



ANNUAL REPORT 2017



GLOBAL HOUSE

SIAM GLOBAL HOUSE CO., LTD

20 Years Anniversary

ANNUAL REPORT 2017 | SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED



ฉลองครบรอบ 20 ปี



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Global CSR 2017

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Distribution Center “DC”

The warehouse is located on the land more than 100 Rai at Wang Noi district , Pranakhon Sri Ayutthaya province. The distribution center has collected of goods and transported simultaneously. The goods was automated storage and etrieval by ASRS which quickly and accurately. This will reduce the working hours and number of employees.



ASRS

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Automated Storage Retrieval System : ASRS

ASRS is a modern storage system and able to store in full capacity, work quickly, high speed crane system to move the goods quickly and efficiently ,reduce storage space, increase storage quantity, increase efficiency of retrieval , efficiency of human resource management, energy saving, increase safety of goods and employees.

GLOBAL HOUSE has install ASRS for storage and retrieval goods in Distribution Center and branches, in order to work quickly and maximum satisfaction of customers.



Global
House

SIAM GLOBAL HOUSE



ฉลองครบรอบ 20 ปี

บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)

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

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Message from Chairman

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Dear shareholders



Last year, Thailand economics overall have recovered from the government's stimulating which increased purchasing power of people and effect to the retail business growing up. In 2017, Siam Global House Public Company Limited has net sale increases 10.46 % from the year 2016 and able to increase 9 stores along with Wang Noi Distribution center (DC) has been officially operating. The Wang Noi Distribution center has been provided by the Automated Storage Retrieval Systems (ASRS) for administrative management and maximizing available storage space in existing storage structures, avoiding storage expansions, increasing goods requisition efficiency, reducing energy costs, fast, reducing labor and product damage costs, increasing inventory accuracy and customer service. In 2018, the company is going forward to procreate the profits to all shareholders with the increasing stores policy in Thailand and ASEAN, joint venture with the local partner to increase the distribution channels and business strength.

In addition to continuous improvement of the Company's performance, but the Company also recognize to support the social benefit. Last year is the 20th anniversary of business operation and we organized "Global House 101 RUN" project. The aims of this project that take the non-deductible income from the project to the local school and the district health promoting hospital for 20 places in Roi-Et where is established the first branch of Global house store. The last year had the flood disaster in many places in Thailand so the Company provides the utilize stuff such as drinking water, rice, clothes etc. to the victims of the flood disaster.

On behalf of the Board of Directors and Executives and staff of Siam Global House Public Company Limited, we are so proud to be the part of company and participate company development which is underneath the good corporate governance to support the Company's rapid growth among the intense competition and sustainable and make return to all shareholders and stakeholders.

Finally, I would like to take this opportunity to thank you to shareholders, customers, business partners, financial institutions and all sponsors for your ongoing to trust, cooperate and support. I truly hope to be trusted and supported by all of you.

Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'Ol' followed by a long horizontal stroke.

(Mr. Apisit Rujikeatkamjorn)
Chairman

Message from Chief Executive Officer

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Dear shareholders



From the last year of operation, the economic circumstance of construction business is not better. The financial institutions are strict to loan the real estate loans but the purchasing power in the last quarter of the year was increasing gradually. Accordingly, the same stores sales growth rate has raised continuously to 2018.

In 2017, the Company expanded 9 stores that is the maximum number of expansion stores ever. Thus, in the end of 2017 the Company had 55 stores and also operates Wang Noi Distribution center (DC), which more than the target set. In 2018, the Company has a plan to increase stores continuously and cover all areas in Thailand and we prepared the land for store expansion already.

Furthermore, the Company has the innovation development which integrated commercial innovation and provide the ASRS (Automated Storage Retrieval System) to connect retail system, warehouse system, distribution center, and human resource management system or the ERP software system. And developed GLOBAL ERP since 2013 that certified by the Revenue Department. Thus, we are able to further develop to meet the internal system and the non-limited customer service system via Open source system in order to reduce the cost of business operation.

In 2018, we have a project to renovate the same stores for the modern style to serve target customers who is changing the generation and we have started with the new stores already. And we will source the products to serve customers demand to achieve high satisfaction, as a result of the Company obtains sustainable benefit.

Yours Sincerely,



(Mr. Witoon Suriyawanakul)
Chief Executive Officer

1. Financial Highlights for the year 2015-2017

(Unit : Million Baht)

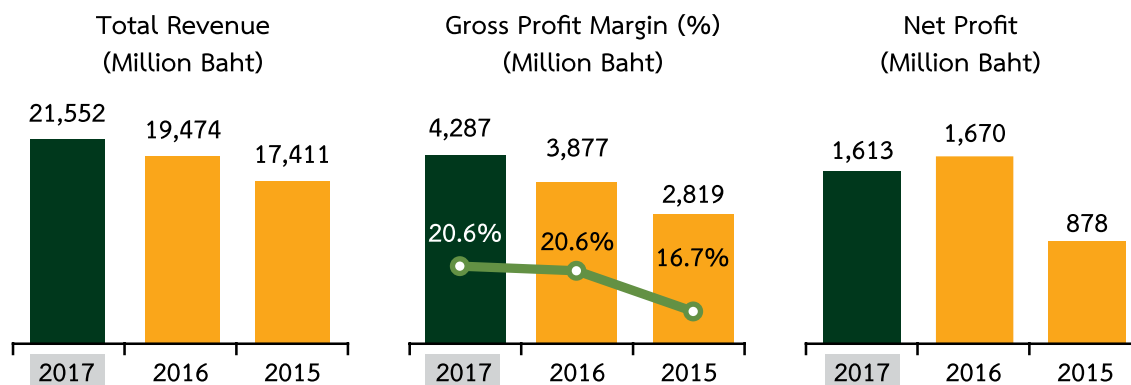
Summary of Financial Statements Information	Consolidated Financial Statements	Financial Statements in the Equity Method		Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
Income Statement						
Sales	20,830.56	18,857.44	16,863.78	20,830.56	18,857.44	16,863.78
Total Revenues	21,552.18	19,474.11	17,410.93	21,552.13	19,474.11	17,410.93
Gross Profit	4,286.91	3,877.03	2,819.18	4,286.91	3,877.03	2,819.18
EBIT	2,146.97	2,254.43	1,243.74	2,161.42	2,248.71	1,240.87
Net Profit(Loss)	1,602.09	1,676.03	880.59	1,612.94	1,670.31	877.72
Balance Sheet						
Total Assets	28,229.56	23,067.27	17,922.57	28,177.34	23,058.76	17,919.71
Total Liabilities	14,849.46	10,721.60	7,096.01	14,830.29	10,721.60	7,096.01
Total Shareholders' Equity	13,380.10	12,345.67	10,826.56	13,347.05	12,337.16	10,823.70
Financial Ratio						
Gross Profit Margin (%)	20.58	20.56	16.72	20.58	20.56	16.72
Net Profit Margin (%)	7.43	8.61	5.06	7.48	8.58	5.04
Return on Equity (%)	12.46	12.30	6.07	12.56	12.26	6.05
Return on Assets (%)	6.25	7.27	3.98	6.30	7.25	3.97
Debt to Equity Ratio (time)	1.11	0.87	0.54	1.11	0.87	0.54
Earnings per Share						
Earnings per Share (Baht / Share)	0.4187	0.4363	0.2407	0.4199	0.4348	0.2399
Book Value per Share (Baht / Share)	3.4831	3.3745	4.2814	3.4745	3.3722	4.2806
Common Stocks (Shares)	3,841,414,033	3,658,492,121	3,484,281,006	3,841,414,033	3,658,492,121	3,484,281,006

Note: Data from Separate Financial Statement

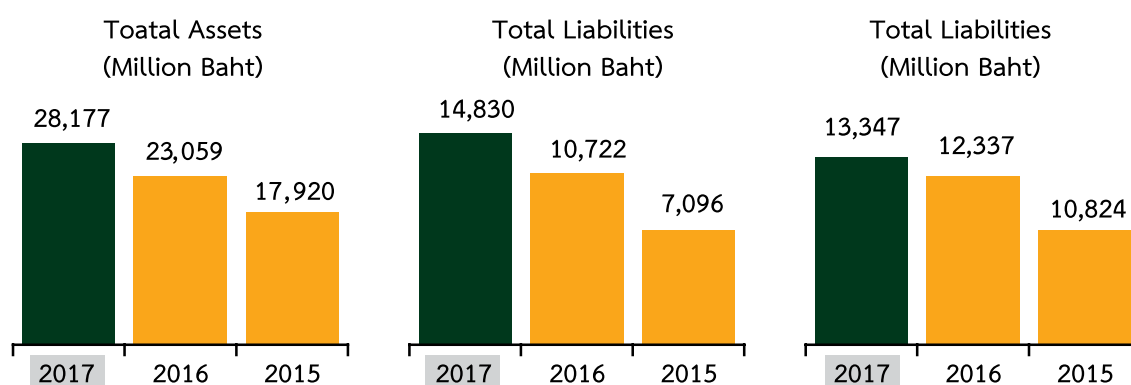
SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

(Unit : Million Baht)

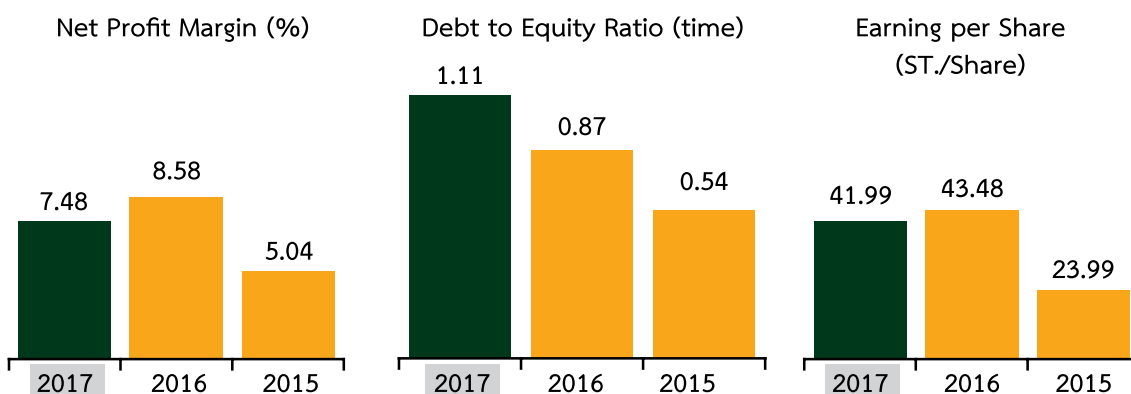
Income Statement



Balance Sheet



Financial Ratio & Earnings per Share



Note: Data from Separate Financial Statement

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 210,000 SKUs, over million items. All in the huge store warehouse under the same roof where feature average area of 18,000-32,000 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	:	0-4351-9597
Fax	:	0-4351-1492, 0-4351-9649
Home Page	:	www.globalhouse.co.th
Registered Capital	:	3,841,416,727.00 Baht
Paid-up Capital	:	3,841,414,033.00 Baht
Par Value	:	1 Baht

Branches Information.

1	Roi Et	17	Surin
	232 Moo 19 T.Robmung A.Muang Roi Et 45000		88 Moo 13 T.Cha Neang A.Muang Surin 32000
2	Khon Kaen	18	Phitsanulok
	377 Moo 21 Maliwan Rd. A.Muang Khon Kaen 40000		9/9 Moo 7 T.Wat Chan A.Muang Phitsanulok 65000
3	Udon Thani	19	Lamphun
	202 Moo 5 T.Sam Prao A.muang Udon Thani 41000		161 Moo 5 A.Muang Lamphun 51000
4	Wieng Khum Kam	20	Mukdahan
	99/3 Moo 11 A.Sarapee Chiang Mai 50140		35/8 Chayangkun Rd . A.Muang Mukdahan 49000
5	Rayong	21	Phare
	137 Moo 4 T.Tub Ma A.Muang Rayong 21000		158 Moo 2 A. Sungmen Phare 54130
6	Chon Buri	22	Lampang
	25/74 Moo 3 T.Ban Suan A.Muang Chon Buri 20000		518 Moo 11 A.Muang Lampang 52000
7	Nakhon Prathom	23	Nan
	222 Moo 8 A.Muang Nakhon Prathom 73000		288 Moo 11 T. Chaisatan A. Muang Nan 55000
8	Ratch Buri	24	Sukhothai
	280 Moo 2 T.Chedee Hak A.Muang Ratch Buri 70000		88 Moo 6 T.Bankluy A. Muang Sukhothai 64000
9	Kalasin	25	Ban Pai
	193 Moo 10 T.Lam Phan A.Muang Kalasin 46000		77 Moo 6 A. Ban Pai Khon Kaen 40110
10	Nakhon Sawan	26	Kampangpetch
	99/6 Moo 10 A.Muang Nakhon Sawan 60240		11 Moo 10 A.Muang Kampangpetch 62000
11	Maha Sarakam	27	Ubonratchathani
	28 Sarakam –Wapeeprathum Rd. Mahasarakam 44000		90 Moo 2 T.Nonpung A. Warinchumrab Ubonratthani 34190
12	Nong Khai	28	Ban Tad
	365 Moo 6 A.Muang Nong Khai 43000		823 Moo 4 A.Muang Udon Thani 41000
13	Nakhonratchasima	29	Lopburi
	493 Moo 2 A.Muang Nakhon Ratchasima 30000		41/3 Moo 1 A. Muang Lop Buri 15000
14	Sakhon Nakhon	30	Trad
	444 Moo 9 A.Muang Sakhon Nakhon 47000		62 / 26 Moo 5 A. Muang Trad 23000
15	Nakhon Phanom	31	Chanthaburi
	147/3 Pracharummit Rd. T.Nongyat A.Muang Nakhon Phanom 48000		83 Moo 6 T.Kaovo A.Tamai Chanthaburi 22000
16	Chaiyaphum	32	Nongbualamphu
	8 Moo 11 A.Muang Chaiyaphum 36000		240 Moo 9 T.Nongbua A. Muang Nongbualamphu 39000

Branches Information

33	Petchboon	45	Kanchanaburi
	333 Moo 12 T.Nangoa A.Muang Petchboon 67000		116 Moo 8 T.Kaengsean A.Muang Kanchanaburi 71000
34	Buriram	46	Nakhonsithammarat
	54 Moo 16 T.Kasung A.Muang Buriram 31000		100/1 Moo 5 T.Phkphun A.Muang Nakhonsithammarat 80000
35	Nakhonnayok	47	Prachuap Khirikhan
	86/40 Moo10 A.Muang Nakhonnayok 26000		1/2 Phet Kasem Road T.Prachuap Khirikhan A.Muang Prachuap Khirikhan 77000
36	Yasothon	48	Ang Thong
	364 Moo3 T.Tadthong A.Muang Yasothon 35000		99/99 Moo 8 T.Phosa A. Muang Ang Thong 14000
37	Bungkan	49	Uttaradit
	328 Moo 10 T.Bungkan A.Muang Bungkan 38000		159 Moo 8 T.Pasao A.Muang Uttaradit 53000
38	Pranburi	50	Loei
	1441Moo2 A.Pranburi Pachaubkirikan77120		292 Moo 6 T.Na an A.Muang Loei 42000
39	Pathumthani	51	Chom Phae
	1/88 Moo3 T.Bangphonuea A.Samkhok Pathumthani 12160		998 Moo 9 T.Chum Phae A.Chum Phae Khon Kaen 40130
40	Salaya	52	Phang Khon
	8/8 M00 1 T.Songkanong A.Samphran Nakhonpathom 73210		642 Moo 1 T.Phang Khon A.Phang Khon Sakon Nakhon 47160
41	Singburi	53	Phatthalung
	68 Moo 4 T.Tonpho A.Muang Singburi 16000		228 Moo 10 T.Khao Chiek A.Muang Phatthalung 93000
42	Samutsongkram	54	Chokchai
	99/1 Moo 11 T.Ladyai A.Muang Samutsongkram 75000		363 Moo 12 T.Chokchai A.Chok Chai Nakhon Ratchasima 30190
43	Chiang Rai	55	Tapharak
	296 Moo 1 T.Thasai A.Muang Chiang Rai 57000		76/12 Moo 3 T.Bang phli A.Bang Phli Samut Prakan 10540
44	Suratthani		
	17/5 Moo 2 T.Bangkung A.Muang Suratthani 84000		

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.

Objectives & Goals

Siam Global House Public Company Limited objective 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". Global currently has 55 stores covering 4 regions; the central and the eastern 17 branches; Nakhon Pathom ,Ratchaburi, Rayong ,Lopburi, Chon Buri,Chanthaburi,Trad, Nakhonnayok, Pranburi, Salaya, Pathumtani Singburi, Samutsongkram ,Kanchanaburi, Ang Thong, Tapharak and Prachuap Khirikhan. The northeastern 23 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, Yasothorn, Bungkan, Loei, Chum Phae, Phang khon and Chokchai. The northern 12 branches; Chiang Mai, Nakhon Sawan, Phitsanulok , Lumphoon, Phare, Lampang , Nan, Sukhothai, Kampangeth, Petchboon, ChiangRai and Uttaradit. The Southern 3 branches; Surattani, Nakhonsithammarat and Phatthalung.

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 2017, the Company expanded 9 stores and operation of Wang-Noi distribution Center. By the end of year, the Company has operated 55 branches.

3. Nature of Business

The Structure of Business Group as 31 December 2017



Siam Global House PCL.

Business Type: Retailing building materials
and home decoration products



Global House International Co.,Ltd

Business Type : Holding Company for investment
in retail building materials and home decoration products

in ASEAN

Holds : 50 %



Global House Cambodia Co.,Ltd.

Business Type : Retailing building materials
and home decoration products in Cambodia

Holds: 55%

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.

