchange rate along with setting of risk prevention continuously.

3. Competition in the industry.

The last 3 years, the acceleration of expansion of competitors including of new entrepreneurs in business that make higher competition. The Company focus on products presentation about building materials to appropriate for target customers along with the policy "All inclusive for your house". In addition, the Company will continue focus on making a difference of service and knowledge of the staffs in order to retain the customers in long term.

In 2019, the company have renovated all existing stores to enhance the atmosphere and lighting in the stores to support the change of customer's needs and generation. Furthermore, the company is applying automated systems to the retail system in the field of Digital Transformation and development in many IT systems in the company to always create the industry competitive advantage.

4. Human resource recruitment.

The Company is currently in period of expansion to cover the country. The Company realized that the human resources , staff development and maintenance for the long term is importance. The Company has improved training courses and set human resources management policy collaborated with strategic partner "SCG Distribution Co.Ltd.". The Company ensure that be able to recruit and develop staffs to support business expansion.



14

Audit and Risk Management Committee's Report

14. Audit and Risk Management Committee's Report

Dear Shareholders

The Audit and Risk Management Committee of the Company consists of 3 independent directors who are knowledgeable and have experience in various sectors, such as accounting and finance , risk management , legal affairs and organization management, including independence in compliance with the Stock Exchange of Thailand's requirements.

- Mr. paipoj Juarprathoom
Chairman of Audit and Risk Management Committee
- Dr. Vongsak Swasdipanich
Member of Audit and Risk Management Committee
- Dr. Boonchai Pitugdamrongkija
Member of Audit and Risk Management Committee

For the year 2020, the Audit Committee has performed the duty according to the scope of responsibility as stipulated in the charter of the Audit Committee and according to the assignment from the Company's Board of Directors. There were 5 meetings. The Essence of the Work Performed in year 2020 :

1. Having considered and review the quarterly financial report of the company and the annual financial statements for the year 2020 with the top managing director in company (Vice Chief Executive Officer in Accounting & Financial) before such were disclosed to the Stock Exchange of Thailand and the Office of the Securities and Stock Exchange Commission. The financial report of the Company is reliable, accurate and complete according to the generally accepted accounting principle and has sufficiently timely disclosed material information and creditable which useful for financial statements usres.
2. Having review the related transactions between the person who relate with the company, the Audit and Risk Management Committee agree that all transactions are normal condition of trading, there are no transfer of benefit. Company is also revealed the financial statement to the public.

3. Having review the company's internal control system, the Audit and Risk Management Committee agree that the company has sufficient and efficient internal control system which cover the organization and environment, risks management, operational control, Information Technology and Communication system and the controlling and monitoring system.
4. Having performed of internal audit that the Audit and Risk Management Committee is review audit's plan 2020 and acknowledge audit's operating. They have given suggestion to internal audit department for more efficiency performance.
5. Having review the performance to be comply with the laws on Securities and Stock Exchange ,the rule of Stock Exchange or the laws relevant to the business proceeding of the company. The Audit and Risk Management Committee agree that the company has not performed any act in violation to the laws on Securities and Stock Exchange, the rules of the Stock Exchange or the laws relevant to the business of the Company.
6. Having considered the selection and nomination of company's independent auditor and determination of the audit fee to propose in 2020 to the Company's Board of Directors for the request for approval from the meeting of shareholders. The candidates are Mr. Methee Ratanasrimetha CPA No. 3425 or Ms. Varaporn Vareesawedsuvan CPA No. 5087 or Mr. Akadet Pliensakul CPA No. 5389 or Ms. Kornthip Wanichwisedkul CPA No. 6947 of M&R ASSOCIATES CO., LTD as the auditors of the Company for the year 2020 and approved the auditor fee of 3,400,000 Baht for the Company's Financial Statements.
7. Having convened with the independent auditors 2 times to consult about audit plan and discuss key issues in the preparation of the financial statements and acknowledge audit issues and recommendation from auditors. The meeting had no attendance of the management for independence in the performance and giving opinion.

8. Having reviewed of Audit and Risk Management Committee Charter to ensure that the roles and responsibilities are in accordance with regulations of the SEC and the SET.
9. Having reviewed of risk factors by taking into account external influences such as economic, social factors and technological innovation that impact the customers' lifestyle and behaviors and risk classification covers the 5 key risks as strategic risks , operational risks , financial risks , compliance risks and information technology risks.

The Audit and Risk Management Committee has opinions from the review of the Company's operations in the year 2020, that the Company has followed the relevant laws and regulations that according to the good corporate governance and sufficient internal control system for business operations. In addition, regarding the epidemic situation of Coronavirus 2019. The company had strictly followed government orders such as control of the epidemic in accordance with the measures of the Ministry of Public Health by requiring every branch to have a temperature screening of customers before entry the stores, wearing a mask, keeping distance and keep the service area clean as well as set the Business Crisis Plans for COVID-19 to support emergency situations. Including the temporary closure of 39 branches in the area which declared of an Emergency Decree on Public Administration in Emergency Situations.



(Mr. Pairoj Juarprathoom)

Chairman of Audit & Risk Management Committee

Siam Global House Public Company Limited

10 February 2021

15

Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for overall financial statements of Siam Global House Public Company Limited and its subsidiaries and any financial information shown in the Annual Report. The financial statement was prepared in accordance with the accounting standard as generally accepted. The Company chooses appropriate accounting policy and always acts accordingly together with careful discretion and the best estimation for such arrangements. This includes adequate disclosures of necessary information in remarks and appendix of the financial statements.

The Board of Directors maintains the efficiency of the internal audit control system in order to be reasonably confident that records of any accounting information are accurate, through, complete and enough to maintain the Company's assets. It is also aimed at substantially identify and acknowledge weaknesses to prevent malfeasance or inappropriate performances.

In this regard, the Board of Directors of the Company has appointed an Audit & Risk Management Committee, comprising the Independent Directors who are not Executives. The Audit Committees shall have the responsibilities relating to the quality of the report on financial statement and internal control system. The opinion of the Audit Committee with regards to these subjects appeared in the report of the Audit Committee as shown in the Annual Report.

The financial statement of the Company have been examined by external auditor ,M.R.& AssociatesCo.,Ltd.. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considered that, in general, the internal control system of the Company has achieved satisfactory level. It can also reasonably ensure the reliability of the Company and its subsidiaries' accounting system as of December 31, 2020.



(Mr. Apisit Rujikeatkamjorn)

Chairman of the Board

Siam Global House Public Company Limited

10 February 2021

16

Board of Directors &
Executives Profile



Mr. Apisit Rujikeatkamjorn

Position : Chairman

Appointed as the Director on 26 February 2008

Age : 75 Years

Nationality : Thai

Education/Training

- Master of Engineering , Lama University Texas
- Bachelor of Engineering Program in Civil Engineering,
Khon Kaen University

Director Training

Director training program of Thai Institute of Directors (IOD)

- Director Accreditation Program 21/2004 and 27/2004
- Finance for Non-Finance Director 24/2005
- Understanding the Fundamental of Financial Statements Program 5/2006
- Audit Committee Program 22/2008
- The Role of Chairman Program 26/2011
- Director Certification Program 166/2012

Training in 2020 : (None)

The Brief Working Experience in 5 years.

2008 - Present	Chairman, Siam Global House PCL.
2012 – Present	Chairman, Sea Oil, PCL.
2014 - Present	Chairman, Asia Green Energy PCL. Chairman, Asia Bio Mass , Co., LTD
2015 - Present	Chairman, D.T.C. Enterprise Co.,LTD
2017 - Present	Chairman, LAO Agro Tech Public Company Chairman, Global House (Cambodia) Co., Ltd

Director position other listed company : 4 Companies

Director position other non-listed company : 3 Companies

Shareholding (%) : Held personally : (None) , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives :

Mr.Isara Rujikeatkamjorn's father.



Mr. Witoon Suriyawanakul

Position : Director / Executive Director /
Nomination & Remuneration Committee / CEO
Appointed as the Director on 10 May 2017

Age : 62 Years

Nationality : Thai

Education/Training

- Honorary Doctoral Degree of Economics, Rajabhat Maha Sarakham University
- Honorary Doctoral Degree of Business Administration, Rajabhat Roi ET University
- Master of Business Administration, Khon Kaen University
- Bachelor of Engineering Program in Civil Engineering, Khon Kaen University

Director Training

- Director training program of Thai Institute of Directors (IOD)
- Director Accreditation Program 68/2008(IOD)

Training in 2020 : (None)

The Brief Working Experience in 5 years.

1997 - Present	Director, Inter Concrete Industry Co., Ltd. Director, Siam Global Asset Co., Ltd.
2008 - Mar2016	Director / Executive Director/ Nomination & Remuneration Committee/CEO, Siam Global House PCL.
2015 - Present	Chairman, Global House International Co.,Ltd
2017 - Present	Director / Executive Director / Nomination & Remuneration Committee/CEO, Siam Global House PCL.
2017 - Present	Director, Global House Cambodia. Co.,Ltd

Director position other listed company : 1 Company

Director position other non-listed company : 4 Companies

Shareholding (%) : 0.57% (Held personally : 0.57%) , Held by spouse or minor children : None)

Family Relationship among Directors and Executives :

- Mrs.Warunee Suriyawanakul's husband,
- Mr.Anawat Suriyawanakul's brother and
- Mr.Kriangkai Suriyawanakul's father.



Mrs. Warunee Suriyawanakul

Position : Director / Executive Director /

Vice-CEO Human Resource

Appointed as the Director on 26 February 2008

Age : 60 Years

Nationality : Thai

Education /Training

- Secondary Education

Director Training

- Director training program of Thai Institute of Directors (IOD)
- Director Accreditation Program 68 / 2008 (IOD)

Training in 2020 : (None)

The Brief Working Experience in 5 years.

1997 - Present	Director, Inter Concrete Industry Co., Ltd.
2008 - Present	Director / Executive Director
	Vice-CEO Human Resource, Siam Global House PCL.
2015 - Present	Director, Global House International Co.,LTD

Director position other listed company : 1 Company

Director position other non-listed company : 2 Companies

Shareholding (%) : 0.45% (Held personally : 0.45% , Held by spouse or minor children : None)

Family Relationship among Directors and Executives:

- Mr.Witoon Suriyawanakul' s wife and
- Mr.Kriangkai Suriyawanakul's mother.



Mr. Nithi Patarachoke

Position : Director / Executive Director
Appointed as the Director on 23 November 2012

Age : 57 Years

Nationality : Thai

Education / Training

- Master of Finance and Operations Management University of Chicago ,USA
- Bachelor of Engineering Chulalongkorn University
- Advanced Management Program(AMP) Harvard University ,USA

The Brief Working Experience in 5 years.

2012 - Present	Director / Executive Director Siam Global House PCL.
2013 - Present	Director, SCG Cement- Building Materials Co., Ltd and Vice Chairman ,Thailand Management Association
2015 - Present	Director, Global House International Co.,Ltd
2018 - Present	President- Cement and Building Materials Business / Vice President-Living Solution and Housing Products Business , The Siam Cement PCL
	Chairman of the Board of Director / Chairman of the Executive Committee / Member of the Nomination, Remuneration and Corporate Governance Committee, SCG Ceramics PCL
	Director, Federation of Thai Industries
	Chairman of the Board of Director / Chairman of the Executive Committee, Quality Construction Products PCL.
	Director, SCG Foundation
2019 - 2020	President Commissioner - PT Keramika Indonesia Assosiasi Tbk*
	President Commissioner - PT Kokoh Inti Arebama Tbk Indonesia *
2020 - Present	Director, Thai - Lao Association for Friendship

*Remarks : * Listed Company in Indonesia*



Mr. Paramate Nisagornsen

Position : Director

Appointed as the Director on 9 November 2018

Age : 53 Years

Nationality : Thai

Education / Training

- Master of Science in Management, Massachusetts Institute of Technology, USA
- Bachelor of Engineering (Electrical Engineering), King Mongkut's University of Technology North Bangkok
- Certificate of Advanced Management Program from Harvard Business School, USA

Director Training

- Director training program of Thai Institute of Directors (IOD)
- Director Certification Program 258 / 2018 (IOD)

Training in 2020 : (None)

The Brief Working Experience in 5 years.

2012 – 2016	Operations Vice President Director, PT. Chandra Asri Petrochemicals Tbk. Indonesia
2016 - 2017	Managing Director, Bangkok Synthetics Co., Ltd.
2018 - Present	Director, Siam Global House PCL. Director, Global House International Co., Ltd Vice President Regional Business SCG Cement-Building Materials Co., Ltd Vice President Regional Business - Cement and Building Materials Business, The Siam Cement PCL
	Commissioner PT Catur Sentosa Adiprana Tbk*
2020 - Present	President Commissioner PT Keramika Indonesia Assosiasi Tbk * President Commissioner PT Kokoh Inti Arebama Tbk*

*Remarks : * Listed Company in Indonesia*

Director position other listed company : 2 Companies

Director position other non-listed company : 2 Companies

Shareholding (%) : Held personally : (None) , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives : (None)



Mr. Bunn Kasemsup

Position : Director

Appointed as the Director on 26 February 2020

Age : 53 Years

Nationality : Thai

Education / Training

- Master Degree of Business Administration (Finance / Accounting), University of Texas at Austin, USA
- Master Degree of Business Administration (Marketing), Chulalongkorn University
- Bachelor Degree Faculty of Commerce and Accountancy (Accounting Theory), Chulalongkorn University

The Brief Working Experience in 5 years.

