

# Index livingmall

Index Living Mall Public Company Limited

รายงานประจำปี 2562

## ANNUAL REPORT 2019



Younique  
Customized Furniture 4.0

THE WALK  
RATCHAPRUEK



# Vision

Be top-of-mind for the best furniture and home furnishing business in Asia.

# Mission

- 1 We are a manufacturer and distributor of furniture and home decor that have grown sustainably through a strong brand and a professional management team.
- 2 We are determined to be a leader in the furniture and home decor business by expanding franchises to the Asian region and developing continuously.
- 3 We are the customers' top-of-mind brand due to our quality and modern designed products and services that better meet the customers' lifestyles.
- 4 We aim to provide good returns to employees, trade partners, and create good things in order to give back to society.

# Core value

Speed Technology & Service : STS



# INDEX LIVING MALL, THAILAND'S NO.1 FURNITURE AND HOME FURNISHINGS COMPANY

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# Index livingmall

Index is a leading integrated home  
furnishing retail business in Thailand

## New store Opening

**+2**

Index Livingmall

1. Chaiyapruerk
2. Chanthaburi

**+1**

WINNER COCO

1. Ratchaburi

**+2**

Vietnam

**Total  
37  
branches** (in Thailand)



# Financial Highlights

Statement of Income (THB million)	2017	2018	2019
Revenue from sale of goods	8,908	9,174	9,236
Revenue from rental and rendering of services	467	484	562
Cost of sale of goods	5,097	5,119	5,208
Cost of rental and rendering of services	256	276	328
Selling and distribution expenses	2,174	2,400	2,347
Administrative expenses	1,035	1,145	1,196
EBITDA	1,480	1,361	1,567
Depreciation and Amortization	675	700	743
EBIT	804	661	824
Net Profit	494	543	596
Earnings per share (Baht)*	-	-	1.33
Dividend per share (Baht)*	-	-	0.46
Statement of Financial Position (THB million)	2017	2018	2019
Total Assets	12,315	12,282	12,201
Total Liabilities	7,662	7,710	7,241
Paid-up Capital	2,000	2,000	2,525
Equity attributable to owners of the parent	4,532	4,571	4,959
Book value per share (Baht)*	-	-	9.8
Liquidity Ratios	2017	2018	2019
Current Ratio (x)	1.2	0.7	1.1
Quick Ratio (x)	0.4	0.2	0.4
Leverage Ratios	2017	2018	2019
D/E (x)	1.7	1.7	1.5
IBD/E (x)	1.1	1.1	0.9
Interest Coverage Ratio (x)	4.4	3.9	4.5
Profitability Ratios	2017	2018	2019
%GPM from Sale of Goods	42.8%	44.2%	43.6%
%GPM from Rental and Rendering of Services	45.3%	43.0%	41.7%
%Overall GPM	42.9%	44.1%	43.5%
EBIT Margin (%)	8.5%	6.8%	8.3%
Net Profit Margin (%)	5.2%	5.6%	6.0%
EBITDA Margin (%)	15.6%	13.9%	15.8%
ROA (%)	6.5%	5.4%	6.7%
ROE (%)	11.3%	11.9%	12.5%
Share Information	2017	2018	2019
Par value (Baht / share)*	-	-	5.0
Number of listed shares (mn shares)*	-	-	505.0

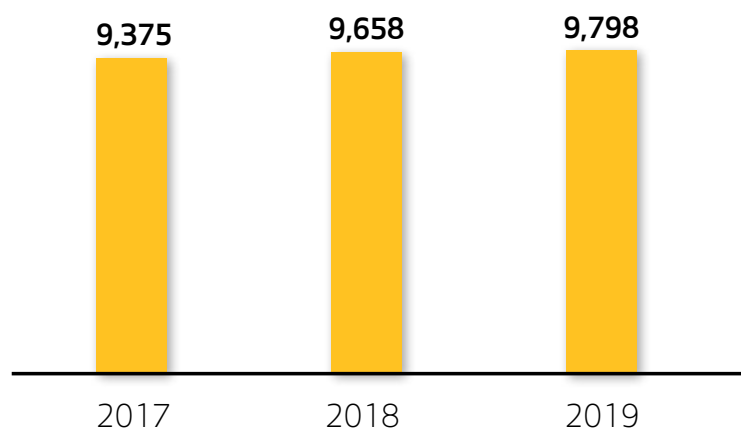
\* ILM was listed on the Stock Exchange of Thailand on 26 July 2019





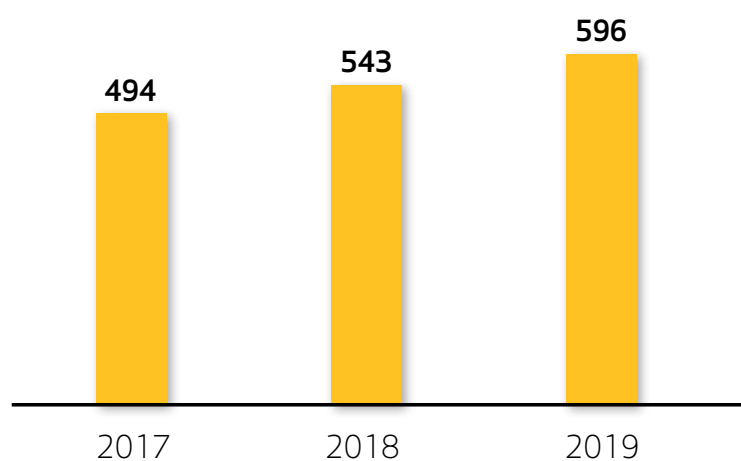
## Operating Revenue

(Unit: THB million)



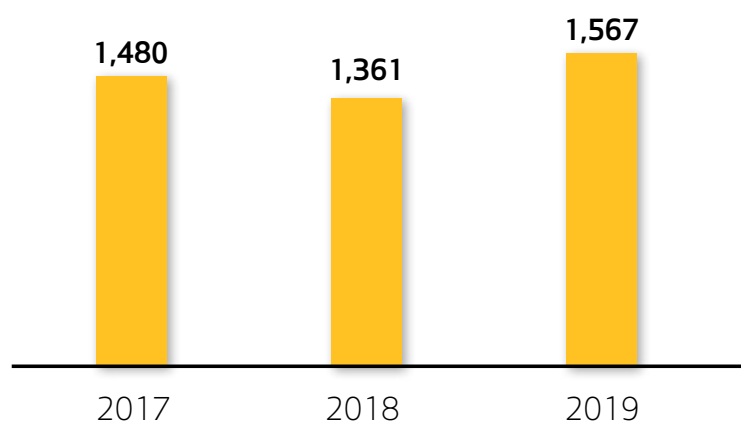
## Net Profit

(Unit: THB million)



## EBITDA

(Unit: THB million)



# 4 JOY

There are 4 joys to serve you at Index Living Mall which give you pleasure to shop for furniture and home furnishings that don't hurt your wallet and offer you special services that are unlike any other.

## JOY PRICE

JOY PRICE for pocket friendly and happier shopping

## JOY SERVICE

JOY SERVICE that will make your home decoration easy

## JOY DESIGN

JOY DESIGN by world class designers

## JOY QUALITY

JOY QUALITY guaranteed with international standard





# JOY — PRICE

## Sell at a Lower Price

A sincere price so you neither need to wait for a discount nor worry that our prices are more expensive than elsewhere, nor check to see whether our prices are actually less than other places because we are a manufacturer and a direct distributor that uses modern technology and a systematic management system. As a result, we are able to effectively control price factors at the highest level.

- **Economy of Scale**

As a leader in the home furnishing market, both domestically and in exports for more than 25 years, the Company has a high production volume which results in low costs, so that you can have high-quality products that don't hurt your wallet.

- **Hi-Technology**

Through the use of machines and one of the most modern technology systems in the world.

- **Productivity**

Produces high quality products at a valuable price with an effective management system which reduces the waste of resources and raw materials in every procedure in order to maximize efficiency.

- **Direct to Our Customers**

As a manufacturer and distributor that has implemented integrated marketing, we are able to control price factors directly in order to have quality products at an appropriate price level.



# Message from the Chairman of the Board



The Company attaches importance to increasing business efficiency, in terms of product quality improvement which focuses on product value, user functions and various innovative products. Moreover, the Company makes an effort to manage the operating costs so they are at a controllable level.





2019 was considered a year of significant change for Index Living Mall, from a family business to being a listed company on the Stock Exchange of Thailand. Over the past 2 years, we have changed the business structure and have had the privilege to have a well-experienced Board of Directors and a professional executive management team from various businesses. An organizational database was also organized to improve the capabilities and efficiency of the business operations in order to support future growth and prepare the Company to be absolutely ready for international competition.

However, when considering the economic changes over the past year, it can be seen that Thailand's economy is relatively slow which affects the purchasing power of domestic consumers. This is due to a high level of household debt, along with some consumers being cautious with their spending. Therefore, the Company attaches importance to increasing business efficiency, in terms of product quality improvement which focuses on product value, user functions and various innovative products. Moreover, the Company makes an effort to manage the operating costs so they are at a controllable level.

Presently, Index Living Mall remains committed to building sustainable growth, conducts business in accordance with the principles of good governance with honesty and transparency, gives back to society and takes care of the environment under the vision, "Be top-of- mind for the best furniture and home furnishing business in Asia."



Mrs. Kannika Chalitaporn  
Chairman of the Board

# Executive Committee Report





#### To Shareholders:

Index Living Mall is proud to be a listed company on the Stock Exchange of Thailand and receive great attention and acceptance from investors. This plays an important part in pushing us to grow with a determination to move forward with stability.

In 2019, Thailand's economy continued to be slow and was faced with various domestic and international risk factors that continue to occur. As a result, the Company came up with various strategies to strengthen every aspect of the organization. These include developing modern innovation, focusing on research, developing new products, and increasing efficiency in the production and distribution process, as well as organizing marketing activities to create value and deliver exceptional customer service when they use the Company's quality products. This would enable the Company to operate the business continuously and become a leading home furnishing retailer in Asia. The Executive Committee performed the duties assigned by the Board of Directors by considering, examining and screening various important matters prior to proposing them to the Board of Directors for consideration.

In 2019, the Executive Committee held a total of 12 meetings and reported the operating results to the Board of Directors for their acknowledgement on a regular basis. The meeting attendance details of the Executive Committee are as follows:

Name – Last Name	Position	Number of Meetings Attended
Mr. Pisith Patamasatayasonthi	Chairman of the Executive Committee	12/12
Ms. Kridchanok Patamasatayasonthi	Executive Committee/ Managing Director	12/12
Miss Pichapim Patamasatayasonthi	Executive Committee	12/12
Mr. Ekalak Patamasatayasonthi	Executive Committee	12/12
Mr. Ekaridhi Patamasatayasonthi	Executive Committee	12/12

#### Significant operation details in 2019 can be summarized as follows:

- Considered and monitored monthly operations to meet the set goals, scrutinized the Company's strategic plans and matters that required an initial decision before being proposed to the Board of Directors for further consideration.
- Considered and scrutinized an investment, the expansion of branches, the allocation of the annual budget so that it is accurate and in line with the Company's strategy. This included presenting the Company's strategic plans to the Board of Directors.
- Considered and studied the feasibility of various investment projects which included giving managerial advice to the managing director and executives.
- Approved other items that were assigned by the Board of Directors.



Mr. Pisith Patamasatayasonthi  
Chairman of the Executive Committee

# Audit Committee Report

## To Shareholders:

The Audit Committee of Index Living Mall Public Company Limited consists of 3 independent directors who are capable, qualified and independent in accordance with the regulations of the Stock Exchange of Thailand. The Audit Committee consists of Mr. Jirayut Rungsrithong, the Chairman of the Audit Committee, Mrs. Pennapha Dhanasarnsilp and Mr. Adisak Ruckariyaphong who are members on the Audit Committee.

In 2019, the Audit Committee performed its duties within the scope of responsibility as specified by the Audit Committee Charter and the responsibilities assigned by the Board of Directors. There was a total of 6 meetings. In addition to this, auditors were invited to attend the meetings for relevant agenda items. The meeting attendance details of the Board are as follows:

Name – Last Name	Position	Number of Meetings Attended
Mr. Jirayut Rungsrithong	Chairman of the Audit Committee	5/6
Mrs. Pennapha Dhanasarnsilp	Audit Committee Member	6/6
Mr. Adisak Ruckariyaphong	Audit Committee Member	5/6

The Audit Committee duties and responsibilities were in accordance with the Audit Committee Charter and were in accordance with the duties and responsibilities assigned by the Board of Directors. The Audit Committee reviewed the Company's financial reports to ensure that they were accurate, sufficient, had internal control systems, had an efficient monitoring process, complied with any related laws and regulations, conflict of interest transactions were supervised in accordance with the relevant regulations to maximize the benefit of the Company. The Audit Committee also has responsibility to select and propose the appointment of auditors. The significant operations of the Audit Committee can be summarized as follows:

## Operational Summary 2019

1. Reviewed the Company's quarterly and annual financial statements prior to being disclosed to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. This was done during the Meeting agenda of reviewing the financial statements of the Company.
2. Proposed the Company's auditors and determined the remuneration to the Board of Directors for approval at the Shareholders' Meeting.
3. Joint meeting with the Internal Audit Department concerning the operations, the scope of work, and the audit plan to ensure that the internal audit was carried out completely, appropriately, and in accordance with the standards of internal auditing. In 2019, the Audit Committee assessed the overall sufficiency and efficiency of the internal control system of the Company and its subsidiaries, acknowledged the audit results and monitored the improvements results as recommended in order to increase the effectiveness and efficiency of internal control.



4. Reviewed the Company's corporate governance to be in compliance with the Corporate Governance Code (CG Code) of the Office of Securities and Exchange Commission.
5. Reviewed regulatory compliance of the Company in regards to securities and exchange laws, SET regulations, and relevant laws concerning the business operations of the Company.
6. Assigned the Internal Audit Department to audit, review, disclose connected transactions and conflict of interest transactions, and report to the Audit Committee annually in order to ensure that the Company operates its business with reasonableness under normal business conditions.
7. Assessed the sufficiency and appropriateness of the internal control system regarding the organization, environment, risk management, operational control of the management, information and communication systems, and monitoring system. Emphasized having a sufficient and effective internal control system. Led the organization to have a good governance system.
8. Reviewed the management and risk management systems of the Company to be appropriate, efficient and effective. Communicated with the risk management team quarterly to ensure the understanding of important risk, both internal and external risk.
9. The Audit Committee reviewed and self-assessed the work performance over the past year by using the good practice guidelines and Audit Committee Charter as a standard. The assessment results revealed that the Audit Committee performed its duties effectively in accordance with the specified Charter.
10. Encouraged the Company to create channels to report anti-corruption and blow the whistle through the website that directly reports to the Audit Committee in order to be consistent with the Good Corporate Governance principles.
11. In regards to the supervision of anti-corruption practice guidelines, the Audit Committee assigned the Internal Audit Department to review the measures and established guidelines to prevent fraud and inappropriate behavior that may occur in various systems. These guidelines extend to trading partners by preparing supplier evaluation criteria, Code of Conduct for Suppliers, and framework guidelines to refrain from accepting gifts during various festivals, etc.

### The Audit Committee Opinions Regarding the Operations of 2019

1. The financial statements of the Company were reliable, accurate, complete, and in accordance with the generally accepted accounting principles. The important information was sufficiently disclosed in a timely manner.
2. The Company has a sufficient, efficient, and effective internal control system, operational control system, and monitoring system.
3. The Company did not violate security and exchange law, SET regulations or any relevant laws related to the Company's business.
4. Transactions with associates or conflict of interest transactions were in compliance with the law and SET regulations. Such transactions were reasonable for the maximum benefit of the Company. There were no indications or observations of suspicious activities.
5. The appointed auditors were knowledgeable, capable, experienced, independent, and credible. They did not have any relationships or conflict of interest transactions with the Company. This ensured that the audit was complete, appropriate, effective and transparent in accordance with the auditing standards.
6. The Audit Committee reviewed the independence of the annual internal audit plan, the scope of work of the Internal Audit Department, and considered the evaluation results of the internal audit. This included evaluating the performance of the head of the internal audit department. The Audit Committee is of the opinion that the internal audit of the Company was independent, sufficient and effective.
7. The Audit Committee performed its duties independently, completely and accurately in accordance with the Audit Committee Charter and received good cooperation from all relevant parties.



Mr. Jirayut Rungsritthong  
Chairman of the Audit Committee

# Nomination, Remuneration and Corporate Governance Committee Report

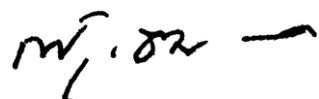
## To Shareholders:

The Nomination, Remuneration and Corporate Governance Committee was appointed in accordance with the resolution of the Board of Directors' Meeting No. 7/2019 on November 11, 2019 to perform the duties as assigned by the Board of Directors as specified in the Nomination, Remuneration and Corporate Governance Committee Charter, determine remuneration and corporate governance, establish procedures and recruitment criteria for the selection of directors and managing directors, select suitable personnel to be proposed as new directors, stipulate methods and criteria for setting remuneration and other benefits for the Board of Directors and the subcommittees, consider the annual remuneration and other benefits of the Chief Executive Officer based on the duties, responsibilities, evaluation criteria, and key performance indicators, consider salary budget increases, annual rewards, welfare, and any other benefits for the Company's employees.

## Operational Summary Details as of February 24, 2020 are as follows:

1. Considered the recruitment and selection of candidates for the appointment of Company's directors and the sub-committees in order to replace directors whose term had expired. The Committee recruited suitable personnel who have the complete qualifications as required by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand and deemed eligible according to the law. The Committee took into account the qualifications, experience, and knowledge that is beneficial to the Company. In addition, minority shareholders were given an opportunity to nominate candidates to be directors of the Company between December 1, 2019 and January 14, 2020 in order to be proposed to the Board of Directors and the Annual General Meeting of Shareholders for 2020. However, no shareholders nominated a candidate to be considered.
2. Stipulated methods and criteria for setting remuneration and other benefits for directors and the subcommittees.
3. Evaluated the performance of the Chief Executive Officer based on the target achievement in order to consider appropriate remuneration.
4. Considered salary budget increases, annual rewards, welfare, and other benefits for the Company's employees at a reasonable rate that is in line with the Company's operating results and remuneration in the retail business market.
5. Considered and reviewed the Good Corporate Governance Policy. No amendments have been made because the current policy is complete and appropriate.

Nomination, Remuneration and Corporate Governance Committee performed duties in accordance with the Good Corporate Governance principles, taking into account the best interests of the Company and all stakeholders.



Mrs. Pennapha Dhanasarnsilp  
Chairman of the Nomination, Remuneration  
and Corporate Governance Committee

# JOY SERVICE

**Joy Service** An extraordinary service delivered from the heart that makes difficult home decorating easy for you. We are ready to be a thinking partner that gives advice, consults on home furnishing designs, and helps you choose the right furniture and home furnishings that fit your style.

- **3D DESIGNER SPECIALIST**

Create design ideas to fit every angle of your home for free with the Room-to-Show 3D program. This allows you to see a 3D virtual reality picture done by professional designers to make home furnishing easy for you. Free service at your doorstep: 0-2417-1111.

- **SLEEPING SPECIALIST**

Select the sleep health of your choice with our sleep health services which offer advice on sleep health at Sleeping Clinic from physical experts that help you choose beddings and pillows that are the most suitable for your body.

- **FLOWER SPECIALIST**

Refresh every corner of your house with our flower arrangement service in your favorite style by offering home furnishing advice on a variety of colorful flowers that accentuate every corner of your beautiful home.

- **COOKING SPECIALIST**

Create fresh, new ideas for your stylish and delicious meals with our service that helps you select and match unique kitchen utensils and dishes.

- **HOME DELIVERY AND ASSEMBLY**

Free delivery and assembly service done by a professional technician team! They are ready to provide expert services and care for important customers like you.





# Board of Directors



1

**Mrs. Kannika Chalitaporn**

- Chairman of the Board

2

**Mr. Jirayut Rungsrihong**

- Independent Director
- Chairman of the Audit Committee
- Nomination, Remuneration and Corporate Governance Committee

3

**Mrs. Pennapha Dhanasarnsilp**

- Independent Director
- Chairman of the Nomination, Remuneration and Corporate Governance Committee
- Audit Committee

4

**Mr. Adisak Ruckariyaphong**

- Independent Director
- Audit Committee
- Nomination, Remuneration and Corporate Governance Committee

5

**Mr. Ariya Banomyong**

- Independent Director

6

**Mr. Pisith Patamasatayasonthi**

- Director
- Chairman of the Executive Committee
- Chief Executive Officer



**7 Mrs. Kunthong Udommahuntisuk**  
• Director

**8 Ms. Kridchanok Patamasatayasonthi**  
• Director  
• Executive Committee  
• Managing Director

**9 Miss Pichapim Patamasatayasonthi**  
• Director  
• Executive Committee

**10 Mr. Ekalak Patamasatayasonthi**  
• Director  
• Executive Committee

**11 Mr. Ekaridhi Patamasatayasonthi**  
• Director  
• Executive Committee

# Directors Profiles



**Mrs. Kannika Chalitaporn**  
Chairman of the Board

**Age : 72**

## Date of Appointment:

- May 30, 2018

## Educational Qualifications:

- Bachelor of Business, University of Colorado, USA
- Advanced Management Program, Harvard University, USA

## Training History:

- Certificate, Thai Institute of Directors Association (IOD) Program
  - Director Accreditation Program (DAP) Batch 149/2018
  - Role of the Chairman Program (RCP) Batch 7/2005

## Proportion of Company Shares Held (percent):

- 0.090

## Family Relationship between Directors and Executives:

- None

## Work Experience:

2018-present	Chairman of the Board	Index Living Mall PLC / Furniture Retailer
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## Other Companies:

2018 - 2019	Director / Member of the Committee for Social Responsibility and Risk Committee	Siam Commercial Bank PLC/Financial Institution
2016 - present	Vice Chairman / Advisor to the Executive Committee	Osotspa PLC / Producer and Distributor of Consumer Products
2015 - 2018	Director / Member of the Executive Committee / Member of Social Responsibility Committee	Siam Commercial Bank PLC/Financial Institution
2007 - 2015	President	Siam Commercial Bank PLC / Financial Institution



### Mr. Jirayut Rungsirithong

Independent Director/Chairman of the Audit Committee and Nomination & Remuneration and Corporate Governance Committee

Age : 53

#### Date of Appointment:

- May 30, 2018

#### Educational Qualifications:

- Bachelor of Computer Engineering – King Mongkut's Institute of Technology, Ladkrabang
- Master of Operations Research - George Washington University, USA

#### Training History:

- Certificate, Thai Institute of Directors Association (IOD) Program
  - Director Accreditation Program (DAP) Batch 36/2005
  - Director Certification Program (DCP) Batch 60/2005
  - Financial Institutions Governance Program (FGP) Batch 4/2012

#### Proportion of Company Shares Held (percent):

- 0.029

#### Family Relationship between Directors and Executives:

- None

#### Work Experience:

2018 - present	Independent Director / Chairman of the Audit Committee and Nomination & Remuneration and Corporate Governance Committee	Index Living Mall PLC / Furniture Retailer
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#### Other Companies:

2017 - present	Director	Universal Utilities PLC / Clean Water Production Contracts
2016 - present	Director/ President	Eastern Water Resources Development and Management PLC / Utilities
2013 - 2015	Independent Director	Christiani & Nielsen (Thai) PCL / Construction Services
2015	Advisor to the Minister	Ministry to Transport
2009 - 2011	President	CAT Telecom PLC / Telecommunications Network Services
2006 - 2009	Senior Vice President of Finance	CAT Telecom PLC / Telecommunications Network Services
2005 - 2006	Managing Director	Bualuang Securities PLC / Securities Business
2004 - 2005	Managing Director	United Securities PLC / Securities Business





**Mrs. Pennapha Dhanasarnsilp**

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

**Age : 65**

**Date of Appointment:**

- May 30, 2018

**Educational Qualifications:**

- Bachelor of Economics- Chulalongkorn University
- Master of Business Administration – Thammasat University
- Doctorate of Business Administration - Nova University, Southeastern USA

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program
  - Director Accreditation Program (DAP) Batch 3/2003
  - Director Certification Program (DCP) Batch 68/2005

**Proportion of Company Shares Held (percent):**

- 0.039

**Family Relationship between Directors and Executives:**

- None

**Work Experience:**

2018- present	Independent Director / Chairman of the Nomination, Remuneration and Corporate Governance Committee / Member of the Audit Committee	Index Living Mall PLC / Furniture Retailer
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**Other Companies:**

2015 - present	Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee	Pioneer Motor PLC / Manufacturer of fan motors, and all kinds of parts and accessories
2014 - present	Director	IV Global Securities PCL / Securities Brokerage Activities
2013 - present	Chairman of the Nomination and Remuneration Committee / Independent Director / Member of Audit Committee	Plan B. Media PLC / Advertising and Media Service and Production Provider
2003 - present	Member of the Executive Committee / Division Director	ICC International PCL / Distributor of Consumer Products
2012 - present	Director	Penn Inter Trading Company Limited / Exporter of Consumer Products
2011 - present	Chief Executive Officer	Penn Marketing and Distribution Company Limited / Distributor of Consumer Products
2009 - present	Director	Hua Hin Sub Siri Company Limited / Real Estate
2005 - present	Director	Thai Bunka Fashion Company Limited / Sewing School
2000 - present	Director	Train Time Test Company Limited / Organizes Seminars



### Mr. Adisak Ruckariyaphong

Independent Director / Member of the Audit Committee / Member of the Nomination, Remuneration and Corporate Governance Committee

Age : 46

#### Date of Appointment:

- May 30, 2018

#### Educational Qualifications:

- Bachelor of Business Administration – Assumption University
- Master of Business Management - Nagoya University, Japan

#### Training History:

- Certificate, Thai Institute of Directors Association (IOD) Program
  - Director Accreditation Program (DAP) Batch 103/2013
  - Advance Audit Committee Program (AACP) Batch 29/2020

#### Proportion of Company Shares Held (percent):

- 0.059

#### Family Relationship between Directors and Executives:

- None

#### Work Experience:

2018- present    Independent Director / Member of Index Living Mall PLC / the Audit Committee / Member Furniture Retailer of the Nomination, Remuneration and Corporate Governance Committee

#### Other Companies:

2018 - present	Director	Meat Store Company Limited/Meat Sales
2017 - present	Director	Coco Art Company Limited / Manufacturer and Distributor of Coconuts and Coconut Products
2017 - present	Director	Toyox Asia (Thailand) Company Limited/ Manufacturer that distributes plastic pipes and joints for use in industry
2016 - present	Director	Hose Center Company Limited / Manufacturer and Distributor of industrial pipe and couplings used in machinery
2016 - present	Director	All Coco Group Company Limited / Manufacturer and Distributor of Coconut Products
2015 - present	Director	Sappe Hong Kong Company Limited / Provider of Management Services for Affiliated Companies
2015 - present	Director	Sappe Trading (Hong Kong) Company Limited/ Imports, Exports and Distributes Products
2015 - present	Director	Sappe Holding (Thailand) Company Limited / Management Services for Affiliated Companies
2013 - present	Vice Chairman / Chairman of the Executive Committee	Sappe PL C/ Manufacturer and Distributor of healthy beverages
2010 - present	Director	Hayashi Products Company Limited / Condom Distribution
2008 - present	Director	Sappe Corporation Company Limited / Retailer of non-alcoholic beverages
2007 - present	Managing Director	Toyox Trading (Thailand) Company Limited / Industrial Pipe Distributor



**Mr. Ariya Banomyong**  
Independent Director

**Age : 46**

**Date of Appointment:**

- May 30, 2018

**Educational Qualifications:**

- Bachelor of Mathematics & IT, University De Marne-La-Vallee, France
- Master of Mathematics & IT, University De Marne-La-Vallee, France
- Master of Management, London School of Economics, United Kingdom

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program  
- Director Accreditation Program (DAP) Batch 149/2018

**Proportion of Company Shares Held (percent):**

- None

**Family Relationship between Directors and Executives:**

- None

**Work Experience:**

2018 - present Independent Director Index Living Mall PLC / Furniture Retailer

**Other Companies:**

2019 - present	Director/President	BEC World PLC / Broadcasting and Advertising Media and Television Business
2016 - 2019	Director/Managing Director	Line Company (Thailand) Company Limited / Information and Communication
2011 - 2015	Thailand Manager	Google (Thailand) Company Limited / Information Finding Website



### Mr. Pisith Patamasatayasonthi

Director/ Chairman of the  
Executive Committee /  
Chief Executive Officer

Age : 71

#### Date of Appointment:

- May 30, 2018

#### Educational Qualifications:

- Honorary Doctorate of Arts, Marketing – Sripatum University

#### Training History:

- Certificate, Thai Institute of Directors Association (IOD) Program  
- Director Accreditation Program (DAP) Batch 147/2018

#### Proportion of Company Shares Held (percent):

- 2.654

#### Family Relationship between Directors and Executives:

- Spouse of the person No. 7
- Father of the person No. 8 -11

#### Work Experience:

1994-present	Director/ Chairman of the Executive Committee / Chief Executive Officer	Index Living Mall PLC / Furniture Retailer
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#### Affiliated Companies:

2016 - present	Director	Index Living Mall Inter Company Limited/Grants rights to Index Living Mall franchises in foreign countries
2012 - present	Director	The Walk Company Limited / Shopping Center Rentals
1991 - present	Director	Bangkok Casa Company Limited / Warehouse Services
1983 - present	Chairman of the Executive Committee	Index Interfurn Company Limited / Furniture Manufacturer

#### Other Companies:

2019 - present	Director	Patamma Company Limited / Hotel and Resort
2018-present	Director	Krobkrua Thammada Panich Company Limited/ Holds Company Shares
2017 - present	Director	Mai Thammada Panich H.Q. Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich Ekachai Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich K.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich Company Limited/Real Estate
2016 - present	Director	Mai Thammada Panich K.K. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.L. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich U.D. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.H. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich N.R. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich R.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.T. Company Limited / Real Estate
2000 - present	Director	Bangkok MasterWood Company Limited / Manufacturer and Distributor of OEM wooden furniture





**Mrs. Kunthong Udommahuntisuk**

Director

Age : 66

**Date of Appointment:**

- May 30, 2018

**คุณวุฒิทางการศึกษา :**

- Bachelor of Political Science, Bangkok Thonburi University
- MINI MBA, Commerce and Accountancy, Thammasat University

**ประวัติการอบรม :**

- Certificate, Thai Institute of Directors Association (IOD) Program
  - Director Accreditation Program (DAP) Batch 147/2018

**Proportion of Company Shares Held (percent):**

- 4.159

**Family Relationship between Directors and Executives:**

- Spouse of the person No.6
- Mother of the person No.8 - 11

**Work Experience:**

1995 - present Director Index Living Mall PLC / Furniture Retailer

**Affiliated Companies:**

2019 - present	Director	Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries
2012 - present	Director	The Walk Company Limited / Shopping Center Rentals
2002 - present	Director	Bangkok Casa Company Limited/Warehouse Services
1983 - present	Executive Vice President	Index Interfurn Company Limited/Furniture Manufacturer