Revenue Structure

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

(Unit : Million Baht)

Revenue Structure	2558		2559		2560	
	จำนวน	%	จำนวน	%	จำนวน	%
Sale Revenue	16,863.78	96.86	18,857.44	96.83	20,830.56	96.65
1. Building Material Group	6,780.19	38.94	5,879.69	30.19	8,507.35	39.47
2. Decorative items	10,083.59	57.92	12,977.75	66.64	12,323.21	57.18
Other Revenue	547.15	3.14	616.67	3.17	721.62	3.35
Total Revenue	17,410.93	100.00	19,474.11	100.00	21,552.18	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 210,000 SKUs. Each Global store features average area of 18,000 - 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	437
- Steel, Tack and Wire	Steel Round, Steel Deformed bars	3,438
- Tile and Equipment Installation	Ceramic Tile, Concrete Tile	10,394
- Tank, Waterspout, Water System and Gardening	Plastics Tank and Stainless Tank, Trough and Gardening Equipment	17,296
2. Hardware and Decorative Group		
- Doors, Windows, Woods and Equipment	Wood doors, PVC doors, Windows, Frame	15,074
- Tools	Steels Tools, Wood Tools etc.	34,589
- Electricity and Equipment	Switch, Plug, Cables, Lighting, Home Appliances	37,290
- Sanitary ware, bath and kitchen	Sanitary ware, Bathtub	34,278
- Ceramic, Floor material and wall	Ceramic flooring, Granites tiles	28,862
- Painting and Chemical material	Paints, Base, Oil	15,955
- Furniture Equipment	Flap, Connector, Lock equipment and Placeholder	8,077
- Furniture and Home ware	Closet, Chair, bed	12,343
Total	218,033 Items	

From our concept “All Inclusive for your House”, Global provided the categories of product more than 210,000SKUs. 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:

Fast – we provide our customers with a grab & go service. We have a unit called “Speed Man” who is ready to help customer loading customers’ heavy purchased items into their vehicles. We also heavily invest our resource on improving the utilization of Information Technology to speed up our work processes, which ultimately aim to improve service quality.

Right – because we understand that customers expect reliability from us, so we equipped all of our associates with the right knowledge of product and with the customer-oriented mind.

Cheap – customers can expect quality products at a lower-than-market price from us.

Easy – we want to provide an easy and welcoming atmosphere to all our customers.

Polite – all our associates are there to help out our customers in a polite and professional manner.

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.

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 concepts below:

1. Offering from Manufacturers
2. Sourcing team study the market and source new products accordingly
3. On basis of Customers’ preferences

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:

1. 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.

2. 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.

House Brand Products.

The Company currently has 77 house brands products and 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.



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 82 branches.
- **Home Works** manages by CRC Power Retail Company Limited, which is the same board of Central Retail Corporation. The company also distributes construction material and home improvement. Home Works has 4 branches in Ratchapruek, Phuket, Pattaya and Petchkasem.
- **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 43 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 8 branches and establish on Ubon Ratchathani, Nakhon Ratchasima, Pathumthanee (Rung Sit, Klong 7), Khon Kaen , Udonthani Rama2 Bangbuathong and Chiangmai.
- **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 11 branches in Mae Sot ,Rangsit , Nong Khai Boa Win Kabinburi, Arunprathed, Minburi, Rojana, Hat yai, Nakhon Ratchasima and Nakhon Phanom.
- **Baan & BEYOND** manage by CRC Thai Watsadu Co.,Ltd. It’s department store for home and operated in year 2013, established in Chiangmai , Khon Kean and Pattaya.

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.

4. Risk Factors

Risk factors that may affect to the Company's performance in the future are as follows.

1. Business Operation Risk

In the last year, the building material business was likely to gradually improve. Because of the government's policies to encourage investment and stimulate the economy such as the transportation infrastructure, that the government tried to accelerate investment. And not only the large projects but there were small and medium projects such as improvement of the road, irrigation dams and government buildings improvement which positive impact on the building material business. However, the market for building materials for individual consumers not able to improve well because of the economic had not recovered and the consumers slow down of spending.

The Company have realized on the risk and impact to the business operations and in order to business operating with target. The Company has determined the risk and risk management that may occur as follows.

1) Expansion Risk

In 2017, the company has opened 9 new stores that totaling 55 branches coverage 48 provinces i.e. Roi-Et, Khon Kaen (3 stores), Udonthani (2 stores), Chiang Mai, Rayong, Chonburi, Nakhonprathom (2 stores), Ratchaburi, Kalasin, Nakhonsawan, Maharakam, Nong Kai, Nakhonratchasima (2 stores), SakonNakhon (2 stores), Nakhon Phanom, Chaiyaphum, Surin, Phitsanulok, Lamphun, Mukdahan, Phare, Nan, Lampang, Sukhothai, Kampangetch, Ubonratchathani, Lopburi, Trad, Chanthaburi, Nongbualamphu, Petchboon, Buriram, Nakhonnayok, Yasothon, Bungkan, PrachuapKhirikhan (2 stores), Pathumthani, Singburi, Samutsongkram, Chiang Rai, Suratthani, Kanchanaburi, Nakhonsithammarat, Ang Thong, Uttaradit, Loei, Phatthalung and Samut Prakan. Now, the Company still has 10 stores which have been under construction such as Ayutthaya, Mae Hong Son, Phuket, Chiang Mai (Fang), Satun, Nakhonratchasima (Dan Khun Thot), Buriram (Nang Rong), Si sa ket (Knatharalak), Phetchaburi and Cambodia. which would be operate in 2018.

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, and customer behavior).

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) Inventory Risk

As at December 31st, 2015, December 31st, 2016, and December 31st, 2017, the Company had inventory of 7,579.40 million Baht 10,249.66million Baht and 12,603.61 million Baht respectively, or in percentage to total asset are 32.90%, 44.43% and 44.65%. 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.

3) Competition Risk

The Company operates a retail business with products relating to houses and residential places where there are both direct (i.e. Home Pro, Home Mart, Thai Watsadu, Home Hub, and Do Home) and indirect competitors such as retailing shops, department stores, specialty stores, and general small retail shops. As, they will have gained some market shares. The Company will be effected by miss some target or some sales. So to avoid the affect, the Company has differentiated strategy. We do also offer a variety of products (more than 210,000 items) and complete more range of services. Furthermore, the Company do also outsource from the vary supplier to reduce the lack of product

4) Volatility of the Cost of Product

As, the cost of product can fluctuate from economic situation. This will caused some products that company sell in store. So, company has policy about vary price to control the product cost and do not have problem in inventory turnover. The company can also determine cheap price because it buys any product directed from the manufacturing

5) Conflagration Risk

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.

6) Natural Disasters

Due to the natural disasters occurred in last year . The management is aware of the building safety, stakeholders and inventory that the management assigned to engineering teams to inspect the strength of buildings every stores. In addition the Company has also insured cover the damage from natural disasters to the building and inventory.

7) Customer's value and Obsolete Products Risk

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

8) Fraud

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.

2. 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 2015 was 98.78 %, in 2016 was 97.47% and in 2017 was 98.60%. 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, 2017 the Company has account receivable of 34.78 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 receivables that are more than 6 months but not exceeding 12 months, the allowance for doubtful bad debts is set to be 50% and for the receivables that exceeding 12 months, the allowance for doubtful bad debts is normally set to be 100%. In 2017, the Company recorded the allowance for doubtful account of 1.94 million Baht and the last year ,the Company had not bad debt.

2) 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, 2017. The volume of monetary is 2,160 million baht and 53.34 million USD, credit used is 73.45 million Baht. However, the Company not effected by exchange rate risk.

3. Risk from the major shareholder

1) The Major Shareholders' Risk more than 25%

As at 31 December 2017 the Suriyawanakuls and SCG Distribution Co.,Ltd. are the major shareholders that totaling 2,601,964,354 shares or 67.74 % 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.

5. Shareholding Structure

Security& Shareholders

As at December 31, 2017, the Company has the authorized capital of 3,841,416,727.00 Baht and the paid-up capital amount 3,841,414,033.00 Baht. There are common stock of 3,841,414,033 shares par values at 1 Baht per share.

The top ten of shareholders holding the shares on the closing date as of December 31, 2017

Rank	Name	Shares	Percentage (%)
1	The Suriyawanakuls	1,448,959,080	37.72
2	SCG Distribution Company Limited	1,153,005,274	30.02
3	Thai NVDR company Limited	161,947,927	4.22
4	Social Security Office	103,719,477	2.70
5	Mr.Jearanai Lerdrachkut	75,884,150	1.97
6	Bualuang Long -Term Mutual Funds (LTF)	71,531,324	1.86
7	Mrs.Pitchaya Poonlarp	50,151,850	1.30
8	Mr. Boonyong Thanyawut	45,660,699	1.19
9	Bualuang Long -Term Mutual Funds (LTF) 75 / 25	36,297,379	0.94
10	Bualuang Flexible RMF	20,611,604	0.54
11	Others	673,645,269	17.54
Total		3,841,414,033	100.00

Note : Details of the Suriyawanakuls as following table.

List of the” Suriyawanakuls”

Rank	Name			Shares	Percentage (%)
1	Ms.	Kunnatee	Suriyawanakul	451,688,627	11.76
2	Mr.	Kriengkrai	Suriyawanakul	446,250,960	11.62
3	Mr.	Kongphop	Suriyawanakul	151,199,997	3.94
4	Ms.	Chama	Suriyawanakul	149,940,000	3.90
5	Ms.	Kokrit	Suriyawanakul	148,837,500	3.87
6	Mrs.	Ratnawadee	Suriyawanakul	27,914,122	0.73
7	Mr.	Anavat	Suriyawanakul	20,789,445	0.54
8	Mr.	Witoon	Suriyawanakul	19,358,658	0.50
9	Mrs.	Warunee	Suriyawanakul	17,362,298	0.45
10	Ms.	Patumwan	Suriyawanakul	5,175,840	0.13
11	Mr.	Apilas	Suriyawanakul	3,635,310	0.09
12	Mrs.	Karuna	Suriyawanakul	2,057,998	0.05
13	Mr.	Wiboon	Suriyawanakul	1,926,768	0.05
14	Mr.	Yutthana	Suriyawanakul	1,492,047	0.04
15	Mr.	Pongsak	Suriyawanakul	791,188	0.02
16	Mr.	Pongkorn	Suriyawanakul	283,161	0.01
17	Mr.	Adisak	Suriyawanakul	114,408	0.00
18	Mr.	Jakapong	Suriyawanakul	67,628	0.00
19	Mrs.	Nipapun	Suriyawanakul	28,600	0.00
20	Mr.	Pichit	Suriyawanakul	25,136	0.00
21	Mr.	Jarupol	Suriyawanakul	14,747	0.00
22	Mr.	Wittaya	Suriyawanakul	4,642	0.00
Total				1,448,959,080	37.72

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 not been offered.

6. Organization Chart



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.

Board of Directors

As at 31 December 2017, 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 / Independent Director
2. Mr. Witoon	Suriyawanakul	Director / Executive Director / Nomination & Remuneration Committee
3. Mr.Anavat	Suriyawanakul	Director / Executive Director
4. Mrs.Warunee	Suriyawanakul	Director / Executive Director
5. Assoc. Prof. Phornsiri	Thivavarnvongs	Director / Independent Director Chairman of Audit & Risk Management Committee
6. Mr. Pornsak	Sakpunpanom	Director / Independent Director Audit & Risk Management Committee / Chairman of Nomination & Remuneration Committee
7.Dr.Vongsak	Swasdipanich	Director / Independent Director Audit & Risk Management Committee / Nomination & Remuneration Committee
8. Mr. Kajohndech	Saengsubhan	Director
9. Mr. Nithi	Phatrachok	Director / Executive Director
10. Mr.Aree	Chawalitchevinkul	Director

Authorized Signatory Directors of the Company

1. Mr. Witoon Suriyawanakul signing and affixed thereto with the Company's official seal or
2. Mr. Anawat Suriyawanakul, Mrs. Warunee Suriyawanakul, and Mr. Nithi Phatrachok signing jointly two persons out of three and affixed thereto with the Company's official seal.

Functions and Responsibilities of the Board of Directors

1. To carry out activities prudently and in compliance with related governing laws, the objectives of the Company, and the corporate governance policies.

2. To protect the Company's interests and for the benefit of shareholders. To disclose accurate information related to the business to the public.
3. To consider policy, vision, work plans and key strategies, as well as ethical standards for business operations, and to supervise and monitor Management, to ensure that they perform duties efficiently and are in compliance with the Company's policies.
4. Consider and approve the structure of Authorization.
5. To monitor the operational results of the Company and any other key progress criteria, to monitor the implementation of internal control and audit systems; to comply with all regulations and related governing laws; and to ensure appropriate risk management.
6. To consider the corporate investment to expand business and to consider joint-venture investment with business partners and other related parties.
7. To ensure that financial reports are complete, accurate, reliable and timely, and are prepared in compliance with generally accepted accounting principles.
8. To carefully select and assign managing directors and determine their functions and responsibilities. However, the Director is unable to vote if himself or person have or may have conflict of interest in any other ways with the Company or its subsidiary.

The following instances requires to pass resolution in the Board's Meeting and the Shareholders meeting with votes exceeding three-in-four (3 / 4) of all shareholders with rights to votes who attend the meeting.

- 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.

Functions and Responsibilities of the chairman

1. To Support the implementation of either committee and subcommittee to complete the target of planned
2. Consideration and specify the committee's agenda and help the committee to get the right information before the meeting.
3. To lead the committee in the committee's meeting by control the right meeting including get the committee to shares their opinion to support the committee's decision.
4. To lead the shareholder's meeting to be in lines of the company's policy and laws including get the shareholders to share their opinion also answer the question as appropriate and clear
5. To build the good relationship between the Committee management and Committee

Term of Directors

According to the Article 19 of Company's Articles of Associations, one-third of the total number of the directors shall retire at each annual general meeting of shareholders. If the number of directors to retire from office is not a multiple of three, then the number nearest to one-third shall be applied. The longest directors in the Board will automatically be tired but may also be reelected. In addition to their term the directors will be retiring on follow;

1. Death
2. Resignation
3. Ineligible or illegal characteristic
4. Resign by vote of the shareholder's meeting
5. Resign by court order

Board of Directors Meeting

The Board of Directors are scheduled of meeting in advance throughout the year. In year 2017, there are the meeting 6 times.

Sub-Committees

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. Wittoon	Suriyawanakul	Chairman of the Executive Committee
2) Mr. Anavat	Suriyawanakul	Executive Director
3) Mrs. Warunee	Suriyawanakul	Executive Director
4) Mr. Nithi	Phatrachoke	Executive Director
5) Mr. Yutthana	Suriyawanakul	Vice-CEO - Import Products
6) Ms. Chutikan	Striseangchan	Vice-CEO - Accounting & Financial

Functions and Responsibilities of Executive Directors

1. Plan and manage company's operation according to the frameworks and policies assigned by the Board of Directors.
2. 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.
3. Propose appropriate investment and/or fundraising plans to the Board of Directors and/r the Shareholder's meetings.
4. Consider and approve business consultants necessary to business operations.
5. Have authority in any resource allocation, procurement, leasing, renting, and utilization as approved by the Board of Directors.
6. 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.
7. 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.

8. 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. Assoc. Prof. Phornsiri Thivavarnvongs		Chairman of Audit & Risk Management Committee
2. Mr. Pornsak Sakpunpanom		Member of Audit & Risk Management Committee
3. Dr. Vongsak Swasdipanich		Member of Audit & Risk Management Committee

Note : Assoc. Prof. Phornsiri Thivavarnvongs, 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, and appoint 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; and

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

7.1 To determine and principles and framework for proper risk management to the Board of Directors.

7.2 To consider and analyze all risks and problems that may arise

7.3 To consider and approve risk management plans

7.4 To report to the Board of Director about the risks and plans in place that may affect the corporate objectives and operation

7.5 To monitor the risk in each function of operation

7.6 To monitor risk of false reports including internal and external reports and documentation

7.7 To monitor that the business operates and govern in compliance with governing laws and regulations.

However, the Risk Management Committee 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.

3. Nomination and Remuneration Committees

Name		Position
1. Mr. Pornsak	Sakpunpanom	Chairman of the Nomination and Remuneration Committees (Independent Directors)
2. Dr. Vongsak	Swasdipanich	Member of Nomination and Remuneration Committee (Independent Directors)
3. Mr. Witoon	Suriyawanakul	Member of Nomination and Remuneration Committee

Functions and Responsibilities of the Nomination and Remuneration Committees

Selection of Directors

The Company appointed the Nomination and Remuneration Committee to determine selection of appropriate person to be nominated as the Director or Managing Director, by considering persons who have knowledge, capability and experience as required by the Company. Criteria for selection of the Directors are as follows:

1. The Nomination and Remuneration Committee nominate and select appropriate persons and consider appropriate remuneration. The Board of Directors consists of at least 5 directors (More than half of the number must be residence of Thailand and must have all the criteria and requirement of the laws and regulations. The Directors can be major shareholders.)
2. Propose the nomination to 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 persons who have 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 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 that Directorial positions become vacant due to other reasons apart from the completion of term, the Nomination and Remuneration Committee nominate and select the new Director in accordance with the criteria of selection. The persons must have knowledge, capability and experience as required by the Company, and must not have the prohibited qualification under the rules of the Securities Exchange Commission and Stock Exchange of Thailand, the relevant laws, rules or other regulations. Upon approval, the Nomination and Remuneration Committee will propose to the Shareholders Meeting in order to be adopted for the appointing as the Directors of the Company. In case the remaining term of the director is less than 2 months, the new appointed director will have the same remaining term as director replaced. Resolutions of the Board of Directors as per above must be accompanied by a vote of not less than three in four of the remaining number of Directors.
 6. Nominate names of directors to the Board and elect a Chairman in the meeting and select one or more Vice Chairman as appropriate. Vice Chairman received duties from the Chairman.