2013 - 2020	Managing Director, SCG International Corporation Co., Ltd
2020	Head of SCG Home - Retail & Distribution Business , SCG Cement-Building Materials Co., Ltd
2020 - Present	Director, Siam Global House PCL. Director, Quality Construction Products PCL. Director, Global House International Co., Ltd. Director, SCG Distribution Co., Ltd

Director Training

- Director training program of Thai Institute of Directors (IOD)
- Director Accreditation Program 2006 (IOD)
 - Director Certification Program (DCP)116 / 2009 (IOD)

Director position other listed company : 2 Companies

Director position other non-listed company : 2 Companies

Shareholding (%) : Held personally : (None) , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives : (None)

Training in 2020 : (None)



Mr.Pairoj Juarprathoom

Position : Director / Independent Director /
Chairman of Audit & Risk Management Committee
Appointed as the Director on 23 April 2019

Age : 63 Years

Nationality : Thai

Education / Training

- Master Degree Graduate School of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor Degree Faculty of Commerce and Accountancy, Chulalongkorn University
- Bachelor Degree School of Law, Sukhothai Thammathirat University
- Advance Executive Program6, Office of the Civil Service Commission (OCSC)
- Advance Certificate Course of Good Governance for Medical Executive6, The Medical Council of Thailand and King Prajadhipok's Institute

The Brief Working Experience in 5 years.

- | | |
|----------------|--|
| 2015 - 2016 | Director Regional Revenue Office 9 |
| 2016 - 2017 | Director Regional Revenue Office 5 |
| 2017 | Deputy Director-General of the Revenue Department |
| 2018 | Principal Advisor on Tax Base Management, The Revenue Department |
| 2019 - Present | Director / Independent Director / Chairman of Audit & Risk Management Committee, Siam Global House PCL. |
| 2019 - Present | Director/ Independent Director / Chairman of Audit Committee, KTB General Services and security Co., Ltd |

Director Training

Director training program of Thai Institute of Directors (IOD)

- Director Accreditation Program 161 / 2019 (IOD)

Training in 2020 : (None)

Director position other listed company : 1 Company

Director position other non-listed company : 1 Company

Shareholding (%) : Held personally : (None) , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives :

(None)



Dr.Boonchai Pitugdamrongkija

Position : Director / Independent Director /

Audit & Risk Management Committee

Appointed as the Director on 23 April 2019

Age : 66 Years

Nationality : Thai

Education / Training

- Doctor of Manage Degree Graduate School (Business Management) , Suan Dusit Rajabhat University
- Master Degree Faculty of Economics, Thammasat University
- Bachelor Degree Faculty of Economics and Business Administration , Kasetsart University
- Capital Market Academy (CMA.16),Stock Exchange of Thailand
- Towards High Potential Leaders Project, Office of the Civil Service Commission
- Leading Change for Executive of Excise Department 2nd Generation, NIDA
- GSB Middle management Leadership Program 2007, Nanyang Technological University
- Advance Executive Program 45 , Office of the Civil Service Commission(OCSC)
- Strategy for Improving Directors Effectiveness, Kellogg School of Management
- Middle Management Professional Development, Revenue Canada
- Program Tax Analysis and Revenue Forecasting, Harvard University

Director Training

Director training program of Thai Institute of Directors (IOD)

- Director Accreditation Program 155 / 2012 (IOD)

Training in 2020 : (None)

The Brief Working Experience in 5 years.

2009 - 2010	Deputy Director , General of the Excise Department
2011 - 2014	Advisor of Excise Tax Strategic Plan
2019 - Present	Director / Independent Director / Audit & Risk Management Committee, Siam Global House PCL.
2020 - Present	Independent Director / Audit Committee, Precise Corporation PCL.

Director position other listed company : 1 Company

Director position other non-listed company : 1 Company

Shareholding (%) : Held personally : (None) , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives : (None)



Dr.Boonchai Pitugdamrongkija

Position : Director / Independent Director / Audit & Risk Management Committee / Nomination & Remuneration Committee

Appointed as the Director on 11 May 2016

Age : 69 Years

Nationality : Thai

Education / Training

- D.Litt.PA , St.Clements University , UK
- MPA. Public Affairs , Kentucky State University USA
- Bachelor of Art (Political Sience), Chiang Mai University
- Thailand National Defence College (NDC 44)
- Executives Planned High Level of NIDA
- Executives of Interior level 8 & level 9,
Dumrongrachanupharp Institute, Ministry of the Interior
- The Leader of Bangkok Course 3

The Brief Working Experience in 5 years.

- | | |
|----------------|---|
| 2008 - 2011 | Director-General of Department of Provincial Administration |
| 2011 - 2013 | Director of Vice - Minister |
| 2016 - Present | Director / Independent Director / Audit & Risk Management Committee / Nomination & Remuneration Committee, Siam Global House PCL. |

Director Training

Director training program of Thai Institute of Directors (IOD)

- Director Accreditation Program 134 / 2017 (IOD)

Director position other listed company : 1 Company

Director position other non-listed company : (None)

Shareholding (%) : Held personally : (None) , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives : (None)

Training in 2020 : (None)



Pol.Gen. Kawee Supanun

Position : Director / Independent Director /
Chairman of Nomination & Remuneration Committee
Appointed as the Director on 23 April 2019

Age : 62 Years

Nationality : Thai

Education / Training

- Ph.D.(Industrial Business Administration),King Mongkut's Institute of Technology Ladkrabang
- Master Degree Faculty of Social Sciences and Humanities, Mahidol University
- Bachelor Degree Royal Police Cadet Academy 33
- Superintendent Course 25
- Air Command and Staff College Course 37
- Critical Incident Management , USA
- Advanced Police Management Course 18
- Thailand National Defence College Course 51

The Brief Working Experience in 5 years.

2012 - 2013	Commissioner of Provincial Police Region 4
2013 - 2014	Commissioner of Provincial Police Region 2
2014 - 2016	Assistant Commission-General of Royal Thai Police
2016 - 2018	Advisor (Level 10) Royal Thai Police
2019 - Present	Director / Independent Director / Chairman of Nomination & Remuneration Committee, Siam Global House PCL

Director Training

Director training program of Thai Institute of Directors (IOD)
• Director Accreditation Program 129 / 2016 (IOD)

Director position other listed company : 1 Company

Director position other non-listed company : (None)

Shareholding (%) : Held personally : (None) , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives : (None)

Training in 2020 : (None)

Profile of Executive

Mr. Anavat Suriyawanakul

Age : 60 Years **Nationality :** Thai

Position : Executive Director / Vice-CEO

Inventory Management and Marketing

Appointed as the Director on 26 February 2008



Education

- Secondary Education

Director Training

- Director Accreditation Program 68/2008 (IOD)

The Brief Working Experience in 5 years.

1997 - Present	Director, Siam Global Engineering Co., Ltd
1997 - Present	Director, Inter Concrete Industrial Co., Ltd
1997 - Present	Director, Global Concrete Co., Ltd
1997 - Present	Director, Siam Global Asset Co., Ltd
2008 - Present	Executive Director / Vice - CEO Inventory Management and Marketing, Siam Global House PCL.
2008 - Apr2019	Director / Executive Director, Siam Global House PCL.
Mar2016 - May2017	Director / Executive Director/CEO, Siam Global House PCL
2015 - Present	Director, Global House International Co., Ltd

Shareholding (%) : 4.44%

Held personally : 0.13% , Held by spouse or minor children : 4.31%

Family Relationship among Directors and Executives :
Mr.Witoon Suriyawanakul's brother

Mr.Yutthana Suriyawanakul

Age : 49 Years **Nationality :** Thai

Position : Vice CEO - Imported Products

Appointed as the Director on 23 November 2012



Education

- Master of Business Administration, Texas University
- Bachelor of Engineering Program in Industrial Engineering, Kasetart University

Director Training

- Director Accreditation Program 68 / 2008 (IOD)

The Brief Working Experience in 5 years.

2008 - 2012	Director / Executive Director of Siam Global House PCL.
2012 - Present	Vice CEO - Imported Products, Siam Global House PCL.

Shareholding (%) :

Held personally : 0.04% , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives :

Mr.Witoon Suriyawanakul's nephew

Ms. Chutikan Srisaengchan

Age : 51 Years **Nationality :** Thai

Position : Vice CEO - Accounting & Financial

Appointed as the Director on 23 November 2012



Education

- Master of Business Administration, Khon Kaen University
- Bachelor of Accountancy, Thammasat University

Training

- Director Accreditation Program 68/2008
- Towards the 2nd Decade, TA Association: New Tax Law 2018 & Accounting Standard Directions
- Solution for Accounting Error According to Financial Reporting Standards
- Review Course of Financial Reporting Standards
- Tax from Paying Overseas and Double Tax Treaties
- Guideline and Solution in According with Transfer Pricing Act (New)
- Catch Up with New Tax Law and Update Accounting Standard for SMEs2019
- Investment in Associates, Subsidiaries and Joint Ventures.
- Entire System Tax Related to sales Promotion
- Single Bookkeeping Course
- Transfer Pricing Documentation Course

The Brief Working Experience in 5 years.

2008 - Oct 2012 Director / Executive Director,
Siam Global House PCL.

Nov 2012 - Present Vice CEO - Accounting & Financial ,
Siam Global House PCL.

Shareholding (%) : 0.03%

Held personally : 0.03% , Held by spouse or minor children : (None)

Family Relationship among Directors and Executives : (None)

Mr. Phiphop Vasanaarchasakul

Age : 50 Years **Nationality :** Thai

Position : Vice CEO - Business Development

Appointed as the Director on 11 December 2017



Education

- Bachelor of Humanities, Kasetsart University

Training

- LDP 1,2 (Leadership Development Program)
- Strategic Customer Retention CRM
- Store Tour Modern Trade in USA (Home Depot, Lowes)

The Brief Working Experience in 5 years.

2014 - Nov 2017 Assistance of Vice - CEO - Business
Development, Siam Global House PCL

Dec 2017 - Present Vice CEO - Business Development ,
Siam Global House PCL

Dec 2017 - Present Director, Global House International Co., Ltd

Shareholding (%) : (None)

Family Relationship among Directors and Executives : (None)

Mr.Khemchat Sungkakam

Age : 38 Years **Nationality :** Thai

Position : Vice CEO - Innovation & System Development

Appointed as the Director on 11 December 2017



Education

- Bachelor of Engineering Program in Industrial Engineering, Khon Kaen University

The Brief Working Experience in 5 years.

2012 - Nov 2017 Manager of Innovation & System Development, Siam Global House PCL

Dec 2017 - Present Vice CEO - Innovation & System Development, Siam Global House PCL

Shareholding (%) : 0.00%

Held personally : 0.00% ,

Held by spouse or minor children: 0.00%

Family Relationship among Directors and Executives : (None)

Mr. Isara Rujikeatkamjorn

Age : 41 Years **Nationality :** Thai

Position : Vice CEO

Appointed as the Director on 4 October 2018



Education

- MBA Texas A & M University ,USA
- Bachelor of Engineering, Khon Kaen University

Training

- Training Anti - Corruption Course: The Practical Guide , ACPG 46/2018, IOD

The Brief Working Experience in 5 years.

Dec 2017 - Sep 2018 Assistant CEO of Siam Global House PCL.

Oct 2018 - Present Vice CEO of Siam Global House PCL.

Nov2018 - Present Director of Global House International Co.,Ltd

Shareholding (%) : 0.21%

Held personally : 0.21% ,

Held by spouse or minor children : (None)

Family Relationship among Directors and Executives :

Mr.Apisit Rujikeatkamjorn's son

Mr. Kriangkai Suriyawananakul

Age : 32 Years **Nationality :** Thai

Position : Assistant CEO Supply Chain

Appointed as the Director on 13 December 2017



Education

- Master of Logistics and Supply chain Management, The University of Nottingham
- Bachelor of Engineering, Thammasat University
- Engineering The University of Nottingham

The Brief Working Experience in 5 years.

Dec 2017 - Present Assistant CEO Supply Chain, Siam Global House PCL

Shareholding (%) : 11.14%

Held personally : 11.14%

Held by spouse or minor children : 0.00%

Family Relationship among Directors and Executives:

Mr.Witoon - Mrs.Warunee Suriyawananakul's son

Mr.Pongkorn Suriyawanakul

Age : 39 Years **Nationality :** Thai

Position : Assistant CEO Engineering

Appointed as the Director on 13 December 2017



Education

- Bachelor of Engineering, Thammasat University

The Brief Working Experience in 5 years.

2017 - Present Assistant CEO - Engineering,
Siam Global House PCL

Shareholding (%) : 0.01%

Held personally : 0.01%

Held by spouse or minor children : (None)

Family Relationship among Directors and Executives:

Mr.Witoon Suriyawanakul's nephew

Mr.Thapanat Asawachulamanee

Age : 37 Years **Nationality :** Thai

Position : Assistant CEO Innovation & System
Development

Appointed as the Director on 13 December 2017



Education

- Bachelor of Engineering (Computer Engineering), Khon Kaen
University

The Brief Working Experience in 5 years.