**Other Companies:**

2019 - present	Director	Patamma Company Limited / Hotel and Resort
2018 - present	Director	Krobkrua Thammada Panich Company Limited / Holds Company Shares
2017 - present	Director	Mai Thammada Panich H.Q. Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich Ekachai Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich K.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich Company Limited/Real Estate
2016 - present	Director	Mai Thammada Panich K.K. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.L. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich U.D. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.H. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich N.R. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich R.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.T. Company Limited / Real Estate
2016 - present	Director	Bangkok MasterWood Company Limited / Manufacturer and Distributor of OEM wooden furniture



**Ms. Kridchanok  
Patamasatayasonthi**

Director/ Executive Committee /  
Managing Director

**Age : 43**

#### Date of Appointment:

- May 30, 2018

#### Educational Qualifications:

- Bachelor of Business Administration, Assumption University
- Master of Business Administration, International Business, San Francisco State University, USA

#### Training History:

- Certificate, Thai Institute of Directors Association (IOD) Program - Director Accreditation Program (DAP) Batch 144/2018

#### Proportion of Company Shares Held (percent):

- 6.731

#### Family Relationship between Directors and Executives:

- Child of the person No.6 & 7
- Sister of the person No. 9 - 11

#### Work Experience:

2008 - present	Director/ Managing Director	Index Living Mall PLC / Furniture Retailer
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#### Affiliated Companies:

2016 - present	Director	Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries
2012 - present	Director	The Walk Company Limited / Shopping Center Rentals
2009 - present	Director	Bangkok Casa Company Limited / Warehouse Services
2008 - present	Director	Index Interfurn Company Limited / Furniture Manufacturer

#### Other Companies:

2019 - present	Director	Patamma Company Limited / Hotel and Resort
2018 - present	Director	Krobkrua Thammada Panich Company Limited / Holds Company Shares
2017 - present	Director	Mai Thammada Panich H.Q. Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich Ekachai Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich K.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich K.R. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich K.K. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.L. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich U.D. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.H. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich N.R. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich R.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich H.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.T. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich R.I. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich R.P. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich C.M. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich B.N. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Ubonratchathani Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich B.R. Company Limited / Real Estate
2015 - present	Director	Wonderland Beauty Company Limited / Cosmetic Sales
2010 - present	Director	Bangkok Sanyo Spring Company Limited / Electronic Spring Production
2009 - present	Director	Bangkok Master Wood Company Limited / Manufacturer and Distributor of OEM wooden furniture



**Miss Pichapim  
Patamasatayasonthi**  
Director / Executive  
Committee

**Age : 41**

**Date of Appointment:**

- May 30, 2018

**คุณวุฒิทางการศึกษา :**

- Bachelor of Architecture, King Mongkut's Institute of Technology, Ladkrabang
- Masters of Business Administration, International Business, California State University at Long Beach, USA

**ประวัติการอบรม :**

- Certificate, Thai Institute of Directors Association (IOD) Program - Director Accreditation Program (DAP) Batch 144/2018

**Proportion of Company Shares Held (percent):**

- 6.661

**Family Relationship between Directors and Executives:**

- Child of the person No. 6 & 7
- Sister of the person No. 8 - 11

**ประสบการณ์ทำงาน :**

2008 - present Director Index Living Mall PLC / Furniture Retailer

**Affiliated Companies:**

2016 - present Director Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries

2012 - present Director The Walk Company Limited / Shopping Center Rentals

2009 - present Director Bangkok Casa Company Limited / Warehouse Services

2008 - present Director Index Interfurn Company Limited / Furniture Manufacturer

**Other Companies:**

2019 - present Director Patamma Company Limited/Hotel and Resort

2018 - present Director Krobkrua Thammada Panich Company Limited / Holds Company Shares

2017 - present Director Mai Thammada Panich H.Q. Company Limited / Real Estate

2017 - present Director Mai Thammada Panich Ekachai Company Limited / Real Estate

2017 - present Director Mai Thammada Panich K.N. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich Company Limited / Real Estate

2016 - present Director Mai Thammada Panich K.R. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich K.K. Company Limited/ Real Estate

2016 - present Director Mai Thammada Panich P.L. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich U.D. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich C.H. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich N.R. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich P.Y. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich R.Y. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich S.N. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich S.Y. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich C.T. Company Limited / Real Estate

2015 - present Director Mai Thammada Panich R.I. Company Limited / Real Estate

2015 - present Director Mai Thammada Panich R.P. Company Limited / Real Estate

2015 - present Director Mai Thammada Panich C.M. Company Limited / Real Estate

2015 - present Director Mai Thammada Panich B.N. Company Limited / Real Estate

2015 - present Director Mai Thammada Ubonratchathani Company Limited / Real Estate

2015 - present Director Mai Thammada Panich B.R. Company Limited / Real Estate

2009 - present Director Bangkok Master Wood Company Limited / Manufacturer and Distributor of OEM wooden furniture



**Mr. Ekalak Patamasatayasonthi**

Director/ Executive Committee

**Age : 38**

#### **Date of Appointment:**

- May 30, 2018

#### **Educational Qualifications:**

- Bachelor of Engineering, Industrial Engineering – Chulalongkorn University
- Master of International Business, Thunderbird Global School of Management, Arizona, USA

#### **Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program - Director Accreditation Program (DAP) Batch 144/2018

#### **Proportion of Company Shares Held (percent):**

- 6.661

#### **Family Relationship between Directors and Executives:**

- Child of the person No.6 & 7
- Brother of the person No. 8 - 11

#### **Work Experience:**

2009 - present Director/ Executive Committee      Index Living Mall PLC / Furniture Retailer

#### **Affiliated Companies:**

2016 - present Director Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries

2012 - present Director The Walk Company Limited / Shopping Center Rentals

2009 - present Director Bangkok Casa Company Limited / Warehouse Services

2009 - present Director Index Interfurn Company Limited / Furniture Manufacturer

#### **Other Companies:**

2019 - present Director Patamma Company Limited/Hotel and Resort

2018 - present Director Krobkrua Thammada Panich Company Limited / Holds Company Shares

2017 - present Director Mai Thammada Panich H.Q. Company Limited/Real Estate

2017 - present Director Mai Thammada Panich Ekachai Company Limited / Real Estate

2017 - present Director Mai Thammada Panich K.N. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich Company Limited / Real Estate

2016 - present Director Mai Thammada Panich K.R. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich K.K. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich P.L. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich U.D. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich C.H. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich N.R. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich P.Y. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich R.Y. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich S.N. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich S.Y. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich H.Y. Company Limited / Real Estate

2016 - present Director Mai Thammada Panich C.T. Company Limited / Real Estate

2016 - present Director JV Resto Company Limited/Restaurant

2015 - present Director Mai Thammada Panich R.I. Company Limited / Real Estate

2015 - present Director Mai Thammada Panich R.P. Company Limited / Real Estate

2015 - present Director Mai Thammada Panich C.M. Company Limited / Real Estate

2015 - present Director Mai Thammada Panich B.N. Company Limited / Real Estate

2015 - present Director Mai Thammada Ubonratchathani Company Limited / Real Estate

2015 - present Director Mai Thammada Panich B.R. Company Limited / Real Estate

2000 - present Director Bangkok MasterWood Company Limited / Manufacturer and Distributor of OEM wooden furniture





**Mr. Ekaridhi  
Patamasatayasonthi**

Director / Executive  
Committee

**Age : 34**

**Date of Appointment:**

- May 30, 2018

**Educational Qualifications:**

- Bachelor of Computer Engineering – Thammasat University
- Masters, Global MBA program, University of Michigan, Ross School of Business, Ann Arbor, USA

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program  
- Director Accreditation Program (DAP) Batch 149/2561

**Proportion of Company Shares Held (percent):**

- 6.790

**Family Relationship between Directors and Executives:**

- Child of the person No. 6 & 7
- Brother of the person No.8 - 10

**Work Experience:**

2009 - present	Director / Executive Committee	Index Living Mall PLC / Furniture Retailer
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**Affiliated Companies:**

2016 - present	Director	Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries
2014 - present	Director	Index Living Mall Malaysia SDN. BHD. / Index Living Mall Shopping Center in Malaysia
2012 - present	Director	The Walk Company Limited / Shopping Center Rentals
2009 - present	Director	Bangkok Casa Company Limited / Warehouse Services
2009 - present	Director	Index Interfurn Company Limited / Furniture Manufacturer

**Other Companies:**

2019 - present	Director	Patamma Company Limited / Hotel and Resort
2019 - present	Director	Number 8 Company Limited / Restaurant
2018 - present	Director	Krobkrua Thammada Panich Company Limited / Holds Company Shares
2017 - present	Director	Mai Thammada Panich H.Q. Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich Ekachai Company Limited / Real Estate
2017 - present	Director	Mai Thammada Panich K.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich K.R. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich K.K. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.L. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich U.D. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.H. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich N.R. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich P.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich R.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.N. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich S.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich H.Y. Company Limited / Real Estate
2016 - present	Director	Mai Thammada Panich C.T. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich R.I. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich R.P. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich C.M. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich B.N. Company Limited / Real Estate
2015 - present	Director	Mai Thammada Ubonratchathani Company Limited / Real Estate
2015 - present	Director	Mai Thammada Panich B.R. Company Limited / Real Estate
2009 - present	Director	Bangkok MasterWood Company Limited / Manufacturer and Distributor of OEM wooden furniture

# Executives



**Mr. Pisith Patamasatayasonthi**  
• Chief Executive Officer



**Ms. Kridchanok Patamasatayasonthi**  
• Managing Director



**Mr. Vipol Vorasowharid<sup>1</sup>**  
• Chief Operating Officer



**Mr. Ekalak Patamasatayasonthi**  
• Senior Vice President - Business Development



**Mr. Nattinai Yuttapatsak**  
• Senior Vice President - Project Sales and Office Furniture



**Mr. Kwanchai Kitkongkajornchai**  
• Senior Vice President - Merchandizing Line Furniture Product



**Mr. Somchai Tosomsakul<sup>2</sup>**  
• Senior Vice President - Commercial Line



**Mrs. Kanokwanrat Srimaneesiri**  
• Senior Vice President - Accounting & Finance, and Human Resources Management & Development & Company Secretary



**Mrs. Kanjanawan Layluxsiri**  
• Senior Vice President - Marketing



**Ms. Pavaravadee Wichaidit**  
• Senior Vice President - Supply chain and Information Technology



**Mr. Gerard McGurk**  
• Senior Vice President - International Business

**Remarks:**

<sup>1</sup> Mr. Vipol Vorasowharid was appointed as Chief Operating Officer on August 1, 2019.

<sup>2</sup> Mr. Somchai Tosomsakul was appointed as senior vice president, commercial line on November 1, 2019 in a replacement of Ms. Pornphan Wongmasa who resigned on November 1, 2019.

# Executives Profiles

## Mr. Pisith Patamasatayasonthi

Chief Executive Officer

**Age:** 71

**Date of Appointment:** May 30, 2018

**Educational Qualifications:**

- Honorary Doctorate of Arts, Marketing – Sripatum University

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program  
- Director Accreditation Program (DAP) Batch 147/2018

**Proportion of Company Shares Held (percent):** 2.654

**Family Relationship between Directors and Executives:**

- Spouse of the person No. 7
- Father of the person No. 8-11

**The past 5 years of work experience:**

1994 - present	Director / Chief Executive Officer	Index Living Mall PLC / Furniture Retailer
2016 - present	Director	Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries
2012 - present	Director	The Walk Company Limited / Shopping Center Rentals
1991 - present	Director	Bangkok Casa Company Limited / Warehouse Services
2526 - ปัจจุบัน	Chairman of the Executive Committee	Index Interfurn Company Limited / Furniture Manufacturer

## Ms. Kridchanok Patamasatayasonthi

Managing Director

**Age:** 42

**Date of Appointment:** May 30, 2018

**Educational Qualifications:**

- Bachelor of Business Administration, Assumption University
- Master of Business Administration, International Business, San Francisco State University, USA

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program  
- Director Accreditation Program (DAP) Batch 144 / 2018

**Proportion of Company Shares Held (percent):** 6.731

**Family Relationship between Directors and Executives:**

- Child of the person No.6 & 7
- Sister of the person No. 9 - 11

**The past 5 years of work experience:**

2008 - present	Director / Managing Director	Index Living Mall PLC / Furniture Retailer
2016 - present	Director	Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries
2012 - present	Director	The Walk Company Limited / Shopping Center Rentals
2009 - present	Director	Bangkok Casa Company Limited / Warehouse Services
2008 - present	Director	Index Interfurn Company Limited / Furniture Manufacturer

**Mr. Vipon Vorasowharid**

Chief Operating Officer

**Age:** 54**Date of Appointment:** August 1, 2019**Educational Qualifications:**

- Bachelor of Business Administration, Marketing – Assumption University
- Master of Business Administration – Bangkok University

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program  
- Director Certification Program (DCP) Batch 154/2011

**Proportion of Company Shares Held (percent):** 0.004**Family Relationship between Directors and Executives:**

- None

**The past 5 years of work experience:**

2019 - present	Chief Operating Officer	Index Living Mall PLC / Furniture Retailer
2017 - 2018	Managing Director	Bangkok Insurance PLC / Insurance
2014 - 2017	First Executive Vice President	Siam Commercial Bank PLC / Financial Institution
2011 - 2014	Managing Director	SCB Life Insurance PLC / Life Insurance

**Mr. Ekalak Patamasatayasonthi**

Senior Vice President-Business Development

**Age:** 38**Date of Appointment:** May 30, 2018**Educational Qualifications:**

- Bachelor of Engineering, Industrial Engineering – Chulalongkorn University
- Master of International Business, Thunderbird Global School of Management, Arizona, USA

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program  
- Director Accreditation Program (DAP) Batch 144 / 2018

**Proportion of Company Shares Held (percent):** 6.661**Family Relationship between Directors and Executives:**

- Child of the person No.6 & 7
- Brother of the person No. 8 - 11

**The past 5 years of work experience:**

2009 - present	Director / Senior Vice President-Business Development	Index Living Mall PLC / Furniture Retailer
2016 - present	Director	Index Living Mall Inter Company Limited / Grants rights to Index Living Mall franchises in foreign countries
2012 - present	Director	The Walk Company Limited / Shopping Center Rentals
2009 - present	Director	Bangkok Casa Company Limited / Warehouse Services
2009 - present	Director	Index Interfurn Company Limited / Furniture Manufacturer



**Mr. Nattinai Yuttapatsak**

Senior Vice President- Project Sales and Office Furniture Management

Age: 58

Date of Appointment: October 1, 1994

**Educational Qualifications:**

- Bachelor of Engineering, King Mongkut's University of Technology, North Bangko

Proportion of Company Shares Held (percent): 0.411

**Family Relationship between Directors and Executives:**

- None

**The past 5 years of work experience:**

1994 - present Senior Vice President - Project      Index Living Mall PLC / Furniture Retailer  
Sales and Office Furniture  
Management

**Mr. Kwanchai Kitkongkajornchai**

Senior Vice President - Merchandizing - Furniture Line

Age: 52

Date of Appointment: August 1, 1994

**Educational Qualifications:**

- Bachelor of Arts - Silpakorn Univerity

Proportion of Company Shares Held (percent): 0.003

**Family Relationship between Directors and Executives:**

- None

**The past 5 years of work experience:**

1994 - present Senior Vice President -      Index Living Mall PLC / Furniture Retailer  
Furniture Management

2014 - present Director      Index Living Mall Malaysia SDN. BHD. / Shopping Center Index Living Mall  
in Malaysia

**Mr. Somchai Tosomsakul**

Senior Vice President- Commercial Line

Age: 52

วันที่ได้รับแต่งตั้ง: November 1, 2019

**Educational Qualifications:**

- Bachelor of Science in Statistics – Chulalongkorn University
- Master of Business Administration, Chulalongkorn University

**Proportion of Company Shares Held (percent):** None**Family Relationship between Directors and Executives:**

- None

**The past 5 years of work experience:**

2019-present	Senior Vice President - Commercial Operations	Index Living Mall PLC / Furniture Retailer
2019	Head of Wholesales	Asset World PLC
2018 - 2019	Managing Director	True Digital Media and Platform Company Limited / Digital Media
2015 - 2018	Senior Vice President, Food Business Unit Head and Corporate Strategy	Charoen Pokphand Foods PCL
2552 - 2554	Regional Customer Service Excellent Director	Unilever South Africa Company Limited

**Mrs. Kanokwanrat Srimaneesiri**

Senior Vice President-Accounting – Finance / Human Resources Management and Development/ Company Secretary

Age: 53

Date of Appointment: September 16, 2010

**Educational Qualifications:**

- Bachelor of Business Administration, Accounting – Assumption University
- Master of Business Administration – Assumption University

**Training History:**

- Certificate, Thai Institute of Directors Association (IOD) Program - Company Secretary Program (CSP) Batch 95/2019
- Certificate, Capital Market Knowledge Center, The Stock Exchange of Thailand, CFO's Orientation Course for New IPOs 2018
- Participated in continuous knowledge development in accordance with qualifications of the responsible person in the accounting and finance department of the Stock Exchange of Thailand, TLCA CFO Professional Development Program (TLCA CFO CPD) 2019

**Proportion of Company Shares Held (percent):** 0.013**Family Relationship between Directors and Executives:**

- None

**The past 5 years of work experience:**

2010 - present	Senior Vice President - Accounting - Finance / Human Resources Management and Development / Company Secretary	Index Living Mall PLC / Furniture Retailer
2005 - present	Director	Siam B2B Company Limited / Communication Business
2001 - 2010	Corporate Finance Director	Minor International PLC / Food & Beverage Business, Hotel Business, and other businesses re-lated to the Hotel Business

**Mrs. Kanjanawan Layluxsiri**

Senior Vice President – Marketing

**Age:** 48**Date of Appointment:** March 1, 2019**Educational Qualifications:**

- Bachelor in Political Science – Chulalongkorn University
- Mini MBA - Chulalongkorn University

**Proportion of Company Shares Held (percent):** 0.001**Family Relationship between Directors and Executives:**

- None

**The past 5 years of work experience:**

March 2019 - present	Senior Vice President - Marketing	Index Living Mall PLC / Furniture Retailer
2014 - 2016	Vice President of Marketing	Central Pattana PCL / Development and Leasing Space in Shopping Centers
2003 - 2014	General Manager	Robinson PLC / Retailer

**Ms. Pavaravadee Wichaidit**

Senior Vice President– Supply Chain and Information Technology

**Age:** 50**Date of Appointment:** September 7, 2016**Educational Qualifications:**

- Bachelor of Science, Biotechnology – Mahidol University

**Proportion of Company Shares Held (percent):** 0.003**Family Relationship between Directors and Executives:**

- ไม่มี

**The past 5 years of work experience:**

2016 - present	Senior Vice President - Supply Chain and Information Technology	Index Living Mall PLC / Furniture Retailer
2017 - present	Director	Index Living Mall Malaysia SDN. BHD. / Shopping Center Index Living Mall in Malaysia
1999 - 2016	Customer Service Director	Unilever Thai Trading / Manufacturer and Distributor of Consumer Products

**Mr. Gerard McGurk**

Senior Vice President – International Business

Age: 52

Date of Appointment: May 3, 2016

**Educational Qualifications:**

- Bachelor of Business Studies, Dundee College of Commerce - Scotland

Proportion of Company Shares Held (percent): 0.001

**Family Relationship between Directors and Executives:**

- None

**The past 5 years of work experience:**

2016 - present	Senior Vice President - International Business	Index Living Mall PLC / Furniture Retailer
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2014 - present	Director	Index Living Mall Malaysia SDN. BHD. / Shopping Center Index Living Mall in Malaysia
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2012 - 2015	Executive Vice Present	Robinson PLC / Retailer
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# Business Goals

Index Living Mall Public Company Limited (“the Company”) focuses on being a leader in the furniture and home furnishing retail business and a Specialty Mall center that gathers furniture, home appliances, home accessories, and electrical appliances with a retail identity that completes all decorating styles and lifestyles of all consumer groups. This includes Index Living Mall, Index Furniture Center, Trend Design, MOMENTOUS, BoConcept and WINNER stores. The Company also expands its business through various distribution channels such as project sales, online sales and export products to foreign countries in the form of an Original Equipment Manufacturer (OEM) and franchise businesses with foreign operators. The Company is committed to maximize customer satisfaction and determined to support harmonious living through design, function, quality and price for everyone. Moreover, the Company is meticulous in every step, from the selection of raw materials to the production of furniture. The Company controls and oversees all the production processes, the selection of quality and diverse products from external manufacturers, and distributes quality products with good intentions. The Company continually developed by introducing new technologies to production, management, warehouse management, and product delivery in order to keep up with the changing needs of customer behaviors and effectively reduce operating costs.



In addition, the Company expanded its business to rentals and a retail space service business under the brands, The Walk, Little Walk and Index Mall, selected shops, restaurants, and facilities to completely meet the lifestyle of all customers, as well as promote the Company's furniture retail business, which is the main business of the Company.

In 2020, the Company expects revenue to grow continually. The Company emphasizes business expansion through customized furniture business branded Yunique, to respond to the consumer demand of customized furniture in Index Living Mall stores nationwide. The Company also expanded the WINNER Store, a small store in the form of Company Owned Company Operated (COCO) after the first branch was launched in Ratchaburi on August 23, 2019. This is a prototype shop for small entrepreneurs who are interested in opening a medium to small sized furniture store. The investment costs are not high and investments can be easily made in less visited area.

As for standalone stores, such as the Index Living Mall, the Company plans to launch 1 - 2 more domestic branches in 2020, in order to expand the customer base to be more comprehensive.

In regards to the foreign market, the Company continues to focus primarily on franchise expansion in Cambodia, Laos, Myanmar and Vietnam (CLMV), especially in Vietnam because of its high economic growth rate and good purchasing power.

The Company continues to improve and develop online channels as well as the marketing plans for social media in order to motivate customers to purchase products on the website, [www.indexlivingmall.com](http://www.indexlivingmall.com), and other marketplace websites such as Lazada and Shopee. The Company also developed sales channel through the Line Official Account (Line OA) : Index Chat to Shop to complete all the online channels in order to support consumer behavior who purchase products online.

In addition to business expansion through various distribution channels, the Company attempts to improve work efficiency by reducing the complexity of the work process, reducing production costs by using new technology in production, adjusting machine operations to operate in an automated, one batch size under the concept of Smart Factory. This will enable the Company to significantly reduce furniture stock.

# General Information

## The Company

Company Name in Thai	: บริษัท อินเด็กซ์ ลิฟวิ่งมอลล์ จำกัด (มหาชน)
Company Name in English	: Index Living Mall Public Company Limited
Type of Business	: Furniture and Home Decor Retail Business
Head Office	: No. 147, Soi Rama 2, Soi 50, Rama 2 Road, Samae Dam Subdistrict, Bang Khun Thian District, Bangkok 10150
Registration Number	: 0107561000226
Phone Number	: 0 2898 6420-5
Fax Number	: 0 2898 6940
Website	: www.indexlivingmall.com
Registered Capital as of March 31, 2019	: Baht 2,525.0 million
Paid Up Capital as of March 31, 2019	: Baht 2,525.0 million

## Subsidiary Companies

### Index Interfurn Company Limited

Company Name in Thai	: บริษัท อินเด็กซ์ อินเตอร์เฟิร์น จำกัด
Company Name in English	: Index Interfurn Company Limited
Type of Business	: Furniture Manufacturer
Head Office	: No. 143 Soi Rama 2, Soi 50 Rama 2 Road, Samae Dam Subdistrict, Bang Khun Thian District, Bangkok 10150
Registration Number	: 0105552064096
Phone Number	: 0 2415 0077
Fax Number	: 0 2898 6940
Website	: 0 2415 7399
Registered Capital as of March 31, 2019	: Baht 960.0 million
Paid Up Capital as of March 31, 2019	: Baht 960.0 million

**The Walk Company Limited**

Company Name in Thai	: บริษัท เดอะ วอล์ค จำกัด
Company Name in English	: The Walk Company Limited
Type of Business	: Shopping Center Rentals
Head Office	: No. 147, Soi Rama 2, Soi 50, Rama 2 Road, Samae Dam Subdistrict, Bang Khun Thian District, Bangkok 10150
Registration Number	: 0105555116551
Phone Number	: 0 2898 6420-5
Registered Capital as of March 31, 2019	: Baht 25.0 million
Paid Up Capital as of March 31, 2019	: Baht 25.0 million

**Bangkok Casa Company Limited**

Company Name in Thai	: บริษัท บางกอก คาซ่า จำกัด
Company Name in English	: Bangkok Casa Company Limited
Type of Business	: Warehouse Services
Head Office	: No. 143 Soi Rama 2, Soi 50 Rama 2 Road, Samae Dam Subdistrict, Bang Khun Thian District, Bangkok 10150
Registration Number	: 0105534058616
Phone Number	: 0 2898 6420-5
Registered Capital as of March 31, 2019	: Baht 250.0 million
Paid Up Capital as of March 31, 2019	: Baht 250.0 million

**Index Living Mall Inter Company Limited**

Company Name in Thai	: บริษัท อินเด็กซ์ ลิฟวิ่งมอลล์ อินเตอร์ จำกัด
Company Name in English	: Index Living Mall Inter Company Limited
Type of Business	: Giving Franchise Rights to Foreign Index Living Mall Stores
Head Office	: No. 147, Soi Rama 2, Soi 50, Rama 2 Road, Samae Dam Subdistrict, Bang Khun Thian District, Bangkok 10150
Registration Number	: 0105559003602
Phone Number	: 0 2898 6420-5
Registered Capital as of March 31, 2019	: Baht 5.0 million
Paid Up Capital as of March 31, 2019	: Baht 5.0 million



## Other References

### Securities Registrar

Securities Registrar	: Thailand Securities Depository Company Limited
Head Office	: 93 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400
Phone Number	: 0 2009 9000
Fax Number	: 0 2009 9991

### Auditor

Auditor	: KPMG Phoomchai Audit Company Limited
Head Office	: 1 Empire Tower Building, 48-51 Floor, South Sathorn Road, Yan Nawa, Sathorn, Bangkok 10120
Phone Number	: 0 2677 2000
Fax Number	: 0 2677 2222

### Legal Counsel

Legal Counsel	: Wirawong, Chinnawat and Partners Company Limited
Head Office	: 540 Mercury Tower, Floor 22, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Phone Number	: 0 2264 8000
Fax Number	: 0 2657 2222

# JOY — DESIGN

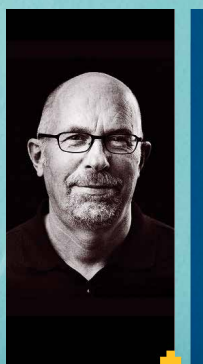
An extraordinary service delivered from the heart that makes difficult home decorating easy for you. We are ready to be a thinking partner that gives advice, consults on home furnishing designs, and helps you choose the right furniture and home furnishings that fit your style.



**Morten Georgsen**

**A world class designer from Denmark**

Designs from Morten Georgsen, a world class designer from Denmark, are inspired to design each piece of furniture with the concept of thinking outside the box in order to freely express modern ideas that have a unique identity in order to make beautiful furniture that has superior standards, is outstanding, simple, beautiful, suitable for every function, and conforms to all types of homes.



**Rutger Andersson**

**A world class designer from Sweden**

Designs from Rutger Andersson, a world class designer from Sweden, pay attention to every style of life with designs that are elegant and simple but display a unique personality that meet the urban lifestyle and are multifunctional for everyday use. You can enjoy decorating your home and modifying furniture to support unlimited use.



# Major Developments

## Major Developments

### Year 2016

- Established a subsidiary, Home Service (Thailand) Company Limited, to provide repair services, renovations and additional services related to housing.
- Purchased additional shares in ILM Malaysia in accordance with the shareholding to launch more Index Living Mall in Malaysia.
- Index Living Mall, Nakhon Pathom Branch and Chachoengsao Branch were launched. These potential locations are in metropolitan areas and in the Eastern region respectively.
- The Walk Company Limited, a rental and retail space service business increased its registered and paid-up capital by 24.0 million Baht from 1.0 million Baht to 25.0 million Baht with a par value of 100.0 Baht.

### Year 2017

- The Little Walk Bang Na, a downsized community mall from The Walk, was officially launched to meet the lifestyle of the people in Bang Na area.
- The first branch of Younique was launched at Index Living Mall, Rama 2 branch. Younique Customized Furniture 4.0 is a new custom-made furniture that can be customized by designs and multi-functions. It is fast and allows customers to stay within a budget. The Company is the first and only licensee in Thailand to use this technology which was granted by technology developers.
- According to the resolution of the Board of Directors Meeting No. 12/2017, held on October 20, 2017, the Board resolved to increase the capital in ILM Malaysia from 30.0% to 51.0% of the total paid-up capital

and changed its name to Index Living Mall Malaysia SDN. BHD. The Company managed and established the main policy in Index Living Mall Malaysia SDN. BHD.

- Index Living Mall, Surin Branch and Rama 2 Branch were launched in order to cover more areas of customer service. These branches are located in potential areas of the Northeast region and metropolitan areas respectively.

### Year 2018

- The furniture brand MOMENTOUS, American-style luxury living furniture under the concept of "Living in the Moment", was launched at Siam Paragon Department Store
- Home Service (Thailand) Company Limited changed its name to Index Living Mall Inter Company Limited. The Company received the franchise business from Patamasatayasonthi Family to provide franchise rights to foreign operators.
- Adjusted the shareholder structure, registered to be a public company, increased registered capital to support the registration in the Stock Exchange of Thailand and issued an initial public offering.
- Discontinued ILM Malaysia because the operating results did not meet the expectations and continued to have financial losses. Products were no longer sold in the store since September 2018 and the legal process continued to proceed.
- Index Living Mall, Bang Kruai-Sai Noi Branch was launched. This is a potential area on the west side of Bangkok.