Determination of Remunerations

The remuneration for Directors, Committees, Sub-Committee, Managing Directors, and employees are proposed from consideration at the Board's meeting and/or Shareholders meeting. The roles and responsibilities are as follows:

1. Propose methods and/or principles of determining remuneration to the Shareholders meeting for resolution. Remunerations are considered according to the resolution unless any changes are made in at the Shareholders meeting. The Company also makes some allowance and welfare for Directors in accordance to Company's regulations.
2. Propose methods and/or principles of determining remuneration and welfare for Sub-Committee appointed by the Board taking into consideration of their roles and responsibilities.
3. Propose methods and/or principles of determining remuneration and welfare for the Chairman of Executive Directors and Executive Directors taking into consideration of their roles and responsibilities.
4. Propose methods and/or principles of determining remuneration and welfare for the employees taking into consideration of their roles and responsibilities.
5. Consider and finalize the budget for adjusted salaries and other monetary incentives
6. In the consideration of determining the remuneration and welfare, The Nomination and Remuneration Committee are delegated to call meetings and related documentations from related bodies within the

organization for consideration.

7. Any expenses in determining the remuneration and welfare, including the consultancy fees and/or other administrative expense, will be the obligation of the Company.
8. Perform and tasks and assignments assigned by the Board of Directors.

However, the Nomination and Remuneration Committee is unable to approve transaction that himself or person have or may have conflict of interest in any other ways with the Company or its subsidiary.

Independent Directors

Definition of Independent Directors

In according 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.

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.

Selection of Independent Directors

The Board of Directors search and select names of Independent Director with requisite qualifications in compliance with the rules of the Securities Exchange Commission and Stock Exchange of Thailand, the relevant laws, rules or other regulations, and propose to the Board's Meeting and/or Shareholders meeting for resolution.

Executive Officers

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-Imported Products
5. Ms. Chutikan	Sriseangchan	Vice CEO-Accounting and Financial
6. Mr. Piphop	Vasanaarchasakal	Vice CEO-Business Development.
7. Mr. Khemchat	Sungkakam	Vice 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:

1. Manage, monitor, and control normal operations of the company
2. Manage the company as assigned by the Board of Directors
3. Manage and oversee the overall operation of the company according to the policy stipulated by the Board of Directors
4. 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.
5. 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.
6. Consider, plan, and prioritize business strategies and fundraising for the company to propose for approval to the Board of Directors.
7. Have the authority to employ, dismiss, and lay off any employee at any level.
8. Have the authority to open and close any of company's saving account at any institutions to facilitate the operation of the company.
9. Propose for approval any appropriate consultants necessary for the company to the Board of Directors.

However, the Managing 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. 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.

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.

Nomination of Directors and Executive officers

The Company appointed the Nomination and Remuneration Committee to determine selection of appropriate person to be nominated as the Director or Managing Director that selected the person who has knowledge 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.

Remuneration for Directors and the Executive Officers

Cash Remuneration

The resolution of the Annual General Meeting of Shareholders 2017 on 24 April, 2017 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 0.50% of dividend paid to shareholders . Details of remuneration payment for the Board of Directors and sub-committee for the year 2017 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 2017

(Unit : Baht)

Directors		Position	Meeting Allowances	Monthly Remuneration	Bonus	Total
Mr. Apisit	Rujikeatkamjorn	Chairman	225,000.00	760,000.00	410,712.00	1,395,712.00
Mr. Witoon	Suriyawanakul*	Director/ Nomination & Remuneration Committee	100,000.00	-	-	100,000.00
Mr. Anavat	Suriyawanakul	Director / Executive Director	195,000.00	-	-	195,000.00
Mrs. Warunee	Suriyawanakul	Director / Executive Director	195,000.00	-	-	195,000.00
Assoc.Prof.Dr. Pongsak	Suriyawanakul*	Director/ Nomination & Remuneration Committee	135,000.00	110,500.00	209,000.00	454,500.00
Assoc.Prof. Phornsiri	Thivavarnvongs	Director / Chairman of Audit Committee	340,000.00	380,000.00	209,000.00	929,000.00
Mr. Pornsak	Sakpunpanom	Director / Audit Committee / Chairman of Nomination & Remuneration Committee	320,000.00	380,000.00	209,000.00	909,000.00
Dr. Vongsak	Swasdipanich	Director / Audit Committee/ Nomination & Remuneration Committee	300,000.00	380,000.00	-	680,000.00
Mr.Kajondech	Saengsuphan	Director	195,000.00	380,000.00	209,000.00	784,000.00
Mr.Nithi	Phatrachoke	Director / Executive Director	195,000.00	380,000.00	209,000.00	784,000.00
Mr.Aree	Chavaltichevinkul	Director	195,000.00	380,000.00	209,000.00	784,000.00

Note : During the year 2017 There are 1 resignation director is Assoc.Prof.Dr.Pongsak Suriyawanakul and new director is Mr.Witoon Suriyawanakul.

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 Executives Officers	2015		2016		2017	
	Number of Executives	Amount (Baht)	Number of Executives	Amount (Baht)	Number of Executives	Amount (Baht)
Salary	5	23,865,000.00	5	19,292,666.66	5	26,801,550.00
Bonus	5	2,917,200.00	5	4,261,000.00	4	4,261,200.00
Provident Fund	5	715,950.00	5	567,108.00	5	797,561.00
Social Security	5	45,000.00	5	38,250.00	5	42,000
Others	5	3,602,400.00	5	3,192,983.34	5	3,542,150
Total		31,145,550.00		27,352,208.00		35,444,461.00

Remuneration for Non-Monetary Term

In 2011, IAS 19: Employee Benefits announce that company have 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 2017 the company reserve amount 1,454,513.00 Baht.

Human Resource

The Amount of Staffs during year 2015 - 2017

Employees	31 December 2015	31 December 2016	31 December 2017
Amount of employees- Head Office	485	558	639
Amount of employees- Branch	5,117	6,188	7,132
Total (persons)	5,602	6,746	7,771
Stores	38	46	55

Note : 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 2015, the number of employees of the Company has increased from the previous year. This is due to the expanding branch from 38 stores at the end of year 2015 to 46 stores at the end of year 2016 and to 55 stores at the end of year 2017. The amount of staffs at the end of year 2015, 2016 , 2017 were 5,602 persons, 6,746 persons and 7,771 persons respectively. For the past 3 years, the Company has no significant labor disputes.

Staffs Remuneration.

(Unit : Thousand Baht)

Staffs Remuneration	2015		2016		2017	
	Staffs (person)	Amount	Staffs (person)	Amount	Staffs (person)	Amount
Salary	5,966	664,722	6,998	818,339	8,122	1,002,306
Bonus	-	77,316	-	92,751	-	92,759
Provident Fund	4,386	15,938	5,252	19,958	6,199	24,780
Social Security	5,694	31,492	6,976	38,143	8,122	46,670
Total		789,468		1,028,752		1,166,515

Note : The Bonus of year, 2017 was booked in Accrued Expenses account which not allocate, so the company could not count the actual number of staffs who got paid from company. The number of employees in 2017 which include employees who resigned

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.

Information of employees training for the year 2017

Employees Level	Employees (Persons)	Training Hour (Hour)	Average Hour / Person (Hour)
Management Level	698	16,656	23.86
Operation Level	6,770	54,160	8
Total	7,468	70,816	9.48

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://globalhouse.co.th/service/inv_corpor

The Company has complied with the good corporate governance always, except for two independent directors who have assumed this position for longer than 9 years, Mr.Apsit Rujikeatkamjorn and Assoc.Prof.Phornsiri Thivavarnvongs. The two independent directors are knowledgeable, competent and experienced and. They able to provide useful advice on business operations. Assoc.Prof.Phornsiri Thivavarnvongs, who is the chairman of Audit and Risk Management Committee that a knowledgeable person and experience in accounting and financial. The details of the assuming of the position of Independent Directors are as elaborated below :

Name-Surname		Date of Appointment	Number of Service Years (Date of Appointment - 31 Dec 2017)
1. Mr.Apsit	Rujikeatkamjorn	26 February 2008	9 year 11 months
2. Assoc.Prof.Phornsiri	Thivavarnvongs	26 February 2008	9 year 11 months
3.Mr.Pornsak	Sakpunpanom	4 April 2013	4 year 8 months
4. Dr.Vongsak	Swasdipanich	11 May 2016	1 year 7 months

The Policy of Corporate Governance

The company strictly performs business under the rules and regulations of the Stock Exchange of Thailand and can be categorized into 5 groups:

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 2017 from October 12, 2016 to January 15, 2017.
- 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 7 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 2017, the Company has provided Assoc.Prof Phornsiri Thivavarnvongs, Mr.Pornsak Sakpunpanom.
- 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.

2. Equitable Treatment of Shareholders

The company has the policy to treat the shareholders as equitable and share the opinion about the company's operate by set the independent committee to take care of the minority shareholders who can give an advice, share the opinion and complaint to the independent committee who can considerate the appropriate in each topics. For Example: In case of complaint, the independent committee will find out the fact and find the appropriate way to solves the complaint. However, the shareholders still can questions to complete the agenda including nominate the person to be candidate through <http://www.globalhouse.co.th>

The director has set the confidential information measure from the insider including board of directors and executive, employee and employee of related companies (including spouse and minor child) to use the confidential information that haven't been disclosure to buy, sell or transfer securities of the company in 30 days before financial statements has present to The Securities and Exchange commission or before the confidential information has disclosure to public and also define punish for disclosure of company's information or use the confidential information for personal gain and also give the knowledge and understanding to the Board of Directors and executives about duty to report to the securities and exchange commission (SEC) according to section 59 of the Act 2535 (1992) securities and exchange including inform and condition information to the securities and exchange commission (SEC) for board of directors and executives as inform.

In 2017, the directors and executives of the Company not trading by using inside information and not violate the rules of the trading according to the Securities and Exchange Commission Thailand.

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
3. Partners : The Company treat the partners with honest trading framework which based on the principles of contract and condition of trade. For a good business relationship and beneficial to all parties.
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.
6. Community Society and Environment : The company recognizes the importance of maintaining the environment of the surrounding community with campaign to save energy and the operate is not contrary to the traditions or damage to society.
7. Creditor : The company strictly comply with any conditions required by creditors. Effectively utilize loans for the right purposes , monitor the payback of loans to creditors by the due date and completely observe loan conditions according to the agreement.

The Company promoting good governance practices in the following.

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 :

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.

In order to implement concrete anti-corruption actions and demonstrate its commitment to tackle all forms of corruption, the company has proceed as follows:

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://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 compliance and report.

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 od Director(Whistle Blowing) via the company's website

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.

The Company assigned the Investor Relation to response about disclosure information for the stakeholders, that can be contacted by 043-519777, 043-519596 Fax 043-519649 or the Company website https://globalhouse.co.th/Contactinvs/contract_inv or E – mail : ir@globalhouse.co.th

By the year 2017, the Company has a disclosure channel as below ;

1. Via company's website (www.globalhouse.co.th) as company's news, Annual Report, Shareholders' meeting, news to inform to SET, information on corporate governance, Board Structure, Shareholders Structure. In addition, shareholders, investors and stakeholders can shares their opinion and propose agenda, question and nominate someone with the qualifications committee positions prior to the meeting invitation is sent through the website.

2. Visit the investor's trade in all year 2017, the company allows investors both in Thailand and Aboard to meet with executives and visit the various branches totaling 10 times .
3. Conference Call from Investor totaling 5 times.

5. Responsibility of Board of Directors

Duty of Directors to consider and approve the company's operate information such as vision and mission, strategy, risk planning and budget of the company and also supervise the management of target based on Legal requirements and ethical business for the benefit of the company and all concerned parties.

1. The company has a policy on corporate governance affidavit which has to be approved by Board of directors. The guideline for Directors, Executives and employee to provide a review of the policy on a regular basis.
2. The company has a policy to run the business with clean, right and fair by define business ethic in written and disclosure to directors, executives and employee to be upheld and strictly complied with the policy.
3. The company has define the policy about conflict of interest on the principle that any decision to conduct business activities shall be only made to the maximum benefit of the company and avoid the activities which can be conflict of interest by define someone who related with specify to consider and must inform the company about relationship or the association in the list and must not participate in considering the issue including no authority to approve the transaction. The Audit director will present to the director about related and conflict transaction which considered suitable carefully and also the company has strictly conduct the criteria of The stock exchange of Thailand in terms of pricing and condition to someone who may have a conflict of interest, virtual items with external parties and submit a report on the period of the stock exchange of Thailand and will be disclosed in financial statements, Annual Report and Annual information form (56-1)
4. The company focuses on providing a good internal control system by provides a manual on rules and procedure in writing and define segregation the duties and responsibilities, powers of the operational and management issues. The director assigned the audit director to have a responsibilities to review the suitability and effectiveness of internal control systems provided by the company including prepare and review of all operational aspects of control systems, financial reporting, follow the rules, regulatory policies and corporate governance practices. The company has provided the internal control department who monitors the system of internal control and report directly to the board of directors. The director assigned the audit director to have a responsibilities to review the suitability and effectiveness of internal control systems provided by the company including prepare and review of all operational aspects of control systems, financial reporting, follow the rules, regulatory policies and corporate governance practices. The company has provided the internal control department who monitors the system of internal control and report directly to the board of directors.
5. The Company has set policy of quorum to vote on the Board of Directors meeting that required minimum 2/3 of all directors. In addition, the non- executive directors can convene among themselves.
6. The Board of Directors set policy for CEO is not holding a position in others listed company in order to devote more time for duties effectively.
7. The Board of Directors has determined that each directors to position on listed company for a maximum of 5 companies in order to perform their duties properly.
8. Supporting the directors to attend the training or seminar courses of Thai Institute of Directors.

The Board of Director Meeting

The Company holds the Board's meeting at least once every 3 months and addition meeting as required. The meeting's agenda is specified in advance and results are followed up regularly. Meeting calling notices including related information and meeting's agenda will be sent to the Board at least 7 days prior to the Meeting to allow sufficient time for the Board to prepare before the meeting. And in every meeting, Directors are able to comment independently and all comments are recorded in writing to ensure transparency and audit ability.

Statistics of the meetings for the year 2017

Name		Attend / Total Meeting(times)			
		Board of Directors' Meeting	Audit Committee's Meeting	Nomination & Remuneration Committee's Meeting	Executive Committee's Meeting
1. Mr.Apisit	Rujikeatkamjorn	6/6			
2. Mr.Witoon	Suriyawanakul	3/6*			3/9*
3. Mr.Anawat	Suriyawanakul	6/6			9/9
4. Mrs.Warunee	Suriyawanakul	6/6			8/9
5. Assoc.Prof Phonsiri	Thivavarnvongs	6/6	5/5		
6. Mr.Pornsak	Sakpunpanom	6/6	5/5	1/1	
7. Dr.Vongsak	Swsadipanich	5/6	5/5	1/1	
8. Mr.Kajohndech	Saengsubhan	6/6			
9. Mr.Nithi	Patarachoke	6/6			-
10. Mr.Aree	Chavalitcheevinkul	6/6			
The director resignation during year 2017					
1. Prof.Dr.Pongsak	Suriyawanakul	3/6		1/1	3/9

*Note : The resolution of the Board of Director No.3/2017 on 10 May 2017 appointed Mr.Witoon Suriyawanakul as a director

Remuneration Policy of Chief Executive Officer

The Nomination and Remuneration Committee is responsible for proposing opinions to the Board of Directors for consideration of the criteria for annual performance evaluate of Chief Executive Officer. The criteria must be according to the Company's targets. In order to motivate the work, the remuneration in salary and bonus based on the performance.

Board of Director's Self-Assessment

The Board conducts Self-Assessment, which consists of 3 types of assessment; Self-assessment of the entire Board, Self-assessment of each Director individually, and assessment of one another between in Board of Directors. The self-assessment assists and improves the Board to reevaluate the performance, problems, and obstacles arose in the past.

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 2017, 1 director had attended the training programs and seminars as follow;

Name	Training / Seminar	Date
Dr.Vongsak Sawasdiapanich	• Director Accreditation Program 134/2017 (IOD)	3 April 2017

Internal Information Monitoring

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.

Details of Company's shareholding of the Directors and Executive Officers as at 31 December 2017

No.	Name	Position	A number of shareholding		
			31 Dec2017	31 Dec2016	Increase / (Decrease)
1.	Mr. Apisit Rujikeatkamjorn	Chairman	-	-	-
2.	Mr. Witoon Suriyawanakul	Director / Executive Director	19,358,658	15,340,918	4,017,740
3.	Mrs. Anavat Suriyawanakul	Director / Executive Director	20,789,445	18,492,711	2,296,734
	Spouse and minor children		176,751,622	168,715,831	8,035,791
4.	Mrs. Warunee Suriyawanakul	Director / Executive Director	17,362,298	16,535,522	826,776
5.	Assoc.Prof.Phornsiri Thivavarnvongs	Director / Audit Committee	-	-	-
6.	Mr.Pornsak Sakpunpanom	Director / Audit Committee Nomination & Remuneration Committee	-	-	-
7.	Dr. Vongsak Swasdipanich	Director / Audit Committee Nomination & Remuneration Committee	-	-	-
8.	Mr. Kajohndech Saengsubhan	Director	-	-	-
9.	Mr. Nithi Patarachoke	Director / Executive Director	-	-	-
10.	Mr. Aree Chawalitchewingul	Director	-	-	-
11.	Mr. Yutthana Suriyawanakul	Vice-CEO	1,492,047	1,420,998	71,049
12.	Ms. Chutikan Srisaengchan	Vice-CEO	1,050,000	1,000,000	50,000
13.	Mr. Piphop Vasanaarchasakul	Vice-CEO	-	-	-
14.	Mr. Khemchat Sungkakam	Vice-CEO	119	275,109	(274,990)

Note ; The numbers of shares that increase in 2017 mostly from the stock dividend payment.

The Internal Audit Department.

The Company has established the Internal Audit Department in order to promote the procedure of good governance that reviewing and follow up the result of work performance to the Management and reporting the result of the operation to the Audit Committee directly.