Dec 2017 - Present Assistant CEO Innovation & System
Development, Siam Global House PCL

Shareholding (%) : 0.00%

Held personally : 0.00%

Held by spouse or minor children : (None)

Family Relationship among Directors and Executives : (None)

17

Financial Statement 2020

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Financial Statements

For the Year Ended December 31, 2020

and Report of Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and Board of Directors of Siam Global House Public Company Limited

Opinion

I have audited the consolidated financial statements of Siam Global House Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of Siam Global House Public Company Limited, which comprise the separate statement of financial position as at December 31, 2020, and the separate statement of comprehensive income, separate statement of changes in shareholders' equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Siam Global House Public Company Limited and its subsidiary as at December 31, 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with Thai Financial Reporting Standards. Also, the accompanying separate financial statements present fairly, in all material respects, the financial position of Siam Global House Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the

Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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 Matter

Key audit matter is the matter that, in my professional judgment, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Valuation of merchandises

The Group has various categories of products with large numbers of inventory items. The merchandise balance is material to the financial statements. As disclosed in Notes 3 and 6, merchandises are valued at the lower of cost and net realizable value. During the year, the Group reviews their merchandises values by comparing their cost against their net realizable value. Any loss on decline in value of merchandises was charged to expense for the year. The Group has established a policy to provide an allowance for obsolete and slow-moving inventories based on the physical condition and life cycle of inventory in each category. This involves significant management judgment and estimation.

My audit procedures included inquiring the management who is responsible for this to obtain the method and assumptions used in establishing the policy to provide an allowance for decline in value of merchandises. I obtain understanding of and evaluate the appropriateness of the

Company's accounting policy and review the consistency of the application of the policy. I randomly test the accuracy of the inventory aging analysis report prepared by management. I also randomly test of loss on decline in value of merchandises and test the calculation of the allowance for obsolete and slow-moving inventories according to the defined policy.

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 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 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 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 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 audit committee for correction of the misstatement.

Responsibilities of Management and Audit Committee for the Financial Statements

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

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

Audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with audit committee 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 audit committee 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 our independence, and where applicable, related safeguards.

From the matters communicated with audit committee, I determine that matters that were of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe the matter 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.

(Mr. Methee Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 10, 2021

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020 AND 2019

ASSETS

Note	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
CURRENT ASSETS				
Cash and cash equivalents	1,224,289,195	1,299,271,170	1,153,003,916	1,226,171,568
Trade and other accounts receivable				
- Related parties	4	25,147,083	24,608,178	25,145,768
- Others	5	640,618,166	1,246,484,316	612,244,340
Short-term loans to joint venture and accrued interest income	4	6,500,331	6,500,331	6,500,331
Merchandises	6	14,287,199,388	15,602,534,491	13,998,500,582
Other current assets		4,312	-	4,312
Total current assets	16,183,758,475	18,179,398,486	15,795,399,249	17,832,713,266
NON-CURRENT ASSETS				
Investment in subsidiary	7	-	-	287,764,950
Investment in joint venture	8	838,249,696	814,896,785	759,500,000
Land not use in operation	9	500,357,431	500,357,431	500,357,431
Property, plant and equipment	10	17,147,932,121	16,105,033,808	16,897,066,109
Right-of-use assets	11	1,270,357,139	307,897,372	739,647,519
Intangible assets	12	11,527,515	15,388,018	11,016,896
Deferred tax assets	13	59,869,407	49,862,174	59,588,922
Other non-current assets		8,253,087	13,553,028	8,176,492
Total non-current assets	19,836,546,396	17,806,988,616	19,263,118,319	17,760,158,889
TOTAL ASSETS	36,020,304,871	35,986,387,102	35,058,517,568	35,592,872,155

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020 AND 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	In Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
CURRENT LIABILITIES					
Short-term loans from financial institutions	14	11,192,934,371	14,219,591,411	11,192,934,371	14,219,591,411
Trade and other accounts payable					
- Related parties	4	284,745,591	222,279,358	284,685,971	221,818,892
- Others	16	2,703,398,889	3,176,929,134	2,632,298,999	3,079,455,330
Current portion of long-term loans	14	883,553,333	943,333,333	883,553,333	943,333,333
Current portion of lease liabilities	15	14,742,190	-	7,471,284	-
Current portion of accrued rental expenses	4	-	10,082,138	-	6,691,527
Income tax payable		176,705,492	224,185,863	169,658,243	223,937,955
Other current liabilities		5,351,914	27,481,858	5,351,914	27,481,858
Total Current Liabilities		15,261,431,780	18,823,883,095	15,175,954,115	18,722,310,306
NON-CURRENT LIABILITIES					
Long-term loans	14	1,802,770,000	333,333,333	1,802,770,000	333,333,333
Lease liabilities	2, 15	1,080,994,632	-	519,540,205	-
Debentures	17	500,000,000	500,000,000	500,000,000	500,000,000
Accrued rental expenses	4	-	66,897,863	-	36,946,953
Deferred tax liabilities	13	8,272,167	10,403,174	3,734,370	4,529,247
Provisions for employee benefits	18	147,443,243	115,601,365	147,443,243	115,601,365
Other non-current liabilities		5,550,000	5,350,000	5,550,000	5,350,000
Total non-current liabilities		3,545,030,042	1,031,585,735	2,979,037,818	995,760,898
Total liabilities		18,806,461,822	19,855,468,830	18,154,991,933	19,718,071,204

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020 AND 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

	Note	In Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
SHAREHOLDERS' EQUITY					
Share capital	19				
Authorized share capital		4,401,613,960	4,201,543,026	4,401,613,960	4,201,543,026
Issued and paid-up share capital		4,401,609,967	4,201,540,599	4,401,609,967	4,201,540,599
Share premium	20	4,739,295,827	4,739,295,827	4,739,295,827	4,739,295,827
Retained earnings					
Appropriated for legal reserve	21	484,182,751	484,182,751	484,182,751	484,182,751
Unappropriated		7,361,011,782	6,485,203,989	7,260,689,565	6,427,258,448
Other components of shareholders' equity		(4,918,030)	1,915,586	17,747,525	22,523,326
Equity attributable to equity holders of the parent					
Non-controlling interest		16,981,182,297	15,912,138,752	16,903,525,635	15,874,800,951
Total shareholders' equity		232,660,752	218,779,520	-	-
		17,213,843,049	16,130,918,272	16,903,525,635	15,874,800,951
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		36,020,304,871	35,986,387,102	35,058,517,568	35,592,872,155

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

In Baht

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
REVENUES	4				
Net sales	27	26,802,962,599	28,081,447,440	26,207,949,418	27,482,160,786
Transportation income	27, 32	102,080,664	94,448,460	101,780,271	94,167,396
Other income	22, 32	448,842,738	448,526,428	442,915,266	443,991,742
Total revenues		<u>27,353,886,001</u>	<u>28,624,422,328</u>	<u>26,752,644,955</u>	<u>28,020,319,924</u>
EXPENSES	23				
Cost of goods sold	4, 32	20,401,000,576	21,741,073,700	19,979,353,902	21,305,478,832
Distribution costs		2,321,020,232	2,178,697,299	2,279,717,789	2,134,919,618
Administrative expenses	4, 32	1,912,100,850	1,826,273,794	1,843,916,685	1,763,798,278
Other expense	32	67,862,035	33,495,581	67,862,035	33,495,581
Total expenses		<u>24,701,983,693</u>	<u>25,779,540,374</u>	<u>24,170,850,411</u>	<u>25,237,692,309</u>
Profit from operating activities		2,651,902,308	2,844,881,954	2,581,794,544	2,782,627,615
Finance costs		(245,877,897)	(268,240,913)	(230,846,321)	(268,240,913)
Reversal of Loss on Impairment of Financial Assets	32	929,694	844,522	929,694	844,522
Share of Profit of Joint Venture		<u>23,352,911</u>	<u>29,356,959</u>	-	-
Profit before Income Tax		2,430,307,016	2,606,842,522	2,351,877,917	2,515,231,224
Income Tax Expense	13	454,784,860	492,765,316	443,172,372	476,303,285
PROFIT FOR THE YEAR		<u>1,975,522,156</u>	<u>2,114,077,206</u>	<u>1,908,705,545</u>	<u>2,038,927,939</u>

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Note	In Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
OTHER COMPREHENSIVE					
INCOME	24				
Items that will not be reclassified subsequently to profit or loss					
- Actuarial loss on defined benefit plan		(4,775,801)	(11,934,879)	(4,775,801)	(11,934,879)
Items that will be reclassified subsequently to profit or loss					
- Currency translation differences of subsidiary		(3,741,482)	(35,032,895)	-	-
- Share of other comprehensive loss of joint venture (currency translation differences)		-	(30,787)	-	-
Other comprehensive income for the year		(3,741,482)	(35,063,682)	-	-
TOTAL COMPREHENSIVE					
INCOME FOR THE YEAR		1,967,004,873	2,067,078,645	1,903,929,744	2,026,993,060
Profit (loss) attributable to:					
Equity holders of the parent		1,955,963,491	2,093,470,667	1,908,705,545	2,038,927,939
Non-controlling interests		19,558,665	20,606,539	-	-
		1,975,522,156	2,114,077,206	1,908,705,545	2,038,927,939
Total comprehensive income attributable to:					
Equity holders of the parent		1,949,129,875	2,062,236,909	1,903,929,744	2,026,993,060
Non-controlling interests		17,874,998	4,841,736	-	-
		1,967,004,873	2,067,078,645	1,903,929,744	2,026,993,060
Earnings per share					
attributable to equity holders of the parent (Baht)	25	0.4444	0.4756	0.4336	0.4632

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

In Baht

Note	Share capital	Share premium	Unappropriated reserve	Consolidated financial statements						Total shareholder's equity	
				Retained earnings			Other components of shareholders' equity				
				Issued and paid-up	Appropriated for legal reserve	Currency translation differences	Actuarial gain (loss) on defined benefit plan	Total other comprehensive profit (loss) of joint venture	Components of shareholders' equity		
Balance as at January 1, 2020	4,201,540,599	4,739,295,827	484,182,751	6,485,203,989	(20,206,842)	22,523,326	(400,898)	1,915,586	15,912,138,752	218,779,520	
- as previously reported	-	-	-	(17,543,892)	-	-	-	-	(17,543,892)	(3,993,766)	
Cumulative effect of accounting change (Note 2)										(21,537,658)	
Balance as at January 1, 2020 - as restated	4,201,540,599	4,739,295,827	484,182,751	6,467,660,097	(20,206,842)	22,523,326	(400,898)	1,915,586	15,894,594,860	214,785,754	
Profit for the year	-	-	-	1,955,963,491	-	-	-	-	1,955,963,491	19,558,665	
Other comprehensive income for the year	-	-	-	(2,057,815)	(4,775,801)	-	-	(6,833,616)	(6,833,616)	1,975,522,156	
Total comprehensive income for the year	-	-	-	1,955,963,491	(2,057,815)	(4,775,801)	-	(6,833,616)	1,949,129,875	(1,633,667)	
Stock dividends	19	200,069,368	-	-	(200,069,368)	-	-	-	-	(8,517,283)	
Dividends	19	-	-	-	(862,542,438)	-	-	-	(862,542,438)	(862,542,438)	
Balance as at December 31, 2020	4,401,609,967	4,739,295,827	484,182,751	7,361,011,782	(22,264,657)	17,747,525	(400,898)	(4,918,030)	16,981,182,297	232,660,752	
										17,213,843,049	

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Note	Issued and paid-up share capital	Share premium	Appropriated for legal reserve	Unappropriated	Consolidated financial statements						
					Retained earnings			Other components of shareholders' equity			
					Currency translation differences	Actuarial gain (loss) on defined benefit plan	Total other comprehensive profit (loss) of joint venture	Share of other components of shareholders' equity	Total other comprehensive profit (loss) of joint venture	Equity attributable to equity holder of the parent	Total shareholder's equity
					(938,750)	34,458,205	(370,111)	33,149,344	14,672,428,517	213,937,784	14,886,366,301
Balance as at January 1, 2019	4,001,469,549	4,739,295,827	486,182,751	5,414,331,046							
Profit for the year	-	-	-	2,093,470,667	-	-	-	-	2,093,470,667	20,606,539	21,114,077,206
Other comprehensive income for the year	-	-	-	-	(19,268,092)	(11,934,879)	(30,787)	(31,233,758)	(31,233,758)	(15,764,803)	(46,998,561)
Total comprehensive income for the year	-	-	-	2,093,470,667	(19,268,092)	(11,934,879)	(30,787)	(31,233,758)	2,062,236,909	4,841,736	2,067,078,645
Stock dividends	19	200,071,050	-	-	(200,071,050)	-	-	-	-	-	-
Dividends	19	-	-	-	(822,526,674)	-	-	-	(822,526,674)	-	(822,526,674)
Balance as at December 31, 2019	4,201,540,599	4,739,295,827	486,182,751	6,485,203,989	(20,206,842)	22,523,326	(400,898)	1,915,586	15,912,138,752	218,779,520	16,130,918,272