## Year 2019

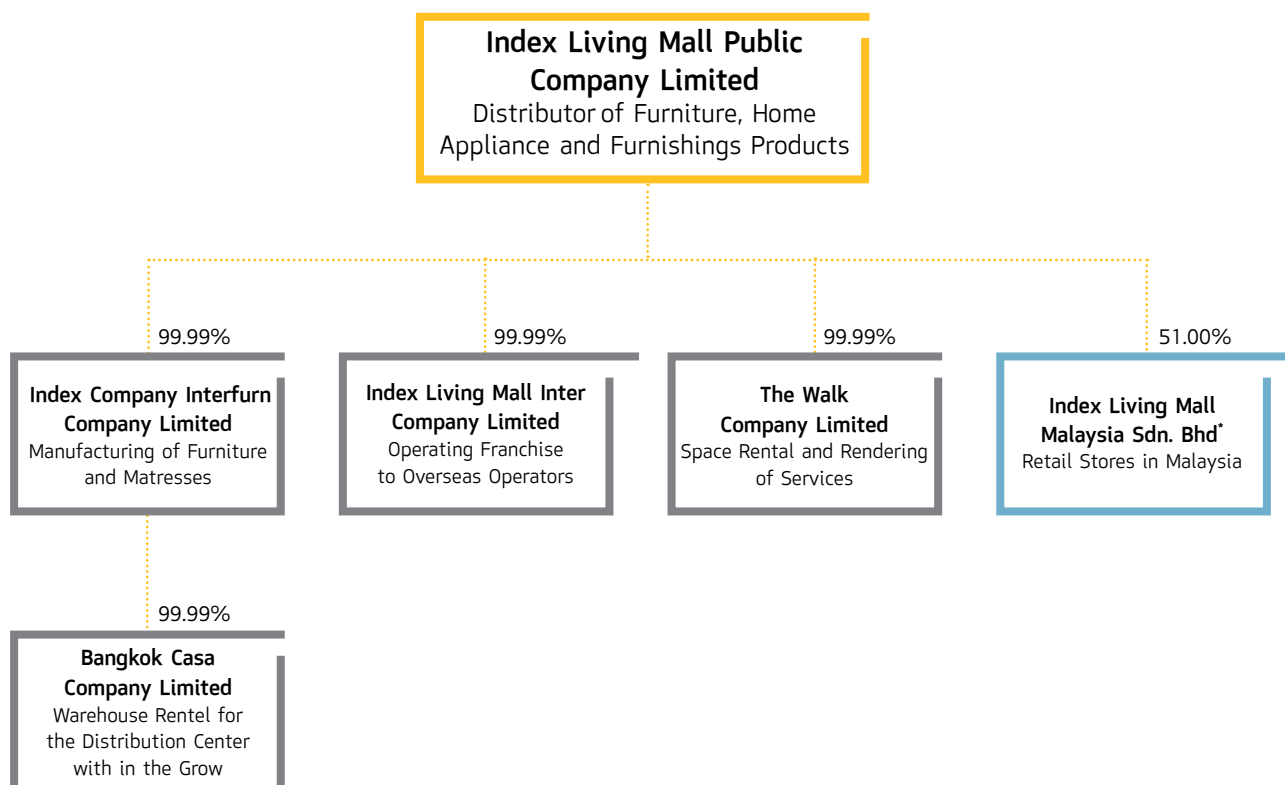
- The Company was listed on the Stock Exchange of Thailand (IPO) on July 26, 2019.
- Index Living Mall, Chaiphruet Branch and Chanthaburi Branch were launched to cover the area of Nonthaburi and the east side respectively.
- The first branch of WINNER Store in Ratchaburi was launched. This is a COCO store (Company Owned Company Operated).
- The Company launched two branches of Index Living Mall in Vietnam. These are franchise stores in Ho Chi Minh City, Vietnam. Vietnam is a country with high growth potential for business expansion because of the recent high economic growth rate.



## Operational Policies of the Corporation

The Company clearly distinguished its operations in accordance with business types. The affiliated companies such as Index Company Interfurn Company Limited is responsible for the production of furniture and product delivery to Index Living Mall Public Company Limited and the Walk Company Limited, rental and retail space service business. In addition, Index Living Mall Inter Company Limited oversees franchise rights with foreign operators.

## Shareholding Structure of the Corporation



\* Ceased the operations and in the process of closing the company

## Business Relationship with Major Shareholders

On November 30, 2018 (1) Mr. Pisith Patamasatayasonthi (2) Mrs. Kunthong Udommahuntisuk (3) Miss Kridchanok Patamasatayasonthi (4) Miss Pichapim Patamasatayasonthi (5) Mr. Ekaluk Patamasatayasonthi (6) Mr. Ekaridhi Patamasatayasonthi (collectively referred to as the “Patamasatayasonthi Family”) and the Krobkrua Thammada Panich Company Limited (the Patamasatayasonthi Family and the Krobkrua Thammada Panich Company Limited collectively referred to as the “Covenantor”), entered into a non-compete agreement with the Index Living Mall Public Company Limited (“Covenantee”) with the following important agreements:

- (1) Each covenantor agrees not to conduct business, or be a major shareholder in the agreed- upon business, either directly or indirectly, that compete with the covenantee unless it proceeds through the covenantees, subsidiaries or associated companies of the covenantees.

In this regard, the term “agreed-upon business” refers to the business in the same condition as the business of the covenantee currently operating on the date of this contract. This includes the following businesses:

1. The retail business of furniture and/or home furnishing products, both domestically and internationally, and
2. The production and distribution of furniture products which are mainly made from particle board material.

However, the term “agreed-upon business” does not include:

- A. Business operations of the Bangkok Master Wood Company Limited, a manufacturing business for the domestic and international wholesale distribution of furniture and/or home furnishing products mainly made from rubber wood under the customer’s trademark (“OEM Business”) to the customers of Bangkok Master Wood Company Limited whose names appears at the end of this non-compete agreement, and/or
- B. Conducting OEM business for new customers (as defined in article (2)), after a covenantee does not wish to exercise the right of first refusal in accordance with the guidelines specified in article (2).

(2) The covenantor offers the right of first refusal to the covenantee to operate OEM business for new customers with the following procedure:

1. In the event that the covenantor receives a proposal or a business opportunity that looks like an OEM business for other customers other than the customers whose name appears at the end of this non-compete agreement (“OEM business for new customers”), the covenantor agrees to do the following:
  - A. The covenantor agrees to notify the covenantee of the proposal or OEM business opportunity for new customers first, without a delay as well as any related details. This includes the deadline for covenantee to start the OEM operations for new customers. The covenantor jointly determines the notification period with the covenantee for the time period that the covenantee must notify the covenantor in writing (“notification period”).
  - B. If the covenantee wishes to or does not wish to proceed with the OEM business for the said new customer, the covenantee must notify the covenantor in writing within the notification period.
  - C. If the notification period has elapsed, the covenantee does not need to notify the covenantor of their intentions. It is considered that the covenantee does not wish to proceed with OEM business for new customers and the covenantor can operate the OEM business for the said new customer.

In this regard, the determination of the notification period is based on the size of the item proposal or the business opportunity that looks like an OEM business for new customers. The covenantee must have sufficient time to comply with the notifications and regulations for listed companies on the Stock Exchange of Thailand. This includes the Notification of the Office of Securities and Exchange Commission of Thailand regarding the disclosure and operation of the listed company in terms of the acquisition or disposition of assets 2004 (including amendments), and the notification of the Office of Securities and Exchange Commission of Thailand regarding the disclosure and operations of the listed company regarding connected transactions 2003 (including amendments).

2. In the event that the covenantee notified their intention to conduct OEM business for new customers, however at a later time, the covenantee notifies the covenantor in writing that the covenantee does not wish to conduct business with the new customer, the covenantor can conduct the OEM business for the said new customer.
3. In the event that the covenantee requests to conduct OEM business for a new customer, the covenantee agrees to carry out the relevant and necessary tasks to operate an OEM business for new customers with honesty and precaution by taking into account the benefits of the covenantees and the shareholders of the covenantees.

In the event that the covenantee wishes to conduct an OEM business for a new customer, the conducting of the OEM business for the said new customer will not be considered a connected transaction. However, if the covenantor does not wish to conduct an OEM business for the new customer and the covenantor wishes to undertake an OEM business for such new customers, the Company will comply with the notifications of the Office of Securities and Exchange Commission of Thailand regarding the disclosure of information and operations of the listed company for connected transactions 2003 (including amendments) before submitting the notification of intent to not operate such business. The size of the item proposal will be calculated as if the covenantee was the person entering into the enactment.

- (3) This contract will expire when (1) any covenantor is no longer a major shareholder (this includes related persons of the covenantor), director, and executive of the covenantee. This considers that the duties of the covenantor under this agreement have expired, or (2) when the covenantee is no longer a listed company in the Stock Exchange of Thailand, or (3) when the covenantee is a shareholder of the Bangkok Master Wood Company Limited holding more than 50% of the total voting shares of the Bangkok Master Wood Company Limited and all covenantors combined do not hold more than 10% of the total voting shares of Bangkok Master Wood Company Limited.
- (4) Amendments to the essence of this contract agreement can only be made when a written agreement is made between the parties and approved by the Shareholders' Meeting of the covenantee in accordance with the relevant laws. The shareholder's equity of the stakeholders will not be counted when considering and approving the said agenda items at the Shareholders' Meeting.

Mr. Arak Suksawat, the spouse of Ms. Kridchanok Patamasatayasonthi ("Ms. Kridchanok") is involved as a director, executive, and major shareholder in a business that has the same conditions as the Company. Therefore, Ms. Kridchanok added an agreement to the non-compete agreement mentioned above in the event that Ms. Kridchanok receives information or someone gives information about the manufacturing and distributing furniture business that has a potential return for investments, Ms. Kridchanok will propose it to the Board of Directors for their sole discretion. In addition, the added agreement will expire when Ms. Kridchanok is no longer a major shareholder, director and executive of the Company, or when the Company is no longer a listed company in the Stock Exchange of Thailand.

In the future, the Company may consider purchasing or renting land and/or buildings for branch expansion from the Patamasatayasonthi Family or from third parties as deemed appropriate by the executive management. The plans to launch such branches will be proposed to the Executive Committee or the Board of Directors as stipulated in the delegation of authority of the Company to further request the approval of launching new branches.

# Awards and Recognitions

Index Living Mall Public Company Limited received world - class awards.

## "Asia Pacific Entrepreneurship Awards 2019"

In the Outstanding Category of retail business awarded to Mr. Pisith Patamasatayasonthi, Chief Executive Officer.

In the Corporate Excellence Category, received by Ms. Kridchanok Patamasatayasonthi, Managing Director  
Emphasized being the No.1 leading furniture retailer that dominates the country's largest furniture retailing market.







- 1 Feb 2020 GERMAN DESIGN AWARD 2020 from Winner of Invisible Bed designed by Apirat Boonruengthaworn, top furniture designer of Thailand
- 2 2018 - 2019 No. 1 Brand Thailand 2018 - 2019 Marketeer
- 3 March 2017 Thailand's Most Admired Brand Award 2017
- 4 February 2017 THAILAND'S TOP 10 RETAILERS RANKING, the only furniture and home furnishing retail company of Thailand from the 500 Asia-Pacific Retail Companies ranked in 2017 at the 2017 RET
- 5 February 2016 No.1 Brand Thailand Award 2015 - 2016
- 6 February 2016 THAILAND'S TOP 10 RETAILERS RANKING, the only furniture and home furnishing retail company of Thailand from the 500 Asia-Pacific Retail Companies ranked in 2016 at the 2016 RET
- 7 February 2016 Thailand's Most Admired Brand Award 2016
- 8 February 2015 Thailand's Most Admired Brand Award 2015
- 9 February 2008 PRIME MINISTER'S EXPORT AWARD for Outstanding Exporters Award in the Furniture Category for the Year 2008
- 10 February 2005 SUPERBRANDS AWARD FOR "WINNER" Award for the best Thai brand in the Furniture Category for the Year 2005

# Nature of Business



## Business Operation Overview

The Company is a manufacturer, marketer and retailer of furniture, home appliances, home furnishings, and electrical appliances under the brand of the Company and other brands. Distribution channels include retailers, dealers, and online sales that cover domestic distribution. For international markets, the Company has granted franchise rights to foreign operators to distribute the Company's products in their country, which includes project sales and Original Equipment Manufacturers (OEM) for foreign operators. In addition, the Company also operates rental and retail space services in Index Living Mall and community malls under the brands of The Walk, Little Walk and Index Mall.

The summary of the Company's revenue structure classified by distribution channels is as follows:

	2017		2018		2019	
	THB Million	Percent	THB Million	Percent	THB Million	Percent
<b>Sales Revenue</b>						
<b>1.Domestic</b>						
1.1 Company's Retail Stores	7,100.6	79.7	7,438.1	81.1	7,472.7	80.9
1.2 Projects	1,080.9	12.1	1,082.8	11.8	1,189.3	12.9
1.3 Dealers	152.2	1.7	133.1	1.5	123.6	1.3
1.4 Online	34.5	0.4	84.8	0.9	216.4	2.3
<b>Total Revenue from Domestic Sales</b>	<b>8,368.2</b>	<b>93.9</b>	<b>8,738.9</b>	<b>95.3</b>	<b>9,001.9</b>	<b>97.5</b>
<b>2. International</b>						
2.1 Franchises and Dealers <sup>1</sup>	324.6	3.6	106.9	1.2	107.2	1.2
2.2 Original Equipment Manufacturer (OEM)	94.9	1.1	43.4	0.5	56.6	0.6
2.3 ILM Malaysia <sup>2</sup>	13.2	0.2	175.4	1.9	-	-
2.4 Foreign Projects	107.5	1.2	109.6	1.2	70.4	0.8
<b>Total Revenue from International Sales</b>	<b>540.1</b>	<b>6.1</b>	<b>435.3</b>	<b>4.7</b>	<b>234.2</b>	<b>2.5</b>
<b>Total Sales Revenue</b>	<b>8,908.3</b>	<b>100.0</b>	<b>9,174.2</b>	<b>100.0</b>	<b>9,236.1</b>	<b>100.0</b>

Remarks: <sup>1</sup> Revenue from franchises and dealers is revenue from product sales of the Company for franchisees and dealers abroad. However, the Company restructured the franchise business. In the past, the franchise licensee was ILMC, a company outside the corporation in which the Patamasatayasonthi Family was the highest controlling authority. However, on June 1, 2018, the Company terminated the Master Franchise Agreement with ILMC and granted the rights to ILM Inter onwards. This allowed the Company to start recognizing royalty fees from franchisees in service revenue.

In addition, revenue from franchises and dealers during the fiscal year that ended on December 31, 2016 and the revenue from franchises and dealers between January 1, 2017 and December 11, 2017 included sales revenue from ILM Malaysia because ILM Malaysia was an associated company of the Company during that period.

<sup>2</sup> Since the Company increased shareholding in ILM Malaysia from 30.0 percent to 51.0 percent on December 12, 2017, ILM Malaysia became a subsidiary. As a result, the Company changed the recognition of profit and loss sharing on investments in subsidiaries and associated companies from the equity method to the full consolidation method on December 12, 2017. The operations of ILM Malaysia was discontinued in late 2018.

## Product and Service Type

Nature of the Company's business is as follows:

- **Retailer of Furniture, Home Appliances, Home Accessories, and Electrical Appliances**

Products are classified into 4 core products.

### 1. Furniture products

1.1 The Company has a total of 5 furniture brands, Index Furniture, WINNER, Logica, Trend Design and Younique, which covers all types of furniture products for home and office use. This furniture is mainly made from particle board and medium density fiberboard (MDF) under the European Standard E1. Furniture under these brands is manufactured from the corporation's factories and external manufacturers.

1.2 Furniture products under other brands are the STANLEY and HOOKER brands sold in MOMENTOUS stores and BoConcept brands sold in BoConcept stores. These furniture products are imported from abroad in order to fulfill the lifestyle of customers who have higher levels of income.

## 2. Home Furnishing Products

This covers all types of products needed in the home and there are more than 16,000 items that were handpicked and have modern design under the brand, Index Home. The sales volume for home furnishing ranked second, behind furniture products. There are also brands for babies and kids such as BABY JOURNEY. The Company also distributes leading brands such as UMBRA from Canada and QD LITTLE THINGS which are specifically imported.

## 3. Mattresses and Bedding Products

The Company distributes mattresses and bedding products in the Index Living Mall under various brands such as THERAFLEX, the Company's manufacturing brand, SERTA brand in which IDF has the sole and exclusive right to manufacture and distribute in Thailand, and the PURECARE brand. In addition, the Company sells mattresses and bedding on consignment under the brands SEALY, OMAZZ, DUNLOPPILO, LOTUS and SANTAS, as well as bedding, pillows, duvets, bolsters and pillowcases under the Company's brands of INDEX HOME, CATHERINE BROOKS and THE STUDIO CARELLI

Moreover, the Company offers a full range of health and physical sleep-related consultations to promote the sales of mattresses and bedding products in the Sleeping Clinic zone at the same branch and Perfect Sleep for the Index Living Mall in the Bangna branch and other branches that will gradually begin to launch

## 4. Electrical Products

The Company gathers various types of electrical appliances from leading brands and the Company's brand in the POWER ONE zone of the Index Living Mall. The Company's electrical brands include CUSINO, small appliances and electrical appliances, CAVALLINI, home appliances and BESTLEY, small electrical appliances, etc. The leading electrical appliances brands are Samsung, Electrolux, LG, Hitachi, Phillips, JBL, etc.

## Distribution Channels can be divided as follows:

### 1. Retail

The specialty mall is a furniture center for home and office, home accessories, electrical appliances and other home appliances. Sales revenue through retail stores accounts over 70% of the Company's retail sales. This includes:

- 1.1 Index Living Mall has 37 branches, 31 branches are standalone stores and 6 branches are in department stores or community malls. The selling area ranges from 3,500 to 18,000 square meters. Another 6 branches are Index Furniture Centers which are located in department stores. The selling area ranges from 530 to 3,300 square meters.

Besides furniture and home furnishing, Index Living Mall also offers other services that respond to home related issues such as Design & Build by Index Living Mall, a design and decoration service as well as Index Home Service that offers delivery and installation services for electrical appliances for home lovers, moving services, house cleaning, and electrical appliance cleaning, as well as other services by specialists in order to promote and support the complete distribution of furniture products.



Number	Branch	Province	Store Name
Bangkok and Vicinities			
1	Seacon Srinakarin	Bangkok	Index Furniture Center
2	The Mall Tha Phra	Bangkok	Index Furniture Center
3	Central Bangna	Bangkok	Index Furniture Center
4	The Mall Bang Khae	Bangkok	Index Furniture Center
5	Rangsit	Pathum Thani	Index Living Mall
6	Bangna	Bangkok	Index Living Mall
7	Ekamai	Bangkok	Index Living Mall
8	Bang Yai	Nonthaburi	Index Living Mall
9	Rattana Thibet	Nonthaburi	Index Living Mall
10	Fashion Island — Raminthra	Bangkok	Index Furniture Center
11	Ratchaphruek	Bangkok	Index Living Mall
12	Kaset Nawamin	Bangkok	Index Living Mall
13	Mahachai	Samut Sakhon	Index Living Mall
14	Chaengwattana	Bangkok	Index Living Mall
15	Nakhon Pathom	Nakhon Pathom	Index Living Mall
16	Sky Living Don Mueang Airport	Bangkok	Index Furniture Center
17	Rams 2	Bangkok	Index Living Mall
18	Bang Kruai — Sai Noi	Nonthaburi	Index Living Mall
19	Chaiyaphruek	Nonthaburi	Index Living Mall
Central Region			
20	Phitsanulok	Phitsanulok	Index Living Mall
21	The Walk Nakhon Sawan	Nakhon Sawan	Index Living Mall
Western Region			
22	Hua Hin	Phetchaburi	Index Living Mall
Eastern Region			
23	Chon Buri	Chon Buri	Index Living Mall
24	Pattaya	Chon Buri	Index Living Mall
25	Rayong	Rayong	Index Living Mall
26	Chachoensao	Chachoensao	Index Living Mall
27	Chanthaburi	Chanthaburi	Index Living Mall
Northeastern Region			
28	Ubon Ratchathani	Ubon Ratchathani	Index Living Mall
29	Udon Thani	Udon Thani	Index Living Mall
30	Khon Kaen	Khon Kaen	Index Living Mall
31	Nakhon Ratchasima	Nakhon Ratchasima	Index Living Mall
32	Surin	Surin	Index Living Mall
Northern Region			
33	Chiang Mai	Chiang Mai	Index Living Mall
Southern Region			
34	Phuket	Phuket	Index Living Mall



Number	Branch	Province	Store Name
35	Hat Yai	Hat Yai	Index Living Mall
36	Surat Thani	Surat Thani	Index Living Mall
37	Nakhon Si Thammarat	Nakhon Si Thammarat	Index Living Mall

1.2 Trend Design stores have launched for more than 10 years to expand the product range in order to meet the needs of customers in premium mass to premium segments. They sell high quality furniture in classic modern Italian style. The Trend Design stores are located in 4 different branches of the Index Living Mall. They are clearly separated from the Index Living Mall. The selling area ranges between 240.0 to 502.0 square meters.

1.3 MOMENTOUS is a multi-brand living store that sells an American luxurious style which includes real wood furniture, decorative lamps and more than 200 imported home furnishings from leading brands such as HOOKER, STANLEY, and C&C Home under the concept of “Live in the Moment”, the precious moments of life. Its superior design and quality can complete the needs of the Momentous target group. Momentous is located on the 3rd floor of Siam Paragon Department Store and in the Index Living Mall at the Phuket and Pattaya branches. The selling area is between 140–400 square meters.

1.4 BoConcept is a Danish furniture store franchise under the concept of urban Danish design that focuses on furniture designed in a minimalist style. BoConcept has 2 branches located on the 3rd floor of Siam Paragon Department Store with a selling area of 464.0 square meters and located at the Index Living Mall at the Pattaya branch which has a selling area of 380.0 square meters.

1.5 WINNER Store, the small furniturd store under COCO format (Company Owned Company Operated). The first WINNER store was launched n Ratchaburi in 2019 with further expansion plan in the future.

## 2. Project Sales

The Company distributes products for both domestic and international projects which are mainly made to order products under the Company's brands and non-branded products. The project sales are divided into:

2.1 Home projects which are mainly for home furnishings, condominiums, hotels and restaurants. The Company manufactures prefabricated metal stairs, and mezzanine work. This service covers production and installation. The Company has been well-received by large real estate customers in Thailand.

2.1 Logica Project such as desks, chairs, lockers, sofas, which covers production and installation. The main customers are architects, designers, private companies, hospitals, government agencies and medium-sized state enterprises.

## 3. Dealers

The Company has small and large dealers that have selling areas that range between 240.0 to 1,700.0 square meters. However, dealers are required to sell the Company's products only, as stipulated in the contract. Target customers that purchase products through dealers are homeowners in the vicinity who prefer products that have good value and are simple, which is in accordance with the concept of the brand WINNER. Currently, the Company has 25 domestic dealers in major cities and secondary cities which mainly sell the WINNER brand.



#### 4. Online Sales

The [www.indexlivingmall.com](http://www.indexlivingmall.com) website gathers furniture, home appliances, home accessories, and all electrical appliances in one place. The Company also distributes products through the Lazada and Shopee websites and Index Chat to Shop (Line OA) to cover a growing number of online customers.

#### 5. International Distribution

The Company foresaw growth opportunities in retail furniture and home furnishing in overseas markets. This allowed the Company to collaborate with well-experienced operators to sell furniture and home furnishing products in each country. International distribution channels are divided as follows:

- 5.1 There is a storefront management which is similar to stores in Thailand and dealer model.
- 5.2 Original Equipment Manufacturers (OEM) and trading: The Company manufactures made to order products which includes furniture and home furnishing without any branding for foreign customers in South Korea, Japan, European countries, the Americas, etc.
- 5.3 Project sales: The Company began overseas project sales in 2016. This includes home and office designs, either in the form of purchasing products or purchasing products with installation services. The Company has networks in many countries through the storefront of franchises and dealers as well as direct customers.

#### • Rental and Retail Space Service Business

The Company conducts a rental and retail space service business by itself and through The Walk Company by combining the strengths of the retail furniture business and the retail space business as a strategy to attract customers to visit Index Living Mall. The rental and retail space service business are divided into the following 4 categories.

- (1) The Walk or mini community malls: Retail space within multistory buildings. The Company selects various stores that are complete and meet the target lifestyle. This includes Index Living Mall, supermarkets, restaurants, cafes, shops, and banks that have convenient parking for customers who use the service. In 2019, there were three branches, Ratchaphruek, Kaset Nawamin, and Nakhon Sawan, with the total area of 48,000 square meters.
- (2) Little Walk or small community malls: Retail space in one-story buildings which features convenient access. This includes drive-throughs and a short distance from the parking lot to the shop. At the end of 2019, there were two branches in

Bangna and Pattaya. The total area accounts to 8,800 square meters.

- (3) Index Mall: A large retail space within the Index Living Mall building in a standalone format that increase opportunities and attracts people to visit and shop at Index Living Mall. At the end of 2019, there were four branches in total at Bang Yai, Rama 2, Bang Na and Chaiyaphruek. The total area is approximately 15,000 square meters.
- (4) Retail space within the Index Living Mall: A retail space in the Index Living Mall which is smaller than the Index Mall. Currently, the Index Living Mall has retail space in 11 branches which is approximately 108.0 to 1,000.0 square meters to rent.

## • Other Businesses

The Company offers a small restaurant and beverages under the brand Kafé. These stores are between 29-115.7 square meters and are only located in the 20 branches of Index Living Mall. This business aims to fulfill the demands of customers who come to view products. The area of each branch depends on different factors such as the size of the Index Living Mall, the density of customers, the number of restaurants and/or beverages served in that area.

## Market and Competitive Environment

The Company operates in a highly competitive furniture market where there are numerous operators, most of which are small operators and a few of large operators. Generally, the competition is in the form of functionality, price, quality of products, and services through the operators' brands. Products are distributed through various sales channels, both in retail stores, dealers, project sales, online sales etc.

The major furniture operators in Thailand are as follows:

- SB Furniture Group, SB Furniture and Concept brands are the main product brands that focus on unique, modern and multi-functional furniture. There are currently 45 branches and 134 dealers.
- Ikano (Thailand) Company Limited, IKEA is the main product brand that focuses on DIY furniture that customers must assemble by themselves (DIY). There are currently two branches in operation.
- Modern Form Group Public Company Limited, MODERNFORM is the main product brand that focuses on office furniture and their target group is project owners. Currently, there are 9 branches in operation and 6 dealers.
- East Coast Furnitech Public Company Limited has a variety of brands such as ELEFA, Finna House, Fur Direct, Leaf, etc. They mainly focus on furniture made from particleboard and rubber and the main target group is international customer groups and large retailers. These are customized and made to order products. Currently, there are approximately 20 branches in operation.
- Chic Republic Public Company Limited, CHIC and RINA HEY are the main product brands that emphasize elegant, cool, and chic furniture. The target customers are middle to upper level customers. Currently, there are 4 branches in operation.

However, over the past year, the Company was managed by professional executives and a well-experienced management team in retail industry and furniture industry. The Company focused on creating unique features for each brand in order to get customers to remember the Company's products. The Company has a variety of quality products that meet every lifestyle through various distribution channels that covers all customer groups, both domestically and internationally. This includes integrated marketing communication which covers a variety of communication channels, both online and offline, in order to effectively communicate with target groups and provide integrated services through various strategies. They are as follows:

### Branch Expansion Strategies in Thailand

Branch expansion of the Company's retail stores and community malls is one of the factors that will accelerate the Company's growth. When opening new retail stores, dealer's stores and new branches of community malls in Thailand, the executives will consider the overall economy of Thailand which is an important driving factor in public spending, potential locations where Company's branches or stores are not yet established, the density and purchasing power of the population, the demand for the Company products as well as the convenience of travelling and accessing the Company's stores. Another important factor that the Company considers is that the new store must make the smallest impact on the sales of nearby branches. Besides, studying the feasibility of the market, the executives also study and analyze the feasibility of branch expansion in terms of financial worth and the availability of resources in various areas of the Company. If the executives are confident in the branch expansion, plans will be proposed to be approved by the Executive Board and/or the Board of Directors (as the case may be) by taking into account the best interest of the Company and its shareholders.

### Business Expansion in Overseas

The Company does not stop at being one of the leading retailers of furniture and home furnishing in Thailand. The Company continually seeks business opportunities in order to achieve its vision, to be the top-of mind furniture and home furnishing business in Asia. Therefore, the Company began to penetrate international markets through retail stores, franchising systems, dealers, original equipment manufacturers, agents, and project sales.

The Company intends to work with existing trade partners in each country in order to look for branch expansion opportunities in strategic areas and develop operational management to have sustainable and stable growth. This includes seeking trade partners in new countries, beginning in Southeast Asia where the Company sees growth potential in the macro economy and furniture retail businesses such as in Vietnam, the Philippines, Singapore, etc. The main factors that the Company considers when selecting trade partners is their business guidelines. They must be consistent with the Company's strategy, financial stability, and have an understanding of the furniture market in that country.

The Company believes that cost management and quality development are important factors that will drive the original equipment manufacturing business, product sales through agents, and project sales, to grow. The furniture business is a highly competitive business in pricing among operators around the world. These countries include China and Vietnam. Therefore, the Company plans to increase the efficiency of machinery by developing software and buying new machines that can change the functions of production. This can reduce the minimum production volume which allows the Company to reduce raw materials stock and inventory.

### Product Development and New Innovation Strategies

The Company considered the number of products in each category to have a balance in order to maintain its existing customer base and attract new customers to shop in the Company's stores. Since the needs of customers change all the time, the Company must develop products to keep up with these changes and meet the needs directly. The product development team and the marketing team study domestic and international furniture market trends as well as future lifestyles. They also collaborate with the commercial team who manages store operations because the commercial team knows the current customer behavior of the Company. Customer feedback is used as information to design and procure new products. Some new products are developed from existing products so they are more beneficial and some have different designs to meet future

needs. The marketing team carries out the marketing plan for new products in accordance with the laid-out concept. The average time for new product sourcing, from design to distribution, takes approximately 6 to 8 months.

### Sales and Service Strategy

Sales and services at stores, for retail customers and employees serving project customers, are considered an important factor to enhance the Company's stable and sustainable growth. Since the Company foresees this important factor, employee training was arranged to train employees in accordance with the sales and service management policies and acknowledge the details on a variety of products in order to make effective presentations to customers and ensure that consumers receive the same service standard from employees in every branch. In addition, the Company set up a commission structure based on the sales performance and service quality evaluation to motivate employees.

The training program for the Company's salespersons and installation staff include (1) Orientation Programs, to help employees understand their duties and responsibilities as well as the practice guidelines for employees in each position. (2) Product Knowledge Training (3) Functional & Soft Skill Training, this course is designed in accordance with each line of work to effectively improve work performance (4) Leadership Development Program, a supervisor training program, to ensure that employees have knowledge and appropriate leadership skills (5) Personnel Development Program, for franchisees and overseas dealers so they have the same quality standard as the Company's branches.

### Pricing and Marking Up Price Strategies

Pricing involves product costs, related expenses, brand positioning, and the market price of similar products. For imported products, the Company will take into account the changes in exchange rates and other related expenses such as import taxes, shipping costs, etc., in order to determine product pricing. In this regard, product pricing for each distribution channel, domestically and internationally, will be managed by a team that is responsible for sales in each channel. The mid-price for products sold in Index Living Mall is used as a reference price. Discounts and sales promotions will be made in accordance with the executive's policies to ensure that prices are appropriate and competitive in regards to the image and type of product that meets the desires of each customer group. The Company also followed up with sales volume and customer feedback regarding various products on sale and considered pricing on a regular basis. The Company has a marketing plan to have appropriate promotions in each period. This includes special clearance management for slow-moving stock and products that will no longer be purchased or manufactured.





## Marketing and Sale Promotional Strategy

The Company has marketing policies and strategies to make the general public remember the identity of Index Living Mall brand and the various brands of the Company as intended. This includes creating a desire to purchase the Company's products. Therefore, the Company is committed to creating marketing strategies that will attract customers who visit the store and purchase products to have a real-life experience, pass it on, continue to use the product, reuse, and repurchase. This includes marketing through various channels in the most effective way that is appropriate for each target customer group.

## Product Sourcing

### 1. Furniture, Home Appliances, Home Accessories, and Electrical Appliance Business

The Company starts finding furniture and home furnishing products to sell through the Company's retail stores after creating a sales forecast for the next year in the 4th quarter of each year. This is done by considering the following factors: (1) the sales volume over the past 1 to 2 years (2) growth rate (3) sales promotions for that year and (4) economic conditions and demand trends for furniture and retail trade in order to plan the amount and the time to order products from the Company and trade partner manufacturers. The Company reviews order planning on a monthly basis and preorders products with trade partners in accordance with the lead time and the minimum order quantity, as specified by the trade partner.