Moreover, the Audit Committee consider and appoint the auditor which the resolution of the shareholders in 2017 approved to appoint the auditor from MR & Associate Co.,Ltd., by Mr.Korramann Jaturapornprom, an auditor License 6210 or Mr.Methee Rattanasrimetha, an auditor License3425 or Mr.Akadet Pliensakul, an auditor License5389 as the auditor of the Company for the year 2017. The auditors does not have relationship with the Company / executive officers/ major shareholders.

Whistleblowing Policy.

The Company has policy to take care of the stakeholders such as shareholders, customers, suppliers and other parties that able to comment about products ,services ,operating including fraud case or misconduct of employee and executive officers through the Company's website in order to investigate on timely. By assignment to the Internal Audit Department and Secretary Office received the comments.

- The comment of operating, products or services, the Secretary Office will examine and gathering the facts from concerned parties then reporting directly to CEO.
- The fraud whistleblower or misconduct of employees or executive officers, the Internal Audit Department will examine and gathering the facts from concerned parties then reporting directly to CEO and the Audit Committee which consider significant of the comments and propose to the Board of Directors .The company will keep record of the whistleblower confidential.

Control of Subsidiaries and Associated Companies' 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

The Board Diversity Policy

The Board of Directors has prescribed that the structure of Board should consist of directors with various qualifications in terms of skills , experience, expertise that is beneficial to the Company and gender. The Board of Director consist of one female independent director for board diversity; Assoc.Prof.Phornsiri Thivavarnvongs who has knowledge and expertise in accounting and financial.

9. Corporate Social Responsibility

The Company has realized the importance of social responsibilities for many years. The Company has operated social responsibility with concerns on all related parties including shareholders, trading partners, customers and employees which adheres to the principle of social responsibility and set guidelines are as follows;

1. Business with Fairness

The Company has operated its business with fairness and understanding on characteristics ,competition and stakeholders of business ; consisting of customers, suppliers and competitors including maintaining in political neutrality to create long-term confidence. This will effect to the long-term benefits on both the Company and the relevant parties.

2. Good corporate Governance

The Company encourages the good corporate governance by providing the efficient management system with roles and responsibilities to manage equality and fairness, transparency in order to increase the confidence of the shareholders, stakeholders and all relative parties.

3. Anti-Corruption.

The Company joined the Anti-Corruption Organization of Thailand by signing the declaration of intend to the Collective Action Coalition on August 14, 2015 and currently process to obtain to certification.

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://globalhouse.co.th/service/inv_corpor) .In addition, the Company has provided a channel to inform or complaint, through the Company's website and secretary.

4. Respect for Human Rights and the Treatment of Workers Fairly

The Company support and respect for human rights and the treatment of workers fairly by realized on the human resource is the important factor for business. The Company adheres 3 principles ; respecting for rights' working by human rights , providing of social protections ,providing of the occupational health and work safety.

In 2017, the Company supports the employment of disabled people and provided the proper function of the capabilities and potential employees. In addition to provide the area to sell lottery for the disables without cost in order to support and encourage to career for themselves.

Transaction	31 Dec 2017
Disabled Employees	60
To provide the area to sell lottery without cost	7
Total	67
Total Employees	7,771

5. Responsibility for customer

The Company recognize for responsibility to customer, that the staff must provide accurate information of products and service. Furthermore, we provide product manuals, risk of usage, protection method of possibility dangers, transportation products, installation service (Lady Service for electric appliance installation and home improvement for the lady customer) including of the product return from customers policy within 30 days.

6. Environmental Care

The Company realized on importance of environment and set business policies both environment care by approach the Sustainable Resource Use including reducing and the climate change mitigation and adaption. The Company designed the building' structure that high roof and air flow surroundings, including the installation of thermal insulation throughout the building.

Furthermore, to campaign the conservation of energy ,nature and environment that the Company has changed the equipment in the service zone and office zone such as; installation Evaporative Cooling System , LED High Bay ,Channel of Roof lighting, Separating of office rooms ncluding ,the size of receipt paper from A4 to A5 which the Company saved 70%-80% on electricity consumption.

7. Community and Social Development

The Company realizes that strong and continuous improvement community and society is significant to the operation of its business by committed to creating a sustainable society for 20 years ago. The Company is deemed a part of the community and set the policies in education ,employment ,health care and social investment to joined communities' development

8. To publish the innovation for social responsibility

The Company realized on social responsibility by monitoring on business operation did not cause of risk or impact to social and environment including ,chanced to communities or stakeholders able to inform or complaint which may impact to the communities by providing a channel to get information and taking immediately action to correct. And reported the results to executive manager.

Corporate Social Responsibility: CSR

In year 2017, the Company continues to support activities for social benefits; donation of money and goods or corporate with government or private sector through our stores totaling 164 transaction amount 3,802,134.10 Baht as follow;

1. GLOBAL HOUSE 101 RUN project is the special activity to celebrate 20 years anniversary of the Company. This project was created for raising funds to develop Roi-Et province where the first GLOBAL HOUSE store branch was established for 20 years ago. The subscription fee earned from the runner and fund supported by the company were 2,000,000 baht (without any deduction). The subvention was brought to the local hospital, local educational institution and the local community in Roi-Et province that they need to support for 20 projects.
2. Medical: The Company realized on human life and the last year has participated in many medical activities such as;
 - 1) Medical Equipment Donation : the Company raised the fund together with the supplier who joined for congratulations the New branch grand opening ceremony and spent the raising funds

- on medical materials and medical equipment to donate to the hospitals in 8 provinces were Uttaradit, Loei, Sakon Nakhon, Ang Thong, Kanchanaburi, Prachuap Khiri Khan, Surat Thani and Nakhon Sri Thammarat.
- 2) Blood Donation: the Company has participated in the blood donation of Thai provincial red cross chapter and provincial hospital and coordinated the blood donor with the convenience area for the blood donation. In 2017, the Company staff attended the blood donation for 1,584 people, the blood quantity was 608,700 cc and eye and organ donation were 52 people.
 - 3) The Kao Kon La Kao project : the Company supported this project through the Thamdee Dai Dee charity in Chaiyaphum province to help and support the provincial hospital for 11 hospitals in Thailand.
3. Education and Youth Development: the Company has realized the importance of education and youth development, also supporting the education and activities:
- 1) Supporting the construction of library building at Muang At Samat school in order to be a source of public knowledge center. The company donated amount 1,000,000 baht.
 - 2) Support the youth development activities to enhance the youth ability, creativity, using spare time effectively and not related to drugs. The company supported many projects such as sponsor prizes for National Children's Day activities by channel of Global house branches, The KKUIC THE INSIDER #3 project by International college of Khon Kaen University, The Syringe Game sport activity by medical student club of Khon Kaen University, The rural development volunteer camp #1(IBMP CAMP) the faculty of Accounting and Financial of Thammasat University and the Start Up Club project in educational
 - 3) Providing the scholarships to 2 poor students in Roiet and Kalasin province for study in bachelor degree level, Nursing course of Christian University. The study period was 2015-2018.
4. Helping Disabled and Disadvantaged Persons: A part of raising donations from the faithful customers and employees in our stores with "The project of your 1 Baht for create dream and opportunity " to the school for the blind in Roiet, by placing donation boxes in our stores which collected donations up to 450,000 Baht. In addition, supported the wheel chairs for the disabled, the gifts for Disable Person International Day in 2017.
5. Religion: Participating in building the temple and religious ceremonies with government sector to maintain the Buddhism
6. Traditional and Local Activities: Co-sponsored in traditional and local activities for cultural traditions conservation and good relationships with the community such as Ubonratchathani Candel Festival, the Loi Krathog , Thai long-boat racing and Namaskarn pay respect to Buddha at the middle of the water cultural preservation project, International "Silk Festival & Pook Xiao Tradition" Fair in Khon Kaen province etc.
7. Government and Public relation activities: Participate and support subvention and utilization pass into the government agencies activities such as the national labor day, the national red cross fair, "To Be Number One" project, the Company provide equipment ,construction materials and for maintenance the buildings, public service points and traffic equipments.
8. Helping the flood victims in southern : the Company provided the rice from Roi-Et agricultural cooperative to the flood victims in Surat Thani and Nakhon si thammarat for 4,000 bags.



10. Internal Control

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 1/2017 on 9 February 2017, 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 Tread way 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 2016 the certified auditor has no comment about the internal control system.

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 , removal and transfer of the Internal Audit manager.

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 2013 -2016

Year	2013	2014	2015	2016
Earnings per share (Baht / Share)	0.3437	0.2302	0.2519	0.4348
Dividend per share (Baht / Share)	0.1852	0.1587	0.0956	0.2156
Proportion of dividends payment of net profit (%)	57.56	72.60	39.93	55.76

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

In 2017, 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 2015- 2017 as follows;

(Unit : Million Baht)

Name of Company / Relationship	Transactions	2017	2016	2015
1. Inter Concrete Industry Co.,Ltd.				
<ul style="list-style-type: none"> 3 co-directors and major shareholder 80.81% of capital register. 1. Mr.Witoon Suriyawanakul 2. Mr.Anawat Suriyawanakul 3. Mrs.Warunee Suriyawanakul 	Sales	9.29	11.19	7.51
	Account Receivable	0.38	0.76	0.97
	Purchase Assets	0.16	-	-
	(As of 31 Dec)			
<i>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 price.</i>				
2. Siam Global Engineering Co.,Ltd.				
<ul style="list-style-type: none"> 1 co-directors Mr.Anawat Suriyawanakul and 3 co-directors are shareholders 29.65% of capital register; 1. Mr.Witoon Suriyawanakul 2. Mr.Anawat Suriyawanakul 3. Mrs.Warunee Suriyawanakul 	Sales	79.38	36.14	67.74
	Purchase	-	-	-
	Account Receivable	0.24	34.98	2.51
	Purchase Assets	537.22	244.66	58.77
	Other Payables	174.05	75.21	3.04
	(As of 31 Dec)			
<i>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 price.</i>				
3. Petch Nam Nueng Non- juristic				
<ul style="list-style-type: none"> 1 co-director Mrs.Warunee Suriyawanakul 	Rental	-	0.24	0.24
<i>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.</i>				

(Unit : Million Baht)

Name of Company / Relationship	Transactions	2017	2016	2015
4. Thip Fiber- Cement Co.,Ltd • Subsidiaries of The Siam Cement PCL.	Purchase	-	220.23	593.81
	Account Payable	-	-	8.06
	Sales promotion income	-	25.89	22.44
	Other income	-	1.55	-
	Accrued sale promotion income	-	5.88	6.10
	(As of 31 Dec)			
<i>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.</i>				
5. SCG Sourcing Co.,Ltd. • Subsidiary of SCG Distribution Co.,Ltd	Sales	-	1.06	13.10
	Purchase	-	-	-
	Account Receivable	-	-	1.04
	(As of 31 Dec)			
<i>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.</i>				
6. Sosuco and Group(2008) Co.,Ltd • Subsidiaries of The Siam Cement PCL.	Purchase	128.49	160.98	164.05
	Account Payable	1.01	10.81	7.83
	sale promotion income	10.59	12.48	18.24
	Accrued Sale promotion income	4.41	3.23	2.76
	(As of 31 Dec)			
<i>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.</i>				
7. Thai-German Ceramic Industry PCL. • Subsidiaries of The Siam Cement PCL.	Purchase	160.67	236.43	222.83
	Account Payable	2.51	22.89	12.27
	Sale promotion income	12.44	20.05	16.78
	Accrued sale promotion income	0.35	3.53	2.79
	(As of 31 Dec)			
<i>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.</i>				

(Unit : Million Baht)

Name of Company / Relationship	Transactions	2017	2016	2015
8. SCG Logistic Management Co., Ltd • Subsidiary of SCG Distribution Co.,Ltd	Purchase	69.35	162.23	52.73
	Account Payable	0.82	-	-
	Warehouse Rental	-	-	-
	(As of 31 Dec)			
<i>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.</i>				
9. Thai Ceramic Co.,Ltd. • Subsidiaries of The Siam Cement PCL.	Purchase	193.40	202.64	160.05
	Account Payable	1.93	19.17	13.94
	Sale promotion income	2.79	1.90	1.28
	Accrued sale promotion income	0.57	0.40	0.24
	(As of 31 Dec)			
<i>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.</i>				
10. Siam Sanitary ware Industry Co.,Ltd • Subsidiaries of The Siam Cement PCL.	Account Payable	15.67	10.70	7.55
	Purchase	77.40	-	-
	Sales promotion income	6.76	2.28	1.85
	Accrued sale promotion income	2.50	0.30	0.89
	(As of 31 Dec)			
<i>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.</i>				
11. The Nawaplastic Industries (Saraburi) Co., Ltd. • Subsidiaries of The Siam Cement PCL	Purchase	250.40	189.76	117.15
	Account Payable	10.97	-	-
	Sales promotion income	2.09	1.71	1.27
	Accrued sale promotion Income	2.04	1.66	1.25
	(As of 31 Dec)			
<i>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.</i>				

(Unit : Million Baht)

Name of Company / Relationship	Transactions	2017	2016	2015
12. Siam Kraft Industry Co.,Ltd.				
• Subsidiaries of The Siam Cement PCL	Other income	0.01	0.17	0.54
	Account Receivable	-	-	-
	(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.

13. SCG Cement-Building Materials Co.,Ltd				
• Subsidiary of SCG Distribution Co.,Ltd	Purchase	699.35	420.19	-
	Account Receivable	9.58	19.23	-
	Management Fee	8.84	8.84	9.20
	Sale Promotion income	37.45	-	-
	Accrued sale Promotion income	8.28	-	-
	(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.

14. Souvanny Home Center Public Company.				
• Associate of Global House International Co.,Ltd.	sales	16.47	44.68	0.13
	Other income	0.69	3.00	-
	Account Receivable	0.04	15.23	-
	(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.

15. Global House International Co.,Ltd				
• Joint venture	Interest Expense	1.29	-	-
	Other income	0.10	-	-
	Other Account Receivable	0.10	-	-
	Other Account Payable	0.02	-	-
	Other Expense	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 price.

(Unit : Million Baht)

Name of Company / Relationship	Transactions	2017	2016	2015
16. Global House Cambodia Co.,Ltd. • Subsidiary	Other Account Receivable (As of 31 Dec)	0.01	-	-
<i>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.</i>				
17. SCG Trading Vietnam Co.,Ltd • Subsidiary of SCG Trading Co.,Ltd	Purchase (As of 31 Dec)	126.57	-	-
<i>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.</i>				
18. Lok Chum Teav Kim Heang,Combodian • A shareholder of subsidiary	Rental Expense Accrued Rental (As of 31 Dec)	17.31 17.17	- -	- -
<i>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.</i>				

Audit Committee Commendations

From the meeting of the Audit Committee No.1/2017 on 9 February 2017, 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 of Financial Status and Operating Results

Overview of Business Operating Results

The business operation results have grown significantly over the past three years (2015-2017) as a result of the increase of sale amount from same stores and new stores, include strategies to increase the proportion of sales of HOUSE BRAND products. Although the previous year, the economy has been affected by turbulences in politics and natural disasters but had not impact to the business operations and everything went according to plans. The Company expand new branches continuously from 38 stores in the end of year 2015 to 55 stores in the end of year 2017. Such as Salaya, Pathumthani, Singburi, Samutsongkram, Chiang Rai, Suratthani, Kanchanaburi, Nakhonsithammarat, Prachuap Khirikhan, Ang Thong, Uttaradit, Loei, Chom Phae, Phang Khon, Phatthalung, Chokchai and Tapharak. respectively.

The operating results for the year 2017 the Company has net profit is Baht 1,602.09 million that decrease by Baht 73.94 million or decreased 4.41 % compared to the year 2016, which the mainly result from the sales are not in line with the target because the purchasing power of people not recovered. Although the Company has increase the number of branches and distribution channels. And the investment in subsidiary company is still in the beginning of business, so there is no income. The overall performance during 2014-2016 are as follow.

Business Operation Results

Revenue

The Company's total revenue since 2015 - 2017 has grown from 17,410.93 million Baht in 2015, 19,474.11 million Baht in 2016 and 21,552.18 million Baht in 2017. These figures are reflections of branches expansion continuously.

Distribution Costs and Administrative Expense

The proportions of costs of sales to the revenues from 2015- 2017 were 80.66% ,76.92% and 76.76% respectively. Administrative expenses from 2015 - 2017 were 2,125.47 million Baht 2,471.31 million Baht and 2,865.09 million Baht respectively, due to increasing of employees and stores that increase from 38 stores in 2015 to 55 stores in 2017.

Gross Profit Margin and Net Profit Margin

The Company' gross profit margin in 2015-2017 was 16.72% , 20.56% and 20.58% respectively and the net profit margins for the year 2015 - 2017 comparing to the revenues of the Company were 5.04 % , 7.65% and 7.43% respectively.

Total Assets

The total assets of the Company from 2015 – 2017 were 17,922.57 million Baht 23,067.27 million Baht and 28,229.56 respectively. Significant changes are as follows:

1. Cash and cash equivalent as at 31st December 2015 was 297.43 million Baht , as at 31st December 2016 was 168.99 million Baht, and as at 31st December 2017 was 346.97 million Baht.
2. Account receivables as at 31st December 2015 was 34.92 million Baht, as at 31st December 2016 Was 101.20 million Baht, and as at 31st December 2017 was 34.78 million Baht. Show that, there was the

increasing of account receivable in 2015-2017. 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 2015 was 7,579.40 million Baht, as at 31st December 2016 was 10,249.66 million Baht and as at 31 December 2017 was 12,603.61 million Baht. The significant increase in inventory was the result of expansion.
4. Land, Building and equipment as at 31st December 2015 was 8,062.93million Baht, as at 31st December 2016 was 10,347.19 million Baht and as at 31 December 2017 was 12,491.83 million Bath. This is due to the expansion of stores every year and do not new revaluation.