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

**SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

		In Baht				
		Separate financial statements				
Note	Issued and paid-up share capital			Retained earnings		Other components of shareholders' equity
		Appropriated for legal reserve	Unappropriated	Actuarial gain (loss) on defined benefit plan	Total shareholders' equity	
	4,201,540,599	4,739,295,827	484,182,751	6,427,258,448	22,523,326	15,874,800,951
Balance as at January 1, 2020		-	-	(12,662,622)	-	(12,662,622)
Cumulative effect of accounting change (Note 2)		-	-	-	-	-
Balance as at January 1, 2020		4,201,540,599	4,739,295,827	484,182,751	6,414,595,826	22,523,326
- as restated						15,862,138,329
 Profit for the year		-	-	1,908,705,545	-	1,908,705,545
Other comprehensive income for the year		-	-	-	(4,775,801)	(4,775,801)
Total comprehensive income for the year		-	-	1,908,705,545	(4,775,801)	1,903,929,744
 Stock dividends		19	200,069,368	-	(200,069,368)	-
Dividends		19	-	-	(862,542,438)	(862,542,438)
Balance as at December 31, 2020		4,401,609,967	4,739,295,827	484,182,751	7,260,689,565	17,747,525
						16,903,525,635

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

**SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

		In Baht				
		Separate financial statements				
Note	Issued and paid-up share capital			Retained earnings		Other components of shareholders' equity
		Appropriated for legal reserve	Unappropriated	(loss) on defined benefit plan	Total	
	4,001,469,549	4,739,295,827	484,182,751	5,410,928,233	34,458,205	14,670,334,565
Balance as at January 1, 2019						
Profit for the year	-	-	-	2,038,927,939	-	2,038,927,939
Other comprehensive income for the year	-	-	-	-	(11,934,879)	(11,934,879)
Total comprehensive income for the year	-	-	-	2,038,927,939	(11,934,879)	2,026,993,060
Stock dividends	19	200,071,050	-	(200,071,050)	-	-
Dividends	19	-	-	(822,526,674)	-	(822,526,674)
Balance as at December 31, 2019		4,201,540,599	4,739,295,827	484,182,751	6,427,258,448	22,523,326
						15,874,800,951

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit for the year	1,975,522,156	2,114,077,206	1,908,705,545	2,038,927,939
Adjustments for				
Depreciation and amortization	1,163,653,839	930,500,407	1,123,816,075	904,766,850
Decrease of merchandises				
to net realizable value	24,760,761	20,211,728	24,760,761	20,211,728
Increase in allowance for obsolete and slow-moving inventories	3,165,549	10,024,165	3,165,549	10,024,165
Provisions for employee benefits	28,853,667	32,725,310	28,853,667	32,725,310
Interest income	(2,467,671)	(2,302,865)	(2,098,205)	(2,029,525)
Interest expense	244,565,040	267,469,976	230,086,683	267,469,976
Decrease in allowance for impairment				
of expected credit losses	(929,694)	(844,522)	(929,694)	(844,522)
Unrealized loss (gain) on exchange rate	(22,168,391)	27,532,672	(22,168,391)	27,532,672
Loss on sale of fixed assets	29,434,514	9,250,599	29,434,514	9,250,599
Loss on write-off fixed assets	38,427,522	24,244,983	38,427,522	24,244,983
Loss on sale of current investments	1,227,748	-	1,227,748	-
Loss on remeasurements of investments	123,899	-	123,899	-
Gain from insurance claim	(26,700,255)	(5,234,876)	(26,700,255)	(5,234,876)
Share of profit of joint venture	(23,352,911)	(29,356,959)	-	-
Income tax expense	454,784,859	492,765,316	443,172,372	476,303,285
	3,888,900,632	3,891,063,140	3,779,877,790	3,803,348,584
Changes in operating assets and liabilities				
Trade and other accounts receivable	610,909,544	153,944,180	600,812,942	137,996,777
Merchandises	1,287,408,793	(2,335,016,450)	1,340,993,724	(2,339,142,528)
Other non-current assets	5,299,941	150,324	5,180,535	185,698
Trade and other accounts payable	(451,756,478)	293,326,833	(424,929,947)	386,214,517
Payment of post-employment benefits	(2,981,539)	(11,542,569)	(2,981,539)	(11,542,569)
Other non-current liabilities	200,000	5,350,000	200,000	5,350,000
Income tax paid	(508,049,789)	(467,072,959)	(502,221,625)	(460,804,013)
Net cash provided by operating activities	4,829,931,104	1,530,202,499	4,796,931,880	1,521,606,466
Cash flows from investing activities				
Interest received from banks and proceeds from				
penalty income on delay payment	2,474,601	2,285,700	2,105,135	2,012,360
Increase in current investments	(300,024,699)	-	(300,024,699)	-
Proceeds from sale of current investments	291,335,184	-	291,335,184	-
Proceeds from sale of fixed assets	5,637,056	5,482,308	5,637,056	5,482,308
Proceeds from insurance claim	29,378,588	2,555,543	29,378,588	2,555,543

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Increase in property, plant and equipment	(2,192,809,686)	(2,871,998,090)	(2,186,917,951)	(2,873,532,820)
Increase in computer software	(1,765,905)	(10,338,471)	(1,765,905)	(10,338,471)
Decrease (increase) in right-of-use assets	(304,071,827)	9,447,782	3,631,542	9,447,782
Net cash used in investing activities	(2,469,846,688)	(2,862,565,228)	(2,156,621,050)	(2,864,373,298)
 Cash flows from financing activities				
Interest paid	(243,801,263)	(269,730,261)	(229,322,906)	(269,730,261)
Increase in short-term loans from financial institutions	(3,026,657,040)	4,179,153,035	(3,026,657,040)	4,179,153,035
Increase in long-term loans	2,751,100,000	223,000,000	2,751,100,000	223,000,000
Increase in lease liabilities	308,972,875	-	1,496,000	-
Repayment of long-term loans	(1,341,443,333)	(1,328,333,334)	(1,341,443,333)	(1,328,333,334)
Repayment of lease liabilities	(17,376,090)	-	(6,108,765)	-
Dividends paid	(862,542,438)	(822,526,674)	(862,542,438)	(822,526,674)
Net cash provided by (used in) financing activities	(2,431,747,289)	1,981,562,766	(2,713,478,482)	1,981,562,766
 Currency translation difference	(3,319,102)	(11,525,117)	-	-
 Net increase (decrease) in cash and cash equivalents				
and cash equivalents	(74,981,975)	637,674,920	(73,167,652)	638,795,934
Cash and cash equivalents at beginning of year	1,299,271,170	661,596,250	1,226,171,568	587,375,634
Cash and cash equivalents at end of year	1,224,289,195	1,299,271,170	1,153,003,916	1,226,171,568
 Supplementary disclosures of cash flow information:				
a. Cash and cash equivalent at end of year				
Cash in hand	105,807,652	92,680,603	103,101,400	90,063,962
Current accounts at banks	79,978,070	89,606,584	51,439,113	44,812,491
Saving deposits at banks	1,038,503,473	1,116,983,983	998,463,403	1,091,295,115
	1,224,289,195	1,299,271,170	1,153,003,916	1,226,171,568
b. Non-cash transaction				
Purchases of property, plant and equipment				
for which no cash has been paid	795,174,520	755,263,609	795,138,073	755,227,020
Stock dividends	200,069,368	200,071,050	200,069,368	200,071,050
Initial recognition of right-of-use assets	1,006,180,717	-	571,739,236	-
Initial recognition of lease liabilities	1,109,245,071	-	632,638,946	-

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

1. GENERAL

Siam Global House Public Company Limited, “the Company”, is incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on August 19, 2009.

The Company is engaged in merchandising of construction and decoration materials and equipment.

The registered office is 232 Moo 19, Tambol Robmuang, Amphur Muang Roi-Et, Roi-Et.

As at December 31, 2020, the Company has a total of 71 branches operating in other provinces and its head-office is located at Amphur Roi-et, Roi-Et. The Company has a Distribution Center (DC Wang-noi) located in Amphur Wang-noi, Phra Nakhon Si Ayutthaya. The total of value added tax registration operating branch is 72 branches. (December 31, 2019: 67 branches).

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements are prepared in Thai Baht, which is the core functional currency, and in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as otherwise disclosed in the significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

Starting from January 1, 2020, the Group have adopted Thai Accounting Standards (TAS) and Thai Financial Reporting

Standards (TFRS) as well as Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC) and accounting guidance, issued and revised by TFAC, which became effective from the accounting period starting on or after January 1, 2020. The aforesaid adoption of newly issued and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance did not have any material effect on the Group, except :

TFRS 9 - Financial Instruments (and other related standards)

TFRS 9 specifies the methods that the entity shall classify and measure its financial assets, financial liabilities, and contracts to purchase or sell the non-financial items. TFRS 9 is divided into the following three parts:

1. Classification and measurement
2. Impairment
3. Hedge accounting

TFRS 9 affects the Group to classify and measure its financial assets and financial liabilities in the statement of financial position for the year 2020. In addition, the Group is required to recognize impairment of expected credit loss of the financial assets in accordance with the guidelines described in the significant accounting policies.

As at December 31, 2019, there was no material effect from the measurement of financial assets and financial liabilities. In addition, no restatements of comparative information of previous periods in relation to the classification and the measurement because the Company exercised the option of modified retrospective adjustment by recognizing the cumulative effect from the first-time adoption of TFRS 9 at the date of initial application (January 1, 2020).

As at December 31, 2019, there was no effect from impairment for expected credit loss of “Trade and other accounts receivable”. Therefore, there is no restatement of comparative information of previous periods.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

TFRS 16 - Lease

TFRS 16 specifies that lessee shall recognize right-of-use asset and lease liability for all lease agreements with the present value or discounted cash flows of payments throughout the lease term whereby the discount rate shall be considered appropriate in situation and to the entity. However, there is exception for short-term lease agreement (not exceeding 12-month period) or lease agreement for the underlying low-value asset whereby payments under the lease are able to be accounted for as expense. Right-of-use asset shall be depreciated by straight-line method over the lease term. Deferred interest, presented as deduction to lease liability, is amortized as finance cost over the lease term by the effective interest rate method. Each installment payment under the lease liability shall be separated into parts of principal and interest.

For lessor, classification and accounting for operating lease or finance lease is still required as previously applied. Therefore, there is no significant change or effect on the lessor.

The incremental borrowing rate that is used in determining the discounted cash flows by the Group is 2.5230 – 3.1878% p.a. The cumulative effect of initially applying this standard is recognized as an adjustment to retained earnings as at 1 January 2020 and no restatements of the comparative information of previous period. The impacts from the change in accounting policy due to the adoption of this standard are presented as follows :

	In Thousand Baht	
	Increase (Decrease)	
	Consolidated financial statements	Separate financial statements
	January 1, 2020	
Right-of-use assets	1,006,179	571,739
Deferred tax assets	4,599	4,599
Accrued rental expense	(76,929)	(43,638)
Lease liabilities	1,109,245	632,639
Unappropriated retained earnings	(21,538)	(12,663)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at December 31, 2019	1,413,951	805,944
Less Deferred interest expenses	(304,706)	(173,305)
Lease liabilities as at January 1, 2020	1,109,245	632,639
Comprise of:		
Current lease liabilities	20,980	11,425
Non-current lease liabilities	1,088,265	621,214
	1,109,245	632,639

TFAC issued several Notifications which were announced in the Royal Gazette during 2020 regarding the revision of TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2021 whereby the Group had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows :

- TFRSs that are revised with reference to the revision of the Conceptual Framework for Financial Reporting i.e. TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22, TSIC 32. Revision of the Conceptual Framework for Financial Reporting comprised of the updated definitions of assets and liabilities, the updated basis of inclusion of assets and liabilities in the financial statements as well as the newly added principles and guidance as follows:
- Measurement that includes factors for considering the measurement basis;
- Presentation and disclosures of information that includes when the reclassification of revenues and expenses in other comprehensive income is required;
- The reporting entities;
- When the assets and liabilities shall be derecognized from the financial statements.

The Conceptual Framework also clearly explains more about the role of management's ability in overseeing the entity's economic resources, prudence and uncertainty in measurements for financial reporting.

- TFRS that is revised attributable to the revision of definition of business i.e. TFRS 3 whereby the revision is aimed for helping the entity to determine whether the transaction shall be accounted for as "business combination" or "acquisition of assets".
- TFRSs that are revised attributable to the revision of definition of materiality i.e. TAS 1, TAS 8, TAS 10, TAS 34, TAS 37 whereby the revision is aimed for more understanding in the definition of materiality.
- TFRSs that are revised attributable to the revision for IBOR reformation i.e. TAS 7, TAS 9 whereby the revision relates to change in certain provisions of hedge accounting in order to relief the impacts from uncertainties caused by IBOR reformation, e.g. Interbank offer rates - IBOR. In addition, the revision requires the entity to disclose additional information to the investors about the relationships of hedging activities that are directly affected by such uncertainties.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

The Group's management has preliminarily assessed and believed that there will be no material effect to the Group's financial statements upon adoption of the aforesaid revised TAS and TFRS as well as TSIC and TFRIC.

The Group disclosed information for the year ended December 31, 2019 for being the comparative information in the financial statements for the year ended December 31, 2020 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In order to prepare financial statements in conformity with the Thai financial reporting standards, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows :

- Useful lives and residual values of plant and equipment, right-of-use assets and intangible assets.
- Consideration of the right to renew the lease and the discount rates of the lease liabilities.
- Expected periods that deferred tax assets will be realized.

- Assumptions used in calculation of liability for post-employment benefits.
- Fair values and fair value measurements of financial assets, financial liabilities and other financial instruments.