In addition, the Company classifies products into two main periods, namely, the hot season between February and July, and the cold season between August and January. The merchandising team, the product development team, and the marketing team jointly plan product sourcing to acquire new products at the end of every season. The Company takes 6-8 months to procure new products beginning with the study of production demand. For example, in June and July, the team will start considering products for the next summer.

## Manufacturing Plants and Production Capacity

As of December 31, 2019, the Company's manufacturing plant operated by IDF located at Mahachai area in Samut Sakhon, has an estimated area of 160,000 square meters and there are 1,622 employees. The main manufactured products are (1) home furniture such as closets, beds, cabinets, home entertainment cabinets, lockers, and tables made from particle board and medium density fiberboard. Customers can choose materials for the top layer and sofas (2) built-in furniture (3) office furniture (4) kitchenware sets (5) steel furniture such as chairs and prefabricated stairs (6) mattresses. Presently, the Company's manufacturing plant is operated for one shift or eight hours of work and there may be overtime. Therefore, there is sufficient production capacity to support the Company's growth plans.

The highest production capacity, the actual production volume, and the total capacity utilization rate of the Company at monthly rates are as follows:

Number	Item	Maximum Production Capacity <sup>1</sup>	Actual Production Volume <sup>2</sup>	Capacity Utilization Rate <sup>2</sup>
Home Furniture				
1	Wardrobe	10,000 pieces	11,639 pieces	116 percent
2	Mattress	10,000 pieces	18,221 pieces	182 percent
3	Home Entertainment Cabinet	15,000 pieces	10,441 pieces	70 percent
4	Cabinet and Locker	15,000 pieces	39,836 pieces	266 percent

Number	Item	Maximum Production Capacity <sup>/1</sup>	Actual Production Volume <sup>/2</sup>	Capacity Utilization Rate <sup>/2</sup>
5	Table	10,000 pieces	13,786 pieces	138 percent
6	Sofa	2,500 sets	5,788 sets	232 percent
Built-In Furniture				
7	Built-In Furniture	1,500 sets	771 sets	51 percent
Office Furniture				
8	Desk	5,000 pieces	4,084 pieces	82 percent
9	Stationary Locker	5,000 pieces	5,504 pieces	110 percent
10	Mobile Storage Cabinet	1,500 pieces	680 pieces	45 percent
11	Partition	500 pieces	830 pieces	166 percent
12	Office Chair	2,000 pieces	3,069 pieces	153 percent
Cookware Set				
13	Kitchen Set	10,000 pieces	21,151 pieces	212 percent
Steel Furniture				
14	Chair	5,000 pieces	8,193 pieces	164 percent
15	Prefabricated Stairs	600 pieces	1,800 pieces	300 percent
Bed				
16	Bed	4,000 pieces	8,347 pieces	209 percent

Note: <sup>/1</sup> The maximum production capacity is calculated from the maximum production capacity per month for 1 shift or 8 hours per day. The factory is open 6 days per week.

<sup>/2</sup> Average monthly production in 2019.

The Company plans to operate a Smart Factory. In 2019, the Company purchased a new automation machine which was developed by a machine manufacturer and leading universities in Thailand. The software was developed to improve production efficiency and produce smaller batch sizes.

### Raw Material Management

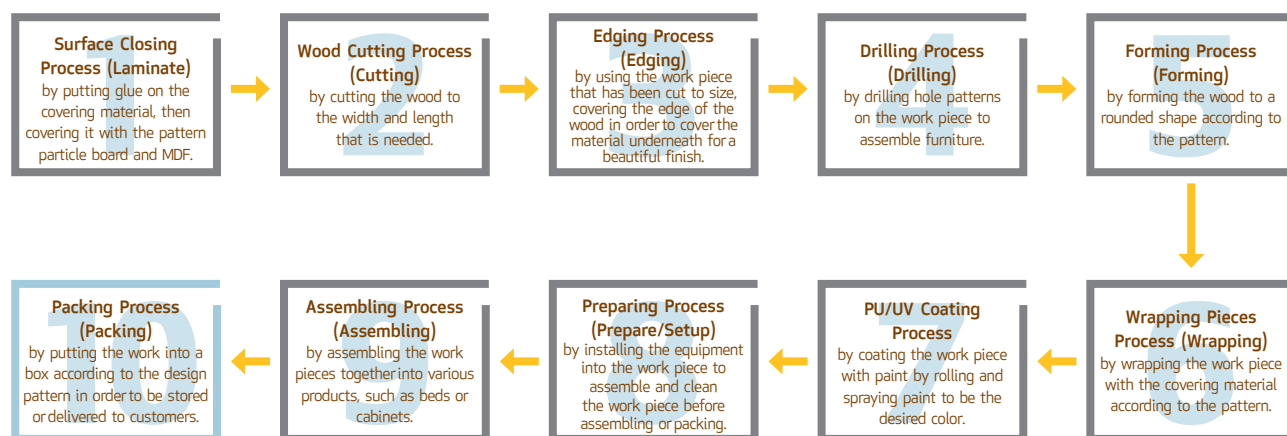
The merchandising team is responsible for sourcing raw material. The orders quantity will be considered by the merchandising team based on the sales order of the product 1 month in advance, the inventory in the distribution center and the factory's production plan. The selection of raw material suppliers requires comparison of two to three trade partners. Consideration is based on key factors such as the quality of the raw materials, punctuality, price, payment conditions, etc. In the case that one supplier has specific raw materials that other suppliers do not have, the Company will negotiate the price with the supplier by referring to the price that the Company has bought in the past or the market price of the similar raw materials. In addition, to ensure that the quality and quantity of raw materials are in accordance with the purchasing order, the raw material and supply department will count the number of raw materials that were ordered and the quality control department will randomly inspect the quality of the raw materials in accordance with the MIL STD-105E Standard, an international standard for inspection.

For products manufactured by the Company's factory, raw material costs are the most important proportion of the Company's cost of sales. The raw material cost accounts for 66.1 percent of the cost of sales for products manufactured by IDF for the fiscal year that ended on December 3, 2019. The main raw materials used in production are particle board and medium density fiberboard (MDF), steel edges, glass, top layer materials, leather, fabrics, and fittings such as handles, hinges, spring, drawer rails, etc. However, these raw materials can generally be acquired from many raw material suppliers both domestically and internationally. For the fiscal year that ended on December 31, 2019, the Company's imports of raw materials from foreign countries represented 12.7 percent of IDF's raw material purchase amount which was paid mainly in US dollars.

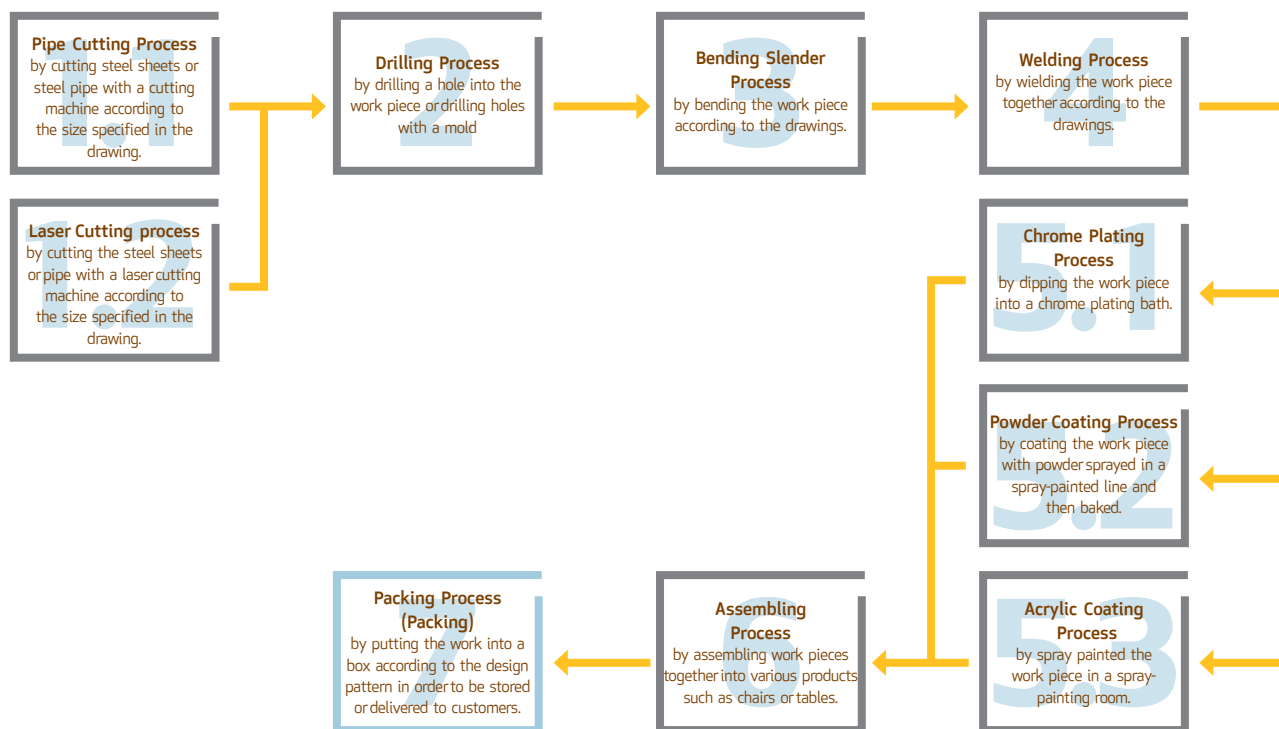
In addition, the purchase amount of raw materials from the top 10 suppliers was 41.3% of the total purchase order value of the raw materials used in the Company's production for the fiscal year that ended on December 31, 2019. In addition, the Company did not rely on any particular supplier for more than 30.0% of the total purchase order value according to the consolidated financial statements. The Company has maintained good relationships with the main raw material suppliers and many suppliers for a long time to prevent a shortage of raw materials that may occur and/or significant price increases, disruptions in production processes and/or increases in raw material prices.

## Production Process

The furniture production process from particle board and medium density fiberboard (MDF).



## Steel Furniture Production Process



### Product Sourcing from Vendor or External Manufacturers

The purchased products from vendors or manufacturers are products that the Company has designed and the manufacturer's copyrighted products. Most home furnishing products and electrical appliances are the Company's brand. The product development department selects product manufacturers by comparing at least three manufacturers based on the following key factors: (1) product quality (2) production costs (3) minimum order quantity (4) reliability and (5) the potential to be the main, long-term manufacturer. The Company will not consider every criterion when the products require specialized raw materials with certain specifications, the manufacturer's copyrighted products, and repeat ordered products from vendor and manufacturer that passed the selection process. The quality control team will randomly inspect products from every order. The product development team, the product management team, the merchandising team, and the import team will jointly evaluate the performance of the vendor or manufacturer each year in order to consider areas of improvement and decide whether or not to continue to hire these vendors or manufacturers.

### Product Sourcing from Brand Owners

Sourcing products from the brand owner is divided into two categories: outright sale and consignment. For BoConcept brand furniture and MOMENTOUS furniture such as HOOKER and STANLEY, etc., the Company directly imported these products from the brand owner with an outright sale at a specified mid-price and mainly paid in US Dollars. The Company chooses products from that brand's catalog by taking into account the demand trends of the customer. Similar to the electrical products of leading brands, the Company purchased an outright sale from the brand dealers in Thailand.

Consignment products are mainly distributed in the Company's retail stores. These include mattresses, bedding, carpets, wallpaper, etc. The Company will receive a proportion of the gross sale for commissions, rebate fees and other supports as agreed upon with each trade partner. However, the purchasing or restocking of products will be discussed between the Company and the trade partner. If the said product has a slower turnover rate than the Company expected, the Company will return the consignment products to the trade partners immediately.

The purchase amount of the top 10 vendors or external manufacturers was equal to 31.3% of the purchase amount of Index Living Mall for the year that ended on December 31, 2019.

In addition, the Company ordered products from vendors or external manufacturers overseas which accounted for 14.3% of the purchase order of Index Living Mall for the year that ended on December 31, 2019. The Company imported the said products from China and paid in US Dollars.

### Inspection, Storage and Distribution of Products

Currently, the Company has 3 distribution centers which are the Bang Bon Distribution Center, the Ekachai Distribution Center, and the Bang Kadi Distribution Center which have a total storage area of approximately 110,870 square meters. The Bang Bon and Bang Kadi Distribution Centers are the main distribution centers that distribute the products to the Company's retail stores all over Thailand. This includes customers who purchase products from branches in Bangkok and its vicinities (except Nakhon Pathom). The Ekachai Distribution Center stores electrical goods for delivery to retail stores and spare products for further delivery to the Bang Don Distribution Center. The Company acquired quality and standardized equipment to control, track and transport products as well as developed personnel and operational processes to be effective to ensure that the products that are delivered to the distribution centers meet the quantity and quality of the order. This is done by inspecting every product to

check if any are broken or damaged and make a random inspection for other products as well. The Company has a storage management system that results in minimal damage and minimal loss. This includes accurate and fast product delivery. The Company set a minimum acceptable loss rate at 0.04% of the total number of products that are stored in the distribution center.

In addition, the product delivery process is divided into 2 categories. These are (1) Direct delivery and installation by the distribution center for customers of Index Living Mall stores in Bangkok and its vicinities (except the Nakhon Pathom branch), and (2) Delivery and installation by the Company's branches for branches in other provinces. As of December 31, 2019, the Company had more than 140 vehicles for delivery service and hired over 100 vehicles for delivery service from outside operators. The Company has a transportation plan for each delivery so that the number of products can be delivered to customers appropriately and effectively by taking into account various factors such as the delivery time specified by the customer, location, route, time of installation, etc. In addition, products are installed by professional teams that have been trained by the Company. As a result, the installation is quick and leaves few mistakes.

### **Storefront Management**

The Company's retail stores will store products in accordance with different types and quantities of the products inside the stores. The number of products for branches in Bangkok and its vicinities (except the Nakhon Pathom branch) is less than other branches and are mostly home furnishing products because furniture and other products are delivered directly from the distribution center to the customer. In addition, the Company has a system to control the restocking of products in the storefront by taking into consideration the average sales in the past.

In this regard, Index Living Mall may transfer products between branches if it is urgent or necessary. For example, a particular branch that has a small number of products or a product sells particularly well makes a request to transfer products from a branch that has a large amount of the said product, transfer products back to the distribution center when the sales promotion is over, the product is damaged and transferred products back to the vendor when the sales promotion is over, the product is no longer available for sale, and products are changed or damaged.

## **2. Rentals and Retail Space Service Business**

### **Area Procurement and Project Development**

The main factors that the Company considers in finding a location for the community mall is density, the purchasing power of the population, the number of shopping malls and community malls nearby, ease of travel and access to stores. This includes a customer behavioral analysis in order to design floor plans and shopping zones that meet the needs of customers.

After the plan and building design are finished, the Company will select a contractor in accordance with the construction procurement policy by comparing the qualifications of contractors based on the main factors which include quality, price, delivery time and reliability so that construction is punctual and in accordance with the plan, and the estimated investment. The construction department will monitor and supervise on a regular basis. It takes approximately 12 to 18 months from finding a location until the project development is complete.

### **Procurement of Tenants**

In the initial planning phase to build an Index Living Mall or community mall, the Company will create a retail space to be in balance with the location, in terms of the area size and tenants' types of business. The Company will explore the need for retail



space from the operators who have rented the retail space in other branches and prospective tenants. The important factors that the Company considers when choosing tenants include, (1) complimentary business with Index Living Mall (2) diverse types of businesses such as restaurants, cafes, tutoring schools, etc. If a community mall has a large retail space such as the Walk or Little Walk, supermarkets will attract people to walk in the community mall (3) stores that have a strong customer base in order to increase the chances of survival of the stores, and (4) businesses that attract people to walk in the mall.

After that, the Company will negotiate the rental fees, terms and conditions in the lease agreement with each tenant since the project has been designed. In addition, during the rental period, the Company focuses on building good relationships and offers help to every tenant equally.

### Retail Space Management

Systematic and efficient retail space management is another important factor that helps to maintain the same tenants and attract new tenants. The Company has arranged a proper retail space zones, selected a variety of stores, and provided complete facilities. This includes parking lots, elevators, escalators and toilets that are sufficient for the number of users. In addition, the Company regularly maintained and improved public utilities and buildings so that they were safe and in good condition with continuous use. The Company had regular discussions and inquired about the satisfaction and advice of tenants. A meeting with tenants is held every year.

### Tax Incentives

<b>Person Promoted</b>	Index Interfurn Company Limited
<b>Promotion Approval Date</b>	October 3, 2017
<b>Promotional Certificate Issuance Date</b>	May 23, 2018
<b>Type of Business</b>	Manufacturing of furniture, parts, and mattresses, an improvement in production efficiency for the use of alternative energy.
<b>Essence of Benefits and Conditions</b>	<ul style="list-style-type: none"> <li>• A corporate income tax exemption on net income derived from the promoted business for a total of no more than 50% of the investment value in order to improve production efficiency. This does not include land and working capital for a period of 3 years from the date of receiving income after receiving the promotional certificate (the said investment is expected to be worth approximately 123.7 million Baht).</li> <li>• An exemption of corporate income tax from Dividends that derives from the promoted business</li> <li>• An exemption on an import duty on machinery as approved by the Board. It must be imported by May 23, 2021.</li> <li>• Must have paid-up registered capital of no less than 960.0 million Baht.</li> <li>• The size of the business has the following production capacity: <ul style="list-style-type: none"> <li>– Furniture and parts - approximately 1,950,000 sets per year</li> <li>– Mattresses - approximately 60,000 sets per year</li> <li>– (10 hours per day working time: 300 days per year)</li> </ul> </li> <li>• Establishment of a factory in Samut Sakhon province. It must not be in a restricted area according the announcement of the province's provincial town plan. It was permitted by the Ministry of Industry or related government agencies that within 15 years from the date of operation the factory cannot be moved to another location.</li> <li>• The quality of manufactured or assembled products must be in compliance with international standards. If standards are announced under laws regarding industrial product standards, the Company must proceed to obtain a license to display the standard symbol from the industrial product standards Committee as well.</li> </ul>

Note: IDF started to use the above tax privileges beginning in the first quarter of 2019.

Promotion Approval Date	Index Interfurn Company Limited
Promotional Certificate Issuance Date	January 14, 2019
Type of Business	March 15, 2019
Essence of Benefits and Conditions	Production of Furniture, Household Furnishings or Parts with an Automated System or Robots
Promotion Approval Date	<ul style="list-style-type: none"> <li>A corporate income tax exemption for net profit derived from the promoted business for a total of no more than 50% of the investment for automation or robots for a period of 3 years from the date of the first earning revenue from business.</li> <li>An exemption on corporate income tax from dividends that were derived from the promoted business.</li> <li>An exemption from import duties on machinery which was approved by the Board of Directors. This must be imported by September 15, 2021</li> <li>The size of business has a production capacity of 500,000 sets of furniture per year (24 hours per day /300 days/per year.</li> <li>Investment size (excluding the cost of land and working capital) is no less one million Baht.</li> <li>A corporate income tax exemption with a value not exceeding 60 million Baht. This will be adjusted according to the amount of investment for the real automation or robot on the day of operation.</li> <li>Must operate to obtain an ISO 9000 or ISO 14000 certificate of other international standard equivalent within two years from the fully operational start date.</li> <li>Must use automation systems or robots in production or services in accordance with the approved investment plans.</li> <li>Establish a factory in Samut Sakhon province. It must not be in a restricted area according the announcement of the province's provincial town plan. It was permitted by the Ministry of Industry or related government agencies that within 15 years from the date of operation the factory cannot be moved to another location.</li> </ul>

### Environmental Impact

The Company focused on providing quality and diverse products to customers as well as caring for the environment. The Company paid attention to having preventive measures and controlled the effect of the Company's business operations. Over the past years, the Company always complied with the environmental rules and regulations. The main production waste includes waste water, certain chemicals, wood chips, dust, etc. The Company treated the production waste to meet the required standards before releasing any water from the factory or hired a waste processor, as specified by the rules and regulations.

### Projects Back Log or High valued work that takes time to deliver

As of December 31, 2019, the Company had a total backlog of 826.8 million Baht and 0.06 million US dollars. The details are as follows:

Number of Project (Project)	Company	Year of Contract	Contract Term	Value
58	Pruksa Real Estate Public Company Limited	2017 - 2019	2 months to 3 years	826.8 million Baht and 0.06 million US Dollars
	Supalai Public Company Limited	2019		
	AP Group (Thailand) Public Company Limited	2017 - 2019		
	CPN Residence Company Limited	2017 - 2019		
	Erawan Hop Inn Company Limited	2019		
	Others	2018 - 2019		

# Securities and Shareholders Information

## Registered Capital and Paid-Up Capital of the Company

As of January 31, 2020, the Company had registered capital in the amount of 2,525,000,000.00 Baht, divided into 505,000,000 ordinary shares, with a par value of 5.00 Baht per share. The Company had paid-up capital in the amount of 2,525,000,000.00 Baht. The securitized name for trading is “ILM” and there were no shares issued other than ordinary shares.

## Shareholders

Thirteen major shareholders (according to the shareholder register as of January 31, 2020)

Number	Shareholder	Amount	Percentage
1.	Krobkrua Thammada Panich Co.,Ltd.	203,310,000	40.259
2.	Mr. Ekaridhi Patamasatayasonthi	34,289,320	6.790
3.	Ms. Kridchanok Patamasatayasonthi	33,989,320	6.731
4.	Miss Pichapim Patamasatayasonthi	33,639,320	6.661
5.	Mr. Ekalak Patamasatayasonthi	33,639,320	6.661
6.	Mrs. Kunthong Udommahuntisuk	21,004,880	4.159
7.	Mr. Pisith Patamasatayasonthi	13,400,900	2.654
8.	Mr. Yingyot Udommahuntisuk	7,858,860	1.556
9.	Miss Chonwadee Udommahuntisuk	7,000,000	1.386
10.	Miss Chonthip Udommahuntisuk	7,000,000	1.386
11.	Mr. Ekarat Udommahuntisuk	7,000,000	1.386
12.	Phatra Fixed Income Dividend Fund	3,780,100	0.749
13.	Muang Thai Life Assurance Public Company Limited	2,873,000	0.569
14.	Phatra SMALL AND MID CAP EQUITY Fund	2,542,000	0.503

## Distribution of Shares by Nationality

The distribution of shares by nationality for Index Living Mall Public Company Limited, as of the closing date of the book of major shareholder's registration (XO) on January 31, 2020.

Shareholder	Total Shares			Legal Entity			Individual		
	Number (people)	Number (shares)	Percent (%)	Number (people)	Number (shares)	Percent (%)	Number (people)	Number (shares)	Percent (%)
Thai	3,799	504,621,800	99.93	132	235,666,690	46.67	3,667	268,955,110	53.26
Foreign	16	378,200	0.07	2	62,700	0.01	14	315,500	0.06
Total	3,815	505,000,000	100.00	134	235,729,390	46.68	3,681	269,270,610	53.32

## Issuance of Other Securities

-None-

# Dividend Payment Policy

## Company Dividend Policy

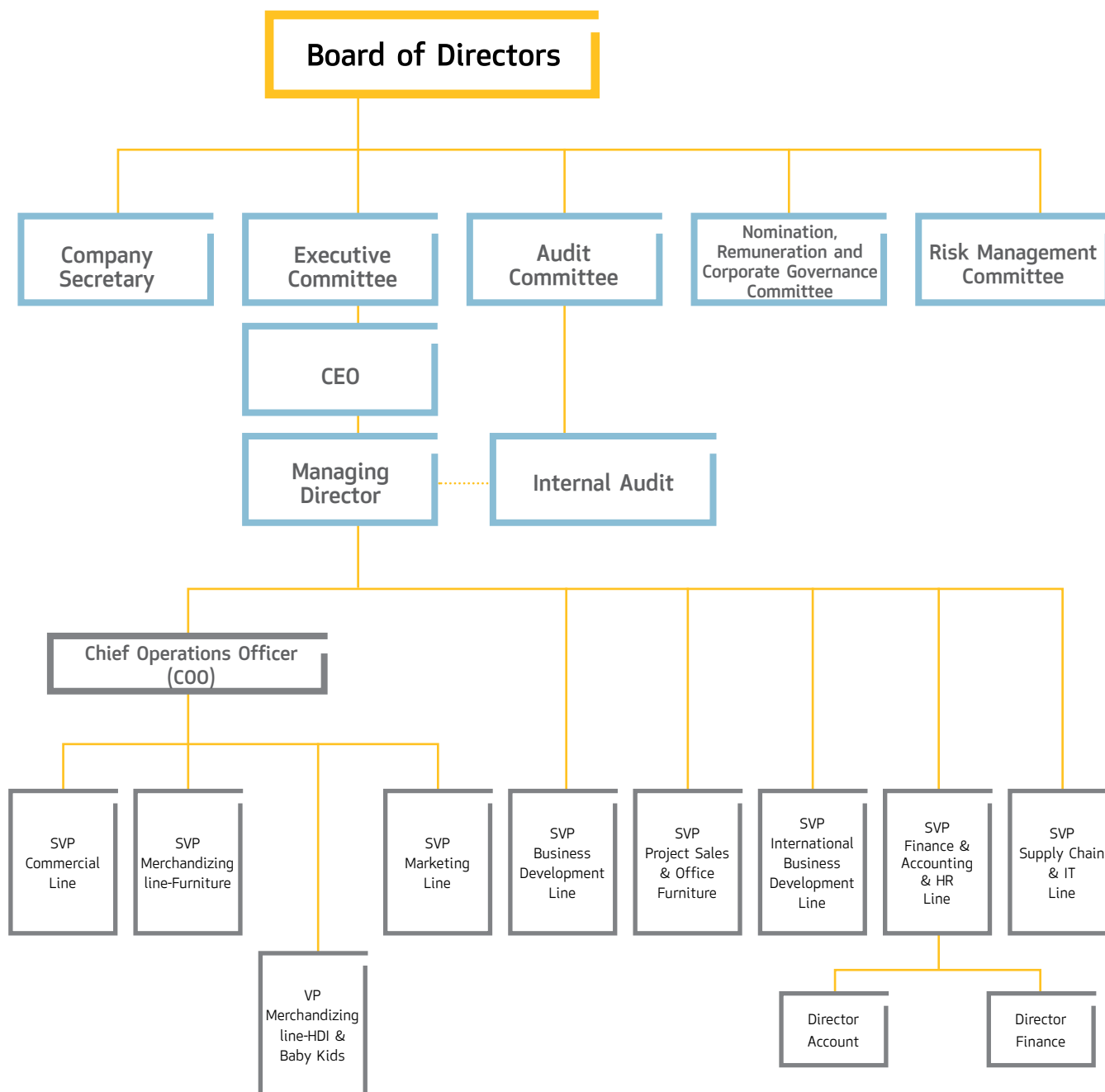
The Company has a policy to pay dividends to shareholders at a rate of no less than 50% of the net profit in the Company's consolidated financial statements, after the deduction of corporate income tax and all reserves as defined by the laws and the Company each year. The Board of Directors will consider a dividend payment based on the consideration of various factors for the primary benefit of shareholders. These factors include economic conditions, operation results, the financial status of the Company, cash flow, reserves for future investments, reserves to repay loans or as working capital within the Company. The terms and conditions specified in the loan agreement and the dividend payment does not significantly affect the normal business operations of the Company as deemed appropriate or suitable by the Board of Directors.

## The Subsidiaries Dividend Policy

The subsidiary companies have a policy to pay dividends to shareholders at a rate of no less than 50% of the Company's consolidated financial statements, after the deduction of corporate income tax and all reserves as defined by the laws and the subsidiary each year. The subsidiaries' Board of Directors will consider dividend payment based on various factors for the primary benefit of shareholders. These factors include economic conditions, the results of operations, the financial status of the subsidiary, cash flow, reserves for future investments, reserves to repay loans or as working capital within the subsidiary. The terms and conditions specified in the loan agreement contract and the dividend payment does not significantly affect the normal business operations of the subsidiary as deemed appropriate or suitable by the Board of Directors of the subsidiary.



# Organization Chart



Note: The Company promoted the position of Chief Operating Officer which became effective on August 1, 2019.

The Senior Vice President of Home Décor and Baby Products resigned, effective on November 1, 2019. The Company assigned the Vice President Director to carry out these responsibilities.

The Board of Directors Meeting No. 7/2019 which was held on November 11, 2019, resolved to appoint the Nomination, Remuneration and Corporate Governance Committee.

# Management Structure

The Company's management structure consists of 5 committees. These are the Board of Directors, the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee, the Executive Committee and the Risk Management Committee.

## Types of Committees

### 1. The Board of Directors

As of December 31, 2019, the Board of Directors was comprised of 11 members and consisted of the following components:

- 4 independent directors which account for more than one third of the total number of directors. The directors are independent from the Management and any major shareholders.
- 5 non-executive directors
- Over the past 2 years, all directors have never been employees, shareholders, or partners of KPMG Phoomchai Audit Company Limited or an external auditor who audited the financial statements of the Company and its subsidiaries.

Names and positions of the Board of Directors

Name and position of Board of Directorst

1.	Mrs. Kannikar	Chalitaporn <sup>1</sup>	Chairman of the Board
2.	Mr. Pisith	Patamasatayasonthi	Director / Chairman of the Executive Committee / Chief Executive Officer
3.	Mrs. Kunthong	Udommahuntisuk	Director
4.	Ms. Kridchanok	Patamasatayasonthi	Director / Executive Committee / Managing Director
5.	Ms. Pichapim	Patamasatayasonthi	Director / Executive Committee
6.	Mr. Ekalak	Patamasatayasonthi	Director / Executive Committee
7.	Mr. Ekaridhi	Patamasatayasonthi	Director / Executive Committee
8.	Mr. Jirayut	Rungsrithong	Independent Director / Chairman of the Audit Committee / Nomination, Remuneration and Corporate Governance Committee
9.	Mrs. Pennapha	Dhanasarnsilp	Independent Director / Chairman of the Nomination, Remuneration and Corporate Governance Committee and Audit Committee
10.	Mr. Adisak	Ruckariyaphong	Independent Director / Audit Committee / Nomination, Remuneration and Corporate Governance Committee
11.	Mr. Ariya	Banomyong	Independent Director
	Mrs. Kanokwanrat	Srimaneesiri	Company Secretary

Note: <sup>1</sup> Mrs. Kannikar Chalitaporn is the Chairman of the Board but is not an independent director. Therefore, the Board of Directors' Meeting No. 4/2018, which was held on March 30, 2018 approved the appointment of independent directors, Mr. Adisak Ruckariyaphong or Mrs. Pennapha Dhanasarnsilp to work with the Chairman of the Board in determining the Meeting's agenda in order to be in accordance with the Principles of Good Corporate Governance for Listed Companies 2017.

Therefore, information and details of the Board of Directors appear in the Details of Directors, Executives and the Company Secretary.

#### Directors who have authority to sign on behalf of the Company as specified in the affidavit

The directors who have signatory authority to bind the Company are Mr. Pisith Patamasatayasonthi, Mrs. Kunthong Udommahuntisuk, Miss Kridchanok Patamasatayasonthi, Miss Pichapim Patamasatayasonthi, Mr. Ekalak Patamasatayasonthi, and Mr. Ekaridhi Patamasatayasonthi. Two of these 6 persons shall jointly affix their signatures with the Company seal.