Liabilities

The total liability as at 31st December 2015 was 7,096.01 million Baht, as at 31st December 2016 was 10,721.60 million Baht and 31 December 2017 was 14,849.46 million Baht. The debt ratios over the three years were 0.54, 0.87 and 1.11 respectively.

Shareholders' Equity

The Company has shareholders' equity as at 31st December 2015 was 10,826.56 million Baht, as at 31st December 2016 was 12,345.67 million Baht and as at 31 December 2017 was 13,380.10 million Baht. In the year 2017 the Company has increase the registered capital amount 3,841,416,727.00 Baht and paid-up capital of 3,841,414,033.00 Baht. In 2017, the Company made net profit from operating of 1,602.09 million Baht and the Company reserved 81.00 million Baht in compliance with laws. As a result, as at 31 December 2017, the Company has the appropriated retained earnings and in compliance with the laws of 384.18 million Baht and had inappropriate retained earnings of 4,386.38 million Baht, which means the shareholder's equity increased comparing to 2016 approximately by 8.37%

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.

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.

Audit Fee

The resolution of Annual General Meeting of shareholders 2017 approved and appointed Mr.Korramann Jaturapornprom , Certified Public Accountant Registration No.6210 or Mr. Methee Ratanasrimetha, Certified Public Accountant Registration No.3425 or Mr. Akadet Pliensakul, Certified Public Accountant Registration No.5389 of M.R. & Associates Company Limited to be the Company’ s auditors for the year 2017 with 2,600,000.00 Baht.

Transaction / Year	2015	2016	2017
Audit Fee	2,300,000.00	2,600,000.00	2,600,000.00
Non Audit Fee	121,300.00	121,300.00	128,950.00

14. Audit and Risk Management Committee's Report

Dear Shareholders

The Audit and Risk Management Committee of the Company consists of 3 independent directors. All committees have abilities, qualifications and independent according to the regulations of the Stock Exchange of Thailand by having;

- | | |
|--|--|
| 1. Assoc.Prof.Phornsiri Thivavarnvongs | Chairman of Audit and Risk Management Committee. |
| 2. Mr. Pornsak Sakpunpanom | Member of Audit and Risk Management Committee |
| 3. Dr. Vongsak Swasdipanich | Member of Audit and Risk Management Committee |

For the year 2017, 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 2016:

1. Having considered and review the quarterly financial report of the company and the annual financial statements for the year 2017 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 and timely disclosed material information.
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 monitoring system.
4. Having performed of internal audit that the Audit and Risk Management Committee is review audit's plan 2017 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 2017 to the Company's Board of Directors for the request for approval from the meeting of shareholders. The candidates are Mr.Korramann Jaturapornprom CPA No. 6210 or Mr. Methee Ratanasrimetha CPA No. 3425 or Mr.Akadet Pliensakul CPA No. 5389 of M&R ASSOCIATES CO.,LTD as the auditors of the Company for the year 2017 and approved the auditor fee of 2,600,000 Baht for the Company's Financial Statements.

7. Having convened with the independent auditors to 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.

The Audit and Risk Management Committee has opinions from the review of the Company's operations in the year 2017 ,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.

A handwritten signature in blue ink, appearing to read "P. T.", with a stylized flourish.

(Assoc. Prof. Phornsiri Thivavarnvongs)

Chairman of Audit & Risk Management Committee

Siam Global House Public Company Limited

9 February 2018

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, 2016.



(Mr. Apisit Rujikeatkamjorn)

Chairman of the Board

Siam Global House Public Company Limited

9 February 2018

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Board of Directors

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ฉลองครบรอบ 20 ปี

บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)



Mr. Apisit Rujikeatkamjorn (72 Years)

Position : Chairman /Independent Director

Appointed as the Director on 26 February 2008

Education :

- Master of Engineering , LAMA UNIVERSITY TEXAS
- Bachelor of Engineering Program in Civil Engineering, Khon Kaen University

Director Training :

- Director Accreditation Program 21 / 2004 and 27 / 2004 (IOD)
- 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 2017: (None)

The Brief Working Experience in 5 years.

2008 - Present	Chairman, Siam Global House PCL.
2017 - Present	Chairman, LAO Agro Tech Public Company
	Chairman, Global House Cambodia Co.,Ltd
2016 - Present	Chairman, OPG Tech Co.,Ltd
2015 - Present	Director, Global House International Co.,LTD
	Chairman, D.T.C.Enterprise Co.,LTD
2014 - Present	Vice-President, Asia Green EnergyPCL.
	Chairman , Asia Bio Mass , Co., LTD.
2012 – Present	Chairman, Sea Oil, PCL.
2011 - Present	Chairman , Eco Lighting, Co.,LTD.

Shareholding : (None)



Mr. Witoon Suriyawanakul (59 Years)

Position : Director / Executive Director (CEO)

Appointed as the Director on 10 May 2017

Education :

- Master of Business Administration, Khon Kaen University
- Bachelor of Engineering Program in Civil Engineering, Khon Kaen University

Director Training :

- Director Accreditation Program 68 / 2008(IOD)
- Training in 2017: (None)

The Brief Working Experience in 5 years.

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

Shareholding : 0.50%



Mr. Anavat Suriyawanakul (57 Years)

Position : Director / Executive Director / CEO

Appointed as the Director on 26 February 2008

Education :

- Secondary Education

Director Training :

- Director Accreditation Program 68 / 2008 (IOD)
- Training in 2017 : (None)

The Brief Working Experience in 5 years.

2017 - Present	Director / Executive Director Vice-CEO Inventory Management and Marketing Siam Global House PCL.
1997 - Present	Director Siam Global Engineering Co.,Ltd. Inter Concrete Industry Co.,Ltd. Global Concrete Co.,Ltd. Siam Global Asset Co.,Ltd.
2015 - Present	Director, Global House International Co.,LTD
2016 - Present	CEO , Siam Global House PCL.

**Shareholding : 5.14% (Direct shareholding 0.54%,
Shareholding by spouse and minor child 4.60%)**



Mrs. Warunee Suriyawanakul (57 Years)

Position : Director / Executive Director

Appointed as the Director on 26 February 2008

Education :

- Secondary Education

Director Training :

- Director Accreditation Program 68/2008 (IOD)
- Training in 2017 : (None)

The Brief Working Experience in 5 years.

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

Shareholding : 0.45%

**Mr. Kajohnet Sangsuban (64 Years)****Position :** Director

Appointed as the Director on 23 November 2012

Education :

- B.Eng.(Civil Engineering), Chulalongkorn University
- Advanced Management Program (AMP) Harvard University USA.

Director Training :

- Director Accreditation Program 10 / 2004 (IOD)
- Finance for Non-finance Directors Program 7 / 2003 (IOD)
- Training in 2017 : (None)

The Brief Working Experience in 5 years

2012 - Present	Director Siam Global House PCL.
2015 - Present	Director, Global House International Co.,LTD
2014 - Present	Director, Siam Sindtorn Co.,Ltd
2010 - Present	Chairman Quality Construction PCL.
	Director ,Q-Con Eastern Co., Ltd
2008 - Present	Chairman, Thai-German Ceramic Industry, PCL.
2003 - Present	Director, Sosuco and Group(2008) Co.,Ltd.

Shareholding : (None)**Mr. Nithi Patarachoke (54 Years)****Position :** Director /Executive Director

Appointed as the Director on 23 November 2012

Education :

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

Director Training :

- Training in 2017 (None)

The Brief Working Experience in 5 years

2012 - Present	Director / Executive Director Siam Global House PCL.
2015 - Present	Director, Global House International Co.,LTD
2013 - Present	Director, SCG Building Materials Co.,Ltd
	Vice - President Thailand Management Association

Shareholding : (None)



Mr. Aree Chavalitcheewingul (54 Years)

Position : Director

Appointed as the Director on 7 November 2014

Education :

- M.Eng (Industrial Engineering and Management) Asian Institute of Technology
- B.Eng (Electrical Engineering, Honors) Chiang Mai University
- Advanced Management Program (AMP) Harvard University USA

Director Training :

- Training in 2017 (None)

The Brief Working Experience in 5 years

2014 - Present	Director, Siam Global House PCL.
2015 - Present	Director, Global House International Co.,LTD
2011 - Present	Director, Quality Construction PCL.
2008 - Present	Director / Executive Director Thai - German Ceramic Industry PCL
2017 - Present	President, SCG Building Materials Co.,Ltd.

Shareholding (None)



Assoc. Prof. Phonsiri Thivavarnvongs (65 Years)

Position : Director / Independent Director / Chairman of Audit & Risk Management Committee

Appointed as the Director on 26 February 2008

Education :

- M.B.A. (Finance) UNIVERSITY OF WISCONSIN AT MADISON U.S.A.
- Bachelor of Accountancy (First - Class Honors with Gold Medal Award), Faculty of Commerce and Accountancy, Chulalongkorn University

Director Training :

- Director Accreditation Program 17/2002 (IOD)
- Training in 2017 (None)

The Brief Working Experience in 5 years

2013 - Present	Director / Independent Director / Chairman of Audit & Risk Management Committee Siam Global House PCL.
2008 - 2012	Director, of Audit & Risk Management Committee Siam Global House PCL.

Shareholding (None)

**Mr. Pornsak Sakpanpanom (70 Years)**

Position : Director / Independent Director / Audit & Risk Management Committee / Chairman of Nomination & Remuneration Committee
Appointed as the Director on 4 April 2013

Education :

- Mater Degree of Thai Barrister at Law, The Thai Bar Institute.
- Bachelor of Laws(Honors),Thammasat University

Director Training :

- Training in 2017 (None)

The Brief Working Experience in 5 years

2013 - Present	Director / Independent Director / Audit & Risk Management Committee / Chairman of Nomination & Remuneration Committee Siam Global House PCL.
2009 - Present	Director , Siam Apiwat Co.,Ltd.

Shareholding : (None)**Dr. Vongsak Swasdipanich (66 Years)**

Position : Director / Independent Director/ Audit & Risk Management Committee / Nomination & Remuneration Committee
Appointed as the Director on 11 May 2016

Education :

- D.Litt.PA , St.Clements University , UK
- MPA. Public Affairs , Kentucky State University , USA
- Bachelor of Art (Political Sience), Chiang Mai University

Director Training in 2017 :

- Director Accreditation Program 134 / 2017 of IOD

The Brief Working Experience in 5 years

2016 - Present	Director / Independent Director / Audit & Risk Management Committee/ Nomination & Remuneration Committee
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Shareholding : (None)

Profile of Executive

Mr. Yutthana Suriyawanakul
(46 Years)

Vice CEO - Imported Products

Education /Training :

- Master of Business Administration, Texas University
- Bachelor of Engineering Program in Industrial Engineering, Kasetsart University
- Director Accreditation Program 68/2008 (IOD)

The Brief Working Experience in 5 years

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

Shareholding 0.04 %

Ms.Chutikan Srisaengchan
(48 Years)

Vice CEO- Accounting & Financial

Education / Training :

- Master of Business Administration, Khon Kaen University
- Bachelor of Accountancy, Thammasat University
- Director Accreditation Program 68/2008

The Brief Working Experience in 5 years

- 2012 – Present : Vice CEO – Accounting & Financial of Siam Global House PCL.
- 2008-2012 : Director / Executive Director of Siam Global House PCL.

Shareholding 0.03 %

Mr. Piphop Vasanaarchasakul
(47Years)

Vice CEO - Business Development

Education / Training :

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

The Brief Working Experience in 5 years

- December 2017-Present: Vice CEO- Business Development ,Siam Global House PCL
- 2014 – November 2017 : Assistance of Vice-CEO-Business Development , Siam Global House PCL
- December 2017-Present : Director, Global House International Co.,Ltd

Shareholding : (None)

Mr. Khemchat Sungkakam
(35 Years)

Vice CEO- Innovation & System Development

Education / Training :

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

The Brief Working Experience in 5 years

- December 2017 - Present: Vice CEO - Innovation & System Development, Siam Global House PCL
- 2012 - November 2017 : Manager of Innovation & System Development

Shareholding : 0.00 %

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Financial Statement 2017

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ฉลองครบรอบ 20 ปี

บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Financial Statements

For the Year Ended December 31, 2017

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, 2017, 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, 2017, 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, 2017, 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, 2017, 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

High competition in the current market outlook for construction material sectors in Thailand. The selling price depends on the competitive situation of the market. Certain merchandises may not be sold at the expected selling price. The Company 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.

Significant accounting policies and other information relating to merchandises was disclosed in Notes 4 and 7 to the financial statements.

My audit procedures included inquiring the management who is responsible for this to obtain the Company's policy for loss on decline in value of merchandises. I have understood and review the compliance with the Company's accounting policy and randomly test of loss on decline in value of merchandises whether it is in accordance with the Company's accounting policy, and testing calculation of such loss by comparing the cost of merchandises against net realizable value.

Other Matter

The financial statements in which the equity method is applied and the separate financial statements of Siam Global House Public Company Limited as at December 31, 2016 were audited by another auditor in my office whose report dated February 20, 2017, expressed an unmodified opinion on those statements.

The above financial statements have been restated for the effects of accounting changes as described in note 3 to the financial statements. I have audited the adjustments that were applied to the restate of the financial statements. In my opinion these adjustments are appropriate and have been properly applied.

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.

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. Korramann Jaturapornprom)
Certified Public Accountant
Registration No. 6210

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 9, 2018

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

ASSETS

		In Baht		
		Consolidated	Financial statements	
		financial statements	in which the equity method is applied	
		December 31, 2017	December 31, 2016	January 1, 2016
	Note		"Restated"	"Restated"
CURRENT ASSETS				
Cash and cash equivalents		346,972,429	168,994,765	297,428,572
Current investments		-	-	200,352,947
Trade and other accounts receivable				
- Related parties	5	19,284,435	93,490,122	18,878,469
- Others	6	1,356,464,260	1,050,641,177	702,200,629
Merchandises	7	12,603,612,791	10,249,663,768	7,579,402,876
Other current assets		-	1,078,345	506,226
Total current assets		14,326,333,915	11,563,868,177	8,798,769,719
NON-CURRENT ASSETS				
Investment in subsidiary	8	-	-	-
Investment in joint venture	9	606,924,659	384,658,659	379,008,221
Property, plant and equipment	3, 10, 31	12,491,828,933	10,347,188,220	8,062,930,540
Land not use in operation	31	500,357,431	500,357,431	500,357,431
Intangible assets	11	6,030,488	5,011,570	7,617,580
Deferred tax assets	12	25,855,579	18,320,344	13,332,275
Other non-current assets				
- Leasehold rights	13	259,628,630	237,016,941	151,381,148
- Deposits at financial institutions				
under pledge		-	-	279,062
- Others		12,602,224	10,851,527	8,889,150
Total non-current assets		13,903,227,944	11,503,404,692	9,123,795,407
TOTAL ASSETS		28,229,561,859	23,067,272,869	17,922,565,126

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	In Baht		
		Consolidated	Financial statements	
		financial statements	in which the equity method is applied	
		December 31, 2017	December 31, 2016	January 1, 2016
			"Restated"	"Restated"
CURRENT LIABILITIES				
Bank overdrafts and short-term				
loans from financial institutions	14	8,030,956,594	4,819,206,870	1,723,634,219
Trade and other accounts payable				
- Related parties	5	216,889,676	330,442,621	64,135,634
- Others	15	2,753,185,171	2,327,812,977	2,121,991,195
Current portion of debentures	16	-	3,000,000,000	-
Current portion of long-term loans	14	2,036,666,667	-	-
Current portion of accrued rental				
expenses	13	3,450,069	7,445,917	7,319,917
Short-term loans from joint venture	5	460,000,000	-	-
Income tax payable		131,489,171	163,787,325	120,261,365
Other current liabilities		4,316,319	-	-
Total current liabilities		13,636,953,667	10,648,695,710	4,037,342,330
NON-CURRENT LIABILITIES				
Debentures	16	-	-	3,000,000,000
Long-term loans	14	1,105,000,000	-	-
Accrued rental expenses	13	25,730,872	4,833,450	4,411,736
Deferred tax liabilities	3, 12	719,842	1,097,106	1,152,178
Liability for post-employment benefits	17	81,058,166	66,973,683	53,102,078
Total non-current liabilities		1,212,508,880	72,904,239	3,058,665,992
Total liabilities		14,849,462,547	10,721,599,949	7,096,008,322

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Baht		
		Consolidated	Financial statements	
		financial statements	in which the equity method is applied	
		December 31, 2017	December 31, 2016	January 1, 2016
	Note		"Restated"	"Restated"
SHAREHOLDERS' EQUITY				
Share capital	18			
Authorized share capital		3,841,416,727	3,658,495,056	3,484,285,851
Issued and paid-up share capital		3,841,414,033	3,658,492,121	3,484,281,006
Share premium	19	4,739,295,827	4,739,295,827	4,739,295,827
Retained earnings				
Appropriated for legal reserve	20	384,182,751	303,182,751	228,182,751
Unappropriated		4,386,382,370	3,644,787,887	2,374,561,131
Other components of shareholders' equity	3	(1,459,696)	(85,666)	236,089
Equity attributable to equity holders				
of the parent		13,349,815,285	12,345,672,920	10,826,556,804
Non-controlling interest		30,284,027	-	-
Total shareholders' equity		13,380,099,312	12,345,672,920	10,826,556,804
TOTAL LIABILITIES AND				
SHAREHOLDERS' EQUITY		28,229,561,859	23,067,272,869	17,922,565,126