About the pandemic of Coronavirus Disease 2019 (COVID-19), the Group's management has monitored the situation and continuously assessed the impacts from such matter. However, the COVID-19 situation is highly uncertain and may affect, whether directly or indirectly, to the environment of business operations of the Group as well as estimates and judgements used for assessing values of assets, liabilities or provisions and contingent liabilities in the financial statements that are changeable depending on the assessment of COVID-19 situation in each period made by the Group's management.

Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group") and interests in joint venture. Significant intra-group transactions between the Company and its subsidiary and joint venture are eliminated on consolidation.

Subsidiary

Subsidiary is the entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies as well as variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiary are transformed as deemed necessary to uniform for the similar policies.

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in subsidiary that do not result in the loss of control are accounted for

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

within equity. When an entity loses control of subsidiary, any gain or loss is recognized in the profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

Foreign Currencies

Foreign Currency Transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

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

Foreign entity

Assets and liabilities of foreign entity are translated to Thai Baht at the exchange rates ruling at the end of reporting period (the closing rate).

Revenues and expenses of foreign entity are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Differences arising on foreign currency translation or conversion are recognized as other comprehensive income or loss and separately presented as other component of equity until the subject foreign currency investment is disposed.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost that include cash on hand and

cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Restricted deposits at banks were presented as a separate item under non-current assets in the statements of financial position.

Trade and Other Accounts Receivables and Allowance for Impairment of Expected Credit Loss (2020) / Allowance for Doubtful Accounts (2019)

Trade and other accounts receivables are carried at the original invoice amount or at the amount due net of allowance for expected credit loss (if any).

The Group recognizes allowance for impairment of expected credit loss in accordance with the policy described in the financial instruments section.

The Group provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on payment history and the historical collection experience coupled with the review of current status of the existing receivables.

Merchandises

Merchandises are valued at the lower of cost (moving average method) and net realizable value. Net realizable value is the selling price in the ordinary course of business, less marketing, distribution and other expenses which are necessary for sale of goods.

Volume incentives received from the supplier are accounted for as a reduction of the value of inventories and recognized in profit or loss when the related inventories are sold.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

An allowance for loss is made for all deteriorated, damageal, obsolete and slow-moving inventories.

Investment in joint venture and subsidiary

Investment in joint venture and subsidiary in the separate financial statements is accounted for using the cost method net of impairment losses (if any). Dividend income is recognized when it was declared.

Property, Plant and Equipment

Land and land not used in operation are stated at cost less allowance for impairment (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying amounts are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement

of comprehensive income. Costs of testing run the production or utilization of assets at normal level and costs of asset dismantlement, removal, and restoration (if any) are included as part of asset cost and subject to depreciation.

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each part of an item of assets. Depreciation is taken into account separately when each component is significant. Depreciation methods, residual values, and useful lives are reviewed at least at each financial year-end and adjusted as appropriate. The residual value of an asset is currently estimated at the present expected value of the asset if the asset is already of the age and in the condition expected at the end of its useful life. The useful lives of the assets are as follows:

Land improvements	10	years
Buildings	30	years
Building improvements	5, 10 and 17	years
Furniture, fixtures and office equipment	5, 10 and 20	years
Computer equipment	3	years
Transportation	5	years

No depreciation is provided on land and assets under construction.

Right-of-use Asset

The Group measures right-of-use asset at cost less accumulated depreciation and allowance for impairment (if any) with adjustment pertaining to re-measurement of lease liabilities (if any).

At the commencement date of the lease, cost of the right-of-use asset comprised (1) the amount of initial measurement of lease liability, (2) any lease payments made at or before the commencement of the lease, less any lease incentives received, (3) any initial direct costs incurred by the lessee (if any) and (4) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required

by the terms and conditions of the lease (if any and being material).

Depreciation is charged as expense in profit or loss and calculated by the straight-line method attributable to the related lease terms of 6-30 years.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses.

Amortization

Amortization is charged to profit or loss on a straight-line basis over the estimated useful life of 3-5 years.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Impairment of Assets

The carrying amounts of the assets of the Group are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's fair value less costs to sell or value in use) shall be estimated. The review is made for individual assets or for the cash-generating unit.

In case that the carrying amount of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying amount of the asset to its recoverable amount and by recording the devaluation in the statement of comprehensive income. The reversal of the recognized impairment losses is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

Trade and Other Accounts Payables

Trade and other accounts payables are stated at cost.

Lease Liabilities

At the commencement date of the leases, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rates (average interest rates on borrowings with similar term and characteristics to the underlying asset) shall be used. The lease payments that are not paid comprised (1) fixed payments (less any lease incentives receivable), (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (if any), (3) amounts expected to be payable under residual value

guarantees (if any), (4) exercise price of a purchase option if it is reasonably certain to exercise that option (if any) and (5) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease (if any).

After the commencement date, the Group shall measure the lease liability by (1) increasing the carrying amount to reflect interest on the lease liability (if any), (2) reducing the carrying amount to reflect the lease payments made (if any) and (3) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments (if any). Interest on lease liability and variable lease payments not included in the measurement of the lease liability is charged as expense in profit or loss.

Lease fees attributable to short-term lease (not exceeding 12 months from commencement date) and lease of low-value asset are charged as expense in profit or loss on a straight-line basis over the related lease terms.

Deferred interest expenses which are presented net with finance lease liabilities will be amortized to finance costs over the term of the lease using the effective interest rate method. Each payment of finance lease liabilities is divided into principal and interest.

Employee benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social securities fund are recognized as expense upon their occurrences and on accrual basis.

Other long-term employee benefits

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 recognized in the statements of comprehensive income.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed, or at least every three years, by the qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost and interest cost, which are recognized as profit or loss whereas actuarial gain/loss on measurement is recognized as other comprehensive income or loss in the statement of comprehensive income.

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Revenue Recognition

Revenue excludes value added taxes and is arrived at after variable consideration such as deduction of trade discounts, sales return, rebate on award redemptions whereby there is consideration about characteristics, amount, timing as well as uncertainty of revenue and contractual cash flows from contract with customer.

Revenue is recognized when the significant risks and rewards of ownership and control have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Service income is recognized at a point in time when the Group has completely rendered service to the customer and on an accrual basis.

Interest income is recognized over time on a time proportion basis that reflects the effective yield on the asset if significant.

Rental income on the assets which is operating lease is recognized over time on a straight-line basis over the lease term.

Other income is recognized on an accrual basis.

Expense Recognition

Expenses are recognized on an accrual basis.

Finance costs

Interest expense and similar costs are charged to the statements of comprehensive income in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in profit or loss using the effective interest rate method.

Fair Value Measurements

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. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (“Level 1 inputs”), secondary priority to other observable inputs (“Level 2 inputs”), and the lowest priority to unobservable inputs (“Level 3 inputs”).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Financial Instruments

Recognition and measurement

The Group initially measures financial assets at fair value, plus transaction costs in case of financial assets that are not measured at fair value through profit or loss. Financial assets shall be classified and measured with respect to the business model on asset management and characteristics of the asset’s contractual cash flows which is divided into three categories i.e. amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Upon changes in business model on financial asset management are known, the affected financial assets shall be considered for proper reclassification.

Except for derivative liabilities, the Group initially measures financial liabilities at fair value net of transaction costs. Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

Classification and measurement

Assets classified and measured at amortized cost

- Cash and cash equivalents
- Trade receivables and other receivable (including advances and refundable deposits or guarantees excluding prepaid expense)
- Loans

Assets classified and measured at fair value through profit or loss

- Derivative assets (other current assets)

Liabilities classified and measured at amortized cost

- Short-term borrowings from financial institutions
- Trade payables and other payables (including accruals and repayable guarantees excluding deposits received and advances received from sales)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

- Long-term borrowings from financial institutions.
- Lease liabilities
- Debentures

Liabilities classified and measured at fair value through profit or loss

- Derivative liabilities (other current liabilities)

Impairment

Impairment loss (previously before 2020 referred to as provision for doubtful account for certain items in the financial statements) from the expected credit loss of financial assets shall be recognized under General approach in the following stages :

- Stage 1 (performing) : the 12-month expected credit loss shall be recognized in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount without netting the expected credit loss.
- Stage 2 (under-performing) : upon significant rise in credit risk and not being at low level, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated based on the same principle to Stage 1.
- Stage 3 (credit-impaired) : upon significant rise in credit risk of financial asset that is considered as credit impaired, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated from amortization cost base on gross carrying amount net of the allowance for impairment.

For trade receivables and contract assets, the entity is able to adopt simplified approach by recognizing the full lifetime expected credit loss for financial assets considered as aforesaid. In consideration and measurement of expected credit loss for both General approach and Simplified approach, the historical credit loss shall be combined with the forward looking information pertaining to the assets and significant factors relating to economic environment.

In respect of receivables, the Group categorized the population by focusing on aging balance information whereby the past records were captured for historical credit loss approximately 1 year. However, the Group had exercised certain mitigating measure indicated in the accounting guidance for Temporary Mitigating Policies for Alternative Accounting on the Effects from Pandemic Situation of the Coronavirus 2019 (COVID-19), issued by TFAC in April 2020 (effective only in 2020). Such mitigating measure related to exemption from combining forward looking information for the assets adopted the Simplified approach on consideration and measurement of the expected credit loss.

Hedge accounting

Hedge accounting is aimed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss and/or other comprehensive income. Relationships and related accounting treatment of hedge accounting are divided into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity.

Derivative financial instruments are used to manage fair value risk exposed by change in foreign exchange rates arising from operating activities. Derivatives are not intended to use for trading purpose.

However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value and then are re-measured at fair value. Gain or loss on re-measurement to fair value is recognized as profit or loss.

The fair value of derivatives is the quoted market price at the statement of financial position date, which is the Level 2 inputs of the fair value hierarchy whereby such price is the present value of the quoted derivative price where market approach was used as valuation technique

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

and core information used in evaluation was the adjusted exchange rates in market to fit for the issued instrument which was computed by bank who was the counterparty.

Income Tax**Current tax**

Current tax is the amount of tax payable or recoverable which is calculated from taxable profit or loss for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years (if any).

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for

the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax asset are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly, or have significant influence over the financial or operating policies of the company.

The related parties consisted of :

Company and party	Relationships	Percentage of Holding	
		2020	2019
The Siam Cement Public Company Limited	Parent company of SCG Distribution Co., Ltd.	-	-
SCG Distribution Co., Ltd.	Major shareholder	32	30
SCG Logistics Management Co., Ltd.	Subsidiaries of	-	-

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Company and party	Relationships	Percentage of Holding	
		2020	2019
SCG Experience Co., Ltd., SCG International Corporation Co., Ltd., Nexter Digital Co., Ltd. and SCG Skills Development Co., Ltd.	SCG Distribution Co., Ltd.		
The Siam Forestry Co., Ltd., Siam Sanitary Ware Industry Co., Ltd., SCG Cement - Building Materials Co., Ltd., SCG Ceramics Public Company Limited, Thai Paper Co., Ltd., Nawa Plastic Industries Co., Ltd., and related parties to The Siam Cement Public Company Limited	Subsidiaries of The Siam Cement Public Company Limited	-	-
Global House (Cambodia) Co., Ltd.	Subsidiary	55	55
Global Concrete Co., Ltd.	Co-shareholders and director	-	-
Siam Global Engineering Co., Ltd.	Co-shareholders and director	-	-
Siam Global Asset Co., Ltd.	Co-shareholders and director	-	-
Wiboon Panich Roi-Et Partnership Ltd.	Co-shareholders and director	-	-
Inter Concrete Industry Co., Ltd.	Co-shareholders and director	-	-
Global House International Co., Ltd. (GBI)	Joint venture	-	-
Souvanny Home Center Public Company Limited (Incorporated in Lao People's Democratic Republic)	Associate of Global House International Co., Ltd.	-	-
Pro 1 Global Co., Ltd. (Incorporated in Republic of the Union of Myanmar)	Associate of Global House International Co., Ltd.	-	-
Lok Chum Teav Kim Heang, Cambodian	A shareholder of subsidiary	-	-
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 otherwise) of the Company.	-	-

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

The pricing policies for particular types of transactions are explained further below :

Type of Transactions	Pricing Policies
Revenue from sales of goods	Market price (wholesale price)
Other income	Agreed price
Distribution management income	Agreed rate
Interest income	Agreed interest rate
Purchase of merchandises	Market prices
Volume incentives	Vary on purchase volume
Management fee expense	Agreed price
Rental expense	Negotiated agreement
Purchase of fixed assets	Market price
Other expenses	Referenced to market price

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Significant transactions for the years ended December 31, 2020 and 2019 with related parties were as follows :

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements		2020	2019
	2020	2019		
Joint Venture				
Other income	240	240	240	240
Interest income	121	121	121	121
Related parties				
Revenue from sales of goods	71,132	98,331	71,132	98,331
Other income	9,825	12,265	9,672	12,009
Distribution management income	11,617	7,535	11,617	7,535
Purchase of merchandises	2,166,068	2,206,876	2,157,583	2,201,775
Volume incentives	79,054	100,332	79,007	100,273
Management fee expense	8,844	8,844	8,844	8,844
Rental expense	26,823	21,805	-	-
Purchase of fixed assets	568,500	385,690	568,500	385,690
Other expense	667	755	667	755
Remuneration of key management				
Short-term benefit				
Salary, bonus and others				
- employment management	57,919	61,125	57,919	61,125
- non-employment management	9,726	8,765	9,726	8,765
Meeting remuneration	1,945	2,015	1,945	2,015
Total short-term benefits	69,590	71,905	69,590	71,905
Post-employment benefits	4,045	8,340	4,045	8,340
Total	73,635	80,245	73,635	80,245