#### Board Meeting

Number of meetings and number of times each director attended the meeting for the year ended on December 31, 2019 are as follows:

Name - Last Name	Position	Number of Meetings Attended/Number of Meetings
		January 1 - December 31, 2019
1. Mrs. Kannikar Chalitaporn	Chairman of the Board	7/7
2. Mr. Pisith Patamasatayasonthi	Director	7/7
3. Mrs. Kunthong Udommahuntisuk	Director	6/7
4. Ms. Kridchanok Patamasatayasonthi	Director	7/7
5. Ms. Pichapim Patamasatayasonthi	Director	7/7
6. Mr. Ekalak Patamasatayasonthi	Director	7/7
7. Mr. Ekaridhi Patamasatayasonthi	Director	7/7
8. Mr. Jirayut Rungsrithong	Independent Director	6/7
9. Mrs. Pennapha Dhanasarnsilp	Independent Director	7/7
10. Mr. Adisak Ruckariyaphong	Independent Director	6/7
11. Mr. Ariya Banomyong	Independent Director	6/7

## 2. Audit Committee

The Audit Committee is comprised of the following 3 members:

- |    |               |                |  |
|----|---------------|----------------|--|
| 1. | Mr. Jirayut   | Rungsrithong   | Independent Director and Chairman of the Audit Committee |
| 2. | Mrs. Pennapha | Dhanasarnsilp  | Independent Director and Audit Committee                 |
| 3. | Mr. Adisak    | Ruckariyaphong | Independent Director and Audit Committee                 |
|    | Mr. Pisit     | Opapakorn      | Secretary of the Audit Committee                         |

Mr. Jirayut Rungsrithong is an Audit Committee who has knowledge and experience to review the reliability of the Company's financial statements. (The details regarding the qualifications and experience of the 3 Audit Committee are in Attachment 1. Details regarding the Details of Directors, Executives and Controlling Persons, and the Company Secretary).

### Audit Committee Meetings

Number of meetings and number of meetings each Audit Committee attended in 2019 are as follows:

Name - Last Name	Position	Number of Meetings Attended/Number of Meetings
		January 1 - December 31, 2019
1. Mr. Jirayut Rungsrithong	Independent Director and Chairman of the Audit Committee	5/6
2. Mrs. Pennapha Dhanasarnsilp	Independent Director and Audit Committee	6/6
3. Mr. Adisak Ruckariyaphong	Independent Director and Audit Committee	6/6

### 3. Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee was appointed by the resolution of the Board of Directors' Meeting No. 7/2019 on November 11, 2019 and is comprised of the following 3 members:

1. Mrs. Pennapha Dhanasarnsilp Independent Director and Chairman of the Nomination, Remuneration and Corporate Governance Committee
  2. Mr. Jirayut Rungsrithong Independent Director and the Nomination, Remuneration and Corporate Governance Committee
  3. Mr. Adisak Ruckariyaphong Independent Director and the Nomination, Remuneration and Corporate Governance Committee
- Mrs. Kanokwanrat Srimaneesiri Secretary of the Nomination, Remuneration and Corporate Governance Committee

### 4. Executive Committee

The Executive Committee is comprised of the following 4 members:

1. Mr. Pisith Patamasatayasonthi Chairman of the Executive Committee
2. Ms. Kridchanok Patamasatayasonthi Executive Committee
3. Ms. Pichapim Patamasatayasonthi Executive Committee
4. Mr. Ekalak Patamasatayasonthi Executive Committee

### Executive Committee Meetings

The number of meetings and the number of meetings each executive director attended in 2019 are as follows

Name - Last Name	Position	Number of Meetings Attended/ Number of Meetings
		January 1 - December 31, 2019
1. Mr. Pisith Patamasatayasonthi	Chief Executive Officer	12/12
2. Ms. Kridchanok Patamasatayasonthi	Executive Committee/ Managing Director	12/12
3. Ms. Pichapim Patamasatayasonthi	Executive Committee	12/12
4. Mr. Ekalak Patamasatayasonthi	Executive Committee	12/12
5. Mr. Ekaridhi Patamasatayasonthi	Executive Committee	12/12

## 5. Risk Management Committee

Risk Management Committee was appointed by the resolution of the Board of Directors' Meeting No. 1/2020 on February 24, 2020 and is comprised of the following 3 members:

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | Mr. Adisak Ruckariyaphong         | Independent Director and Chairman of the Risk Management Committee |
| 2. | Ms. Kridchanok Patamasatayasonthi | Director and Risk Management Committee                             |
| 3. | Mr. Ekaridhi Patamasatayasonthi   | Director and Risk Management Committee                             |
|    | Mrs. Kanokwanrat Srimaneesiri     | Secretary to Risk Management Committee                             |

## Executive Management

The executive management is comprised of the following 13 executives:

- |     |   |   |
|-----|---|---|
| 1.  | Mr. Pisith Patamasatayasonthi           | Chief Executive Officer   |
| 2.  | Ms. Kridchanok Patamasatayasonthi       | Managing Director   |
| 3.  | Mr. Vipol Vorasowharid <sup>1</sup>     | Chief Operating Officer   |
| 4.  | Mr. Ekalak Patamasatayasonthi           | Senior Vice President - Business Development  |
| 5.  | Mr. Nattinai Yuttapatsak                | Senior Vice President of Project Sales and Office Furniture                                 |
| 6.  | Mr. Kwanchai Kitkongkajornchai          | Senior Vice President - Merchandizing Furniture Line  |
| 7.  | Mr. Somchai Tosomsakul <sup>2</sup>     | Senior Vice President - Commercial Line   |
| 8.  | Mrs. Kanjanawan Layluxsiri <sup>3</sup> | Senior Vice President - Marketing   |
| 9.  | Mrs. Kanokwanrat Srimaneesiri           | Senior Vice President of Accounting & Finance and Human Resource Management and Development |
| 10. | Mr. Gerard McGurk                       | Senior Vice President of International Business   |
| 11. | Ms. Pavaradee Wichaidit                 | Senior Vice President of Supply Chain and Information Technology                            |
| 12. | Mr. Suchart Sasivimolvit                | Chief Accounting Officer  |
| 13. | Mr. Thosak Kanjananimnont               | Chief Financial Officer   |

Notes: <sup>1</sup> Mr. Vipol Vorasowharid was appointed as Chief Operating Officer on August 1, 2019.

<sup>2</sup> Mr. Somchai Tosomsakul was appointed as Senior Vice President of Commercial Operations on November 1, 2019 in a replacement of Miss Pornphan Wongmasa who resigned on November 1, 2019.

<sup>3</sup> Mrs. Kanjanawan Layluxsiri was appointed as Senior Vice President of Marketing on March 1, 2019

## Company Secretary

The Board of Directors' Meeting No. 4/2018, held on March 30, 2018, appointed Mrs. Kanokwanrat Srimaneesiri to be the Company Secretary in order to comply with the requirements of the Securities and Exchange Act B.E. 2535 (including amendments).

### The Scope of Duties and Responsibilities for the Company Secretary

1. Give preliminary advice to the directors in regards to complying with the laws, regulations, and the Article of Association of the Company. Monitor to ensure compliance and report any significant changes in legal requirements to the directors and executives.
2. Monitor and oversee the disclosure information and report related information in accordance with the regulations, notifications and requirements of the Stock Exchange of Thailand, the Office of Securities and Exchange Commission, and the Capital Market Supervisory Board.
3. Prepare and keep the following important documents:



(A) Director registration

(B) Meeting invitation letter for the Board of Directors' Meeting and the minutes of the Committee Meeting

(C) Meeting invitation letter for Shareholders' Meeting and the minutes of the Shareholders' Meeting

(D) The Company's Annual Report

4. Keep the directors and executives' stakeholder's report and send a copy to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days since the date that the Company received the report.
5. Monitor and ensure that the Shareholders' Meeting and the Board Meetings are in accordance with the laws, Article of Association of the Company and related practices and ensure the compliance with the resolutions of the Shareholders' Meeting and the resolutions of the Board of Directors' Meeting.
6. Supervise the activities of the Board of Directors and undertake any other matters in order to be in compliance with the law and/or as specified by the Capital Market Supervisory Board and/or as assigned by the Board of Directors

## Remuneration for Directors and Executives

The Company determined clear and transparent remuneration for directors which is consistent with the role and responsibilities in overseeing the Company's operations by considering the suitability and taking into account the maximum benefit of the Company. The remuneration for the directors and executives is as follows:

### Monetary Compensation

#### 1) Directors' Remuneration

The Company has set the remuneration for directors annually. This was approved by the Shareholders' Meeting. The Annual General Meeting of the Company's Shareholders for 2019 held on March 22, 2019, approved the remuneration for directors for the year 2019 with the following details:

Position	Monthly Remuneration (Baht/Person/Month)	Meeting Attendance Fee (Baht/Person/Time)
<b>Board of Directors</b>		
Chairman	50,000	30,000
Committee Member	30,000	20,000
<b>Audit Committee</b>		
Chairman	-	30,000
Committee Member	-	20,000
<b>Nomination, Remuneration and Corporate Governance Committee (Appointed on November 11, 2019)</b>		
Chairman	-	30,000
Committee Member	-	20,000
<b>Executive Committee</b>		
Chairman	-	-
Committee Member	-	-

The remuneration of the Company's directors for the year ended on December 31, 2019 are as follows":

Name - Last Name		Position	End of 2019 (Baht)
1.	Mrs. Kannikar Chalitaporn	Chairman of the Board	810,000
2.	Mr. Pisith Patamasatayasonthi	Director	500,000
3.	Mrs. Kunthong Udommahuntisuk	Director	480,000
4.	Ms. Kridchanok Patamasatayasonthi	Director	500,000
5.	Ms. Pichapim Patamasatayasonthi	Director	500,000
6.	Mr. Ekalak Patamasatayasonthi	Director	500,000
7.	Mr. Ekaridhi Patamasatayasonthi	Director	500,000
8.	Mr. Jirayut Rungsrithong	Independent Director, Chairman of the Audit Committee	630,000
9.	Mrs. Pennapha Dhanasarnsilp	Independent Director and Audit Committee	620,000
10.	Mr. Adisak Ruckariyaphong	Independent Director and Audit Committee	600,000
11.	Mr. Ariya Banomyong <sup>1</sup>	Independent Director	320,000

Note: <sup>1</sup> The Board of Directors' Meeting No. 3/2019 held on May 13, 2019, resolved to approve monthly compensation and meeting attendance fee to Mr. Ariya Banomyong, an independent director.

### Remuneration for Executives

For the year 2019, the Company paid monetary compensation which included salary, bonuses and other remuneration to executives in the amount of 79.32 million Baht respectively.

The remuneration of the executive management of the Company for the year 2019 ended on December 31, 2019 is as follow:

Category	For 2019	
	Number (Person)	Remuneration (THB millions)
Salary and Bonuses	11	73.80
Other Remuneration <sup>1</sup>	11	5.52
Total	11	79.32

Note: <sup>1</sup>Other remuneration mainly consists of Social Security Fund, Provident Funds and Fringe Benefit, etc.

### Other Compensation

-none-

## Personnel

### Total Number of Employees

The number of employees in each division (excluding Executive Management) as of December 31, 2019 is as follow.

Division		Number of Employees (Person)	
		Full-Time	Part-Time
1	Office of the Managing Director	5	0
2	Commerce	2,202	49
3	Furniture Product Management	113	0
4	Home Décor and Baby Products Management	28	0
5	Business Development	86	1
6	Project Sales and Office Furniture	57	2
7	International Business	9	0
8	Accounting, Finance and Human Resources Management and Development	181	0
9	Supply Chain and Information Technology	660	252
10	Marketing	36	0
11	Production Line and Production Line Support	1,526	0
12	Retail Space Management	96	0
13	Internal Audit Department	4	0
Total		5,003	304

The employee turnover rate of the Company, calculated from the number of employees who resigned to the total number of full-time employees for the year 2019, accounted for 34.43%.

### Employee Remuneration

The Company and its subsidiaries have different types of employee remuneration. The remuneration of employees (Excluding Executive Management) for the year 2019 are as follows:

Remuneration (millions of Baht)	2019
Salary	1,165.87
Bonuses	102.32
Other Remuneration <sup>1/1</sup>	352.27
Total	1,620.46

Note: <sup>1/1</sup> Other remuneration mainly consists of incentives, Social Security Fund and Provident Funds, etc.

### Provident Funds

The Company and its subsidiaries assigned BBL Asset Management Company Limited to be the Provident Fund manager of the Company and its subsidiaries under the name The Sin Sata Porn registered provident fund since October 1, 2013.

### Human Resource Development Policy of the Company

The Company pays attention to personnel development by establishing policies to train and develop personnel in the organization to be in line with the business needs, strategy and vision of the Company. The Company also plans for continuous improvement,

change, and development which includes budgets, resources, time, and personnel for the training and development of personnel in the organization. The Company also stipulated the training plan and the annual training plan. The training program will be divided into skill programs, short courses, on the job training, coaching, mentoring and blended learning.

## Internal Training

Quality, Health, Safety and Environment Training Program (QSHE) by Internal Trainer	Target Group (People)						Number of Training Days (1 Day ≥ 6 hours)
	Operational Staff (Operation)			Support Staff		Senior Executives	
	Sales Department Staff	Support Staff	Sales Supervisor / Support Supervisor	Head quarters	Factory and Delivery Department		
Health, Safety and Environment at work Training Program Training for general employee and new employee	169	100	1				1

Internal Training Courses on Skills Enhancement for each Position and Promote Skill and Knowledge of each position by Internal Trainer		Target Group (People)						
		Operational Staff (Operation)			Support Staff		Senior Management	Number of Training Day (1 Day ≥ 6 hours)
		Sales Department Staff	Support Staff	Supervisor Sales/ Support	Head quarters	Factory and Delivery Department		
Knowledge Based on Job Positions (Functional Skill)	Knowledge of sales and services for employees of Index Living Mall branch (New Employee Orientation Program)	328		14				5
	1. Cashier & Customer Service Staff		43	3				5
	2. Maintenance Staff		13					2
	3. Stock & Sales Co./ Café/ Invoice/ Loss Prevention Staff		50					1
	New employee orientation for head office staff				75		15	1
	Basic knowledge on furniture products	84		3	2			2
	Knowledge on selling products, closets and extended living sets	120						2
	Professional modular salesperson course	60						2
	Professional mattress sales course	65		2	2			2
	Mattress product knowledge for general sales staff	39						2
	Knowledge on bedding products: Prue care	61						2
	Knowledge on designing and styles (3D)	120						10
	Knowledge on designing and styles (Younique)				8			2

Internal Training Courses on Skills Enhancement for each Position and Promote Skill and Knowledge of each position by Internal Trainer		Target Group (People)						
		Operational Staff (Operation)			Support Staff		Senior Management	Number of Training Day (1 Day ≥ 6 hours)
		Sales Department Staff	Support Staff	Supervisor Sales/Support	Headquarters	Factory and Delivery Department		
Knowledge Based on Job Positions (Functional Skill)	Knowledge on display	31						1
	Regulations and Services DC					112		1
	Basic knowledge of furniture and usage of TMS DC system					141		1
	Basic knowledge of how to use installation tools DC					143		1
	Professional furniture assembly of living room sets DC					136		1
	Professional assembly of furniture and bedroom sets DC					133		1
	Younique Product installation for branch technicians					23		9
	Assembly of floating furniture products by Ital Smart					40		3
	Knowledge on Kitchen product installation					14		5
	Techniques for drilling and measuring to attach furniture on the walls					43		3
	Technician skill standards for home furniture assembly					24		3
	Technician skill standards for furniture assembly					24		3
	Technician skill standards Built in furniture					14		3
	Techniques for product installation for professional					55		1
	Basic knowledge on furniture assembly for a Designer					10		2
ความรู้เพื่อส่งเสริมการทำงาน (Soft Skill)	Effective communication skills with people of different styles				616	312		1
	Training course for support staff to provide excellent service and communication	33	74	29				2
	Creative Negotiation	116		1		8		2
	Develop salespeople with a process to understand different customer styles (Index Super Wow)	53			2			2
	Communication to reduce conflicts within the team	587		32			10	1



Internal Training Courses on Skills Enhancement for each Position and Promote Skill and Knowledge of each position by Internal Trainer		Target Group (People)					
		Operational Staff (Operation)			Support Staff		Number of Training Day (1 Day ≥ 6 hours)
		Sales Department Staff	Support Staff	Super visor Sales/ Support	Head quarters	Factory and Delivery Department	
ความรู้เพื่อเสริมสร้างทักษะ (Soft Skill)	Communication and teaching skills			78			
	Knowledge on internal communication						
	Knowledge on efficient time management						
	Knowledge on personnel management for supervisors						
	Habits for sustainable success						
	How to coordinate to get the job					127	1
	Increase work potential with positive thinking					220	1
	Creating confidence and impressing customers					139	1
	Creativity and work					143	1
	Develop teams to strive for success					120	1
	Deliver products with impressive verbal skills					216	1

In addition, the Company also promotes and develops knowledge, capabilities and related skills to support the performance of each employee in order to maximize efficiency by sending employees to train with experts who are knowledgeable in various fields.

Training Course on Skill Enhancement for each Position and by External Trainers	Target Group (People)						
	Operational Staff (Operation)			Support Staff		Senior Management	Number of Training Day (1 Day ≥ 6 hours)
	Sales Department Staff	Support Staff	Supervisor Sales/ Support	Head quarters	Factory and Delivery Department		
Techniques for technology implementation				13		107	1
CPR First Aid Courses (In-House Training)	29	6		5			1
Basic firefighting training (In-House Training)	346	154	3	22			1
CPR First Aid Courses (Public Training)		2					1
Training, testing and skill assessment of building electrician Level 1 (Public Training)		60					3
Quality standard system for transport services, using truck for personal transportation (Public Training)				1	1		1
Safety officer in supervisor level (Public Training)			4				2

Training Course on Skill Enhancement for each Position and by External Trainers	Target Group (People)						
	Operational Staff (Operation)			Support Staff		Senior Management	Number of Training Day (1 Day ≥ 6 hours)
	Sales Department Staff	Support Staff	Supervisor Sales/Support	Headquarters	Factory and Delivery Department		
Safeguarding of Workers using Liquefied Petroleum Gas (Public Training)		1					2
Systematic thinking					29		1
Making an effective operational plan					58		2
Efficient delivery management and reduce transportation costs					10		1
Applying KPI for performance evaluation					52		2

## External Training

### All Committees, Executive Management and the Company Secretary

The Board of Directors and the Company Secretary will attend seminars related to the duties and business operations of the Company to be in compliance with the regulations of the Office of Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and related agencies. These seminars are organized by the SEC, the Thai Institute of Directors Association, the Thai Listed Companies Association in order to use knowledge for development and be a guideline for performing duties. This includes giving advice or suggestions to improve and develop the Company's operations to be even better.

## Employees

The Company gives employees opportunities to participate in various training sessions which are standardized and internationally recognized curriculum to develop their potential and expertise to keep up with the technology that is rapidly developing and changing in order to be able to better respond to customer service needs better. When sending staff for external training, the Company will consider morality, the effectiveness of the organization providing the training and the importance of the benefits because The Company conducts serviced business that provide services, satisfaction and confidence to customers, which will also determine the Company's future. Because of this, the Company is able to expand the business and continue to grow until now.

Training Course on Skill Enhancement for each Job Position by External Trainers	Target Group (People)						
	Operational Staff (Operation)			Support Staff		Senior Management	Number of Training Day (1 Day ≥ 6 hours)
	Sales Department Staff	Support Staff	Super visor Sales/ Support	Head quarters	Factory and Delivery Department		
Accounting and finance knowledge				4		1	2
IT knowledge				5		1	2
Internal control and risk management Knowledge				5			4

Type of Training	Summary of Employee Training				
	Number of Courses	Number of Times	Number of Hours	Number of People	Amount of Money (Baht)
Internal Training by Internal Trainers	40.00	191	3,852.60	5,228	4,439,689.00
External Training by External Trainers	12.00	44	336.00	903	766,839.90
Summary	52	235	4,189	6,131.00	5,206,528.90

In 2019, the Company sent employees to attend 52 seminars and/or different knowledge tests (40 internal training courses by internal trainers and 12 external training courses by external trainers). This totaled 236 training courses, 5,206,528.90 Baht was spent on training or accounted to 4,182.60 hours per year. The total number of employees that attended the training courses were 6,139 (repeated head count). The average cost of training per person per year was 849.21 Baht.

# Corporate Governance

## Corporate Governance Policy

The Company is aware of the importance of good corporate governance which is a key factor that helps promote the operations of the Company and its subsidiaries so that they are efficient and have sustainable growth which will lead to the best interest of stakeholders. This includes employees, investors, shareholders and other stakeholders. Therefore, the Board of Directors deemed it appropriate to establish a better corporate governance policy that covers the main principles which begins with the structure, roles, duties and responsibilities of the Board of Directors as well as the transparent, clear, verifiable management principles for the executives in order to be a guideline for the organization's management. This ensures that the Company's operations are fair and take the best interest of all shareholders and stakeholders into account.

In order to cultivate credibility from shareholders and all stakeholders, as well as create value for sustainable business that meets the expectations of the business sector and investors, as well as the capital market and society as a whole, the Company established a good corporate governance policy by adhering to the principles of good corporate governance for listed companies in 2017. They were prepared by the Securities and Exchange Commission, as a guideline for the corporate governance of the Company.

## Corporate Governance Principles and Policies

The Board of Directors recognized the importance in complying with good corporate governance principles. The 8 corporate governance principles are summarized as follows:

### Principle 1: Establish Clear Leadership Roles and Responsibilities for the Board.

- The Board of Directors shall understand their role and be aware of their responsibilities as leaders who supervise the Company in order to have a good management system. This covers the following:
  - (1) Determine the objectives and goals.
  - (2) Formulate strategy and operational policy as well as allocating important resources in order to achieve the objectives and goals.
  - (3) Monitor, evaluate and supervise the performance reports.
- The Board of Directors shall supervise and lead the Company to have a good governance outcome
- The Board of Directors shall ensure that all directors and executives perform their duties with care and loyalty to the organization and ensure that operations are in accordance with the laws, regulations and resolutions of the Shareholders' Meeting as well as the policies and guidelines that have been established. This includes the approval process for important operations such as investments, transactions that significantly affect the Company, connected transactions, acquisitions/disposition of assets and dividend payments, etc.
- The Board of Directors shall understand the scope of duties and responsibilities of the Board of Directors, and clearly

determine the scope of assignments, duties and responsibilities for the Chief Executive Officer and the management as well as monitor the performance of the duties assigned to the Chief Executive Officer and the management.

### Principle 2: Define Objectives that Promote Sustainable Value Creation.

- The Board of Directors shall determine or oversee the Company's objectives and main goals for sustainability. These objectives and goals are consistent with the value creation for the Company, customers, stakeholders, and society as a whole.
- The Board of Directors shall oversee the objectives and goals as well as the mid-range and/or annual strategies of the Company so that they are consistent with achieving the Company's objectives and goals. This is done by using technology appropriately and safely.

### Principle 3: Strengthening the Board's Effectiveness

- The Board of Directors is responsible for determining and reviewing the Board's structure, in regards to size, composition, and the appropriate proportion of independent directors that are necessary to lead the organization to the stipulated objectives and goals.

### Diversity of the Directors' Structure Policy

The Company and the Nomination, Remuneration and Corporate Governance Committee are responsible for selecting the qualifications of each committee so that the committee's structure has a variety of knowledge and expertise in the Company's business and related industries. They also have a profession of a specific field, have experience that is beneficial to business operations, age, gender and educational background. There should be at least one female director because of the being detail-oriented and being prudent in management. In addition, the Board of Directors shall have at least one non-executive director with experience in the main business or industry in which the Company operates. This ensures that the Board of Directors as a whole is qualified, suitable and able to understand and respond to the needs of the stakeholders more efficiently.

- The Board of Directors shall select the appropriate person to be the Chairman of the Board and ensure that the composition and operations of the Board facilitates decision making freely.
- The Board of Directors is responsible to oversee all directors that they perform their duties and allocate sufficient time.
- The Board of Directors is responsible for providing an appropriate framework and mechanisms to oversee the policies and operations of each subsidiary and other business venture that the Company has significantly invested. The subsidiaries and other business ventures shall have a mutual understanding.
- The Board of Directors shall arrange the performance evaluation of the entire Board of Directors in order to review their performance, problems and obstacles every year so that the evaluation results can be used to develop and improve operations in various aspects.

### The Performance Evaluation Process of the Board of Directors

- 1) The Board of Directors reviews the evaluation form so that it is accurate and complete and in accordance with the criteria of the regulatory agency.
- 2) The Company Secretary submits the evaluation form to the Board of Directors for evaluation.
- 3) The Company Secretary compiles evaluation forms, prepares a summary report of the assessment results and reports to the Board of Directors
- 4) The Board of Directors uses the evaluation results to determine the operational guidelines.



- The Board of Directors shall supervise the Board and each director to have an understanding of their roles, duties, the nature of business, and the laws related to business operations, as well as encouraging all directors to regularly enhance their skills and knowledge for their duties.
- The Board of Directors shall ensure that the operations of the Board are complete and the necessary information is accessible. The Board shall have a Company Secretary who has the necessary knowledge and experience to support the Board's operations.

#### Principle 4: Ensure an Effective CEO and People Management

- The Board of Directors shall ensure the recruitment and development of the Chief Executive Officer and the senior executives so that they have the necessary knowledge, skills, experiences and characteristics to drive the organization towards the goal.
- The Board of Directors shall understand the structure and the relationship of shareholders that may affect the management and operations of the Company.
- The Board of Directors shall monitor the management and development of personnel so that they have appropriate knowledge, skills, experience and motivation.

#### Development of Succession Plan

The Company gives importance to the selection of personnel for succession in important positions in a transparent and fair manner. This ensures that the Company's business operations have continuity in management, are able to support the extension of the business base and the customer groups in a timely manner. The Nomination, Remuneration, and Corporate Governance Committee will oversee and encourage the preparation and review of the succession plan for the positions of directors and the Chief Executive Officer. This includes the key positions that are important to business operations of the Company so that they are in accordance with the succession plan policy.

#### Principle 5: Nurture Innovation and Responsible Business Promotion

- The Board of Directors attaches importance to and supports operations that create business value while creating benefits for customers and related parties as well as being responsible to society and the environment.
- The Board of Directors shall monitor and supervise management to conduct business with responsibility to society and the environment and it should be reflected in the operating policy in order to ensure that every department of the organization implements them in accordance with the objectives, main goals, and strategies of the Company.
- The Board shall supervise management to efficiently and effectively allocate resources management in order to sustainably achieve the objectives and main goals.
- The Board of Directors shall provide supervisory framework and organizational information technology management which respond to the needs of the Company. This includes supervising the use of information technology in order to increase business opportunities, improve operations, and manage risk so that the Company is able to achieve its objectives and main goals.
- The Board of Directors attaches importance and supports operations that create value for the business while simultaneously creating benefits for customers or related parties and is responsible to society and the environment.
- The Board will monitor management so that it conducts business with social and environmental responsibility. This is reflected in the Operating Policy to ensure that every department of the organization was implemented in accordance with the objectives, key goals and the strategic plan of the Company.

- The Board will monitor management to allocate and manage resources efficiently and effectively in order to be able to achieve the main objectives and goals sustainably.
- The Board will provide a framework for the supervision and management of information technology at the enterprise level which is in accordance with the needs of the Company. This includes supervising the use of information technology to increase business opportunities and improve operations and risk management so that the Company is able to achieve the objectives and main goals of the Company.

### Principle 6: Strengthen Effective Risk Management and Internal Control

- The Board of Directors shall supervise to ensure that the Company has a risk management system and internal controls that shall effectively achieve the objectives and comply with relevant laws and standards.
- The Board of Directors shall establish an Audit Committee that can perform duties efficiently and independently.
- The Board of Directors shall monitor, supervise and manage conflicts of interest that may occur between the Company and management, the Board of Directors or shareholders. This includes the prevention of the improper use of the Company's assets, information and opportunities as well as transaction enactments with those who have an unreasonable relationship with the Company.
- The Board of Directors shall oversee the establishment of clear anti-corruption policies and practices and communicate them to all levels of the organization and outsiders in order to achieve practical implementation. This includes supporting activities that encourage and instill all employees to comply with the law and related regulations.
- The Board of Directors shall supervise to ensure that the Company has a mechanism to receive complaints and proceed in the case of whistleblowing.

A written whistleblowing policy was established and a whistle blowing channel was provided through the Company's website or email at [ethics\\_hotline@indexlivingmall.com](mailto:ethics_hotline@indexlivingmall.com) so that both internal and external stakeholders can safely blow the whistle, give information and report complaints or clues regarding corruption to the Company

### Principle 7: Ensure Disclosure and Financial Integrity.

- The Board of Directors is responsible for ensuring that the financial reporting system and the disclosure of important information is accurate, adequate, timely, and in accordance with the rules, standards and related practices
- The Board of Directors shall monitor the adequacy of financial liquidity and solvency.
- In the condition that the Company experiences financial problems or is likely to experience problems, the Board of Directors shall supervise to ensure that the Company has a plan to solve the problem or have other mechanisms that can solve financial problems by taking into account the shareholders' rights.
- The Board of Directors shall consider preparing a sustainability report as deemed appropriate.
- The Board of Directors shall supervise management to have a department or person responsible for investor relations who serve to communicate with shareholders and other stakeholders such as investors and analysts in an appropriate, equitable and timely manner.

The Company attaches great importance to investor relations by organizing the Investor Relations Unit, since the Company was listed on the Stock Exchange of Thailand in order to facilitate shareholders, investors, analysts, journalists and other interested parties to have a convenient and equal access to the information under the regulations of regulatory agencies such as the SEC and the Stock Exchange of Thailand etc. The Company's senior executives

also support and regularly participate in various activities of investor relations, such as the SET Opportunity Day, analyst meetings, company visits, conference calls and road shows as well as preparing reports on the operating results of the Company. This included Management Discussion and Analysis, Presentation, Earning release as well as giving opportunities for the media to meet and interview, etc. The Company's contact channels for investor relations include Tel: +662 898 6420-5 ext. 6129 and email: [ir@indexlivingmall.com](mailto:ir@indexlivingmall.com) and information is disseminated through the Company website at <https://www.indexlivingmall.com>.

Since the Company was listed on the Stock Exchange of Thailand on July 26, 2019 until the end of the year, the Company has conducted the investor relations activities as follows:

Investor Relations Activities	Number of Time
SET Opportunity Day	2
Analyst Meeting	2
Company Visit	15
Conference Call	7
Domestic Road Show	1

## Investor Relations Ethics

The Company gives importance to the disclosure of information that is accurate and equitable, reports the operating results information and general information, and establishes an investor relations unit to equally create communication channel between shareholders and the Company's investors. For more information contact tel: +662 898 6420-5 ext. 6129 and email: [ir@indexlivingmall.com](mailto:ir@indexlivingmall.com).