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

ASSETS

		In Baht		
		Separate financial statements		
		December 31, 2017	December 31, 2016	January 1, 2016
	Note		"Restated"	"Restated"
CURRENT ASSETS				
Cash and cash equivalents		334,791,340	168,994,765	297,428,572
Current investments			-	200,352,947
Trade and other accounts receivable				
- Related parties	5	19,298,935	93,490,122	18,878,469
- Others	6	1,350,003,793	1,050,641,177	702,200,629
Merchandises	7	12,603,612,791	10,249,663,768	7,579,402,876
Other current assets		-	1,078,345	506,226
Total current assets		14,307,706,859	11,563,868,177	8,798,769,719
NON-CURRENT ASSETS				
Investment in subsidiary	8	46,436,500	-	-
Investment in joint venture	9	595,000,000	376,150,000	376,150,000
Property, plant and equipment	3, 10, 31	12,434,124,408	10,347,188,220	8,062,930,540
Land not use in operation	31	500,357,431	500,357,431	500,357,431
Intangible assets	11	6,030,488	5,011,570	7,617,580
Deferred tax assets	12	22,319,165	18,320,344	13,332,275
Other non-current assets				
- Leasehold rights	13	252,767,701	237,016,941	151,381,148
- Deposits at financial institutions				
under pledge			-	279,062
- Others		12,602,224	10,851,527	8,889,150
Total non-current assets		13,869,637,917	11,494,896,033	9,120,937,186
TOTAL ASSETS		28,177,344,776	23,058,764,210	17,919,706,905

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht		
		Separate financial statements		
		December 31, 2017	December 31, 2016	January 1, 2016
	Note		"Restated"	"Restated"
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	14	8,030,956,594	4,819,206,870	1,723,634,219
Trade and other accounts payable				
- Related parties	5	216,889,676	330,442,621	64,135,634
- Others	15	2,751,180,373	2,327,812,977	2,121,991,195
Current portion of debentures	16	-	3,000,000,000	-
Current portion of long-term loans	14	2,036,666,667	-	-
Current portion of accrued rental expenses	13	3,450,069	7,445,917	7,319,917
Short-term loans from joint venture	5	460,000,000		
Income tax payable		131,489,171	163,787,325	120,261,365
Other current liabilities		4,316,319	-	-
Total current liabilities		13,634,948,869	10,648,695,710	4,037,342,330
NON-CURRENT LIABILITIES				
Debentures	16	-	-	3,000,000,000
Long-term loans	14	1,105,000,000	-	-
Accrued rental expenses	13	8,562,939	4,833,450	4,411,736
Deferred tax liabilities	3, 12	719,842	1,097,106	1,152,178
Liability for post-employment benefits	17	81,058,166	66,973,683	53,102,078
Total non-current liabilities		1,195,340,947	72,904,239	3,058,665,992
Total liabilities		14,830,289,816	10,721,599,949	7,096,008,322

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Baht		
		Separate financial statements		
		December 31, 2017	December 31, 2016	January 1, 2016
	Note		"Restated"	"Restated"
SHAREHOLDERS' EQUITY				
Share capital	18			
Authorized share capital		3,841,416,727	3,658,495,056	3,484,285,851
Issued and paid-up share capital		3,841,414,033	3,658,492,121	3,484,281,006
Share premium	19	4,739,295,827	4,739,295,827	4,739,295,827
Retained earnings				
Appropriated for legal reserve	20	384,182,751	303,182,751	228,182,751
Unappropriated		4,382,162,349	3,636,193,562	2,371,687,043
Other components of shareholders' equity	3	-	-	251,956
Total shareholders' equity		13,347,054,960	12,337,164,261	10,823,698,583
TOTAL LIABILITIES AND				
SHAREHOLDERS' EQUITY		28,177,344,776	23,058,764,210	17,919,706,905

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, 2017 AND 2016

		In Baht			
		Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
		2017	2016	2017	2016
	Note		"Restated"		"Restated"
REVENUES	5				
Sales		20,830,563,792	18,857,440,599	20,830,563,792	18,857,440,599
Other income	21	721,617,904	616,667,350	721,568,318	616,667,350
Total Revenues		<u>21,552,181,696</u>	<u>19,474,107,949</u>	<u>21,552,132,110</u>	<u>19,474,107,949</u>
EXPENSES	22				
Cost of goods sold	5	16,543,649,473	14,980,409,718	16,543,649,473	14,980,409,718
Distribution costs	31	1,450,604,779	1,148,991,912	1,450,604,779	1,148,991,912
Administrative expenses	3, 5, 31	1,414,493,890	1,095,996,838	1,396,457,868	1,095,996,838
Finance costs		184,080,121	169,057,811	184,080,121	169,057,811
Total Expenses		<u>19,592,828,263</u>	<u>17,394,456,279</u>	<u>19,574,792,241</u>	<u>17,394,456,279</u>
Share of Profit of Joint Venture		<u>3,539,721</u>	<u>5,720,237</u>	<u>-</u>	<u>-</u>
Profit before Income Tax	3	1,962,893,154	2,085,371,907	1,977,339,869	2,079,651,670
Income Tax Expense	3, 12	360,801,055	409,345,350	364,398,354	409,345,350
PROFIT FOR THE YEAR	3	<u>1,602,092,099</u>	<u>1,676,026,557</u>	<u>1,612,941,515</u>	<u>1,670,306,320</u>
OTHER COMPREHENSIVE INCOME	23				
Items that will not be reclassified subsequently to profit or loss					
- Actuarial gain on defined benefit plan		2,635,489	633,496	2,635,489	633,496

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, 2017 AND 2016

		In Baht			
		Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
		2017	2016	2017	2016
	Note		"Restated"		"Restated"
Items that will be reclassified subsequently to profit or loss					
- Gain on remeasurement of investments		-	164,860	-	164,860
- Gain on sale of investments recognized in profit and loss		-	(416,816)	-	(416,816)
		-	(251,956)	-	(251,956)
- Currency translation differences		(2,272,963)	-	-	-
- Share of other comprehensive profit (loss) of joint venture (currency translation differences)		(123,721)	(69,799)	-	-
		(2,396,684)	(321,755)	-	(251,956)
Other comprehensive income (loss) for the year		238,805	311,741	2,635,489	381,540
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,602,330,904	1,676,338,298	1,615,577,004	1,670,687,860
Profit attributable to:					
Equity holders of the parent		1,608,567,211	1,676,026,557	1,612,941,515	1,670,306,320
Non-controlling interests		(6,475,112)	-	-	-
		1,602,092,099	1,676,026,557	1,612,941,515	1,670,306,320
Total comprehensive income (loss) attributable to:					
Equity holders of the parent		1,609,828,670	1,676,338,298	1,615,577,004	1,670,687,860
Non-controlling interests		(7,497,766)	-	-	-
		1,602,330,904	1,676,338,298	1,615,577,004	1,670,687,860
Earnings per share attributable to equity holders of the parent	24	0.4187	0.4363	0.4199	0.4348

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, 2017 AND 2016

In Baht (Restated)

Consolidated financial statements												
Other components of shareholders' equity												
Retained earnings			Share of other comprehensive profit (loss) of joint venture				Equity shareholders to equity holder of the parent		Non controlling interest		Total shareholder's equity	
Note	Issued and paid-up share capital	Share premium	Appropriated for legal reserve	Unappropriated	Revaluation surplus on property	Fair value changes in investments	Currency translation differences		Total			
Balance as at January 1, 2017												
- as previously reported	3,658,492,121	4,739,295,827	303,182,751	3,644,787,887	3,908,651,602	-	-	(85,666)	3,908,565,936	16,254,324,522	-	16,254,324,522
Adjustment	-	-	-	-	(3,908,651,602)	-	-	-	(3,908,651,602)	(3,908,651,602)	-	(3,908,651,602)
Balance as at January 1, 2017												
- as restated	3,658,492,121	4,739,295,827	303,182,751	3,644,787,887	-	-	-	(85,666)	(85,666)	12,345,672,920	-	12,345,672,920
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	37,781,793	37,781,793
Profit for the year												
Other comprehensive income (loss) for the year	-	-	-	1,608,567,211	-	-	-	-	-	1,608,567,211	(6,475,112)	1,602,092,099
Total comprehensive income (loss) for the year	-	-	-	2,635,489	-	-	(1,250,309)	(123,721)	(1,374,030)	1,261,459	(1,022,654)	238,805
	-	-	-	1,611,202,700	-	-	(1,250,309)	(123,721)	(1,374,030)	1,609,828,670	(7,497,766)	1,602,330,904
Stock dividends	182,921,912	-	-	(182,921,912)	-	-	-	-	-	-	-	-
Dividends	-	-	-	(605,686,305)	-	-	-	-	-	(605,686,305)	-	(605,686,305)
Appropriation for legal reserve	-	-	81,000,000	(81,000,000)	-	-	-	-	-	-	-	-
Balance as at December 31, 2017	3,841,414,033	4,739,295,827	384,182,751	4,386,382,370	-	-	(1,250,309)	(209,387)	(1,459,696)	13,349,815,285	30,284,027	13,380,099,312

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 (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

In Baht (Restated)

	Note	Financial statements in which the equity method						
		Retained earnings			Other components of shareholders' equity			
		Issued and paid-up share capital	Share premium	Appropriated for legal reserve	Unappropriated	Revaluation surplus on property	Fair value changes in investments	Share of other comprehensive profit (loss) of joint venture
								Share of other comprehensive profit (loss) of joint venture
								Total
								Total shareholders' equity
Balance as at January 1, 2016								
- as previously reported		3,484,281,006	4,739,295,827	228,182,751	2,374,561,131	4,091,214,553	251,956	(15,867)
Adjustment	3	-	-	-	-	(4,091,214,553)	-	-
Balance as at January 1, 2016								
- as restated		3,484,281,006	4,739,295,827	228,182,751	2,374,561,131	-	251,956	(15,867)
Profit for the year		-	-	-	1,676,026,557	-	-	-
Other comprehensive income (loss) for the year		-	-	-	633,496	-	(251,956)	(69,799)
Total comprehensive income (loss) for the year		-	-	-	1,676,660,053	-	(251,956)	(69,799)
Stock dividends	18	174,211,115	-	-	(174,211,115)	-	-	-
Dividends	18	-	-	-	(158,730,547)	-	-	-
Appropriation for legal reserve		-	-	75,000,000	(75,000,000)	-	-	-
Sold land		-	-	-	1,508,365	-	-	-
Balance as at December 31, 2016		3,658,492,121	4,739,295,827	303,182,751	3,644,787,887	-	-	(85,666)
								12,345,672,920

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 (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		In Baht (Restated)						
		Separate financial statements						
		Retained earnings		Other components of shareholders' equity			Total	
		Issued and paid-up share capital	Share premium	Appropriated for legal reserve	Unappropriated	Revaluation surplus on property	Fair value changes in investments	shareholders' equity
Note								
	Balance as at January 1, 2017							
	- as previously reported	3,658,492,121	4,739,295,827	303,182,751	3,636,193,562	3,908,651,602	-	16,245,815,863
Adjustment		-	-	-	-	(3,908,651,602)	-	(3,908,651,602)
	Balance as at January 1, 2017							
	- as restated	3,658,492,121	4,739,295,827	303,182,751	3,636,193,562	-	-	12,337,164,261
Profit for the year		-	-	-	1,612,941,515	-	-	1,612,941,515
Other comprehensive income (loss) for the year		-	-	-	2,635,489	-	-	2,635,489
Total comprehensive income (loss) for the year		-	-	-	1,615,577,004	-	-	1,615,577,004
Stock dividends	18	182,921,912	-	-	(182,921,912)	-	-	-
Dividends	18	-	-	-	(605,686,305)	-	-	(605,686,305)
Appropriation for legal reserve		-	-	81,000,000	(81,000,000)	-	-	-
Balance as at December 31, 2017		3,841,414,033	4,739,295,827	384,182,751	4,382,162,349	-	-	13,347,054,960

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 (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		In Baht (Restated)						
		Separate financial statements						
Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
			Appropriated for legal reserve	Unappropriated	Revaluation surplus on property	Fair value changes in investments	Total	
Balance as at January 1, 2016								
- as previously reported	3,484,281,006	4,739,295,827	228,182,751	2,371,687,043	4,091,214,553	251,956	4,091,466,509	14,914,913,136
Adjustment	-	-	-	-	(4,091,214,553)	-	(4,091,214,553)	(4,091,214,553)
Balance as at January 1, 2016								
- as restated	3,484,281,006	4,739,295,827	228,182,751	2,371,687,043	-	251,956	251,956	10,823,698,583
Profit for the year	-	-	-	1,670,306,320	-	-	-	1,670,306,320
Other comprehensive income (loss) for the year	-	-	-	633,496	-	(251,956)	(251,956)	381,540
Total comprehensive income (loss) for the year	-	-	-	1,670,939,816	-	(251,956)	(251,956)	1,670,687,860
Stock dividends	18 174,211,115	-	-	(174,211,115)	-	-	-	-
Dividends	18 -	-	-	(158,730,547)	-	-	-	(158,730,547)
Appropriation for legal reserve	-	-	75,000,000	(75,000,000)	-	-	-	-
Sold land	-	-	-	1,508,365	-	-	-	1,508,365
Balance as at December 31, 2016	3,658,492,121	4,739,295,827	303,182,751	3,636,193,562	-	-	-	12,337,164,261

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, 2017 AND 2016

	In Baht		
	Consolidated financial statements	Financial statements in which the equity method is applied	
		2016	Separate financial
		"Restated"	2017
Cash flows from operating activities			
Profit for the year	1,602,092,099	1,676,026,557	1,612,941,515
Adjustments for			
Depreciation and amortization	751,781,180	582,171,801	751,781,180
Decrease of merchandises to net realizable value	21,768,459	36,731,481	21,768,459
Expenses for post-employment benefits	18,617,224	14,756,895	18,617,224
Interest income	(2,096,723)	(2,370,734)	(2,047,144)
Interest expense	181,045,991	167,965,978	181,045,991
Increase (decrease) in allowance for doubtful accounts	(50,304)	432,589	(50,304)
Unrealized loss (gain) on exchange rate	5,721,199	(927,074)	5,721,199
Gain on sale of investments	-	(416,816)	-
Gain on sale of fixed assets	(2,332,559)	(2,249,294)	(2,332,559)
Loss on write off fixed assets	555,982	-	555,982
Income from insurance claim	-	(1,994,438)	-
Share of profit of joint venture	(3,539,721)	(5,720,237)	-
Income tax expense	360,801,055	409,345,350	364,398,354
	2,934,363,882	2,873,752,058	2,952,399,897
Changes in operating assets and liabilities			
Trade and other accounts receivable	(238,484,601)	(416,567,281)	(232,038,634)
Merchandises	(2,375,717,482)	(2,706,992,373)	(2,375,717,482)
Deposits at financial institutions under pledge	-	279,062	-
Other non-current assets	(1,750,697)	(1,962,377)	(1,750,697)

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, 2017 AND 2016

	In Baht		
	Consolidated	Financial	
	financial	statements in	
	statements	which the equity	Separate financial
	2017	2016	2017
		"Restated"	
Cash flows from investing activities			
Interest received	2,096,723	2,370,734	2,047,144
Proceeds from sale of current investments	-	200,517,807	-
Proceeds from sale of fixed assets	4,968,502	8,057,692	4,968,502
Proceeds from insurance claim	6,917,509	517,043	6,917,509
Increase in investment in joint venture	(218,850,000)	-	(218,850,000)
Increase in property, plant and equipment	(2,756,992,287)	(2,635,779,835)	(2,699,287,762)
Increase in computer software	(2,923,939)	(2,098,113)	(2,923,939)
Increase in leasehold rights	(28,612,800)	(90,100,507)	(21,751,871)
Increase in investment in subsidiary	-	-	(46,436,500)
Increase in investment in subsidiary of non-controlling interest	37,781,793	-	-
Net cash used in investing activities	(2,955,614,499)	(2,516,515,179)	(2,975,316,917)
Cash flows from financing activities			
Interest paid	(211,893,419)	(167,790,607)	(211,893,419)
Increase in bank overdrafts and short-term loans from financial institutions	3,211,749,724	3,095,572,651	3,211,749,724
Increase in short-term loans from joint venture	460,000,000	-	460,000,000
Repayment of debentures	(3,000,000,000)	-	(3,000,000,000)
Increase in long-term loans	4,000,000,000	-	4,000,000,000
Repayment of long-term loans	(858,333,333)	-	(858,333,333)
Dividends	(605,686,305)	(158,730,547)	(605,686,305)
Net cash provided by financing activities	2,995,836,667	2,769,051,497	2,995,836,667
Currency translation difference	(2,210,132)	-	-

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, 2017 AND 2016

	In Baht		
	Consolidated	Financial	
	financial	statements in	
	statements	which the equity	
		method is applied	Separate financial
	2017	2016	2017
		"Restated"	
Cash in hand	152,524,844	82,943,113	152,524,844
Current accounts at banks	34,215,838	19,635,557	22,034,749
Saving deposits at banks	160,231,747	66,416,095	160,231,747
	<u>346,972,429</u>	<u>168,994,765</u>	<u>334,791,340</u>

Supplementary disclosures of cash flow information:

a. Cash and cash equivalent at end of year

Cash in hand	152,524,844	82,943,113	152,524,844
Current accounts at banks	34,215,838	19,635,557	22,034,749
Saving deposits at banks	160,231,747	66,416,095	160,231,747
	<u>346,972,429</u>	<u>168,994,765</u>	<u>334,791,340</u>

b. Non-cash transaction

Purchases of property, plant and equipment

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

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 in Thailand.

The registered office is 232 Moo 19, Tambol Robmuang, Amphur Muang, Roi-Et. As at December 31, 2017, the Company has a total of 55 branches operating in other provinces (December 31, 2016: 46 branches).

On January 12, 2017, the Company had signed the joint venture agreement with a group of local investors in Cambodia to establish Global House Cambodia Co., Ltd. Detail of the Company’s subsidiary is as follows:

Subsidiary	Type of Business	Country of incorporation	Percentage of Holding (%)	
			2017	2016
Global House (Cambodia) Co., Ltd.	Merchandising of construction materials	Cambodia	55.00	-

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

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

The Group disclosed information for the year ended December 31, 2016 for being the comparative information in the financial statements for the year ended December 31, 2017 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.