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Balances as at December 31, 2020 and 2019 with related parties were as follows :

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other accounts receivable				
Trade accounts receivable				
Related parties	3,925	2,247	3,924	2,247
Other accounts receivable				
Joint venture	240	240	240	240
Related parties	20,982	22,121	20,982	22,121
	21,222	22,361	21,222	22,361
Total	25,147	24,608	25,146	24,608

The trade accounts receivable are aged as follows :

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Current	3,393	2,011	3,392	2,011
Overdue:				
• Not over 3 months	532	228	532	228
• Over 3 months to 6 months	-	8	-	8
• Over 6 months to 12 months	-	-	-	-
Total	3,925	2,247	3,924	2,247
Short-term loans to Joint Venture	6,500	6,500	6,500	6,500

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Movements of short-term loans to joint venture for the years ended December 31, 2020 and 2019 were as follows :

	In Thousand Baht			
	Consolidated			
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance as at January 1,	6,500	6,500	6,500	6,500
Increase	-	-	-	-
Decrease	-	-	-	-
Balance as at December 31,	6,500	6,500	6,500	6,500

	In Thousand Baht			
	Consolidated			
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other accounts payable				
Trade accounts payable				
Related parties	60,990	84,733	60,930	84,273
Other accounts payable				
Related parties	223,756	137,546	223,756	137,546
Total	284,746	222,279	284,686	221,819
Accrued rental expenses				
Related person	-	33,342	-	-
Agreement with related party				

The subsidiary had entered into two land rental agreement with a related party (Lok Chum Teav Kim Heang, Cambodian) for a period of 30 years expiring in March 2047 and August 2050. The subsidiary is committed to pay a monthly rental as stipulated in agreement (totaling U.S.Dollar 31.3 million). The subsidiary must comply with conditions indicated in the agreements.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

5. TRADE AND OTHER ACCOUNTS RECEIVABLE - OTHERS

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements		2020	2019
	2020	2019		
Trade accounts receivable	95,849	163,312	95,193	160,887
Less expected credit losses	(2,929)	(3,859)	(2,929)	(3,859)
Net	92,920	159,453	92,264	157,028
Other accounts receivable				
• Accrued sale promotion income	128,780	325,176	128,780	325,176
• Value added tax receivables	110,385	403,770	85,888	368,645
• Input value added tax	82,354	92,052	82,354	92,052
• Deposits for purchase of				
Merchandises	38,864	93,778	37,855	93,778
Others	187,315	172,255	185,103	171,334
	547,698	1,087,031	519,980	1,050,985
Total	640,618	1,246,484	612,244	1,208,013

As at December 31, 2020 and 2019, the Group had outstanding balance of trade accounts receivable - others, aged as follows :

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements		2020	2019
	2020	2019		
Current	85,060	126,238	84,404	124,582
Overdue:				
• Not over 3 months	3,937	31,782	3,937	31,013
• Over 3 months to 6 months	3,864	2,199	3,864	2,199
• Over 6 months to 12 months	224	1,552	224	1,552
• Over 12 months	2,764	1,541	2,764	1,541
Total	95,849	163,312	95,193	160,887
Less expected credit losses	(2,929)	(3,859)	(2,929)	(3,859)
Net	92,920	159,453	92,264	157,028

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

6. MERCHANDISES

	In Thousand Baht			
	Consolidated			
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Merchandises	14,223,851	15,319,276	13,935,153	15,084,162
Less cost reduction to net realizable value	(24,761)	(20,212)	(24,761)	(20,212)
Less allowance for obsolete and slow-moving inventories	(13,190)	(10,024)	(13,190)	(10,024)
Net	14,185,900	15,289,040	13,897,202	15,053,926
Goods in-transit	101,299	313,495	101,299	313,495
Total	14,287,199	15,602,535	13,998,501	15,367,421

During the years ended December 31, 2020 and 2019, the Company recorded the cost reduction of merchandises to net realizable value amounted to Baht 24.8 million and Baht 20.2 million, respectively, presented as a part of cost of goods sold.

7. INVESTMENT IN SUBSIDIARY

The detail of investment in subsidiary in the separate financial statements was as follows:

Ownership interest (%)	In Thousand Baht			
	Paid-up capital	Cost Method	Dividend income	

Global House (Cambodia) Co., Ltd.

At December 31, 2020	55	521,320*	287,765	-
At December 31, 2019	55	521,320*	287,765	-

* Paid-up capital amounted to U.S.Dollars 16.0 million at December 31, 2020 and 2019.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

8. INVESTMENT IN JOINT VENTURE

	Ownership interest (%)	In Thousand Baht		
		Paid-up capital	Equity Method	Cost method
Global House International Co., Ltd. (GBI)				
At December 31, 2020	50	1,519,000	838,250	759,500
At December 31, 2019	50	1,519,000	814,897	759,500

Significant consolidated financial information of GBI and associate companies (Souvanny Home Center Plc. and Pro 1 Global Co., Ltd.) were as follows :

	In Thousand Baht	
	2020	2019
<u>The consolidated statements of financial position as at December 31,</u>		
Current assets	5,761	3,320
Non-current assets (Investment in associate)	1,678,544	1,633,330
Current liabilities	6,841	6,840

The consolidated statements of comprehensive income for the year endedDecember 31,

Share of profit of associate	48,447	59,255
Other income	3	4
Profit for the year	46,706	58,714

9. LAND NOT USE IN OPERATION

The management of the Company has considered and review the investment plan for the construction building of new office to increase number of stores, and survey all assets of the Company and found that the Company has a plot of land on the road under the Udon Ratthaya Expressway, Bang Phut Subdistrict, Pak Kret District Nonthaburi with area of approximately 143 rai acquired in 2009 at a price of Baht 500.4 million to support the branch expansion plan at that time. Currently, the land is not used for the purposes as mentioned earlier, therefore, the Company has decided to transferred such land at aforesaid carrying amount, from property, plant and equipment to "Land not use in operation" which is separately presented in the statements of financial position as of 31 December 2020 and 2019. The latest value of such land, appraised in 2020 based on appraisal price of relevant government agency, amounting to approximately Baht 1,451.2 million.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

10. PROPERTY, PLANT AND EQUIPMENT

In Thousand Baht

Cost	Consolidated financial statements					Construction in progress and advance for purchase of land	Assets for development	Total
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Vehicles				
Balance as at January 1, 2019	6,460,040	7,695,611	2,747,282	379,301	548,535	18,689	17,849,458	
Additions	309,889	57,735	177,200	56,395	2,544,098	-	3,145,317	
Transfers – net	83,058	1,523,391	239,797	-	(1,867,891)	-	(21,645)	
Disposals/write-off	(7,904)	(149,552)	(31,651)	(4,136)	-	-	(193,243)	
Currency translation differences	(1,221)	(16,829)	(3,340)	(237)	(1,675)	-	(23,302)	
Balance as at December 31, 2019	6,843,862	9,110,356	3,129,288	431,323	1,223,067	18,689	20,756,585	
Additions	357,543	100,726	199,549	21,271	1,561,132	-	2,240,221	
Transfers – net	107,741	1,844,318	298,631	-	(2,258,213)	-	(7,523)	
Disposals/write-off	(65,274)	(200,853)	(22,136)	(3,894)	-	-	(292,157)	
Currency translation differences	(62)	(886)	(195)	(23)	-	-	(1,166)	
Balance as at December 31, 2020	7,243,810	10,853,661	3,605,137	448,677	525,986	18,689	22,695,960	

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

In Thousand Baht

	Consolidated financial statements						
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Vehicles	of land	Construction in progress and advance for purchase Assets for development	Total
Accumulated depreciation							
Balance as at January 1, 2019	400,948	1,869,638	1,368,848	241,077	-	10,365	3,890,876
Depreciation charge for the year	102,865	428,164	334,129	48,993	-	467	914,618
Transfers – net	-	-	(2)	-	-	-	(2)
Disposals/write-off	(5,935)	(113,919)	(29,722)	(4,121)	-	-	(153,697)
Currency translation differences	(15)	(145)	(76)	(8)	-	-	(244)
Balance as at December 31, 2019	497,863	2,183,738	1,673,177	285,941	-	10,832	4,651,551
Depreciation charge for the year	111,149	569,298	384,409	49,945	-	467	1,115,268
Transfers – net	106	(5)	(123)	-	-	-	(22)
Disposals/write-off	(43,399)	(151,041)	(20,352)	(3,866)	-	-	(218,658)
Currency translation differences	(7)	(66)	(33)	(5)	-	-	(111)
Balance as at December 31, 2020	565,712	2,601,924	2,037,078	332,015	-	11,299	5,548,028
Net book value							
At December 31, 2019	6,345,999	6,926,618	1,456,111	145,382	1,223,067	7,857	16,105,034
At December 31, 2020	6,678,098	8,251,737	1,568,059	116,662	525,986	7,390	17,147,932

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

In Thousand Baht

	Separate financial statements					Construction in progress and advance for purchase of land	Assets for development	Total
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Vehicles				
Cost								
Balance as at January 1, 2019	6,442,790	7,457,749	2,700,071	375,953	524,856	18,689	17,520,108	
Additions	309,889	50,347	175,158	53,681	2,543,914	-	3,132,989	
Transfers – net	83,057	1,523,391	235,271	-	(1,845,703)	-	(3,984)	
Disposals/write-off	(7,904)	(149,552)	(31,651)	(4,136)	-	-	-	(193,243)
Balance as at December 31, 2019	6,827,832	8,881,935	3,078,849	425,498	1,223,067	18,689	20,455,870	
Additions	357,543	100,726	197,532	21,271	1,557,257	-	2,234,329	
Transfers – net	107,741	1,844,317	298,631	-	(2,258,213)	-	(7,524)	
Disposals/write-off	(65,273)	(200,853)	(22,135)	(3,894)	-	-	-	(292,155)
Balance as at December 31, 2020	7,227,843	10,626,125	3,552,877	442,875	522,111	18,689	22,390,520	

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

In Thousand Baht

	Separate financial statements						
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Vehicles	of land	Construction in progress and advance for purchase Assets for development	Total
Accumulated depreciation							
Balance as at January 1, 2019	400,731	1,867,589	1,367,770	240,961	-	10,365	3,887,416
Depreciation charge for the year	101,264	413,126	326,593	47,863	-	467	889,313
Transfers – net	-	-	(2)	-	-	-	(2)
Disposals/write-off	(5,935)	(113,919)	(29,722)	(4,121)	-	-	(153,697)
Balance as at December 31, 2019	496,060	2,166,796	1,664,639	284,703	-	10,832	4,623,030
Depreciation charge for the year	109,549	554,134	376,171	48,782	-	467	1,089,103
Transfers – net	106	(5)	(123)	-	-	-	(22)
Disposals/write-off	(43,399)	(151,041)	(20,352)	(3,865)	-	-	(218,657)
Balance as at December 31, 2020	562,316	2,569,884	2,020,335	329,620	-	11,299	5,493,454
Net book value							
At December 31, 2019	6,331,772	6,715,139	1,414,210	140,795	1,223,067	7,857	15,832,840
At December 31, 2020	6,665,527	8,056,241	1,532,542	113,255	522,111	7,390	16,897,066

The gross carrying amounts of fully depreciated fixed assets that are still in use as at December 31, 2020 and 2019 amounted to Baht 1,842.7 million and Baht 1,587.1 million, respectively.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

11. RIGHT-OF-USE ASSETS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Right-of-use land				
Balance as at January 1,	345,214	355,661	338,884	348,848
Cumulative effect of				
accounting change	1,143,688	-	663,880	-
Additions	184,282	5,051	1,452	5,051
Transfers/Adjustment	(210,749)	(15,015)	(123,060)	(15,015)
Currency translation differences	(24)	(483)	-	-
Balance as at December 31,	<u>1,462,411</u>	<u>345,214</u>	<u>881,156</u>	<u>338,884</u>
Accumulated amortization				
Balance as at January 1,	37,317	26,005	37,065	26,005
Cumulative effect of				
accounting change	137,508	-	92,141	-
Amortization charge for the year	42,762	11,312	29,264	11,060
Transfers/Adjustment	(26,542)	-	(16,962)	-
Currency translation differences	1,009	-	-	-
Balance as at December 31,	<u>192,054</u>	<u>37,317</u>	<u>141,508</u>	<u>37,065</u>
Net book value	1,270,357	307,897	739,648	301,819

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

12. INTANGIBLE ASSETS

	In Thousand Baht			
	Consolidated financial statement			
	Computer			
	Software	Under Installation	Other intangible Assets	Total
Cost				
Balance as at January 1, 2019	33,400	-	-	33,400
Additions	1,487	-	6,729	8,216
Transfers - net	2,122	-	-	2,122
Currency translation differences	(67)	-	-	(67)
Balance as at December 31, 2019	36,942	-	6,729	43,671
Additions	377	63	-	440
Transfers - net	1,389	(63)	-	1,326
Currency translation differences	(3)	-	-	(3)
Balance as at December 31, 2020	38,705	-	6,729	45,434
Accumulated amortization				
Balance as at January 1, 2019	23,713	-	-	23,713
Amortization charge for the year	2,850	-	1,721	4,571
Currency translation differences	(1)	-	-	(1)
Balance as at December 31, 2019	26,562	-	1,721	28,283
Amortization charge for the year	3,377	-	2,247	5,624
Currency translation differences	(1)	-	-	(1)
Balance as at December 31, 2020	29,938	-	3,968	33,906
Net book value				
At December 31, 2019	10,380	-	5,008	15,388
At December 31, 2020	8,767	-	2,761	11,528