In order for the Company's investor relations to perform their duties accurately, completely, transparently, equally and fairly, the Company established a Code of Conduct for investor relations as a practical guideline. It is as follows;

- Disclose significant and necessary information accurately, adequately, and in a timely manner by complying with the regulations of government agencies such as the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.
- Disclose information equally and fairly by providing opportunities for stakeholders to have equal access to the information, and not causing any party to lose or lose investment opportunities.
- Treat all investors equally whether large or small investors.
- Organize analyst meetings to invite and provide opportunities for analysts from all securities companies to participate equally.
- Provide information and opportunities for the media to be informed as appropriate.
- Cooperate in providing information to government agencies as requested.
- Provide information to stakeholders on an equal level, except in the event of the necessity when conducting business with financial institutions, credit rating agencies, consultants, etc. The Company will proceed with caution and request those who have received insider information to sign a confidentiality agreement.
- Perform duties with honesty, without seeking any personal benefits from relationships and information obtained by performing the duties in the investor relations of the Company.
- Schedule a quiet period, suspend appointments or give information to analysts and investors for 14 days prior to the date of the announcement of the financial statements.

- Specify the Blackout Period, including the investor relations team, one month prior to the date of the announcement of the financial statements and one day after the date of the announcement of the financial statements.
- The Board of Directors will promote the use of information technology in the dissemination of information.

## Principle 8: Ensure Engagement and Communication with Shareholders

- The Board of Directors shall ensure that shareholders are involved in making decisions on important matters of the Company.
- The Board of Directors shall supervise the proceedings of the Shareholders' Meeting so that it is complete, transparent, efficient, and allows shareholders to exercise their rights.
- The Board of Directors shall supervise the disclosure of the Meeting's resolutions and prepare the minutes of the Shareholders' Meeting accurately and completely.

## Sub-Committees

The Company's sub-committees consist of 4 committees which included the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee as well as the Executive Committee and Risk Management Committee. The details are as follows:

## Scope of Authority

### The Scope of Duties and Responsibilities for the Board of Directors

The Board of Directors Meeting No. 3/2018 which held on February 7, 2018, determined the scope of duties and responsibilities of the Board of Directors as follows:

- 1) Perform duties in accordance with the laws, objectives, the Articles of Association of the Company and the resolutions of the Board of Director's Meeting and Shareholders' Meeting with full responsibility, caution, and honesty.
- 2) Consider and approve the details, vision, mission, goals, business objectives, business strategy, business plan, and the annual budget plan of the Company and its subsidiaries which are prepared and proposed by the Executive Committee and the Management team.
- 3) Supervise the management and performance of the Executive Committee, the Chief Executive Officer and the Management team or any person assigned to perform the said duties in order to be in accordance with the vision, mission, goal, business objectives, business strategies, business plan, and the annual budget set by the Board of Directors.
- 4) Monitor the performance of the Company and its subsidiaries continually so that they are in line with the business plan and budget of the Company.
- 5) Arrange the Company and its subsidiaries to have an appropriate and efficient accounting system. Organize a sufficient and effective internal control system and establish an assessment process for suitable internal control of the Company and its subsidiaries regularly.
- 6) Arrange to have a balance sheet and income statement at the Company's fiscal year-end and affix signatures to certify the financial reporting that is to be proposed to the Annual General Meeting of Shareholders for approval.
- 7) Consider and approve the selection and appointment of the auditor and consider the appropriate remuneration proposed by the Audit Committee before being proposed to the Annual General Meeting of Shareholders for approval.
- 8) Establish corporate governance policy in writing with an effective implementation in order to ensure that the Company takes responsibility to any related parties with fairness.

- 9) Consider and approve the appointment of qualified personnel who do not have any prohibited characteristics as specified in the Public Limited Companies Act B.E. 2535 (including amendments), the Securities and Exchange Act B.E. 2535 (including additional amendments) as well as the notifications, rules, and/or relevant regulations. In the case that the position of director becomes vacant due to reasons other than retirement by rotation (unless there is less than two months remaining in the director's term), the remuneration of directors is determined to propose to the Shareholders' Meeting for approval.
- 10) Appoint sub-committees which include the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee, the Executive Committee and other sub-committees. Determine the authority and duties of the sub-committees to assist the Board's duties. Consider the remuneration of the sub-committees according to the budget proposed by the Management team (not exceeding the total amount approved by the shareholders).
- 11) Consider the appointment of the Chief Executive Officer, evaluate the performance and determine the remuneration for the Chief Executive Officer (as recommended by the Nomination, Remuneration and Corporate Governance Committee).
- 12) Consider and approve the investments expenditure for various operations, loans and credits from financial institutions as well as a guarantor for normal business operations of the Company and subsidiaries under the Articles of Association of the Company, and relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board.
- 13) Consider and approve the connected transactions between the Company, subsidiaries and connected persons as stipulated in the Securities and Exchange Act B.E. 2535 (including additional amendments), relevant regulations of the Stock Exchange of Thailand, and the Capital Market Supervisory Board. Approve the trade agreement principles with general trade terms for transaction engagements between the Company, subsidiaries and directors, executives, or related parties in order to specify a framework for the Management team to have the authority to engage in the transactions within the law and regulations framework and related criteria.
- 14) Provide appropriate communication channels for each shareholders' group and oversee the disclosure of information to ensure that it is accurate, clear, transparent, reliable and has the highest standards.
- 15) Appoint people to be committee members or an executive of a subsidiary, joint venture (in the case that it can be operated under a joint venture agreement), or an associated company at least in a proportion to the shareholding of the subsidiary, joint venture (in the case that it can be operated under a joint venture agreement), or an associated company. Establish clear duties and responsibilities for the appointed directors and executives. This includes setting the authority framework to exercise the clear discretion in voting at the Board's Meetings of the subsidiaries, Joint ventured company (in the case that it can be operated under a joint venture agreement), or associated company, concerning important matters that must first be approved by the Board of Directors in order to have management control in accordance with the Company's policy and engage in transactions legally. The Company's financial position, performance, connected transactions, and acquisition or disposition of significant assets shall be disclosed completely and accurately.
- 16) Consider and approve the interim dividend payment.
- 17) Seek professional opinions from external organizations if it is necessary in order to make appropriate decisions.
- 18) Supervise the operations of the Company so that they are effective and protect any benefits related to all stakeholders.
- 19) Organize an Annual General Meeting of Shareholders within 4 months from the end of the Company's fiscal year.
- 20) Organize the Board of Director's meeting at least every three months.
- 21) Prepare the annual report of the Board of Directors, responsible for the preparation and disclosure of the financial statements of the Company and its subsidiaries to reveal the financial position and performance of the Company and its subsidiaries in the previous year, and then propose it to the Shareholders' Meeting for consideration and approval.



- 22) Evaluate the performance of the Board to review the performance, problems and obstacles each year and use the evaluation results to develop and improve operations in various fields.
- 23) Oversee and supervise the management and operations of the Company and its subsidiaries to be in accordance with the Company's policies, securities laws, as well as notifications, regulations, and relevant rules of the Capital Market Supervisory Board, Securities and Exchange Commission, and the Stock Exchange of Thailand such as connected transactions, and the acquisition or disposition of significant assets that it is not contrary to other laws. Establish an adequate and appropriate internal control and internal audit system.

The Board of Directors has the authority of delegate and/or assign others to perform specific tasks on their behalf to appoint attorneys and sub-attorneys within the scope of the Delegation of Authority under the provided authority of attorney and/or in accordance with the rules, regulations or orders prescribed by the Board of Directors and/or the Company. Therefore, the delegation of duties and responsibilities of the Board of Directors does not authorize the appointed attorney or sub-attorney to be able to approve transactions that may have conflicts of interest (according to the definition of the Notification of Securities and Exchange Commission and/or the Notification of Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or the specified related agencies), or be a stakeholder or receive any benefits that may have conflicts of interest with the Company or its subsidiaries unless it is an approval of normal business transactions according to the policy and criteria of Shareholders' Meeting, or the Board of Directors already approved and the approval of transaction was in accordance with normal business condition which were in accordance with the notifications of the Securities and Exchange Commission and/or the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any related agencies.

- 24) Review the Board of Directors charter at least once a year.

### The Scope of Duties and Responsibilities of the Audit Committee

The Board of Directors Meeting No. 3/2018, which was held on February 7, 2018 specified the scope of authority, duties, and responsibilities of the Audit Committee as follows:

- 1) Review the financial reporting of the Company so that it is accurate and sufficient in accordance with financial reporting standards by coordinating with external auditors and the executives who are responsible for preparing quarterly and annual financial reports. The Audit Committee may suggest that the auditor review or examine any significant and necessary transactions during the Company's audit.
- 2) Review internal control and the internal audit system of the Company so that they are appropriate, sufficient and effective.
- 3) Consider the independence of the internal audit department and approve the appointment, relocation, and dismissal of the head of the internal audit department or any other department responsible for internal auditing.
- 4) Have the authority to access the Company's information at all levels, invite executives, the management team, supervisors, employees, or related parties to attend the Meeting in order to clarify the information, deliver and provide relevant information under the scope of duties assigned by the Board of Directors.
- 5) Consider and approve the annual budget, manpower and resources needed to perform the internal auditing. Approve the annual audit plan and review the significant changes in the audit plan. Supervise the operations of the internal audit department so that they are in accordance with the approved annual audit plan and practice the internal audit profession international standards. Evaluate the quality of the internal auditing annually and attend meetings with the chief audit executive to discuss important issues at least once a year.

- 6) Review the regulatory compliance of the Company regarding securities and stock exchange laws, regulations of the Stock Exchange of Thailand, and the Capital Market Supervisory Board, or any laws related to the business of the Company.
- 7) Consider, select and nominate independent individuals for the position of the Company's auditors and propose the remuneration of said persons by taking into account the reliability and sufficiency of resources, the workload of the audit office and the experience of the personnel assigned to audit the Company's accounts. The Audit Committee shall have a meeting with the auditor without the Management Team being in attendance at least once a year.
- 8) Consider connected transactions or conflict of interest transactions, the list of acquisition or disposition of assets must be accurate and complete so that it is in accordance with the laws and relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board in order to ensure that the transaction engagement is reasonable and for the best interest of the Company and shareholders.
- 9) Prepare a corporate governance report of the Audit Committee and disclose it in the Company's annual report. The report shall be affixed with the signature of the Chairman of the Audit Committee and contain at least the following information.
  - (1) Opinion on the accuracy, completeness, and credibility of the Company's financial report.
  - (2) Opinion on the adequacy of the internal control system of the Company.
  - (3) Opinion on the compliance with the securities and exchange laws, regulations of the Stock Exchange of Thailand, or laws related to the Company's business.
  - (4) Opinion on the suitability of the auditor.
  - (5) Opinion on conflict of interest transactions.
  - (6) The number of the Audit Committee meetings and the meeting attendance of each member of the Audit Committee.
  - (7) Overall opinion or observation that the Audit Committee received from performing its duties under the Charter, and
  - (8) Other matters that the general shareholders and investors should acknowledge under the scope of duties and responsibilities assigned by the Board of Directors.
- 10) Review and follow up with the risk management results from the Management team and/or related departments.
- 11) Review and propose amendments to the Audit Committee Charter as deemed appropriate at least once a year.
- 12) Review the performance of the previous years by preparing and proposing a performance report to the Board of Directors at least once a year.
- 13) Provide independent opinions of other professional advisors, to seek opinions or recommendations under the scope of responsibility as deemed appropriate and necessary at the Company's expense.
- 14) Perform other duties assigned by the Board of Directors with the approval of the Audit Committee.

In the performance of the above duties, the Audit Committee was directly responsible to the Board of Directors and the Board of Directors remains responsible for the operations of the Company to third parties.

The Board of Directors has the authority to make amendments to the definition and qualifications of independent directors as well as the Audit Committee Charter so that it is consistent with the responsibilities of the Audit Committee, the rules of the Securities and Exchange Commission, the Stock Exchange of Thailand, the Capital Market Supervisory Board and/or other relevant laws.

### **The Scope of Duties and Responsibilities of the Nomination, Remuneration, and Corporate Governance Committee**

The Board of Directors' Meeting No. 7/2019 held on November 11, 2019 specified the scope of duties and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee as follows:

### **The Scope of Duties and Responsibilities regarding the Recruitment and Selection of Directors**

- 1) Consider and propose the structure, composition and qualifications of the Board of Directors and sub-committees.
- 2) Consider and set the criteria and procedures for the recruitment, selection and nomination of suitable candidates for the position of new directors or the Chief Executive Officer to fill vacancies in term ending or vacant positions or any positions as assigned by the Board of Directors with rules and transparency in order to propose them to the Meeting of the Board of Directors and/or the Meeting of Shareholders (as the case may be) to approve the appointment.
- 3) Consider and nominate candidates for directors or any qualified candidates to be sub-committees to the Board of directors to consider the appointment as appropriate.
- 4) Determine the criteria for evaluating the performance of the Chief Executive Officer and propose it to the Board of Directors for approval.
- 5) Evaluate the performance of the Chief Executive Officer in order to review the problems and obstacles each year. The evaluation results are used to develop and improve various areas and be proposed to the Board of Directors for consideration.

### **The Scope of Duties and Responsibilities of Remuneration**

- 1) Consider monetary and non-monetary remuneration guidelines for the Board of Directors, the Chief Executive Officer, and sub-committees as well as other benefits that are suitable, fair and reasonable for a fixed rate of remuneration (such as regular remuneration and meeting attendance fee) and remuneration based on the Company's performance (such as bonuses and rewards). This shall be consistent with the value that the Company created for shareholders but not at a level that it is too high that results in an emphasis on short-term results. The remuneration shall be proposed to the Board of Directors' Meeting for consideration and proposed to the Shareholders' Meeting for further approval.

### **The Scope of Duties and Responsibilities of Good Corporate Governance**

- 1) Establish a good corporate governance policy for the business operations of the Company and propose it to the Meeting of the Board of directors and/or the Meeting of Shareholders for approval.
  - 2) Propose and give recommendations on good corporate governance guidelines to the Board of Directors.
  - 3) Promote an ethical corporate culture, oversee the implementation of policies and good corporate governance practices of the Company's personnel in order to be in accordance with the good corporate governance principles and the Company Code of Conduct.
  - 4) Review and improve the good corporate governance policy to be appropriate to be submitted to the Board of Directors.
- Report the performance of the Nomination, Remuneration and Corporate Governance Committee to the Board of Directors for acknowledgement and prepare the Nomination, Remuneration and Corporate Governance Committee report to be disclosed in the Company's annual report and affix the signature of the Chairman of the Nomination, Remuneration and Corporate Governance Committee.
  - Perform other duties as assigned by the Board of Directors.

### **The Scope of Duties and Responsibilities of the Executive Committee**

The Board of Directors Meeting No. 3/2018 which was held on February 7, 2018 specified the scope of duties and responsibilities of the Executive Committee as follows:

- 1) Consider and scrutinize the vision, mission, target, business objectives, business strategy, business plan and annual budget plan of the Company and subsidiaries as jointly proposed by the Chief Executive Officer and the Managing Director by appropriately considering the business factors to propose and request for approval from the Board of Directors. In the event of a change to the situation, the Executive Committee shall review the approved budget to suit the situation.
- 2) Supervise, oversee and monitor the Company's business operations so that they are in accordance with the vision, mission, goal, business objectives, business strategy, business plan and the Company's annual budget plan which were approved by the Board of Directors to be efficient and effective for business conditions as well as providing advice and recommendations for the senior executives.
- 3) Study the feasibility of new project investments, has authority to consider and approve the Company to invest or jointly invest with individuals, juristic persons, or other business organizations as the Executive Committee deems appropriate to carry out the business in accordance with the Company's objectives. Consider and approve investment expenditures, transaction engagements, and/or any operations related to the said matters until it is completed within the specified credit limit and/or the relevant laws and regulations and/or the Article Association of the Company.
- 4) Follow up the performance and progress of investment projects of each business and report the results, including problems or obstacles that occur as well as the improvement guidelines to the Board of Directors.
- 5) Give advice regarding the dividend payment of the Company to the Board of Directors.
- 6) Consider and give suggestions or opinions to the Board of Directors regarding project, proposals or transaction engagements related with the business operations of the Company. Consider fund raising options when necessary and/or required by the relevant laws and regulations or the Article of Association of the Company. Assign the Meeting of Shareholders and/or the Board of Directors to consider the approval.
- 7) Consider and approve transaction engagements with financial institutions for opening accounts, requesting loans, credit, mortgages and other guarantees which includes purchasing and registering land ownership in accordance with the objectives and the benefit of the business of the Company. This included legal enactments with the government sector in order to obtain the rights of the Company and/or any operations related to the said matter until it is completed within the specified credit limit and/or the relevant laws and regulations or the Article of Association of the Company.
- 8) Consider and approve regulations, management policy guidelines, and business operations of the Company or any activities that are binding on the Company.
- 9) Appoint and/or assign executive directors or any individual or persons to act within the scope of the Executive Committee, within the period limit as the Executive Board deemed appropriate. The Executive Committee may cancel, revoke or change the said authority.
- 10) Encourage executives or employees to attend the Executive Committee meeting or prepare and provide information relating to the meeting agenda of the Executive Committee meeting.
- 11) Has authority, duties and responsibilities as assigned or according to the policy assigned from the Board of Directors from time to time.
- 12) Procure consultants or individuals with independent opinions to give opinions or recommendations as necessary.
- 13) Report the performed duties within the scope of authority and the duties of the Executive Committee to the Board of Directors on a regular basis as well as any other necessary and appropriate matters that shall be submitted to the Board of Directors for acknowledgment.
- 14) Consider and approve an operational manual and the scope of responsibility of the Management Team in order to proceed according to systematic procedures.

- 15) Consider and approve the normal business operations of the Company according to the investment budget or the budget approved by the Board of Directors, the credit limit for each transaction as specified in the authority table which has been approved by the Board of Directors. This shall not exceed the annual budget approved by the Board of Directors including any agreement enactment related to the said matter.
- 16) Evaluate the performance of the Board of the Executive Committee, the members of the Executive Committee individually in order to review the performance, problems and obstacles each year in order to use the evaluation results to develop and improve operations in various fields.

## Risk Management Committee

The Board of Directors' Meeting No. 1/2020 held on February 24, 2020 specified the scope of Duties and Responsibilities of the Risk Management Committee

- 1) Defines and reviews risk management framework, Risk Management Committee Charter, risk management policies and process including suitably and effectively suggest the guidelines to risk management relating to the Company's business to correspond with business strategies, business plans, and volatile circumstances.
- 2) Continuously and effectively promotes and develops risk management and risk management tools in all levels across the organization.
- 3) Supervises, monitors, and reviews key risk management plan and report including give necessary advice to ensure effective risk management at an acceptable level corresponding with risk management policy.
- 4) Report significant risk management performance to the Board of Directors; in case there are factors or events that might have significant impact on the Company, the Committee shall notify the Board of Directors in a timely manner.
- 5) Responsible for other tasks assigned by the Board of Directors.

## The Scope of Duties and Responsibilities of the Chief Executive Officer

At the Board of Directors Meeting No. 3/2018, held on February 7, 2018, the scope of duties and responsibilities of the Chief Executive Officer are as follows:

Cooperate with the Managing Director to determine the vision, mission, goals, business objectives, business strategy, business plan, and the annual budget plan of the Company and subsidiaries which included the structure and management authority to be proposed to the Executive Committee and/or:

- 1) The Board of Directors for further consideration and approval.
- 2) Communicate vision, mission, goal, business objectives, business strategy, business plans and the annual budget plan that was approved by the Board of Directors to the Company's senior executives to be used as a framework for creating business plans and management of each department.
- 3) Oversee the overall picture of the Company's operations so that they are in accordance with business strategy, business plan, and the set annual budget plan. Comply with the laws, rules and regulations of relevant agencies as well as the regulations, the Articles of Association of the Company, resolutions of the Shareholders' Meeting and/or resolutions of the Meeting of the Board of Directors and/or the Meeting of Executive Committee to achieve the set goals, financial goals and non-financial goals.
- 4) Approve expenses which includes remuneration under budgets, plans or the operational framework that is approved by the Executive Committee and/or the Board of Directors and assigned authority.
- 5) Consider and approve the appointment of executives under the Chief Executive Officer as it appears in the management



structure of the Company. The definition of “executive” shall be in accordance with the definition prescribed by the Securities and Exchange Commission, or Capital Market Supervisory Board. Consider and determine the remuneration of the executives.

- 6) Consider new business opportunities and investments related to the main business of the Company and subsidiaries in order to generate revenue for the Company.
- 7) Be the Company’s representative in public relations to promote the organization to the public, especially in the area of networking and for the good image of the organization at the national and international level.
- 8) Encourage the Board of Directors in providing appropriate communication channels with the shareholders regularly, disclose information with transparency and in accordance with the standards.
- 9) Has the authority to delegate authority to and/or assign others to perform certain tasks on their behalf by delegating authority and/or the assignment under the scope of authorization, under the authority of attorney, and/or in accordance with the rules, regulations, or orders that the Board of Directors and/or the Executive Committee and/or various sub-committees and/or the Company. In this regard, the assignment of authorities and duties of the Chief Executive Officer or a delegate from that Chief Executive Officer shall not have the nature of authorization or a delegation of authority that allows the Chief Executive Officer or a delegate of the Chief Executive Officer to approve transactions that he or someone may have a conflict with (according to the definition announced by the Securities and Exchange Commission, and/or the announcement of the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand, and/or related agencies specified) who may have an interest or may receive benefits in any manner or may have a conflict of interest with the Company or subsidiary of the Company, except for approving transactions that are in accordance with the policies and criteria approved by the Meeting of the Shareholders or the Board of Directors and is an approval for transactions that are in accordance with normal business and normal trading conditions. This is in accordance with the announcement of the Securities and Exchange Commission, and/or the notifications of the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand and/or any related departments.
- 10) Perform other tasks as assigned by the Board of Directors and/or the Executive Board and/or the sub-committees under the rules and the Articles of Association of the Company, securities laws, as well as the notifications, regulations, and relevant rules of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

### Delegation of Authority and Procedure

The Board of Directors Meeting No. 6/2019, held on August 13, 2019, resolved to approve the amendment of the Delegation of Authority due to the additional appointment of Chief Operating Officer. The Board of Directors determined the credit limit for investment projects, expenses, and the main procurement of the Company as follows:

Type of Transaction		Approval Authority				
		BOD <sup>/1</sup>	EC <sup>/1</sup>	CEO <sup>/1</sup>	MD <sup>/1</sup>	COO <sup>/3</sup>
1.	Budgeting					
1.1	Approve the Company’s annual budget (including revenue budget, expense budget, investment budget, cost budget) and changes in interim budget.	✓				

Type of Transaction	Approval Authority				
	BOD <sup>/1</sup>	EC <sup>/1</sup>	CEO <sup>/1</sup>	MD <sup>/1</sup>	COO <sup>/3</sup>
1.2 Approve investment projects that the investment budget has been approved according to clause 1.1	> 200 million Baht per project	≤ 200 million Baht per project	-	-	-
1.3 Non-ordinary project investments or outside the budget	> 50 million Baht per project	≤ 50 million Baht per transaction	-	-	-
1.4 Approve the administrative expense budget and sales expenses that have been approved according to clause 1.1	> 50 million Baht per transaction	≤ 50 million Baht per transaction	-	≤ 20 million Baht per transaction	-
2. Procurement					
2.1 Open PO (per transaction) and the procurement request has been approved according to clause 1.1					
2.1.1 Construction work			> 100 million Baht per transaction <sup>/2</sup>	≤ 100 million Baht per transaction	
2.1.2 Marketing work			> 30 million Baht per transaction <sup>/2</sup>	≤ 30 million Baht per transaction	≤ 500,000 Baht per transaction
2.1.3 Open PO by the purchasing of main office			> 15 million Baht per transaction <sup>/2</sup>	≤ 15 million Baht per transaction	
2.1.4 Purchase product for sales by the Supply Chain			> 100 million Baht transaction <sup>2</sup>	≤ 100 million Baht per transaction	
2.1.5 Purchase product for sales by other departments			> 100 million Baht per transaction <sup>/2</sup>	≤ 100 million Baht per transaction	≤ 20 million Baht per transaction

Note: <sup>/1</sup> BOD - Board of Directors, EC - Executive Committee, CEO - Chief Executive Officer, MD - Managing Director COO-Chief Operating Officer

<sup>/2</sup> The authority to approve the transaction is the CEO (Chief Executive Officer) and MD (Managing Director), jointly affix signature.

<sup>/3</sup> Increase approval authority for COO-Chief Operating Officer according to the resolution of the Board of Directors Meeting No. 6/2019, held on 13 August 2019

In this regard, if any transactions are in the category of connected transactions or the acquisition or disposition of assets of the Company, the Company has a duty to comply with relevant laws, relevant regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

## The Nomination and Appointment of Directors, Sub-Committees and the Chief Executive Officer

The Nomination, Remuneration and Corporate Governance Committee is responsible for the recruitment and selection of candidates to be appointed as directors and executives of the Company. They shall have complete qualifications as prescribed

under Section 68 of the Public Limited Company Act 1992, and the Article of Association of the Company and do not have any prohibited characteristics according to the notifications of the Capital Market Supervisory Board No. TorChor. 28/2551 regarding the request for permission and the permission to offer newly issued shares dated December 15, 2018. The selection procedures are as follows:

## The Criteria for Nomination and Appointment of Directors

The Nomination, Remuneration and Corporate Governance Committee shall select candidates who have qualifications and do not have prohibited characteristics as prescribed, be proposed to the Meeting of the Board of directors for the Board of Directors to propose to the Shareholders' Meeting (as the case may be) in order to consider the appointment of the selected persons to hold a position on the Board of Directors. This is done in the best interest of the Company and adheres to good corporate governance guidelines.

### Composition of the Board of Directors

- 1) The Board of Directors consists of at least 5 directors and no less than half of the total number of directors must reside in the Kingdom.
- 2) The Board of Directors must consist of at least one-third of the total number of independent directors but must be no less than 3 people.
- 3) In the case that the Chairman is not an independent director, the Board of Directors shall appoint one independent director to participate in determining the meeting agenda in order to be in accordance with the principles of Good Corporate Governance for Listed Companies 2017.

### Definition of "Independent Director"

Independent Director means a director who has qualifications in accordance with the regulations of the Office of Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand as follows:

- 1) Does not hold more than one percent of the total voting shares of the Company, parent company, subsidiary, associated company or juristic person that may have a conflict of interest. This includes the shares held by the related parties of that independent director (including related parties under Section 258 of the Securities and Exchange Act).
- 2) Is not or has been a director who is involved in management, staff, employees, consultants who receive a regular salary or is a controlling person of the Company, parent company, subsidiary, associated Company, same level subsidiary and the controlling person or juristic person that may have conflicts of interest with the Company unless they have passed the aforementioned nature for no less than 2 years prior to being appointed as a director.
- 3) Is not related by blood or registration in the form of a father, mother, spouse, sibling and children with executives, major shareholder, controlling person, or person who shall be nominated as an executive, controlling person or person to be nominated as an executive or controlling person of the Company or subsidiary.
- 4) Does not have or have had a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, the Company's controlling person or a juristic person that may have conflicts in a manner that may obstruct their independent judgment. Is not or have been a significant shareholder or controlling person of the person that has a business relationship with the Company, parent company, subsidiary, associated company, major shareholder or juristic persons that may have a conflict unless having passed the aforementioned nature for no less than 2 years prior to being appointed to be a director.

- 5) Is not a director who is appointed to be a representative of the Board of Directors, major shareholder or shareholder that is a related party to the major shareholder of the Company.
- 6) Is not or have been an auditor of Company, parent company, subsidiary, associated company, major shareholder or the controlling person of the Company. Is not a significant shareholder, controlling person, or partner of the audit firm that is the auditor of the Company, parent company, subsidiary, associated company, major shareholder unless having passed the aforementioned position for at least 2 years prior to being appointed as a director.
- 7) Is not or have been a professional service provider of any field which includes providing legal advisory services or a financial advisor that receives service fees for more than 2 million Baht per year from the Company, parent company, subsidiary, associated company, major shareholder, or the controlling person of the Company. Is not a significant shareholder, controlling persons, or partner of that professional service provider unless having passed the aforementioned nature for no less than 2 years prior to being appointed as a director.
- 8) Does not operate a business of the same nature that significantly competes with the business of the Company or subsidiary nor is not a partner in partnership nor a director that participate in the management, employees, consultants that receive a regular salary nor holds more than 1% of the total voting shares of other companies which operates in the same business and is in significant competition with the business of the Company or subsidiary.
- 9) Does not have any characteristics that hinder the capability to express independent opinions to the Company's business operations.

#### Qualifications of Directors

- 1) Has the qualifications and does not have any prohibited characteristics as prescribed by the Public Limited Companies Act 1992 (including amendments), the Securities and Exchange Act B.E. 2535 (including amendments) or according to the rules as specified by the Board of Directors, the Securities and Exchange Commission. Does not have any inappropriate characteristics to be entrusted with the management of a public-owned business as specified by the Securities and Exchange Commission.
- 2) Has knowledge, abilities and experience that are beneficial to business operations and is committed and ethical in conducting business.
- 3) Is able to use discretion honestly and independently from the Management Team and other benefit groups.
- 4) Is able to devote sufficient time to the Company in which they are a director and pay attention in performing duties according to their responsibilities.
- 5) If the director is an independent director, the said director shall have the qualifications as specified in the Notification of Capital Market Supervisory Board Tor Chor. 39/2016 regarding the request and permission to offer newly issued shares dated September 30, 2016 (including amendments) and the notification of additional amendments that may be in the future.
- 6) Directors are not able to hold the position of director in other companies, however, being a director of such a company shall not be an obstacle to the performance of the Company's directors and shall be in accordance with the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 7) Directors are not able to operate in a business of the same nature and in competition with the business of the Company and subsidiaries or become a partner or director in other juristic persons that have the same conditions and are in competition with the business of the Company and its subsidiaries, whether it is for their own benefit or for the benefit of others unless it the Shareholders' Meeting was notified prior to having a resolution.
- 8) Directors shall notify the Company or subsidiary without delay if the director is a stakeholder in the contract that the Company or subsidiary enacted, whether directly or indirectly.

### The Term of Office and Termination of Office of Directors

At each annual general meeting, one-third of the directors shall step down from their position. If the number of directors is not divisible by three, the number of directors closest to one-third shall step down from their position. Directors retired by rotation may be re-elected by the shareholders.

Besides retiring by rotation, the director can be removed from the position as follows

- 1) Death
- 2) Resignation (effective from the date the Company Received a resignation letter)
- 3) Lacking qualifications or having prohibited characteristics as prescribed by the laws, regulations and Notifications issued under the laws or the Article of Association of the Company
- 4) The resolution of the shareholders' meeting
- 5) Court issued an order

### Criteria for Recruitment and Appointment of the Audit Committee

The Board of Directors appoints the Audit Committee, which is considered an important mechanism of good corporate governance in order to assist the Board of Directors in carrying out their responsibilities in overseeing the quality and reliability of the accounting system, audit system, internal control system as well as the Company's financial reporting process.

### Composition of the Audit Committee

The Audit Committee must be comprised of at least 3 members. Each committee member must be an independent director who can exercise his or her discretion independently and is able to read and understand the basics of financial statements which is the responsibility of the Audit Committee. At least one member of the Audit Committee must have sufficient knowledge and experience to review the credibility of the financial statements. The Audit Committee can communicate directly with the external auditor, the internal auditor, and the Management of the corporation. The Audit Committee or the Board of Directors appointed a member of the Audit Committee to be the Chairman of the Audit Committee.