Revision of accounting standards, financial reporting standards, and interpretations

The Federal of Accounting Professions (FAP) issued several Notifications regarding the revision of Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC) with the effective for the accounting period beginning on or after January 1, 2017. Adoption of the revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect to the financial statements of the Group.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

FAP issued several Notifications regarding the revision of TAS, TFRS, TSIC, and TFRIC with the effective for the accounting period beginning on or after January 1, 2018 whereby the Group has not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before the effective period, which are as follows :

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases – Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) “Financial Reporting in Hyperinflationary Economies”
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

3. CHANGE IN ACCOUNTING POLICY

At the Board of Directors' meeting held on November 11, 2016, the Board of Directors passed the resolution on change the accounting policy on valuation of the Company's property, plant and equipments from Revaluation model to Cost model starting from January 1, 2017. The change will be made to conform with the further operations of the Company and reflect the actual cost.

Effect from the change are as follows :

	In Million Baht	
	(Decrease)	
	December 31, 2016	January 1, 2016
<u>Statements of financial position</u>		
Property, plant and equipments	(4,886)	(5,114)
Deferred tax liabilities	(977)	(1,023)
Other component of shareholders' equity	(3,909)	(4,091)

	In Million Baht
	Increase (decrease)
<u>Statement of comprehensive income</u>	
Administrative expenses	(226)
Profit before income tax	226
Income tax expense	45
Profit for the period	181
Earnings per shares attributable to equity holders of the parent (Baht)	0.0471

	In Million Baht
	Increase (decrease)
<u>Statement of change in shareholders' equity</u>	
- <u>Revaluation surplus on property</u>	
As at January 1, 2016	(4,091)
Transfer to retained earnings during the year	
- Depreciation expense	181
- Sold land	1
As at December 31, 2016 and January 1, 2017	(3,909)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

4. SIGNIFICANT ACCOUNTING POLICIES**Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the “Group”).

Significant intra-group transactions between the Company and its subsidiary 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 of an entity 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 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 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 profit or loss.

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.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Cash and Cash Equivalents

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

Cash at banks which have restrictions in use are presented separately as “Deposits at financial institutions under pledged” under non-current assets in the statement of financial position.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable is stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

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.

An allowance for loss is made for all deteriorated, damaged, 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

Owned assets

Land is stated at cost, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). Costs of asset dismantlement, removal, and restoration are included as part of asset cost and subject to depreciation.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Depreciation

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Land improvements	10	years
Buildings	20	years
Building improvements	5	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.

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

Computer software

Computer software is 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 5 years.

Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and impairment losses.

Amortization

Amortization is recognized in profit or loss on a straight-line basis over the term of the leases.

Impairment of Assets

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

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to be at its recoverable amount and recording the devaluation in profit or loss. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased.

Employee benefits**Provident fund**

Obligations for contributions to provident fund are recognized as an expense in profit or loss as incurred.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED**Notes to the financial statements****December 31, 2017 and 2016****Post-employment benefits**

The Group's obligations in respect of post-employment benefits are calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits are discounted to determine their present value. The calculation is performed by an independent actuary using the projected unit credit method. Expenses from the estimated liability for post-employment benefits are recognized in profit or loss and comprise of current service cost and interest cost. Actuarial gain or loss is recognized in other 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 deduction of trade discounts.

Revenue is recognized in profit or loss when the significant risks and rewards of ownership 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.

Interest and other income are recognized on an accrual basis.

Expenses**Operating leases**

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Finance costs

Interest expense and similar costs are charged to profit or loss 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 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.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED**Notes to the financial statements****December 31, 2017 and 2016****Use of Estimates**

In order to prepare financial statements in conformity with financial reporting standards in Thailand, 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. Revision 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.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operational and financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the statement of reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Income Tax

Income tax expense for the year comprises current and deferred tax.

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5. 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.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

The related parties consisted of :

Company and party	Relationships	Percentage of Holding	
		2017	2016
The Siam Cement Public Company Limited	Parent company of SCG Distribution Co., Ltd.	-	-
SCG Distribution Co., Ltd.	Major shareholder	30	30
SCG Sourcing Co., Ltd., SCG Logistics Management Co., Ltd., SCG Trading Co., Ltd., SCG Trading Guangzhou Co., Ltd., and SCG Cement-Building Materials Company Limited	Subsidiaries of SCG Distribution Co., Ltd.	-	-
Thai-German Ceramic Industry Public Company Limited, Tip Fibre-Cement Co., Ltd., Siam Fiberglass Co., Ltd., Sosuco and Group (2008) Co., Ltd., The Nawaplastic Industries (Saraburi) Co., Ltd., Siam Kraft Industry Co., Ltd., Thai Paper Co., Ltd., Phoenix Pulp & Paper Public Company Limited, Thai Ceramic Co., Ltd., Siam Sanitary Ware Industry Co., Ltd., Thai Containers Group Co., Ltd., Nawa Plastic Industries Co., Ltd., The Concrete Products and Aggregate Co., Ltd., Siam Kubota Corporation Co. Ltd., Siam Kubota Leasing Co., Ltd., The Siam Forestry Co., Ltd. SCG Cement Co., Ltd., SCGP Excellence Training Center Co., Ltd. and SCG Landscape Co., Ltd.	Subsidiaries of The Siam Cement Public Company Limited	-	-

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Company and party	Relationships	Percentage of Holding	
		2017	2016
Global House Cambodia Co., Ltd.	Subsidiary	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	-	-
AESCON Co., Ltd.*	Director is a member of family	-	-
Global House International Co., Ltd. (GBI)	Joint venture	-	-
Global House Franchise (Myanmar) Co., Ltd. (Incorporated in Republic of the Union of Myanmar)	Subsidiary of Global House International Co., Ltd.	-	-
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, Combodian	A shareholder of subsidiary	-	-
Petch Nam Nueng Non-juristic body of persons (by Khun Warunee Suriyawanaku)**	-	-	-
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.	-	-

* Not related party since May 9, 2017

** Represents the Company's shareholder and director

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

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)
Sale promotion income	Vary on purchase volume
Other income	Agreed price
Purchase of merchandises	Market prices
Management fee expense	Agreed price
Rental expense	Negotiated agreement
Interest expense	Referenced to commercial banks rate
Purchase of fixed assets	Market price

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Significant transactions for the years ended December 31, 2017 and 2016 with related parties were as follows :

In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements
	2017	2016	2017 2016
Joint Venture			
Other income	100	-	100 -
Related parties			
Revenue from sales of goods	173,187	262,987	173,187 262,987
Sale promotion income	72,119	64,311	72,119 64,311
Other income	9,195	5,615	9,195 5,615
Purchase of merchandises	1,715,439	1,677,021	1,715,439 1,677,021
Management fee expense	8,844	8,844	8,844 8,844
Rental expense	17,465	240	- 240
Interest expense	1,286	-	1,286 -
Purchase of fixed assets	952,907	1,356,878	952,907 1,356,878

In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements
	2017	2016	2017 2016
Remuneration of key management			
Short-term benefit			
Salary, bonus and others			
- employment management	34,954	26,972	34,954 26,972
- non-employment management	7,094	4,214	7,094 4,214
Meeting remuneration	2,395	2,085	2,395 2,085
Total short-term benefits	44,443	33,271	44,443 33,271
Post-employment benefits	1,460	1,216	1,460 1,216
Total	45,903	34,487	45,903 34,487

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Balances as at December 31, 2017 and 2016 with related parties were as follows :

In Thousand Baht

	Financial statements in which the equity method is applied			
	Consolidated financial statements	Separate financial statements		
	2017	2016	2017	2016
Trade and other accounts receivable				
Trade accounts receivable				
Related parties	926	78,394	926	78,394
Other accounts receivable				
Subsidiary	-	-	15	-
Joint venture	100	100	100	100
Related parties	18,258	14,996	18,258	14,996
	18,358	15,096	18,373	15,096
Total	19,284	93,490	19,299	93,490

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

The trade accounts receivable are aged as follows :

	In Thousand Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	Consolidated financial statements	2016	2017	2016
	2017	2016	2017	2016
Current	778	46,018	778	46,018
Overdue:				
• Not over 3 months	117	27,266	117	27,266
• Over 3 months to 6 months	31	1,506	31	1,506
• Over 6 months to 12 months	-	3,604	-	3,604
Total	926	78,394	926	78,394
Trade and other accounts payable				
Trade accounts payable				
Related parties	42,028	105,935	42,028	105,935
Other accounts payable				
Related parties	174,862	224,508	174,862	224,508
Total	216,890	330,443	216,890	330,443
Accrued rental expenses				
Related party	17,168	-	-	-
Short-term loan from joint venture				
	460,000	-	460,000	-

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Movements during the years ended December 31, 2017 and 2016 of short-term loans from joint venture were as follows :

	In Thousand Baht			
	Financial statements in Consolidated financial statements		which the equity method is applied Separate financial statements	
	2017	2016	2017	2016
Balance as at January 1,	-	-	-	-
Increase	460,000	-	460,000	-
Decrease	-	-	-	-
Balance as at December 31,	460,000	-	460,000	-

Agreement with related parties

The Company entered into a rental agreement with a related party (Petch Nam Nueng - Non-juristic body of persons) for a period of 5 years expiring in June 2017. The Company is committed to pay a monthly rental of Baht 20,000. The Company must comply with conditions indicated in the agreement. The Company terminated the agreement on January 1, 2017.

Subsidiary entered into a rental agreement with a related party (Lok Chum Teav Kim Heang, Combodian) for a period of 30 years expiring in March 2047. Subsidiary is committed to pay a monthly rental as stipulated in agreement (totaling U.S.Dollar 18.8 million). Subsidiary must comply with conditions indicated in the agreement.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

6. TRADE AND OTHER ACCOUNTS RECEIVABLE - OTHERS

	In Thousand Baht			
	Financial		statements in	
	Consolidated financial statements	which the equity method is applied	Separate financial statements	
			2017	2016
Trade accounts receivable	35,797	23,244	35,797	23,244
Less allowance for doubtful account	(1,943)	(435)	(1,943)	(435)
Net	33,854	22,809	33,854	22,809
Other accounts receivable				
- Value added tax receivables	585,716	519,522	579,257	519,522
- Deposits for purchase of Merchandises	290,390	135,350	290,390	135,350
- Accrued sale promotion income	286,102	213,688	286,102	213,688
- Input value added tax	86,379	98,021	86,379	98,021
- Others	74,023	61,251	74,022	61,251
	1,322,610	1,027,832	1,316,150	1,027,832
Total	1,356,464	1,050,641	1,350,004	1,050,641

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

As at December 31, 2017 and 2016, the Group had outstanding balance of trade accounts receivable - others, aged as follows :

Current	24,439	14,193	24,439	14,193
Overdue:				
- Not over 3 months	5,826	7,683	5,826	7,683
- Over 3 months to 6 months	2,860	665	2,860	665
- Over 6 months to 12 months	2,285	536	2,285	536
- Over 12 months	387	167	387	167
Total	35,797	23,244	35,797	23,244
Less allowance for doubtful accounts	(1,943)	(435)	(1,943)	(435)
Net	33,854	22,809	33,854	22,809

7. MERCHANDISES

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
Merchandises	12,390,888	10,016,938	12,390,888	10,016,938
Less reduce cost to net realizable value	(21,768)	(36,731)	(21,768)	(36,731)
Net	12,369,120	9,980,207	12,369,120	9,980,207
Goods in-transit	234,493	269,457	234,493	269,457
Total	12,603,613	10,249,664	12,603,613	10,249,664

During the years ended December 31, 2017 and 2016, the Company recorded the reduce cost of merchandises to net realizable value to Baht 21.8 million and Baht 36.7 million, respectively, presented as a part of cost of goods sold.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

8. INVESTMENT IN SUBSIDIARY

As at December 31, 2017, the detail of investment 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.	55	84,218*	46,437	-

*Paid-up capital amounted to U.S.Dollars 2.5 million.

9. 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, 2017	50	1,190,000	606,925	595,000
At December 31, 2016	50	752,300	384,659	376,150

Consolidated financial information of GBI and its subsidiary were as follows :

	In Thousand Baht	
	2017	2016
<u>Statements of financial position as at December 31,</u>		
Total current assets	466,334	23,689
Total non-current assets	747,798	745,874
Total current liabilities	267	230
<u>Statements of Comprehensive income for the year ended December 31,</u>		
Total revenue	7,729	11,853
Profit for the year	7,079	11,440

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Notes to the financial statements

December 31, 2017 and 2016

10. PROPERTY, PLANT AND EQUIPMENT

		In Thousand Baht					
		Consolidated financial statements					
	Note	Land and land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Transportation	Construction in progress and advance for purchase of land	Assets for development
Cost							Total
Balance as at January 1, 2016		7,342,155	6,772,776	1,156,236	244,591	316,741	1,453,652
Adjustment	3	(2,727,523)	(3,207,128)	-	-	-	(877,237)
Reclassification of accounts	31	-	-	-	-	-	(500,357)
Additions		552,893	5,722	143,760	47,782	2,116,547	-
Transfers – net		162,770	1,105,533	274,405	-	(1,542,623)	-
Disposals		(5,093)	(9,779)	(10,360)	(13,998)	(166)	-
Balance as at December 31, 2016		5,325,202	4,667,124	1,564,041	278,375	890,499	76,058
Additions		524,248	47,185	213,052	52,679	2,054,790	-
Transfers – net		239,364	1,596,924	621,986	-	(2,401,130)	(57,369)
Disposals		(1,695)	(20,910)	(19,632)	(10,968)	-	-
Balance as at December 31, 2017		6,087,119	6,290,323	2,379,447	320,086	544,159	18,689
							15,639,823

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Notes to the financial statements

December 31, 2017 and 2016

		In Thousand Baht					
		Consolidated financial statements					
	Note	Land and land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Transportation	Construction in progress and advance for purchase of land	Assets for development
							Total
Accumulated depreciation							
Balance as at January 1, 2016		548,258	2,219,695	662,931	159,048	-	3,608,845
Adjustment	3	(371,990)	(1,315,054)	-	-	-	(1,697,870)
Depreciation charge for the year		60,613	286,221	191,026	34,474	-	573,241
Disposals		(1,341)	(5,760)	(9,182)	(13,823)	-	(30,106)
Balance as at December 31, 2016		235,540	1,185,102	844,775	179,699	-	2,454,110
Depreciation charge for the year		77,267	371,518	253,199	41,003	-	743,891
Disposals		(1,067)	(19,495)	(19,228)	(10,217)	-	(50,007)
Balance as at December 31, 2017		311,740	1,537,125	1,078,746	210,485	-	3,147,994
Net book value							
At December 31, 2016		5,089,662	3,482,022	719,266	98,676	890,499	10,347,189
At December 31, 2017		5,775,379	4,753,198	1,300,701	109,601	544,159	12,491,829

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

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December 31, 2017 and 2016

In Thousand Baht

		Separate financial statements					
		Land and land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Transportation	Construction in progress and advance for purchase of land	Assets for development
		Note					Total
Cost							
Balance as at January 1, 2016			7,342,155	6,772,776	1,156,236	244,591	316,741
Adjustment	3	(2,727,523)	(3,207,128)	-	-	-	-
Reclassification of accounts	31	-	-	-	-	-	-
Additions		552,893	5,722	143,760	47,782	2,116,547	-
Transfers – net		162,770	1,105,533	274,405	-	(1,542,623)	-
Disposals		(5,093)	(9,779)	(10,360)	(13,998)	(166)	-
Balance as at December 31, 2016			5,325,202	4,667,124	1,564,041	278,375	890,499
Additions		524,248	47,185	213,052	52,679	1,997,085	-
Transfers – net		239,364	1,596,924	621,986	-	(2,401,130)	(57,369)
Disposals		(1,695)	(20,910)	(19,632)	(10,968)	-	-
Balance as at December 31, 2017			6,087,119	6,290,323	2,379,447	320,086	486,454
							18,689
							12,801,299
							2,834,249
							(225)
							(53,205)
							15,582,118

December 31, 2017 and 2016

Separate financial statements

Net book value							
At December 31, 2016	5,089,662	3,482,022	719,266	98,676	890,499	67,064	10,347,189
At December 31, 2017	5,775,379	4,753,198	1,300,701	109,601	486,454	8,791	12,434,124

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

The gross carrying amounts of fully depreciated fixed assets that are still in use as at December 31, 2017 and 2016 amounted to Baht 1,008.5 million and Baht 667.9 million, respectively.