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

	In Thousand Baht			
	Separate financial statements			
	Computer			
	Software	Other	intangible	
	Computer software	Under Installation	Assets	Total
Cost				
Balance as at January 1, 2019	32,453	-	-	32,453
Additions	1,487	-	6,729	8,216
Transfers - net	2,122	-	-	2,122
Balance as at December 31, 2019	36,062	-	6,729	42,791
Additions	377	63	-	440
Transfers - net	1,389	(63)	-	1,326
Balance as at December 31, 2020	37,828	-	6,729	44,557
Accumulated amortization				
Balance as at January 1, 2019	23,697	-	-	23,697
Amortization charge for the year	2,674	-	1,721	4,395
Balance as at December 31, 2019	26,371	-	1,721	28,092
Amortization charge for the year	3,201	-	2,247	5,448
Balance as at December 31, 2020	29,572	-	3,968	33,540
Net book value				
At December 31, 2019	9,691	-	5,008	14,699
At December 31, 2020	8,256	-	2,761	11,017

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

13. INCOME TAX

Details of deferred tax assets and deferred tax liabilities as at December 31, 2020 and 2019 were as follows:

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements		2020	2019
	2020	2019		
Deferred tax assets				
Employee benefits	29,489	23,120	29,489	23,120
Right-of-use assets	17,668	10,039	17,668	10,039
Other	12,712	16,703	12,432	16,662
Total	59,869	49,862	59,589	49,821
Deferred tax liabilities				
Provision for sales returns	2,942	3,696	2,942	3,668
Taxable depreciation over book				
depreciation	5,329	7,199	791	861
Other	1	(492)	1	-
Total	8,272	10,403	3,734	4,529

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Income tax expense

In Thousand Baht

	Consolidated			
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Income tax expense	459,945	502,235	447,942	496,045
Movement in temporary difference	(5,160)	(9,470)	(4,770)	(19,742)
Net	454,785	492,765	443,172	476,303

Reconciliation of income tax

expense

Profit before income tax	2,430,307	2,606,842	2,351,878	2,515,231
Income tax using the corporate tax rate	486,061	521,368	470,376	503,046
Additional deductible expenses for				
tax purposes	(32,564)	(38,340)	(32,564)	(31,443)
Share of profit of joint venture	(4,671)	(5,871)	-	-
Others	11,119	25,078	10,130	24,442
Income tax on taxable profit	459,945	502,235	447,942	496,045
Cumulative effect of accounting				
change	4,599	-	4,599	-
Increase in deferred tax assets	(10,007)	(17,266)	(9,768)	(26,324)
Increase (decrease) in deferred tax				
liabilities	(2,131)	4,389	(795)	3,598
Income tax attributable to other				
comprehensive income	1,194	2,984	1,194	2,984
Currency translation differences	1,185	423	-	-
Income tax presented in statement of				
comprehensive income	454,785	492,765	443,172	476,303

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

14. CREDIT FACILITIES

As at December 31, 2020, the Group has agreement with various local financial institutions for the credit facilities which are unsecured as follows :

	In Thousand	
	U.S. Dollars	Baht
Multi-type working capital (Short-term loan, letter of credit)		
Trust receipts and letter of guarantee)	-	11,910,000
Short-term loan	-	8,530,000
Long-term loan	-	3,533,330
Bank overdraft	-	120,000
Letter of credit and trust receipts	-	5,620,000
Forward contract	72,770	4,220,000
Letter of guarantee	-	22,900
Total	72,770	33,956,230

Short-term loans from financial institutions

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements	2020	2020	2019
Trust receipts	892,934	1,219,591	892,934	1,219,591
Short-term loans from financial institutions	10,300,000	13,000,000	10,300,000	13,000,000
Total	11,192,934	14,219,591	11,192,934	14,219,591

Short-term loans from financial institutions comprise of promissory notes from various local banks and bear interest ranging from 1.00% to 1.50% per annum in 2020 and 1.60% to 1.84% per annum in 2019.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Long-term loans

As at December 31, 2020 and 2019, the periods to maturity of the long-term loans from various financial institutions were as follows :

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements	2020	2019	2020
Within one year	883,553	943,333	883,553	943,333
After one year but within five years	1,802,770	333,333	1,802,770	333,333
Total	<u>2,686,323</u>	<u>1,276,666</u>	<u>2,686,323</u>	<u>1,276,666</u>

Details of long-term loans are as follows :

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements	2020	2019	2020
Loan from the first bank				
• Credit line of Baht 1,000 million repayable in semi-annual installment of Baht 166.7 million (interest at the rate of 2.59% per annum), ending October 2021	333,333	666,666	333,333	666,666
Loan from the second bank				
• Credit line of Baht 1,000 million repayable in semi-annual installment of Baht 160 million and last installment of Baht 200 million (interest at the rate of 2.25% per annum), ending October 2020	-	360,000	-	360,000

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loan from the third bank				
• Credit line of Baht 500 million				
First withdrawal of Baht 277 million repayable in semi-annual installment of Baht 125 million and last installment of Baht 27 million (interest at the rate of 2.25% per annum), ending May 2020	-	27,000	-	27,000
• Credit line of Baht 500 million				
Second withdrawal of Baht 223 million repayable in semi-annual installment. First installment of Baht 98 million and last installment of Baht 125 million (interest at the rate of 2.25% per annum), ending November 2020	-	223,000	-	223,000
• Credit line of Baht 2,000 million				
First withdrawal of Baht 530 million repayable in semi-annual installment of Baht 53 million (interest THBFIX reviewed every 6 months plus rate of 0.85% per annum), ending December 2024	424,000	-	424,000	-
• Credit line of Baht 2,000 million				
Second withdrawal of Baht 1,021 million repayable in semi-annual installment of Baht 102 million and last installment of Baht 204 million (interest THBFIX reviewed every 6 months plus rate of 0.85% per annum), ending December 2024	918,990	-	918,990	-
• Credit line of Baht 1,200 million				
First withdrawal of Baht 400 million repayable in semi-annual installment of Baht 40 million (interest THBFIX reviewed every 6 months plus rate of 0.85% per annum), ending December 2024	320,000	-	320,000	-

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

In Thousand Baht

	Consolidated		Separate financial statements	
	financial statements		2020	2019
• Credit line of Baht 1,200 million Second withdrawal of Baht 300 million repayable in semi-annual installment of Baht 30 million (interest THBFIX reviewed every 6 months plus rate of 0.85% per annum), ending December 2024	240,000	-	240,000	-
• Credit line of Baht 1,200 million Third withdrawal of Baht 500 million repayable in semi-annual installment of Baht 50 million and last installment of Baht 100 million (interest THBFIX reviewed every 6 months plus rate of 0.85% per annum), ending December 2024	450,000	-	450,000	-
Total long-term loans	2,686,323	1,276,666	2,686,323	1,276,666
Less current portion	(883,553)	(943,333)	(883,553)	(943,333)
Net	1,802,770	333,333	1,802,770	333,333

Loan from certain banks contain certain restrictions on maintenance of financial ratio.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

15. LEASE LIABILITIES

	In Thousand Baht		
	Consolidated financial statements		
	December 31, 2020		
	Future minimum		
	payments	Interest	Present value
Within one year	49,498	(34,756)	14,742
After one year but			
within five years	207,650	(133,718)	73,932
After 5 years	1,416,031	(408,968)	1,007,063
	1,623,681	(542,686)	1,080,995
Total	1,673,179	(577,442)	1,095,737
	In Thousand Baht		
	Separate financial statements		
	December 31, 2020		
	Future minimum		
	Payments	Interest	Present value
Within one year	23,752	(16,281)	7,471
After one year but			
within five years	100,315	(62,440)	37,875
After 5 years	660,786	(179,121)	481,665
	761,101	(241,561)	519,540
Total	784,853	(257,842)	527,011

As at December 31, 2020, the Group has interest expenses on lease liabilities of Baht 31.51 million.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

16. TRADE AND OTHER ACCOUNTS PAYABLE - OTHERS

	In Thousand Baht			
	Consolidated		Separate financial statements	
	financial statements		2020	2019
	2020	2019		
Trade accounts payable	1,803,539	2,106,883	1,737,686	2,023,557
Other accounts payable				
Construction payable	575,947	608,744	575,947	608,707
Retention	117,839	112,873	116,585	112,873
Accrued expenses	82,562	85,031	81,778	81,882
Provision for customer loyalty programmes	21,593	18,303	21,550	18,289
Provision for sales returns	20,318	23,845	19,140	23,657
Accrued bonus	7,743	156,528	7,743	156,528
Accrued interest expense	4,275	9,406	4,275	9,406
Others	69,583	55,316	67,595	44,556
	899,860	1,070,046	894,613	1,055,898
Total	2,703,399	3,176,929	2,632,299	3,079,455

17. DEBENTURES

On June 20, 2018, the Company issued a series of debentures to specific investors amounting to Baht 500 million (divided into 500,000 units at Baht 1,000 per unit) and bears interest at 2.44% p.a. with maturity on July 12, 2021. Interest is payable quarterly.

Under the condition of the issuances of debentures, the Company has to comply with the specified condition by maintain Net Debt to Equity Ratio at the rate not exceeding 2 : 1.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

18. PROVISIONS FOR EMPLOYEE BENEFITS

	In Thousand Baht		
	Consolidated financial statements/ Separate financial statements		
	Post- employment benefits	Other long-term benefits	Total
At January 1, 2020	98,233	17,368	115,601
Current service cost	15,895	3,611	19,506
Interest cost	1,596	284	1,880
Remeasurements of other long term benefits	-	7,468	7,468
Expense recognized in profit or loss	17,491	11,363	28,854
Transaction recognized in other comprehensive income			
• Actuarial loss on defined benefit plan	5,970	-	5,970
Employee benefits paid during the year	(1,655)	(1,327)	(2,982)
At December 31, 2020	120,039	27,404	147,443
At January 1, 2019	67,994	11,506	79,500
Current service cost	11,655	2,598	14,253
Interest cost	1,909	314	2,223
Past service cost	12,719	-	12,719
Remeasurements of other long term benefits	-	3,530	3,530
Expense recognized in profit or loss	26,283	6,442	32,725
Transaction recognized in other comprehensive income			
• Actuarial loss on defined benefit plan	14,919	-	14,919
Employee benefits paid during the year	(10,963)	(580)	(11,543)
At December 31, 2019	98,233	17,368	115,601

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Actuarial loss recognized in other comprehensive income arising from :

	In Thousand Baht	
	2020	2019
Change in financial assumptions	1,830	12,711
Change in demographic assumptions	16	13
Experience adjustments	4,124	2,195
Total	<u>5,970</u>	<u>14,919</u>

Significant assumptions used in calculation of liability for post-employment benefits are as follows :

- Discount rate 1.51-1.77% per annum in 2020 and 1.69-1.90% per annum in 2019
- Salary increase rate 6.0% per annum in 2020 and 2019
- Employee turnover rate 5.73-34.38% per annum in 2020 and 2019
- Mortality rates Based on Thai Mortality Table

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Thousand Baht	
	Increase	Decrease
Defined benefit obligation at December 31, 2020		
Discount rate (0.5% change)	(7,924)	8,652
Salary increase rate (1% change)	14,176	(12,112)
Employee turnover rate (20% change)	(25,776)	36,442

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

19. SHARE CAPITAL AND DIVIDENDS

Share capital

	In Baht	In Thousand Shares / In Thousand Baht				
		2020		2019		
		Par	Value	Number	Amount	
Authorized						
At January 1,						
- ordinary shares	1	4,201,543	4,201,543	4,001,473	4,001,473	
Capital decrease	1	(2)	(2)	(3)	(3)	
Capital increase	1	200,073	200,073	200,073	200,073	
At December 31,						
- ordinary shares	1	4,401,614	4,401,614	4,201,543	4,201,543	
Issued and fully paid-up						
At January 1,						
- ordinary shares	1	4,201,541	4,201,541	4,001,470	4,001,470	
Stock dividend	1	200,069	200,069	200,071	200,071	
At December 31,						
- ordinary shares	1	4,401,610	4,401,610	4,201,541	4,201,541	

At the annual general meeting of the shareholders of the Company held on April 24, 2020, the shareholders passed the following resolutions :

- a) decrease authorized share capital from Baht 4,201,543,026 (4,201,543,026 ordinary shares at Baht 1 par value) to Baht 4,201,540,599 (4,201,540,599 ordinary shares at Baht 1 par value). The Company registered the capital decrease with the Ministry of Commerce on May 8, 2020;
- b) increase authorized share capital from Baht 4,201,540,599 (4,201,540,599 ordinary shares at Baht 1 par value) to Baht 4,401,613,960 (4,401,613,960 ordinary shares at Baht 1 par value). The 200,073,361 new ordinary shares were reserved for stock dividend. The Company registered the capital increase with the Ministry of Commerce on May 15, 2020.