### Qualifications of the Audit Committee

- 1) Has the qualifications required by relevant laws, especially the laws regarding public limited companies and securities and stock exchange laws.
- 2) Be a director and independent director of the Company.
- 3) Hold no more than one percent of the total shares with voting rights of the Company, subsidiary, associated company, major shareholder, or be a person with controlling power of the Company. This includes the shareholding of any related person of that director.
- 4) Is not or never been a director that participates with management, staff, employees, or is an advisor who receives a regular salary or is a controlling person of the Company, parent company, associated company, same level subsidiary, major shareholder or controlling person of the Company, unless the aforementioned characteristics have passed for no less than two years before the date of submission of the application of the Securities and Exchange Commission (for independent directors appointed before the date of filing an application for the approval of the Office of the Securities and Exchange Commission) or the date appointed as an independent director (for independent directors appointed after the submission of the request of the Office of the Securities and Exchange Commission, as the case may be). Such prohibited characteristics do not include the case that an independent director used to be a civil servant or an advisor

to a government organization that is a major shareholder or controlling person of the Company.

- 5) Is not a person who has a blood relationship or legal registration in the form of a parent, spouse, sibling, or child. This includes the spouse of any children of any other directors, executives, major shareholders, regulators, or the person who will be proposed to be a director, executive or controlling person of the Company or subsidiary.
- 6) Is not nor has never had a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or the controlling person of the Company in a manner that may obstruct their independent judgment. This includes not being nor ever been a significant shareholder or the controlling person of the person who has a business relationship with the Company, parent company, subsidiary, associated company, major shareholder or the controlling person of the Company unless the aforementioned characteristics have passed for no less than two years before the date of submission of the application to the Office of the Securities and Exchange Commission (for independent directors appointed before the date of filing an application for approval with the Office of the Securities and Exchange Commission) or the date of being appointed as an independent director (for independent directors appointed after the submission of the request to the Office of the Securities and Exchange Commission) as the case may be.

Such business relations include normal business transactions for business operations, the renting or rental of real estate, transactions related to assets or services, granting or receiving financial assistance by accepting or granting loans, and guaranteeing assets as collateral for liabilities. This includes other similar circumstances that resulted in the Company or the contracting party to have an obligation to pay the other party from three percent of the Company's net tangible assets or twenty million Baht or more. In this regard, the calculation of the said debt burden shall be in accordance with the calculation method for the value of connected transactions under the Notifications of the Capital Market Supervisory Board on rules for related transactions, mutatis mutandis. The said debt shall include debt burdens incurred between one day before the date of business relationship with the same person.

- 7) Is not nor never been an auditor of the Company, parent company, subsidiary, associated company, major shareholder, or the controlling person of the Company and is not a significant shareholder, regulator, or partner of the audit firm which are the auditors of the Company, parent company, subsidiary, associated company, major shareholder, or the controlling person of the Company, unless the aforementioned characteristics have passed for no less than two years before the date of submission of the application to the Office of the Securities and Exchange Commission (for independent directors appointed before the date of filing an application for approval with the Office of the Securities and Exchange Commission) or the date of being appointed as an independent director (for independent directors appointed after the submission of the request to the Office of the Securities and Exchange Commission), as the case may be.
- 8) Is not nor previously been a professional service provider. This includes providing legal or financial advisory services that receives a service fee of more than two million Baht per year from the Company, parent company, subsidiary, associated company, major shareholder, or the controlling person of the Company, and is not a significant shareholder, regulator, or partner of that professional service provider unless the aforementioned characteristics have passed for no less than two years before the date of submission of the application to the Office of the Securities and Exchange Commission (for independent directors appointed before the date of filing an application for approval with the Office of the Securities and Exchange Commission) or the date of appointment as an independent director (for independent directors appointed after the submission of the request to the Office of the Securities and Exchange Commission) as the case may be.
- 9) Is not a director who is appointed to be a representative for any director, major shareholder, or shareholder of the Company who is related to a major shareholder.



- 10) Is not operating a business that has the same nature or is in significant competition with the business of the Company or subsidiary. Is not a significant partner in a partnership or a director who participates in the management of employees, staff, or consultants who receive a regular salary or hold shares that exceed one percent of the total voting shares of other companies that operate in the same business and are in significant competition with the business of the Company or subsidiary.
- 11) Does not have any characteristics which make them incapable of expressing independent opinions with regard to the Company's business operations.
- 12) Is not a director assigned by the Board to decide on the business operations of the Company, parent company, subsidiary, associated company, same-level subsidiary company, major shareholder, or is the controlling person of the Company, and
- 13) Is not a director of the parent company, subsidiary, or same level subsidiary which is a listed company.

In addition, at least one independent director who is a member of the Audit Committee must be a person with sufficient knowledge and experience to review the credibility of the financial statements. In addition, the Company will consider other qualifications, for example, business experience, expertise in business, ethics, etc.

#### **The Term of Office and Termination of the Audit Committee**

The Audit Committee has a term of 3 years from the date of appointment or in accordance with the term of office of the Company. The Audit Committee members who have completed their term may be re-appointed as the Board of Directors or the Shareholders' Meeting deems appropriate. In the case that the position of the Audit Committee becomes vacant due to reasons other than retirement, the Board of Directors or the Shareholders' Meeting shall appoint a person who has all the qualifications to be a member of the Audit Committee so that the Audit Committee has the complete number as specified by the relevant laws or regulations. This will be done within 3 months from the date the Audit Committee number was incomplete. The person that is appointed to the Audit Committee can hold office for the remainder of the term for the Audit Committee member that was replaced.

The Audit Committee may vacate the office for the following reasons:

- (A) ceasing to be a director of the Company
- (B) completion of the term
- (C) death
- (D) resignation
- (E) was withdrawn

In the event that the Audit Committee resigns before the end of the term, the Audit Committee must notify the Company at least one month in advance with the reason for resignation so that the Board of Directors or the Shareholders' Meeting can consider the appointment of other directors that are fully qualified to replace the person who resigned.

#### **Criteria for the Recruitment and Appointment of the Nomination, Remuneration and Corporate Governance Committee**

The Board of Directors shall appoint the Nomination, Remuneration and Corporate Governance Committee.

### **Terms of Office and the Termination of the Nomination, Remuneration and Corporate Governance Committee**

- 1) The term for members of the Nomination, Remuneration and Corporate Governance Committee is three (3) years. Members of the Nomination, Remuneration and Corporate Governance Committee, who retire by rotation may be re-elected.
- 2) In the case that the position of the Nomination, Remuneration and Corporate Governance Committee is available for other reasons, other than retirement according to clause 5.1 include: death, termination of office, resignation or removal. The Board of Directors shall appoint a person who has the complete qualifications as a member of the Nomination, Remuneration and Corporate Governance Committee. The Nomination, Remuneration and Corporate Governance Committee has the number of members specified by the Board of Directors specified. The person who is appointed as a member of the Nomination, Remuneration and Corporate Governance Committee will only hold the office for the remainder of the term of the Nomination, Remuneration and Corporate Governance Committee which they replaced.
- 3) In the case that the Nomination, Remuneration and Corporate Governance Committee resigned before the expiration of the term, the Nomination, Remuneration and Corporate Governance Committee must notify the Company in advance so that the Board of Directors can consider the appointment of another director who is fully qualified to replace the person who resigned within ninety (90) days so that the Nomination, Remuneration and Corporate Governance Committee has the complete number of members specified by the Board of Directors.

### **Criteria for the Recruitment and Appointment of Executive Committee**

The Board of Directors shall appoint the Executive Committee.

### **The Composition of the Executive Committee**

- 1) The Executive Committee is comprised of no less than 5 directors.
- 2) The Chairman of the Executive Committee must be appointed by the Board of Directors

### **Qualifications of the Executive Committee**

- 1) The Executive Committee must be comprised of persons that are qualified and have experience as specified by the Board of Directors.
- 2) The Executive Committee must have knowledge, ability and experience that are beneficial to the business operations, be determined and ethical when conducting business.
- 3) The Executive Committee is able to use honest discretion and be independent from the management and other benefit groups.
- 4) The Executive Committee is able to devote sufficient time to the Company and pay attention to their duties in accordance with their responsibilities.

### **Term of Office and Termination of Office of Executive Committee**

Members of the Executive Committee hold a 3-year term and then members of the Executive Committee retire by rotation. Executive Committee members may be re-elected.

Members of the Executive Committee may vacate office for the following reasons:

- (A) completion of the term
- (B) death

- (C) resignation
- (D) the board resolved to terminate

In this case that members of the Executive Committee resign before the end of their term of office, a member of the said Executive Committee must inform the Chairman of the Executive Board. The Board of Directors must consider the appointment of a new member to the Executive Committee to replace the member who resigned from the Executive Committee within 90 days in order for the Executive Committee to have the total number of members specified by the Board of Directors.

## Criteria for Recruitment and Appointment the Risk Management Committee

### Term of Office and Termination of Office of Risk Management Committee

The term of office of each Risk Management Committee member is in accordance with the Board of Directors' term of office. In case of any Risk Management Committee member completing the term or being unable to retain in the office until the term completion, resulting in the insufficient number of committee members, the Board shall appoint another director, who is fully qualified, to serve as member of the Committee not later than three months from the date of incomplete compositions, in order to create continuity of the Committee's operation.

## Criteria for Recruitment and Appointment the Chief Executive Officer

In selecting directors, the Chief Executive Officer, the Nomination, Remuneration and Corporate Governance Committee is responsible for determining the recruitment and screening policies for suitable persons to be nominated as directors and the Chief Executive Officer before proceeding with the recommendation to the Board of Directors in order to appoint the said person further in accordance with the relevant charter, Company regulations, the requirements of relevant laws, and the good corporate governance policy of the Company.

## Supervision of the Operations of the Subsidiaries, Joint Ventures, and Associated Companies

### Investment Policy in Subsidiaries, Joint Ventures, and Associated Companies

The Company has a policy to invest in companies that are in line with the goals, corporate vision and strategy for growth which will cause the Company to increase earnings or profits or invest in synergy for the Company to increase the Company's competitiveness and for the Company to achieve the target of being a leading operator in the main business of the Company. The Company, subsidiaries and/or joint ventures and/or associated companies may consider investing in other businesses if it is a business that has the potential to grow, can expand the business, or is beneficial to the business of the company group which can create a good return on investment by considering the investment of the Company, subsidiaries, and/or joint ventures and/or associated companies. The Company will analyze the feasibility of the investments and consider the potential and any risk factors from the investment with the appropriate investment analysis procedures. These must be agreed upon and/or have approval from the Board of Directors' Meeting or the Shareholders' Meeting of the Company (as the case may be). When requesting approval for investments in subsidiaries and/or joint ventures and/or the said associated company, it must comply with the announcement of the Capital Market and the Supervisory Board and the notifications of the Stock Exchange of Thailand.

### Supervision Policy of Subsidiaries, Joint Ventures and Associated Companies

The Company set policies for the supervision and management of subsidiaries, joint ventures and associated companies with the objective to define both direct and indirect measures and mechanisms for the Company and be able to supervise and

manage the business of the subsidiaries and associated companies. This includes monitoring the subsidiary and joint ventures (as far as possible under the joint venture agreement) and the associated companies to comply with the specified measures and mechanisms as if they were their own departments and in accordance with Company policy. This includes public company law, civil and commercial code, securities law, and any relevant laws, as well as the announcements, regulations and relevant rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand in order to protect the interests of the investments of the Company in subsidiaries, joint ventures, and the said associated company. The details as follows:

- 1) The Company will send a representative of the Company to be a director in each subsidiary and/or joint venture (as far as possible under the joint venture agreement) and/or the associated company in accordance with the proportion of shareholding in each company in order to make sure the subsidiaries and/or joint ventures and/or associated companies act in accordance with the law and good corporate governance policy which also includes other policies of the Company. However, when a representative of the Company is sent to be a director in each subsidiary and/or joint venture and/or associated company, it must be considered and approved by the Board of Directors' Meeting by considering the suitability of each company.
- 2) The Company will send a representative of the Company to be an executive (for example, the Chief Executive Officer or the Chief Financial Officer) in each subsidiary and/or joint venture (as far as possible under the joint venture agreement) and/or associated company as appropriate by considering the shareholding proportion in each company.
- 3) If entering into a transaction or any operation of a subsidiary that is in the scope of or is an acquisition or disposal of assets in accordance with the announcement or disposal of assets or connected transactions which are in accordance with the announcement of the related connected transactions which will result in the Company having the duty to ask for approval at the Meeting of the Board of Directors of the Company and/or from the Shareholders' Meeting of the Company or request approval from the relevant department according to the law before entering into the transaction, the subsidiary will be able to enter into the transaction or proceed only after receiving approval from the Board of Directors of the Company and/or the Shareholders' Meeting of the Company and/or any related departments (depending on the case) is completed. In addition, if entering into a transaction or the occurrence of certain events of a subsidiary makes the Company have to disclose information to the Stock Exchange of Thailand in accordance with the rules specified in related announcements, the Stock Exchange of Thailand Board and the representative directors of the said subsidiary have the duty to notify the management of the Company as soon as it is known that the subsidiary plans to enter into a transaction or the said event occurred.
- 4) The Board of Directors and executives of subsidiaries and/or joint ventures (as far as possible under the joint venture agreement) and/or each associated company will have a significant scope of duties and responsibilities in accordance with the relevant laws. This includes disclosing financial and operating performance information to the Company by using relevant notifications of the Capital Market Supervisory Board and the announcement of the Stock Exchange of Thailand, mutatis mutandis, as well as disclosing and sending information of one's own interests and those of any related parties to the Board of Directors about the relationship and transactions with companies, subsidiaries and/or joint ventures and/or associated companies in ways that may cause conflicts of interest and avoid transactions that may cause conflicts of interest.
- 5) Operate the significant subsidiaries with the same auditing office or the auditing office which is in the same network as the Company's auditors.
- 6) Subsidiaries and/or joint ventures and/or associates are responsible for submitting financial statements and the financial statements that have been reviewed/audited by an auditor as well as information to prepare the said financial statements for the Company in order to prepare the consolidated financial statements or the results of the Company.

- 7) The Company will specify the plans and take the necessary actions to ensure that subsidiaries and/or joint ventures (as far as possible under the joint venture agreement) and/or the associated companies have disclosed information about the operating results and the financial status. The Company will take the necessary actions and monitor the subsidiaries and/or joint ventures (as far as possible under the joint venture agreement) and/or the associated companies have sufficient and appropriate information disclosure systems and internal control systems for business operations

In addition, the Company will closely monitor the subsidiaries' operating results and operations and/or joint ventures and/or the said associated company and present the analysis results, which includes any comments or recommendations to the Board of Directors and the board of subsidiary and/or joint venture and/or associated company in order to be used to determine policy or improve the business of the subsidiary and/or joint venture and/or associated company with continuous development and growth.

## Supervision of the Use of Insider Information

The Company has a policy and method to prevent directors, executives, and employees from using the insider information of the Company which has not been disclosed to the public in order to seek personal benefits. This includes the following securities trading:

- 1) The Company will provide knowledge to the directors and executives regarding the duties to prepare and submit a report regarding the securities holding of one's spouse or partner, underaged children which includes legal entities in which the directors or executives' spouse or partner and the minor children of the said directors and executives are shareholders of more than 30 percent of the total voting rights of the said juristic person to the Office of the Securities and Exchange Commission under Section 59 and the penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (including amended) ("Securities and Exchange Act"). This includes the report of acquisition or disposition of Company securities according to Section 246 and penalties under Section 298 of the Securities and Exchange Act.
- 2) The Company requires the directors and executives of the Company to prepare and submit a report of securities holdings of one's spouse or partner, underage children which includes legal entities in which the directors and executives' spouse or partner and minor children of the said directors and executives are shareholders who hold more than 30 percent of the total voting rights of the said juristic persons in accordance with the securities holding report form prescribed to the Company Secretary before being submitted to the Office of the Securities and Exchange Commission every time. This must be prepared and delivered within 30 days from the date of being appointed to be a director and/or executive and every time there is a change or report changes in securities holdings in accordance with the changes in securities holdings specified within 3 working days from the date that the securities are bought, sold, transferred or accepted and requires the Company Secretary to summarize the report of securities holding and changes of securities holding to the Board of Directors' Meeting for acknowledgment every 6 months.
- 3) The Company requires that directors and executives which includes management positions in accounting or finance who are department level managers or higher or equivalent to and related workers. This includes people who are assumed to know or possess insider information according to the Securities and Exchange Act to receive important insider information which affects the price or value changes of securities. They must suspend trading, offering to buy or sell, or persuading other people to trade, offer to buy or sell Company securities, whether directly or indirectly. In the period before the disclosure of financial statements or information about the financial status and the status of the Company until the Company has disclosed the information to the public, throughout the "Embargo Period" period, which means the period of one month before the date of the Company's quarterly and annual financial performance is announced. The Company will notify directors and executives to not trade the Company's securities in writing for at least 1 month

before the public disclosure and they should wait at least 24 hours after revealing the information to the public. This includes prohibiting the disclosure of such significant information to other parties.

- 4) The Company prohibits directors, executives and employees of the Company and its subsidiaries, which includes people who are assumed to know or possess information within the Act Securities and Stock Exchange, to use the insider information of the Company and its subsidiaries that have or may have an effect on the price change of the Company's securities which have not been made public which was known and used to buy, sell, offer to buy, sell or persuade people.
- 5) Other: buy, sell, offer to buy or sell the Company's securities, whether directly or indirectly and whether such actions are done for the benefit of oneself or others, or revealing such facts for others to do so, whether or not they receive benefits or not.
- 6) The Company requires directors, executives and employees of the Company and its subsidiaries as well as former directors, executives, and employees who have resigned to be responsible for maintaining confidentiality and/or the insider information of the Company and its subsidiaries as well as confidential information of business partners of the Company and its subsidiaries where they have been informed of the duties and prohibit the confidentiality and/or insider information of the Company and its subsidiaries as well as confidential information of business partners of the Company and its subsidiaries to use for other companies and let the third parties know even if disclosing the information does not cause any damage to the Company, subsidiaries or business partners.
- 7) The Company requires directors, executives and employees of the Company and its subsidiaries to not reveal the insider information of the Company and its subsidiaries. They will not use their position in the Company and/or subsidiary or take insider information or significant information that has been recognized or acknowledged while working in the Company and/or subsidiary which has not been made public in order to seek benefit in the wrong way or disclose information to outsiders or other people for their own benefit, whether directly or indirectly, regardless of whether or not the benefits are received or not.
- 8) The Company requires directors, executives and employees of the Company and its subsidiaries to be responsible for complying with the insider information guidelines of the Securities and Stock Exchange Act, as well as other relevant rules. The Company established disciplinary punishment for executives and relevant workers who violate the use of insider information for personal benefits. This begins with written warning to cut wages, temporary suspension without pay or terminating work. The punishment will be based on the intent of the action and the seriousness of the offense.

## Policy to Prevent Conflicts of Interest

So that directors, executives and employees have guidelines to perform their duties with honesty and not seek personal benefits that conflict with the interests of the Company and be in accordance with the Securities and Exchange Act, the Company set the following policies to prevent conflicts of interest:

- 1) Directors, management and staff members should refrain from operating businesses of the same nature and in competition with the business of the Company or its subsidiaries, whether for personal or other interests. This may cause damage to the Company either directly or indirectly. They should refrain from becoming a partner, shareholder with decision-making power, or executive in a competing business or business that has the same characteristics with the Company or subsidiary, unless it can be demonstrated that there is a mechanism to assure that such actions will not affect the Company. This includes measures to be taken for the best benefits of the Company and shareholders as a whole in which the directors should not be directors in more than 5 other listed companies.
- 2) Directors, management and staff members should refrain from holding a significant amount shares in rival companies. If such an action would prevent directors, management, and employees from or refraining from actions that should



be performed as a duty or affect work duties. In the case that executives, directors, and employees received shares before they were a director, executive, and employee or before the Company entered that business, or the shares are acquired through inheritance, the directors, executives, and employees must report it to the Company immediately in accordance with the procedures determined by the Board of Directors.

- 3) All directors, executives and employees should disclose personal business transactions or businesses with family, relatives, or dependents which may cause a conflict of business interests with the Company or its subsidiaries. This includes:
  - Joint investments or benefits for traders who conduct business with the Company or the Company's customers.
  - Any positions or even being a consultant for traders who conduct business with the Company or the Company's customers.
  - Trading goods or providing services to the Company or subsidiaries directly or through others.
- 4) Directors, management and employees will not seek benefits for themselves or others by relying on the confidential information of the Company or its subsidiaries. This includes revenue plans, resolutions of the business forecast meeting, research and bidding for personal benefits, whether this may damage the Company or not. They must strictly comply with the Company's insider information policy.

## Anti-Corruption

The Company has a policy to resist all forms of corruption by focusing on promoting morality, ethics, and transparency in the business operations in accordance with the Company's business ethics, as well as conducting business with an efficient management system that is transparent, verifiable, promotes training and creates awareness among employees to work in good faith and supervise anti-corruption practices. The following important principles have been set forth:

- 1) Directors, executives and employees of the Company and its subsidiaries are prohibited from acting or accepting corruption in all forms whether directly or indirectly, even with the intention of receiving or maintaining business services.
- 2) Prohibit bribes of government officials, political parties, any organization which is in the form of a state enterprise or other form of company, state owned, or any other person doing business with the Company and its subsidiaries whether it is directly or indirectly through third parties. This includes officers of various companies, public investors, or is partially state-owned.
- 3) Require regular and serious reviews of operations as well as reviewing guidelines and operational requirements to be in line with business changes, regulations and legal requirements.
- 4) Supervisors at all levels are responsible to communicate so that employees understand about anti-corruption, fraud and corruption in order to be used in the responsible work and control of the operations so that it is effective by adhering to the guidelines in this work regulation. Supervisors must communicate the anti-corruption policy to departments at all levels in the Company and its subsidiaries through various channels such as staff training, internal communication systems of the Company and its subsidiaries, and for related persons to know and implement the policy, etc.
- 5) Establish criteria for giving or receiving a gift or entertainment as part of the business ethics of the Company and its subsidiaries. Employees must not offer, demand, accept, or agree to receive money, items, meals and entertainment or any other benefits that may result in a suspicion of bribery and corruption. If a gift is received, it should be reasonable, not related to the business commitment, and it should not be cash or a cash equivalent. Employees must be aware that any action or non-action must be transparent and verifiable.
- 6) Establish channels to report clues by promoting various communication channels so that employees and related parties can report suspicious clues. Measures must be taken to protect whistleblowers by strictly protecting the whistleblower's

identity in order to avoid any punishment or being relocated unfairly. This includes the appointment of a person to check and follow up on all clues that have been reported.

- 7) All employees should not neglect or ignore when they witness an act of corruption that is related to the Company and its subsidiaries. They must notify the supervisor or the person in charge, and cooperate in the investigation to find the truth.
- 8) The Company and its subsidiaries provide protection and fairness to employees who refuse or report corruption regarding the Company and its subsidiaries. The Company will not punish, demote or cause any negative effects to any directors, executives and employees that reject corruption even though such refusal may cause the Company and its subsidiaries to lose business opportunities.
- 9) The person who commits corruption, violates the Code of Business Conduct of the Company and its subsidiaries will have a disciplinary punishment in accordance with the regulations of the Company and its subsidiaries. This includes the possibility of being punished by law if it was an illegal act.
- 10) In the event that an employee is confronted with a situation that is demanded to pay in order not to be physically assaulted, which includes intimidating the employee's family, which is considered a close threat to health or safety of employees and/or their families, it is thus necessary to have a "payment for security" in which such a payment for security will be given special consideration. Employees are required to report the matter to supervisors and/or responsible personnel in the human resources management and development department as soon as possible.

## Respect for Human Rights

The Company conducts business with respect to human rights by promoting and protecting people's rights and liberties as well as treating each other equally. This is the foundation of human resource management and development. The Company has a policy not to discriminate against people of different nationalities, gender, or class, and the Company does not use child labor.

## Fair Treatment of Employees

The Company recognizes that "employees" are an important resource that drives the business to sustainable growth. Therefore, the Company manages human resources by adhering to the principles of treating everyone equally and respecting human dignity by allowing all employees to have career growth through the following guidelines:

### 1) Payment of Remuneration and Welfare to Employees

The Company and its subsidiaries have a remuneration policy in the form of salaries, fair bonuses that are appropriate and in accordance with potential. This includes job security and fair career advancement. The Company provides various benefits to employees of the Company and its subsidiaries as required by law. These include social security and other benefits not required by law such as health and accident insurance for employees. This also includes various types of grants, such as contributions for funerals of deceased parents of employees, etc.

### 2) Development of Knowledge, Potential of Employees and Training

The Company and its subsidiaries have a policy to promote human development by encouraging employees to develop their knowledge, capabilities, potential, good attitudes, be moral and ethical, work as a team through the training process, seminars, and field trips so that employees are developed efficiently.

In addition, the Company and its subsidiaries also support the development of organizations and human resources by focusing on efficient work processes, clear roles and responsibilities of staff, determining suitable remuneration, developing a system for evaluation, and increasing the performance of employees.

### 3) Occupational Safety and Health Policy

The Company and its subsidiaries set policies that encourage employees to work safely and with good hygiene in the

workplace of the Company and its subsidiaries. The Company focuses on preventing accidents that may occur to the fullest capacity and strengthens staff awareness of safety. The Company also provides knowledge through training and encouraging employees to have good health and not doing any acts that are harmful to the health of customers or clients. This includes always taking care of the workplace to be hygienic and safe.

## Remuneration of Auditors

### The Audit Fee

For the fiscal year that ended on December 31, 2019, the Company and its subsidiaries (including ILM Malaysia) paid audit fees to KPMG Phoomchai Audit Limited and KPMG PLT, the auditor of ILM Malaysia in the total amount of 3.67 million Baht. This consisted of quarterly financial statement review fees, annual audit fees, information system inspection fees, the observation of product destruction, overtime pay, travel expenses and other expenses that are actually drawn out-of-pocket expenses related to the quarterly financial statement reviews and audit fees.

### Other Non-Audit Fees

The Company and its subsidiaries did not pay any non-audit fees in 2019 to KPMG Phoomchai Audit Limited. and KPMG PLT.

## Compliance with Other Good Corporate Governance Principles

-none-

# Securities Holdings of the Company's Directors and Executives

## Details Regarding the Changes in the Shareholding of the Company's Directors in 2019

No.	Name-Last Name	Position	Number of Shares Held before IPO (July 26, 029	Change to the Number of Shares	Number of Shares Held January 31, 2020	Shareholding Proportion (%)
1.	Mrs. Kannikar Chalitaporn Spouse and children who have not yet become sui juris	Director / Chairman	300,000	155,000	455,000	0.090
2.	Mr. Pisith Patamasatayasonthi Spouse and children who have not yet become sui juris	Director / Chairman of the Executive Committee / Chief Executive Officer	11,525,900	1,875,000	13,400,900	2.654
3.	Mrs. Kunthong Udommahuntisuk Spouse and children who have not yet become sui juris	Director	19,604,880	1,400,000	21,004,880	4.159
4.	Miss Kridchanok Patamasatayasonthi Spouse and children who have not yet become sui juris	Director / Executive Committee / Managing Director	33,039,320	950,000	33,989,320	6.731
5.	Miss Pichapim Patamasatayasonthi Spouse and children who have not yet become sui juris	Director / Executive Committee	33,039,320	600,000	33,639,320	6.661
6.	Mr. Ekalak Patamasatayasonthi Spouse and children who have not yet become sui juris	Director / Executive Committee	33,039,320	600,000	33,639,320	6.661
7.	Mr. Ekaridhi Patamasatayasonthi Spouse and children who have not yet become sui juris	Director / Executive Committee	33,039,320	1,250,000	34,289,320	6.790
8.	Mr. Jirayut Rungsrithong Spouse and children who have not yet become sui juris	Independent Director / Chairman of the Audit Committee / Nomination, Remuneration and Corporate Governance Committee	150,000	-	150,000	0.029
9.	Mrs. Pennapha Dhanasarnsilp Spouse and children who have not yet become sui juris	Independent Director / Chairman of the Nomination, Remuneration and Corporate Governance Committee / Audit Committee	200,000	-	200,000	0.039
10.	Mr. Adisak Ruckariyaphong Spouse and children who have not yet become sui juris	Independent Director / Audit Committee / Nomination, Remuneration and Corporate Governance Committee	300,000	19,600	319,600	0.059
11.	Mr. Ariya Banomyong Spouse and children who have not yet become sui juris	Independent Director	-	-	-	-

### Details Regarding the Change in the Shareholding of Executives in 2019

No.	Name-Last Name	Position	Number of Shares Held before IPO (July 26, 029	Change to the Number of Shares	Number of Shares Held January 31, 2020	Shareholding Proportion (%)
1.	Mr. Vipon Vorasowharid Spouse and children who have not yet become sui juris	Chief Operating Officer	-	-	22,000	0.004
2.	Mr. Nattinai Yuttapatsak Spouse and children who have not yet become sui juris	Senior Vice President -Project Sales and Office Furniture	70,000	-	70,000	0.013
3.	Mrs. Kanokwanrat Srimaneesiri Spouse and children who have not yet become sui juris	Senior Vice President of Accounting - Finance / Human Resources Development and Management / Company Secretary	2,079,560	-	2,079,560	0.411
4.	Mr. Kwanchai Kitkongkajornchai Spouse and children who have not yet become sui juris	Senior Vice President - Merchandizing-Furniture Line	20,000	-	20,000	0.003
5.	Mr. Somchai Tosomsakul Spouse and children who have not yet become sui juris	Senior Vice President - Commercial Line	-	-	-	-
6.	Mrs. Kanjanawan Layluxsiri Spouse and children who have not yet become sui juris	Senior Vice President - Marketing	20,000	-	20,000	0.003
7.	Ms. Pavaravadee Wichaidit Spouse and children who have not yet become sui juris	Senior Vice President - Supply Chain and Information Technology	8,000	-	8,000	0.001
8.	Mr. Gerard McGurk Spouse and children who have not yet become sui juris	Senior Vice President - International Business	10,000	-	10,000	0.001
9.	Mr. Suchart Sasivimolvit Spouse and children who have not yet become sui juris	Accounting Director	40,000	-	40,000	0.007
10.	Mr. Thosak Kanjananimnont Spouse and children who have not yet become sui juris	Financial Director	80,000	-	80,000	0.015

# Corporate Social Responsibility

## Overall Policy

The Company and its subsidiaries conduct business under the framework of good governance and is transparent and verifiable. The Company determines to build a balanced economy, society and environment. Therefore, the Company and its subsidiaries are committed to being good corporate citizens in sustainable business operations, by being able to manage steady business growth and be recognized by society on the basis of ethics and good corporate governance principles. This also includes the ability to create effective returns for shareholders by taking into account the impact of the business operations on those involved with the Company and its subsidiaries in every aspect.

The Company and its subsidiaries are aware of the social and environmental responsibility. Thus, the following relevant policies have been established:

### 1. Fair Business Operations

The Company and its subsidiaries have established guidelines for taking care of its stakeholders in the Code of Business Ethics by taking into account the responsibility to stakeholders, shareholders, employees, customers, trade partners, contractors, communities, society, and the environment as well as promoting free and fair competition, avoiding actions that may cause conflicts of interest, any violations of intellectual property and anti-corruption in all forms. The various topics are as follows:

#### 1) Corporate Governance

The Company and its subsidiaries are committed to conducting business with accuracy, honesty, fairness and transparency, as well as disclosing important and verifiable information. The Company and its subsidiaries consider the benefits and the impact on shareholders, customers, employees, trade partners and all stakeholders. This includes the appropriate and fair sharing of benefits.