11. INTANGIBLE ASSETS

	In Thousand Baht		
	Computer software	Computer Software Under Installation	Total
Cost			
Balance as at January 1, 2016	18,501	3,303	21,804
Transfers – net	1,239	859	2,098
Additions	2,467	(2,467)	-
Balance as at December 31, 2016	22,207	1,695	23,902
Additions	2,702	221	2,923
Transfers – net	1,346	(1,346)	-
Balance as at December 31, 2017	26,255	570	26,825
Accumulated amortization			
Balance as at January 1, 2016	14,186	-	14,186
Amortization charge for the year	4,704	-	4,704
Balance as at December 31, 2016	18,890	-	18,890
Amortization charge for the year	1,905	-	1,905
Balance as at December 31, 2017	20,795	-	20,795
Net book value			
At December 31, 2016	3,317	1,695	5,012
At December 31, 2017	5,460	570	6,030

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Notes to the financial statements

December 31, 2017 and 2016

12. INCOME TAX

Details of deferred tax assets and deferred tax liabilities as at December 31, 2017 and 2016 were as follows :

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Employee benefits	16,212	13,395	16,212	13,395
Leasehold rights	8,338	4,473	4,802	4,473
Other	1,305	452	1,305	452
Total	25,855	18,320	22,319	18,320
Deferred tax liabilities				
Taxable depreciation over book depreciation	720	881	720	881
Derivative assets	-	216	-	216
Total	720	1,097	720	1,097

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Income tax expense

	In Thousand Baht			
	Financial statements in		Separate financial statements	
	Consolidated financial statements	which the equity method is applied		
	2017	2016	2017	2016
Income tax expense	369,433	414,924	369,433	414,924
Movement in temporary difference	(8,632)	(5,579)	(5,035)	(5,579)
Net	360,801	409,345	364,398	409,345
Reconciliation of income tax expense				
Profit before income tax	1,962,893	2,085,372	1,977,340	2,079,652
Income tax using the corporate tax rate	392,579	417,074	395,468	415,930
Additional deductible expenses for tax purposes	(31,997)	(5,099)	(31,997)	(5,099)
Share of profit of joint venture	(708)	(1,144)	-	-
Others	927	(1,486)	927	(1,486)
Total	360,801	409,345	364,398	409,345

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Notes to the financial statements

December 31, 2017 and 2016

13. LEASEHOLD RIGHTS AND ACCRUED RENTAL EXPENSES

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
	2017	2016	2017	2016
Leasehold rights				
Leasehold rights paid to landlord	166,619	166,619	166,619	166,619
Land improvement paid to third party	107,392	78,779	100,531	78,779
Total	274,011	245,398	267,150	245,398
Less accumulated amortization	(14,382)	(8,381)	(14,382)	(8,381)
Net	259,629	237,017	252,768	237,017
Accrued rental expenses				
Rental expenses up to December 31,	77,560	37,121	60,392	37,121
Rental paid up to December 31,	(48,379)	(24,842)	(48,379)	(24,842)
Net	29,181	12,279	12,013	12,279
Shown under				
Current liabilities	3,450	7,446	3,450	7,446
Non-current liabilities	25,731	4,833	8,563	4,833
Total	29,181	12,279	12,013	12,279
Non-cancellable operating lease commitments				
Within 1 year	11,034	12,244	11,034	12,244
After 1 year but within 5 years	172,790	88,634	86,513	88,634
Over 5 years	1,233,121	713,373	704,663	713,373
Total	1,416,945	814,251	802,210	814,251

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

14. CREDIT FACILITIES

As at December 31, 2017, 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)	-	5,470,000
Short-term loan	-	9,230,000
Long-term loan	-	4,570,000
Bank overdraft	-	120,000
Letter of credit and trust receipts	10,000	2,420,000
Forward contract	53,340	2,160,000
Letter of guarantee	-	21,900
Total	63,340	23,991,900

Bank overdrafts and short-term loans from financial institutions

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
Bank overdrafts	-	6	-	6
Trust receipts	980,794	519,201	980,794	519,201
Short-term loans from financial Institutions	7,050,163	4,300,000	7,050,163	4,300,000
Total	8,030,957	4,819,207	8,030,957	4,819,207

Short-term loans from financial institutions comprise of promissory notes from various local banks and bear interest ranging from 1.75% to 1.88% per annum in 2017 and 1.77% to 1.92% per annum in 2016.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Long-term loans

As at December 31, 2017 and 2016, the periods to maturity of the long-term loans from various financial institutions were as follows:

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
Within one year	2,036,667	-	2,036,667	-
After one year but within five years	1,105,000	-	1,105,000	-
Total	3,141,667	-	3,141,667	-

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

Details of long-term loans are as follows :

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
	2017	2016	2017	2016
Loan from the first bank				
- Credit line of Baht 3,000 million repayable in quarterly installment of Baht 212.5 million (interest at the rate of 2.25% per annum), ending April 2019	1,275,000	-	1,275,000	-
repayable in quarterly installment of Baht 216.7 million (interest at the rate of 2.15% per annum), ending December 2018	866,667	-	866,667	-
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	1,000,000	-	1,000,000	-
Total long-term loans	3,141,667	-	3,141,667	-
Less current portion	(2,036,667)	-	(2,036,667)	-
Net	1,105,000	-	1,105,000	-

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

15. TRADE AND OTHER ACCOUNTS PAYABLE - OTHERS

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
	2017	2016	2017	2016
Trade accounts payable	2,091,492	1,931,548	2,091,283	1,931,548
Other accounts payable				
Construction payable	267,884	41,872	267,884	41,872
Retention	189,058	118,059	189,058	118,059
Accrued bonus	99,921	105,650	99,921	105,650
Accrued expenses	57,584	42,295	57,427	42,295
Accrued interest expense	11,342	42,213	11,342	42,213
Others	35,904	46,176	34,265	46,176
	661,693	396,265	659,897	396,265
Total	2,753,185	2,327,813	2,751,180	2,327,813

16. DEBENTURES

On February 27, 2014, the Company issued a series of debentures to specific investors amounting to Baht 3,000 million (divided into 3,000,000 units at Baht 1,000 per unit) and bears interest at 3.85% p.a. with maturity on February 27, 2017. Interest is payable semi-annually.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

17. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2017 and 2016 are as follows :

	In Thousand Baht	
	2017	2016
Liability for post-employment benefits as at January 1,	66,974	53,102
Current service cost	16,273	12,911
Interest cost	2,344	1,846
Expense recognized in profit or loss	18,617	14,757
Transaction recognized in other comprehensive income		
- Actuarial gain	(3,295)	(792)
Employee benefits paid during the year	(1,238)	(93)
Liability for post-employment benefits as at December 31,	81,058	66,974

Actuarial gain recognized in other comprehensive income arising from :

	In Thousand Baht	
	2017	2016
Change in financial assumptions	2,726	2,654
Change in demographic assumptions	-	-
Experience adjustments	(6,021)	(3,446)
Total	(3,295)	(792)

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

- Discount rate 3.5% per annum in 2017 and 2016
- Salary increase rate 6.8% - 7.0% per year
- Employee turnover rate 5% per year
- Mortality rates Based on Thai Mortality Table
- Disability rates 15% of Thai Mortality Table

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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, 2017		
Discount rate (1% change)	(10,673)	13,400
Salary increase rate (1% change)	12,564	(10,258)
Employee turnover rate (1% change)	(11,676)	14,660

18. SHARE CAPITAL AND DIVIDENDS

Share capital

	In Baht Par Value	In Thousand Shares / In Thousand Baht			
		2017		2016	
		Number	Amount	Number	Amount
Authorized					
At January 1,					
- ordinary shares	1	3,658,495	3,658,495	3,484,286	3,484,286
Decrease	1	(3)	(3)	(5)	(5)
Increase	1	182,925	182,925	174,214	174,214
At December 31,					
- ordinary shares	1	3,841,417	3,841,417	3,658,495	3,658,495
Issued and fully paid-up					
At January 1,					
- ordinary shares		3,658,492	3,658,492	3,484,281	3,484,281
Stock dividend		182,922	182,922	174,211	174,211
At December 31,					
- ordinary shares		3,841,414	3,841,414	3,658,492	3,658,492

At the annual general meeting of the shareholders of the Company held on April 24, 2017, the shareholders passed the following resolutions:

- decrease authorized share capital from Baht 3,658,495,056 (3,658,495,056 ordinary shares at Baht 1 par value) to Baht 3,658,492,121 (3,658,492,121 ordinary shares at Baht 1 par value). The Company registered the capital decrease with the Ministry of Commerce on May 9, 2017;

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Notes to the financial statements

December 31, 2017 and 2016

- b) increase authorized share capital from Baht 3,658,492,121 (3,658,492,121 ordinary shares at Baht 1 par value) to Baht 3,841,416,727 (3,841,416,727 ordinary shares at Baht 1 par value). The 182.9 million new ordinary shares were reserved for stock dividend. The Company registered the capital increase with the Ministry of Commerce on May 11, 2017.

At the annual general meeting of the shareholders of the Company held on April 21, 2016, the shareholders passed the following resolutions:

- a) decrease authorized share capital from Baht 3,484,285,851 (3,484,285,851 ordinary shares at Baht 1 par value) to Baht 3,484,281,006 (3,484,281,006 ordinary shares at Baht 1 par value). The Company registered the capital decrease with the Ministry of Commerce on May 4, 2016;
- b) increase authorized share capital from Baht 3,484,281,006 (3,484,281,006 ordinary shares at Baht 1 par value) to Baht 3,658,495,056 (3,658,495,056 ordinary shares at Baht 1 par value). The 174.2 million new ordinary shares were reserved for stock dividend. The Company registered the capital increase with the Ministry of Commerce on May 11, 2016.

Dividends

At the annual general meeting of the shareholders of the Company held on April 24, 2017, the shareholders approved the appropriation of dividends of Baht 0.21 per share, amounting to Baht 788.6 million, from the profit of 2016. The dividend paid by stock dividend on the basis of 20 ordinary shares for 1 stock dividend amounting to Baht 182.9 million (182.9 million ordinary shares at Baht 1 par value) and cash dividend of Baht 605.7 million on May 19, 2017. The Company registered the increase in paid-up share capital with the Ministry of Commerce on May 19, 2017.

At the annual general meeting of the shareholders of the Company held on April 21, 2016, the shareholders approved the appropriation of dividends of Baht 0.10 per share, amounting to Baht 332.9 million, from the net profit of 2015. The dividend paid by stock dividend on the basis of 20 ordinary shares for 1 stock dividend amounting to Baht 174.2 million (174.2 million ordinary shares at Baht 1 par value) and cash dividend of Baht 158.7 million on May 18, 2016. The Company registered the increase in paid-up share capital with the Ministry of Commerce on May 18, 2016.

19. 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.

20. 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.

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Notes to the financial statements

December 31, 2017 and 2016

21. OTHER INCOME

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
	2017	2016	2017	2016
Sale promotion income	509,313	448,224	509,313	448,224
Transportation income	77,087	72,977	77,087	72,977
Service income	55,717	48,341	55,717	48,341
Gain on exchange rate	4,691	9,372	4,691	9,372
Other	74,810	37,753	74,760	37,753
Total	721,618	616,667	721,568	616,667

22. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Thousand Baht			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
	2017	2016	2017	2016
Changes in merchandises	(2,353,949)	(2,670,261)	(2,353,949)	(2,670,261)
Purchase of merchandises	18,466,062	16,980,665	18,466,062	16,980,665
Employee costs	1,373,178	1,132,485	1,373,178	1,132,485
Depreciation and amortization	751,781	582,172	751,781	582,172
Finance costs	184,080	169,058	184,080	169,058
Utility expenses	176,912	134,491	176,912	134,491
Marketing, advertising and sale promotion expenses	141,500	93,183	141,500	93,183
Management remuneration	45,903	34,487	45,903	34,487

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

23. OTHER COMPREHENSIVE INCOME

	In Thousand Baht		
	Consolidated financial statement		
	2017		
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial gain on defined benefit plan	3,294	659	2,635
Currency translation differences	(2,273)	-	(2,273)
Share of other comprehensive loss of joint venture (currency translation differences)	(124)	-	(124)
Other comprehensive income for the year	897	659	238
	In Thousand Baht		
	Financial statement in which the equity method is applied		
	2016		
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial gain on defined benefit plan	792	158	634
<u>Items will be reclassified subsequently to profit or loss</u>			
Gain on remeasurement of investments	165	-	165
Gain on sale of investments recognized in profit and loss	(417)	-	(417)
	(252)	-	(252)
Share of other comprehensive loss of joint venture (currency translation differences)	(70)	-	(70)
Other comprehensive income for the year	470	158	312

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	In Thousand Baht		
	Separate financial statements		
	2017		
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial gain on defined benefit plan	3,294	659	2,635
Other comprehensive income for the year	3,294	659	2,635
	In Thousand Baht		
	Separate financial statements		
	2016		
	Amount	Tax expense	Net
<u>Items will not be reclassified subsequently to profit or loss</u>			
Actuarial gain on defined benefit plan	792	158	634
<u>Items will be reclassified subsequently to profit or loss</u>			
Gain on remeasurement of investments	165	-	165
Gain on sale of investments recognized in profit and loss	(417)	-	(417)
Other comprehensive income for the year	540	158	382

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24. EARNINGS PER SHARE

Earnings per share for the years ended December 31, 2017 and 2016 are determined by dividing the profit by the weighted average number of ordinary shares outstanding during the years, 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 182.9 million shares on May 19, 2017. The number of ordinary shares of the prior year 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 financial statements	Financial statements in which the equity method is applied	Separate financial statements	
			2017	2016
Profit for the year	1,608,567	1,676,027	1,612,942	1,670,306
Number of ordinary shares outstanding	3,841,414	3,841,414	3,841,414	3,841,414
Earnings per share (Baht)	0.4187	0.4363	0.4199	0.4348

25. 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

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December 31, 2017 and 2016

26. 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, 2017 and 2016 were as follows:

	In Thousand Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	Consolidated financial statements			
	2017	2016	2017	2016
Thailand	20,797,453	18,780,769	20,797,453	18,780,769
Lao People's Democratic Republic	16,751	44,071	16,751	44,071
Republic of the Union of Myanmar	16,360	32,601	16,360	32,601
Total	20,830,564	18,857,441	20,830,564	18,857,441

27. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

As at December 31, 2017 and 2016, 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 liabilities (Shown under other current liabilities) amounting to Baht 4.3 million for 2017 and Derivative assets (Shown under other current assets) amounting to Baht 1.1 million for 2016 (level 2).

However, the Group has financial assets and liabilities not measured at fair value in the statements of financial position as at December 31, 2017 and 2016 but for which the fair value is disclosed in Note 28.

28. DISCLOSURE FOR FINANCIAL INSTRUMENTS

Financial risk management policies

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

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases of goods which are denominated in foreign currencies.

As at December 31, 2017, the Group has an outstanding balance of short-term forward purchase contract of U.S. Dollars 1.6 million (equivalent to Baht 57.8 million). The above contract matures in February 2018. The outstanding unhedge foreign currency liabilities due within one year amounted to U.S. Dollars 1.7 million and CNY 11.7 million.

Management believes that said foreign currency risk is minimal.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

Liquidity risk

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

Fair value

The Group used level 2 inputs, which are inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly, to estimate the fair value of each class of financial assets and liabilities:

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED**Notes to the financial statements****December 31, 2017 and 2016**

Cash and cash equivalents and trade and other accounts receivable - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

Bank overdraft and short-term loans from financial institutions, trade and other accounts payable and short-term loan from joint venture - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

Long - term loans from financial institutions - the carrying values approximate their fair values since these financial instruments bear interest at market rates.

Investments in subsidiaries and joint venture are not practicable to be estimated the proper fair value without incurring the excessive costs.

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, 2017 and 2016, the Group's debt-to-equity ratio were 1.11 : 1 and 0.87 : 1, respectively, and the Company's debt-to-equity ratio were 1.11 : 1 and 0.87 : 1, respectively.

30. COMMITMENTS

As at December 31, 2017, the Group had:

- a) commitment to purchase land from third parties amounting to Baht 195.0 million and construction agreements for building and machinery with a related party, local companies and foreign companies amounting to Baht 947.3 million, and
- b) unused letters of credit totaling U.S. Dollars 14.6 million (equivalent to Baht 479.1 million) and CNY 35.7 million (equivalent to Baht 181.2 million).

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Notes to the financial statements

December 31, 2017 and 2016

31. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the statement of financial position as at December 31, 2016 and the statement of comprehensive income for the year ended December 31, 2016, were reclassified to conform to the presentation of the statement of financial position as at December 31, 2017, in the part of property, plant and equipment and land of used in operation and the statement of comprehensive income for year ended December 31, 2017, in the part of distribution costs and administrative expenses.

	In Thousand Baht			
	Before reclassify	Adjustment (Note 3)	Reclassify	After adjustment and reclassify
Statement of financial position				
Property, plant and equipment	15,733,360	(4,885,814)	(500,357)	10,347,189
Land of used in operation*	-	-	500,357	500,357
Statement of Comprehensive Income				
Distribution costs	1,036,276	-	112,715	1,148,991
Administrative expenses	1,435,030	(226,318)	(112,715)	1,095,997
			-	

Certain accounts in the statement of financial position as at January 1, 2016, were reclassified to conform to the presentation of the statement of financial position as at December 31, 2017, in the part of property, plant and equipment and land of used in operation.

	In Thousand Baht			
	Before reclassify	Adjustment (Note 3)	Reclassify	After adjustment and reclassify
Statements of financial position				
Property, plant and equipment	13,677,306	(5,114,018)	(500,357)	8,062,931
Land not used in operation*	-	-	500,357	500,357
			-	

* Land area approximately 143 rai in Amphur Pak Kret, Nonthaburi Province to support future branch and others.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Notes to the financial statements

December 31, 2017 and 2016

32. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 9, 2018, the Board of Directors passed the resolution to pay the dividend for the 2017 operations totaling Baht 869.30 million to the shareholders. The dividend will be paid by stock dividends on the basis of 24 ordinary shares for 1 stock dividend amounting to Baht 160.06 million (160.06 million ordinary shares at Baht 1 par value) and cash dividend of Baht 709.24 million. The dividend payment will be further proposed to the Annual General Meeting of the Company's shareholders for approval in April 2018.

33. OTHER

At the Board of Directors' meeting held on December 11, 2017, the Board of Directors have reviewed the estimation of useful lives of buildings and passed the resolution to change the estimation of useful lives of building from 20 years to 30 years and has adjusted prospectively from January 1, 2018. This change is appropriate and consistent with the actual usage.

The effect of the change in the estimated useful lives of buildings for the year ending December 31, 2018 is a decrease in depreciation expense of Baht 97.9 million.

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Company's Board of Directors on February 9, 2018.

18. 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	:	93The 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	:	93The 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 ,SoiWatSuanPlue , Charoenkrung Road,Bangrak, Bangkok 10500
Telephone	:	02-630-7500
Fax	:	02-630-7506
Bond Registrar	:	The Debenture of Siam Global House PCL.1/2014
Address	:	Krung Thai Bank Plc. 35 Sukhumwit Rd., North Klongtoey ,Wattana , Bangkok 10110
Telephone	:	02-298-0821 ext 108
Fax	:	02-298-0835

ANNUAL REPORT 2017

บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

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