At the annual general meeting of the shareholders of the Company held on April 23, 2019, the shareholders passed the following resolutions :

- c) decrease authorized share capital from Baht 4,001,472,951 (4,001,472,951 ordinary shares at Baht 1 par value) to Baht 4,001,469,549 (4,001,469,549 ordinary shares at Baht 1 par value). The Company registered the capital decrease with the Ministry of Commerce on May 17, 2019;

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

- d) increase authorized share capital from Baht 4,001,469,549 (4,001,469,549 ordinary shares at Baht 1 par value) to Baht 4,201,543,026 (4,201,543,026 ordinary shares at Baht 1 par value). The 200,073,477 new ordinary shares were reserved for stock dividend. The Company registered the capital increase with the Ministry of Commerce on May 21, 2019.

Dividends

At the annual general meeting of the shareholders of the Company held on April 24, 2020, the shareholders approved the appropriation of dividends of Baht 0.25 per share, amounting to Baht 1,062.6 million, from the profit of 2019. The dividend distributed to the shareholders comprise of stock dividend on the basis of 20 ordinary shares for 1 stock dividend amounting to Baht 200.1 million (200.1 million ordinary shares at Baht 1 par value) and cash dividend of Baht 862.5 million on May 22, 2020. The Company registered the increase in paid-up share capital with the Ministry of Commerce on May 22, 2020.

At the annual general meeting of the shareholders of the Company held on April 23, 2019, the shareholders approved the appropriation of dividends of Baht 0.26 per share, amounting to Baht 1,022.6 million, from the profit of 2018. The dividend paid to the shareholders comprise stock dividend on the basis of 20 ordinary shares for 1 stock dividend amounting to Baht 200.1 million (200.1 million ordinary shares at Baht 1 par value) and cash dividend of Baht 822.5 million on May 23, 2019. The Company registered the increase in paid-up share capital with the Ministry of Commerce on May 23, 2019.

20. SHARE PREMIUM

The share premium is set up under the provision of Section 51 of the Public Companies Act B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). The share premium is not available for dividend distribution.

21. LEGAL RESERVE

The legal reserve is set up under the provisions of Section 116 of the Public Companies Act B.E. 2535. Section 116 requires that a 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 authorized capital. The legal reserve is not available for dividend distribution.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

22. OTHER INCOME

	In Thousand Baht			
	Consolidated			
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Distribution management income	125,521	171,801	125,521	171,801
Subsidy income	98,032	116,963	98,032	116,963
Other service income	76,971	87,822	76,905	87,376
Gain on exchange rate	80,363	26,831	79,201	26,952
Rental income	19,487	22,862	15,443	19,312
Other	48,469	22,247	47,813	21,588
Total	448,843	448,526	442,915	443,992

23. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	In Thousand Baht			
	Consolidated			
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in merchandises	1,312,170	(2,314,805)	1,365,754	(2,318,931)
Purchase of merchandises	20,462,840	21,741,072	20,041,194	21,305,479
Employee costs	1,906,394	1,829,029	1,879,051	1,806,107
Depreciation and amortization	1,163,654	930,500	1,123,816	904,767
Finance costs	245,878	268,241	230,846	268,241
Utility expenses	291,479	254,851	280,302	243,471
Marketing, advertising and sale				
promotion expenses	162,805	176,911	158,293	167,241
Management remuneration	73,635	80,245	73,635	80,245

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

24. OTHER COMPREHENSIVE INCOME

	In Thousand Baht		
	Consolidated financial statement		
	2020		
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial loss on defined benefit plan	(5,970)	(1,194)	(4,776)
Currency translation differences	(3,741)	-	(3,741)
Other comprehensive loss for the year	(9,711)	(1,194)	(8,517)
	In Thousand Baht		
	Consolidated financial statement		
	2019		
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial loss on defined benefit plan	(14,919)	(2,984)	(11,935)
Currency translation differences	(35,033)	-	(35,033)
Share of other comprehensive loss of joint venture (currency translation differences)	(31)	-	(31)
Other comprehensive loss for the year	(49,983)	(2,984)	(46,999)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

	In Thousand Baht		
	Separate financial statements	2020	
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial loss on defined benefit plan	(5,970)	(1,194)	(4,776)
Other comprehensive loss for the year	(5,970)	(1,194)	(4,776)
	In Thousand Baht		
	Separate financial statements	2019	
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial loss on defined benefit plan	(14,919)	(2,984)	(11,935)
Other comprehensive loss for the year	(14,919)	(2,984)	(11,935)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

25. EARNINGS PER SHARE

Earnings per share for the years ended December 31, 2020 and 2019 are determined by dividing the profit by the weighted average number of ordinary shares outstanding during the periods, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the increase in share capital arising from the issue of a stock dividend of 200.1 million shares on May 22, 2020. The number of ordinary shares of the prior period has been adjusted as if the stock dividend had been issued at the beginning of the earliest period reported as follows:

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate financial statements	
	financial statements		2020	2019
	2020	2019		
Profit attributable to equity holder of the parent	1,955,963	2,093,471	1,908,706	2,038,928
Weighted average number of ordinary shares outstanding	4,401,610	4,401,610	4,401,610	4,401,610
Earnings per share (Baht)	0.4444	0.4756	0.4336	0.4632

26. PROVIDENT FUNDS

The Company has established contributory provident funds for their employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 3% of their basic salaries and by the Company at the same rate. The provident funds are registered with the Ministry of Finance as juristic entities under the Provident Fund Act B.E. 2530 and are managed by licensed Fund Managers.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

27. SEGMENT INFORMATION

The Group is engaged in merchandising of construction and decoration materials and equipment in Thailand, therefore, management considers that the Group had only one business segment.

The Group's segment revenues based on the geographic location of customers for the years ended December 31, 2020 and 2019 were as follows :

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Thailand	25,971,352	27,290,506	25,971,352	27,290,506
Kingdom of Cambodia	831,611	790,513	236,597	191,227
Lao People's Democratic Republic	-	428	-	428
Total	<u>26,802,963</u>	<u>28,081,447</u>	<u>26,207,949</u>	<u>27,482,161</u>

Timing of revenue recognition

	In Thousand Baht	
	2020	
	Consolidated	Separate
financial statements		financial statements
At a point in time - Sales	26,802,963	26,207,949
Over Time - Transportation income	102,081	101,780

	In Thousand Baht	
	2019	
	Consolidated	Separate
financial statements		financial statements
Point In Time - Sales	28,081,447	27,482,161
Over Time - Transportation income	94,448	94,167

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

28. DISCLOSURES OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Group is exposed to normal business risks relating to liquidity risk, credit risk, foreign currency risk and interest rate risk. The Group has used derivative financial instruments for hedging against the foreign currency risk without intention for trading or speculation purposes. The Group had no significant change in risk management policy relating to financial instruments during 2020 and 2019.

As at December 31, 2020 and 2019, the Group had the following assets and liabilities that are measured at fair value (both on a recurring or non-recurring basis) in the statements of financial position;

Derivative assets (Shown under other current assets) amounting to Bath 4 Thousand for 2020 and derivative liabilities (Shown under other current liabilities) amounting to Baht 5.4 million and Baht 27.5 million for 2020 and 2019, respectively (level 2).

Liquidity Risk

The Group manages its liquidity risk by maintaining a level of cash and cash equivalents as well as management of current assets and current liabilities and short-term and long-term sources of funds as deemed adequate to finance the operations of the Group and to mitigate the effects of fluctuations in cash flows and the lack of financial liquidity.

Credit Risk

Credit risk is the risk that a customer or counterparty is unable or unwilling to meet its financial and contractual commitments. To mitigate this risk, the Company periodically monitors and assesses the financial viability of customers and counterparties.

Carrying amount of receivables presented in the statements of financial position is the maximum exposure to credit risk.

Foreign Currency Risk

The Group has significant business transactions internationally, which mainly is the import and the export of its products, giving rise to exposure to fluctuations in foreign currency exchange rates. In practice, the Group reduces this risk by matching cash receipts from its customers (receivables) against related cash payments. In addition, the Group has used forward exchange contracts (buy-sell) to mitigate this risk.

As at December 31, 2020, the Group has an outstanding balance of short-term forward purchase contract of U.S. Dollars 8.9 million (equivalent to Baht 272.1 million) and CNY 0.03 million (equivalent to Baht 0.1 million). The above contracts mature in December 2021 and January 2021, respectively.

As at December 31, 2020, the Group had significant outstanding non-hedged foreign currency assets and liabilities amounting to U.S. Dollars 2.2 million and CNY 5.6 million, respectively.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect on current and future operations and cash flows of the Group. The Group's management believes that the interest rate risk is minimal because the Group's deposits at banks, bank overdrafts, short-term and long-term loans bear interest at the floating market interest rates. Debentures and lease liabilities bear interest at fixed rates which approximate market interest rates.

Fair Value Measurements

The following method and assumptions were used by the Group in estimating fair values of financial assets and financial liabilities:

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to the financial statements (continued)

December 31, 2020 and 2019

Cash and cash equivalents, trade and other accounts receivables, other current financial assets, short-term and long-term borrowings from financial institutions, trade and other payables, provision, other current financial liabilities, lease liabilities and debentures.

Carrying amounts of these financial assets and liabilities approximate fair values due to a portion of these financial instruments was stated at cash status or had the relatively short-term maturities whereas the rest bear interest at the floating or fixed interest rates which approximate market interest rates. (Level 2 data of the fair value hierarchy)

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that they have an appropriate financial structure and preserves the ability to continue their business as a going concern.

As at December 31, 2020 and 2019, the Group's debt-to-equity ratio were 1.09 : 1 and 1.23 : 1., respectively, and the Company's debt-to-equity ratio were 1.08 : 1 and 1.24 : 1, respectively.

30. COMMITMENTS

As at December 31, 2020, the Group had:

- a) commitment to construction agreements for building and machinery with a related party and local companies amounting to Baht 526.0 million, and
- b) unused letters of credit totaling approximately U.S. Dollars 0.8 million (equivalent to Baht 23.3 million) and CNY 35.6 million (equivalent to Baht 167.1 million).

31. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 10, 2021, the Board of Directors passed the resolution to pay the dividend for the 2020 operations totaling Baht 1,014.59 million to the shareholders. The dividend comprise stock dividends on the basis of 22 ordinary shares for 1 stock dividend amounting to Baht 200.07 million (200.07 million ordinary shares at Baht 1 par value) and cash dividend of Baht 814.52 million. The dividend payment will be further proposed to the Annual General Meeting of the Company's shareholders for approval in April 2021.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to the financial statements (continued)
December 31, 2020 and 2019
32. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the statement of comprehensive income for the year ended December 31, 2019, were reclassified to conform to and be comparable with the presentation of the statement of comprehensive income for the year ended December 31, 2020, without effect to previously reported profit or shareholders' equity. Such reclassifications are as follows :

	In Thousand Baht		
	Consolidated financial statements		
	Before reclassify	Reclassify	After reclassify
Transportation income	-	94,448	94,448
Other income	1,100,829	(652,302)	448,527
Cost of goods sold	22,298,928	(557,854)	21,741,074
Administrative expenses	1,858,925	(32,651)	1,826,274
Other expense	-	33,496	33,496
Reversal of loss on impairment of financial assets	-	(845)	(845)

	In Thousand Baht		
	Separate financial statements		
	Before reclassify	Reclassify	After reclassify
Transportation income	-	94,167	94,167
Other income	1,094,751	(650,759)	443,992
Cost of goods sold	21,862,071	(556,592)	21,305,479
Administrative expenses	1,796,449	(32,651)	1,763,798
Other expense	-	33,496	33,496
Reversal of loss on impairment of financial assets	-	(845)	(845)

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Company's Board of Directors on February 10, 2021.

Other References

Regulator	:	The Securities and Exchange Commission
Address	:	333 / 3 Vibhadi- Rangsit Road, Chomphon, Chatuchak Bangkok 10900
Telephone	:	02-695-9999
Fax	:	02-695-9660
Regulator	:	The Stock Exchange of Thailand
Address	:	93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindaeng Bangkok 10400
Telephone	:	02-009-9726-50
Fax	:	02-009-9807-8
Share Registrar	:	Thailand Securities Depository Company Limited
Address	:	93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindaeng Bangkok 10400
Telephone	:	02-009-9000
Fax	:	02-009-9991
Auditor	:	M.R. & ASSOCIATES Co.,LTD
Address	:	705-706 Chaopaya Tower 89, Soi Wat Suan Plue, Charoenkrung Road, Bangrak, Bangkok 10500
Telephone	:	02-630-7500
Fax	:	02-630-7506
Bond Registrar	:	The Debenture of Siam Global House PCL.1/2018
Address	:	Bank of Ayudhaya Public Company Limited 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Thailand
Telephone	:	02-296-5695, 02-296-2796
Fax	:	02-683-1302



“Global House” was the first of its kind which adopted
“the modern trade Innovation system”
to distribute construction materials, decorative items and gardening products.
The store contains various categories of items more than

270,000 SKUs





SIAM GLOBAL HOUSE

PUBLIC COMPANY LIMITED

2020 ANNUAL REPORT

23
years



SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

232 Moo 19 Rob Muang, Muang, Roi Et 45000



callcenter@globalhouse.co.th



www.globalhouse.co.th