#### 2) Social Responsibility

The Company and its subsidiaries have a policy to conduct business with Corporate Social Responsibility (CSR) under the fundamental principles of ethics in order to ensure fairness for all stakeholders and implement good corporate governance principles as guidelines to maintain a balance of operations in terms of the economy, community, society and the environment which will lead to sustainable business development.

#### 3) The Supervision of Compliance with Laws, Rules and Regulations

The Company and its subsidiaries give precedence to regulatory compliance regarding the environment, occupational health and safety at the local, national and regional levels. This includes complying with the International Code of Business Ethics. Directors, executives and employees are all required to comply with the framework of laws, rules and regulations. They shall take no part in helping or violating any related laws and regulations.

#### 4) The Supervision of Compliance with Intellectual Property Laws

The Company and its subsidiaries do not support any operations that violate intellectual property. Directors, executives



and employees are required to comply within the framework of laws, rules, and regulations. They shall not be involved in helping or taking part in any actions that violate any laws and regulations related to intellectual property.

#### 5) The Promotion of the Effective Use of Resources

The Company and its subsidiaries encourage directors, executives and employees at all levels of the organization to use resources efficiently, appropriately and adequately to maximize benefits. This includes communicating, educating, supporting and creating awareness among employees and all related parties in order to manage the use of existing resources for the maximum benefit of the organization.

## 2. Respect for Human Rights

The Company operates its business with respect for human rights and also monitors the Company's business so that it is not directly or indirectly involved with the violation of human rights. This includes not supporting forced labor and child labor and the Company treats all personnel in the organization equally without discrimination based on ethnicity, gender, age, skin color or any other status that is not directly related to operations.

## 3. Fair Treatment of Labor

The Company is aware of the importance of employees who are a key factor to sustainable business growth. Therefore, the Company has a policy to encourage all employees to work together under a happy working environment, accept one another, treat employees at all levels equally and give opportunities to all employees to grow and advance in their line of business through the following policies and guidelines:

- 1) Provide remuneration and welfare to employees in the form of salary, fair bonuses in accordance with the employees' potential, create opportunities for fair career advancement, and also provide the required welfare benefits such as social security as well as benefits that go beyond the requirements of the law. This includes health and accident insurance for employees. This also includes various types of grants, such as grants to aid the cremation ceremony, etc.
- 2) Organize training to increase the employees' knowledge and potential through training programs, seminars and study visits, as well as training in order to achieve effective employee development.

In addition to this, the Company established clear roles and responsibilities for employees, determined appropriate remuneration, developed evaluation systems, and increased the employees' performance.

- 3) Provide a safe working environment and good hygiene by focusing on the prevention of any possible accidents that may occur when operating at full capacity and creating awareness about safety among the employees. This includes providing knowledge through training and encouraging employees to have good hygiene while not doing anything that is harmful to the health of customers or service receivers.
- 4) Provide space and equipment for recreational activities in order to allow employees to relax and exercise. This includes things such as pool tables, exercise machines and an activity area as well as organizing parties for different occasions, etc.
- 5) Provide channels for employees to make complaints or recommendations regarding their work via the website, Human Resources, or satisfaction evaluation forms, etc. This includes not disclosing the complainant's information in accordance with the Whistleblowing Policy.

## 4. Responsibility to Customers and Consumers

The Company is committed to offering the highest quality products to customers in order to create the highest customer satisfaction. This is done as follows:

- 1) Consider the importance of product quality and standards by using quality raw materials and standardized production to allow customers to use quality products and receive maximum satisfaction.
- 2) Continually invent and develop new products in order to meet the needs of customers so that customers are able to use various products that are quality, standardized and meet requirements.
- 3) Adhere to fair marketing practices. The Company has a policy that allows customers to receive accurate information about the Company's products and its subsidiaries. This information is not distorted, obscured, or exaggerated so that customers are provided with accurate and adequate information for making decisions.
- 4) Take customer safety into account and commit to providing safe quality products that meet international safety standards and requirements of the law. The Company constantly designs, creates and develops products to assure customers of standardized quality and the safety of the Company's products.
- 5) Provide a customer relations system in order to communicate with customers. This includes effectively receiving complaints about product quality in order to be able to meet the needs of customers quickly.
- 6) Keep customer information confidential and refrain from the misuse of confidential information.

## 5. Environmental Care

The Company gives importance to social responsibility in regards to environmental protection by controlling the operations of manufacturing and complying strictly with any laws that are related to environmental protection under the concept of environmental care and protection. The Company focuses on overseeing and developing the manufacturing operations and selecting environmentally friendly materials.

In addition to this, the Company focuses on reducing process waste by adhering to the principle of using less or using only what is necessary. This objective is to maximize the benefits of recycling and sharing resources in order avoid damage to the environment. The Company provides an environmental protection system as a guideline and tool for business operations. The Company also has an energy saving campaign which makes worthwhile use of office supplies such as using re-used paper, turning electrical appliances and air conditioners off during breaks, distributing media in CD or soft file format instead of using paper, as well as emphasizing more online communication, online meetings and online transactions in order to reduce travel to and from the office, etc.

## 6. Innovation and Dissemination of Innovation from Socially Responsible Operations

The Company adopted the ideas for social responsibility and creates business innovations that are beneficial and give the ability to compete for both business and society. This is done by evaluating the operational processes of the current business to see how, whether or not they cause any risk, or whether they have any negative impact on society or the environment. The Company does studies to find solutions to reduce these kinds of impact by thoroughly considering and analyzing operational processes in all aspects in order to create opportunities that lead to the discovery of business innovations, create opportunities to invent new products for business growth as well as generate sustainable business profit. For example, the Company uses the RPA tool (Robotic Process Automation) to enhance the effectiveness of a time-consuming process. This does not only improve the organizational effectiveness, it also decreases the use of paper in offices.

## 7. Preparation of a Social and Environmental Report

The Company will disclose information in compliance with the social responsibility guidelines for the benefit of all stakeholders by preparing a report on the disclosure of social and environmental operations that covers business operations, the environment, and safety and social aspects. This information is prepared accurately and a variety of information distribution channels are

provided in order to allow stakeholders to conveniently access the information.

## 8. Community or Social Development

The Company has a policy to conduct business to benefit the economy and society and also determines to develop, promote and enhance the quality of life of society and the community where the Company is located while simultaneously growing the Company. The Company supports community activities and projects by taking into account the appropriateness and the benefits that the community and society will receive in order to have sustainable community development. This includes sending the Company's employees to regularly participate in community activities and support community activities as well.

### 9.1 Anti-Corruption Policy

The Company set an Anti-Corruption Policy to be used as a clearer guideline for the Company and its subsidiaries in order to prevent and fight against corruption by creating a corporate culture in which employees are aware of the dangers of corruption, creating correct values and increasing confidence among stakeholders to effectively fight against corruption. The details are as follows:

- 1) The Board, executives and employees of the Company and its subsidiaries shall not directly or indirectly take part in or accept corruption in any form even with the intention to receive or maintain business services.
- 2) Prohibit the payment of bribes to government officials, political parties, any form of state enterprises or any business that is owned by the government or any other person who partners with the Company and its subsidiaries, whether this is direct or indirect, or via a third party. This includes the Company's employees, government joint ventures or semi-government joint ventures.
- 3) Regularly review the operations earnestly. Review the operational guidelines and requirements in order to comply with the changes in business, laws and regulations.
- 4) Supervisors at all levels are required to communicate and help employees to understand anti-corruption in order to perform their duties and responsibilities and supervise operations effectively based on these operational guidelines. In addition to this, the Anti-Corruption Policy shall be communicated to all levels of the Company through various channels such as employee training, the Company's internal communications system in order to allow relevant parties to acknowledge the policy and put into practice.
- 5) Set principles for giving or receiving gifts or entertainment in the Company's Code of Business Conduct. Employees shall not offer, claim, accept or consent to receive any money, goods, catering, entertainment, or any other benefit that may result in a suspicion of bribery and corrupt behavior. Gifts should be received with a suitable reason which is not related to business commitments and it shall not be cash or a cash equivalent. There should be an awareness that any action or lack of action should be transparent and be able to be validated.
- 6) Determine whistleblowing channels and promote a wide variety of communication channels so that employees and any relevant parties are able to blow the whistle. There shall be protection measures for whistleblowers and the identities of whistleblowers shall be strictly protected to prevent any retaliation or forced relocation. A person shall be appointed to validate and closely monitor all allegations that have been made.
- 7) Employees shall not ignore or be neglectful when witnessing corruption related to the Company and its subsidiaries. Employees shall inform their supervisor or the person in charge and cooperate with the investigation.
- 8) The Company provides protection and fairness to employees who refuse to inform or do report corruption related to the Company and its subsidiaries. The Company shall not retaliate, demote or cause any negative impact on the directors, executives or employees who refuse to engage in corruption, even if such a refusal will cause the Company to lose business opportunities.

- 9) The person who commits corruption violates the Company's Code of Business Conduct. Therefore, penalties shall be made in accordance with the Articles of Association of the Company and its subsidiaries. If an action is proved to be illegal, the person who committed the action shall be charged and be subject to punishment.
- 10) In the case that an employee is in a situation where the employee or the employee's family is threatened with bodily harm if a payment is not made, this is considered to be a critical threat to the health and safety of the employee and/or their family. Therefore, it is important to have a "Payment for Safety", where such payments shall be considered in special cases. Employees are required to report such matters to their supervisor and/or the person in charge of administration and human resources as soon as possible.

## 9.2 Socially and Environmentally Responsible Activities (After Process)

In 2018 the Company had the following socially and environmentally responsible activities:

### • Activities for the Community and Society

*Donated relief bags to help flood victims by going into flooded areas and distributed dried food, water and other essentials in Ubon Ratchathani.*

The Company recruited 10 employees from the Bangkok Distribution Center and Ubon Ratchathani to distribute a truck load of relief bags containing beverages, dried food and other essentials to help flood victims in Warin Chamrap, Ubon Ratchathani on September 12, 2019 and another location at Khuang, Udon Ratchathani on September 18, 2019. This helped 100 households. In addition to this, the Company's employees helped people in these communities move their belongings to higher ground and delivered sand bags to people and government agencies in areas where flooding had not reached.



Donated grant-in aid, dried food, water and other essentials in Ubon Ratchathani

The Company sent a team to Ubon Ratchathani to deliver water, dried foods, and other essentials and also donated grant-in aid in the amount of Baht 100,000 to Mr. Wiroot Wichaiboon, the vice governor of Ubon Ratchathani who was the provincial representative, in order to aid flood victims in Ubon Ratchathani. Mr. Apicha Jampanin from the Department of Disaster Prevention and Mitigation of Ubon Ratchathani witnessed the donation on September 27, 2019 at the Donation Center at the Ubon Ratchathani City Hall.





### National Children's Day Activities:

The Company gave school supplies and gifts and also attended the National Children's Day activities in a nearby community where the Company's headquarters, distribution center and different branches are located.



Wat Kamphang School



Community under the Rama VIII Bridge



"Index: Sharing love with people on the Mountain"  
at Nakorruea School in Nakorruea, Hot, Chiang Mai



Nang Phaya School in Nakorn Sri Thammarat

### Donate essential goods to youth and the community.



The Nakorn Sri Thammarat Branch donated soccer balls to Klong Ji Lad School in Nakorn Sri Thammarat



Donated goods to the Ban Nong Jam Pa School in Nonsung, Nakorn Ratchasima



Catered free food and donated goods to the Ban Dek Ram Indra School for the blind and children with multiple disabilities



Donated goods to Mahawong Daycare Center along with the FORDEC 6 Foundation in Samut Prakan



Donated essential goods to Nok Khamin Foundation at the Index Living Mall, Rama 2 Branch



Donate furniture and goods to the Chantaburi Red Cross for the benefit of the community and society in Chantaburi

### *One Gives, Many Receive Project — Give Yourself an Opportunity = Give a Patient an Opportunity*

The Company collaborated twice with the National Blood Center under the Thai Red Cross Society in order to seek blood donations from employees and people in a nearby community. These events were held on February 20, 2019 and November 20, 2019.





*Hired senior citizens and disabled people*



### • Religious and Cultural Activities

The Company participated in religious ceremonies at community temples and donated essential goods.



Annual religious ceremony at Thamayom Temple in Joho, Nakorn Ratchasima In picture: (Gave prizes to support religious ceremonies of Thamayom Temple



Participated in a parade and set up a free drinking water booth on the Phra Phutta Sothorn Buddha Parade Day in Chachoengsao

### • Environmental Activities

Since August 1, 2019, the Company started a pilot project in every branch in order to reduce plastic. The Thai Retailers Association requested collaboration in the campaign called “Do Good with your Heart, Reduce Giving and Receiving Plastic Bags and Plastic Containers” but the Company had already begun its plastic reduction pilot project. Moreover, on October 1, 2019, the Company started this pilot project campaign with employees working at the Company’s headquarters and shops in a nearby community.



## • Activities for Employees

“Overjoyed Activities” for different branches such as Loy Kratong Festival, Sports Day, etc.



Overjoyed 4<sup>th</sup> Quarter Activity Loykratong FestivalBangkruey Sainoi Branch



Overjoyed Activity: Sports Day



Annual Health Check-up

## Details Regarding Executives Management and Controlling Persons of the Company and its Subsidiaries

Name	ILM	IDF	TW	ILM Inter
1. Mrs. Kannikar Chalitaporn	X			
2. Mr. Jirayut Rungsrithong	//, Ax			
3. Mrs. Pennapha Dhanasarnsilp	//, A			
4. Mr. Adisak Ruckariyaphong	//, A			
5. Mr. Ariya Banomyong	//			
6. Mr. Pisith Patamasatayasonthi	/,0	/	/	/
7. Mrs. Kunthong Udommahuntisuk	/	/	/	/
8. Ms. Kridchanok Patamasatayasonthi	/,0	/	/	/
9. Ms. Pichapim Patamasatayasonthi	/	/	/	/
10. Mr. Ekalak Patamasatayasonthi	/,0	/	/	/
11. Mr. Ekaridhi Patamasatayasonthi	/	/	/	/
12. Mr. Vipon Vorasowharid	0			
13. Mrs. Kanokwanrat Srimeesiri	0			
14. Mr. Somchai Tosomsakul	0			
15. Mr. Kwanchai Kitkongkajornchai	0			
16. Mr. Nattinai Yuttapatsak	0			
17. Ms. Pavaravadee Wichaidit	0			
18. Mrs. Kanjanawan Layluxsiri	0			
19. Mr. Gerard McGurk	0			
20. Mr. Suchart Sasivimolvit	0			
21. Mr. Thosak Kanjananimnont	0			

### Notes:

x = Chairman of the Board      / = Director      Ax = Chairman of the Audit Committee  
 // = Independent Director      0 = Executive      A = Audit Committee

# Risk Factors

The Company gives precedence to risk management by studying and adapting the COSO framework to be in accordance with the Company's corporate risk management while also taking into account the internal and external risk. The Company evaluates and identifies major risk then establishes a prevention plan, monitors and controls various kinds of risk in order to reduce risk to be at an acceptable level. The risk factors in the Company's business operations and the guidelines for risk prevention can be summarized as follows:

## 1. Strategic Risk

### 1.1 Economic Fluctuations Risk and Dependence on the Real Estate Sector

In 2019, the Thai economy slowed down due to the contraction of the export sector which resulted from the slowdown of the global economy and the trade war between the United States and China. This caused domestic spending and investments to slow down. Even though the government issued stimulus measures for domestic spending at the end of the year, the tendency is that the overall Thai economy will grow no more than 3%, which is the lowest it has been in the past 5 years. This affects the demand for both furniture and home decorating products and the demand for rental space to decline.

The Company's primary sales revenue is derived from the sale of furniture products under the Index Furniture and WINNER brands which target customers in the mass to premium mass markets which holds a percentage of 49.2% of the total sales revenue for the fiscal year that ended on December 31, 2019. The spending patterns of this market is more or less sensitive to economic conditions. These factors may adversely affect the Company's performance, financial status and the cash flow significantly.

However, the Company is closely monitoring the economic situation as well as determining its strategic marketing plan and online and offline sales promotion strategies in order to stimulate consumer spending every month. The Company also places importance on home decorative items which are fast - moving consumer goods and customers can regularly purchase these products. The furniture and home furnishing products that have targeted the premium mass market under the BoConcept brand and American-style products sold at MOMENTOUS stores under the brands STANLEY and HOOKER in order to expand the customer base which will cover all customer groups. This will help reduce the risk due to economic fluctuations and product dependency under the Index Furniture and WINNER brands as well.

In regards to the rental business and rental property business, when choosing tenants, the Company takes into account the customer base and the probability that a store will survive. The Company regularly meets with tenants in order to be aware of the situation and be able to provide effective support. The Company also monitors and studies economic conditions, especially in the real estate sector, and relevant market information so that the Company is prepared for any possible risk that may result from an economic slowdown and the real estate sector in the future.



## 1.2 Competitive Risk in the Furniture Market, Rental Business and Rental Property Business

In 2019, competition in the furniture and home furnishing retail business increased intensely as a result of new large operators entering the market and foreign entrepreneurs that have low production costs. This caused competition against one another regarding price, sales promotions and the launching of newly designed products that meet the lifestyle of all target groups in order to maintain market share. Moreover, online sales channels grew rapidly which impacted the furniture and home furnishing retail business even more.

The Company managed competitive risk by developing products that are different from competitors, procuring goods from external manufacturers, developing innovations in manufacturing, using affiliated factories to help manage costs more efficiently, and searching nationally and internationally for furniture and home furnishing that have distinctive designs and are different from other domestic and foreign operators in order to meet the needs of customers at a low cost and competitive pricing. The Company encouraged sales with promotional campaigns and promotional sales campaigns in specific areas in order to be able to meet the needs of customers in different areas. In addition, the Company increased the efficiency of distribution channels via online sales channels as well as expanding channels of work projects and international markets both in the form of self - investment and franchises.

The rental business and rental property business are highly competitive due to the opening of a community mall and new department stores. This includes online shopping, online food delivery, and the ability of the tenants who can attract customers to use the service. The Company reduced risk by regularly adjusting to changes in the needs and lifestyles of customers. For example, attracting famous and popular stores to rent property, allocating spaces a diversity of stores and continually organizing activities within the community mall, etc.

## 1.3 Exporting and International Business Expansion Risk

The Company is currently exporting furniture and home furnishing products overseas through franchise stores and distributors as well as being an original equipment manufacturer (OEM) and work projects in foreign countries such as Pakistan, the Union of Myanmar, Vietnam and Indonesia, etc. The revenue from export sales for the fiscal year ended 31 December 2019 equals 1.8 percent of the company's total sales revenue.

Due to the slowdown of the global economy this year, the operating results from franchise stores, distributors and business expansion in foreign countries may not meet the targets. In addition, business expansion in emerging markets still needs to have business operational structures that are complete as well as laws and regulations that are fully covered.

Therefore, this factor may change in the future or it could be viewed differently which may occur frequently and be unpredictable. This may affect exports and the business opportunities of the Company.

However, the Company undertook a feasibility study about business as well as relevant rules and regulations before expanding the business into partnering countries in order to reduce potential risk. An experienced management team in international markets will help franchisees and dealers to understand the business operations by giving advice about product information, product placement, sales promotion planning, etc. In addition, the Company prepared an Operations Manual and training for franchisees and dealers so that they have knowledge and understand the business operations in the same direction.

The Company did not stop increasing work efficiency or production in order to be able to compete with other operators in regards to quality and price. This will promote the international business so that it operates smoothly and sustainably. The Company also

monitors the sales performance of furniture and home furnishing in foreign countries on a monthly basis. If the Company finds any unexpected results, financial losses or franchisees and dealers do not significantly comply with the requirements, the Company will make improvements, changes or suggestions to make solutions according to the policies specified by the Company.

#### 1.4 Inventory Management Risk

In order to place an order from the Company's manufacturers, dealers, or external manufacturers, the Company must place a minimum order as required by the partner. This causes the Company to have a large amount of inventory and the Company cannot guarantee that all inventory will be sold or meet the needs of consumers in the future. As a result, the inventory may become obsolete or deteriorate. As of December 31, 2019, the Company reduced the allowance for the decline in value in accordance with the Company's policy regarding the impairment of assets that are held for sale, in the amount of 56.7 million Baht.

However, the Company managed the levels of inventory through order planning and working closely with the main vendors, especially subsidiaries' manufacturing. This allows the Company to be able to efficiently control the amount of inventory. At the same time, the Company managed the levels of inventory so that they are at an appropriate level, regular tracked and evaluated the movement of inventory and had contingency plans to create movement for inventory and reduce the problem of obsolete or deteriorated products such as promotions, discounts, or annual clearance sales, etc.

The Company's main costs, in addition to raw material costs, are personnel expenses. For the fiscal year that ended on December 31, 2019, the personnel expenses for manufacturing equals 6.2 % of the Company's total cost of sales and services. The personnel expenses equal to 42.1 % of the total cost of distribution. and service expenses of the Company respectively. The minimum wage rate in Thailand continuously increasing according to the announcement of the wage committee. The latest minimum wage increase has been in effect since April 1, 2018. The Company also paid attention to giving good remuneration to employees as a way to motivate work. If the future wage rates increase, the Company's cost of labor may increase which may cause the Company's profits to decline and may significantly affect the financial status, operating results, and cash flow of the Company.

However, the Company's Board of Directors oversees and monitors the operating results of the Company continuously. In addition, the Company planned personnel planning in accordance with the direction of the business operations, the growth of the Company, the corporate structure and other relevant factors. The Company will continue to make appropriate decisions and actions in order to have a suitable employee structure and personnel expenses. The Company continually develops personnel so that employees work efficiently. In addition, the Company plans to use technology in manufacturing and business operations in order to help manage costs and increase sustainable efficiency.

#### 1.5 Disruptive Production Risk and Risk from the Company's Distribution Centers

Sales revenue from furniture that was manufactured by the Company's manufacturing plants was between approximately 40.0% to 46.0% of the Company's total sales revenue. As a result, the Company's business operations partially depend on the ability of the Company's manufacturing plant to continuously produce quality furniture. Therefore, the Company may have potential risk from defective furniture because the production does not meet the required quality standards. Manufacturing may be disrupted from fires, machine downtime other than the times specified in the plan, employee strikes, natural disasters such as floods and storms as well as defects in the furniture because the production does not meet the quality standards and relevant requirements. Disrupted production may temporarily cause the Company to experience insufficient production or the cost of



sales or the distribution expenses to increase which may have a negative impact on the business, financial status, reputation, operating results, and business opportunities of the Company.

The Company is aware of the production risk from the Company's manufacturing plants. As a result, the Company pays attention to the production process in order to continually control and improve the effectiveness of the Company's furniture production. The Company strictly adheres to a quality inspection process to ensure that the furniture is produced in accordance with the quality standards and relevant requirements of the Company. The Company regularly maintains the machinery according to a schedule. As a result, in the past 3 years, the Company has been able to continually produce furniture. In addition, IDF was recognized by international organizations for the quality management system standard (ISO 9001: 2015). The Company also searched to procure furniture and home furnishing from third-parties in order to reduce dependence on manufacturing plants and to help manage the Company's costs. This can be seen in the fiscal year ended 31 December 2019 that the proportion of third-party procurement is increased to more than 58.3 % of the Company's total sales revenue.

Currently, the Company has stored the majority of its inventory in a distribution center, mainly are finished goods, representing 92.1% of the inventory value -net as of December 31, 2019. Therefore, in the event of any loss, damage and/or disruption to any distribution center or the Company's inventory due to weather, natural disaster, fire, terrorist act, epidemic, protest, disrupted public utility, damaged equipment or any other event of the same nature, will affect the Company's ability to deliver the customer's order. However, the Company prepared a Business Continuity Plan (BCP) to handle any emergency mentioned above and has developed operational procedures to oversee the distribution center. Information technology (IT) has been used to help control products more efficiently. In addition, the Company purchased insurance that covers damage to some inventory in the Company's manufacturing plans, distribution centers and branches.

## 1.6 Risk from Key Executives and Competent Employee Reliance

The Company's success depends on its ability to motivate and retain knowledgeable and capable key executives and employees, which includes the Patamasatayasonthi family, the founders who have been managing the Company for a long time, experienced executives and employees in production, marketing and sales personnel both domestically and internationally. Therefore, it is essential that the Company have experienced and capable employees. The Company regularly trains its employees. However, if the Company is unable to retain a group of competent executives and employees or is unable to find replacements in a timely manner, this may have a significant negative impact on the business operations, operating results and the financial status of the Company.

However, the Company is aware of the importance of motivation in order to retain the Company's personnel and clearly focuses on developing the capabilities and responsibilities of personnel, creating a career path for every level of employee as well as appropriately allocating remuneration in accordance with the knowledge and ability of each individual. In addition, the Company continually recruits new employees to replace lost personnel and has a succession plan for important positions so that the Company has sufficient personnel in accordance with the Company's operations plan.

## 2. Financial Risk

### 2.1 Fluctuations in Exchange Rate Risk

The Company has revenue from selling products overseas as well as royalty fees, which have been recognized since June 1, 2018. This revenue is mainly in US Dollars and the cost of imported raw materials is in US Dollars and Euros. The Company

has a significant amount of sales revenue and raw material costs in foreign currencies. If the exchange rate changes negatively, it may adversely affect the financial status, operating results and cash flow of the Company significantly.

However, the Company has implemented a natural hedge to prevent currency risk from sales transactions and the purchase of raw materials. The relevant sales department reviews price setting and imported expenses to cover the risk of exchange rate fluctuations, the setting of sales prices and import costs to cover the risk of exchange rate fluctuations. In addition, the Company has a policy to manage the risk of exchange rate fluctuations by entering into forward exchange contracts to reduce the risk of exchange rate fluctuations that may occur sometimes. Besides this, the Company follows the news and direction of the foreign currency exchange rate closely from news sources and information from banks in order to evaluate the situation and prevent any risk that may occur. However, as of December 31, 2019, the Company had no outstanding balance from forward exchange contract enactments with financial institutions.

## 2.2 Interest Rate Fluctuations Risk

As of December 31, 2019, the Company's interest-bearing debt included short-term and long-term loans from financial institutions, long-term debentures, and liabilities under financial lease agreements in Thai currency in the total amount of Baht 4,685.9 million, 4,432.5 million Baht of the loan had floating interest at a rate of 94.6 % of the total interest-bearing debt of the Company. However, the Company may need to have significant loans in the future for capital management and business expansion of the Company. Therefore, if the interest rate for loans change significantly, it may adversely affect the operating results and the financial status of the Company significantly.

However, the Company has made plans to manage the capital and regularly monitor changes in interest rates. Risk due to interest rate fluctuation has also been managed through the diversification of loans with both fixed interest rates and floating rates. In addition, the Company expects that after the Company has been listed on Stock Exchange of Thailand ("SET"), the Company will have access to various funding channels and more bargaining power.

## 3. Compliance Risk

### 3.1 Risk from operating business under the new enforcement law and statute.

The Corporation must comply with the laws and regulations related to corporate business operations from government agencies and local municipalities as well as rules and regulations for licenses which includes newly enacted statutes. The Company is unable to guarantee that government agencies and local municipalities will not change laws nor impose stricter regulations or guidelines in the future. If these circumstances occur, the Corporation's business operations will have additional expenses due to improvements or changes needed to comply with laws which also includes other factors that may affect the Company's business, operating results and the business opportunities.

However, the Company undertook a study of laws and related regulations in order to effectively prepare the Corporation to adapt to the enforcement of laws and regulations so that the Company is able to operate in accordance with the business plan. In addition, the Company took measures to prevent risk that may arise from technical difficulties, the Company's operation system and cybersecurity risk. According to the Cybersecurity Act (B.E. 2562 Act), the Company has a backup system, closely monitors and sends out warnings in order to ensure that information is not lost or leaked. The operating system runs continuously and provides accurate, reliable and up-to-date information in order to make decisions.

# Internal Control and Risk Management

## The Opinion of the Board of Directors on the Internal Control System

The Board of Directors recognize the importance of having a good internal control system and regard it is an important duty to ensure that the Company has an appropriate and sufficient internal control system so that the business operations are carried out effectively and in accordance with the goals, objectives, laws and related requirements, and protect assets from fraud and damage. The accounting and financial reporting was prepared accurately and reliably and the disclosure of information was complete, adequate and timely.

At the Board of Directors' Meeting No. 1/2020 held on February 24, 2020, in which the Audit Committee participated, the Board of directors considered and evaluated the sufficiency of the Company's internal control system by using the sufficiency of the internal control system assessment form of the Office of Securities and Exchange Commission and inquiring of the Company's management. The Board of Directors considered the Company's internal control system in 5 categories which are in accordance with the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). They consist of:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication
- (5) Monitoring Activities

The Board of Directors is of the opinion that the Company's internal control system was sufficient and suitable for this size of the business and the current situation of the Company and approved the sufficiency of the internal control system assessment form for the Company's internal control system evaluation. This can be summarized as follows:

### 1. Control Environment

The Company adheres to the values of honesty and ethics by establishing a policy regarding good corporate governance, a Code of Conduct and an anti-corruption policy so that the directors, executives and employees adhere and perform their duties with honesty and uphold the Code of Conduct transparently, straightforwardly, and in compliance with the law for stakeholders which include shareholders, trade partners, and customers. In this regard, the executives and employees communicated through email and the Company's intranet, and the third parties were communicated to through the Company's website. In addition, the Company set the Code of Conduct as part of the competency assessment criteria for executives and employees on a yearly basis and disciplinary action was imposed if there were any acts that violate the Company's policy.

The Company set a clear organizational structure, chain of command, and roles, duties and responsibilities to help the operations achieve the Company's goals and have effective internal control. This was done by establishing an independent internal audit

department to have responsibility over operational inspections. This included establishing a written delegation of authority to determine authority and the transaction approval process for important business transactions. The Board of Directors was also responsible for overseeing executive management and being independent from executive management. The Board of Directors consisted of 4 independent directors, which is more than one third of all directors, who have knowledge, ability and experience in various fields.

The Company set a strategic plan for short-term and long-term goals as well as key performance indicators (KPIs) to assess the performance of various segments. The Board of Directors appointed sub-committees to help and support the performance of these duties, namely, the Executive Committee, the Nomination, Remuneration and Corporate Governance Committee, and the Audit Committee. The roles and responsibilities of each committee were clearly established in the Committee Charter.

In addition, the Company is committed to motivating, developing and retaining knowledgeable and capable personnel. As a result, an annual training plan for employees was arranged which focuses on departments that have urgent needs. The Company sent personnel to attend seminars and various academic trainings in relevant fields to develop the knowledge and ability of personnel as needed. Succession plans, identifying successors, and guidelines for the development of successors for important positions were established.

## 2. Risk Assessment

The Company was aware of the importance of risk management due to changes that could affect the achievement of business objectives or goals. The Company established a written risk management policy to deal with uncertain situations that may occur. This was approved by the resolution of the Board of Directors to specify the framework for the risk management guidelines. The risk management policies were communicated to all departments within the Company and its subsidiaries for their acknowledgment and implementation. In addition, a risk management working group is responsible for overseeing and monitoring the risk management process. The risk assessment results will be compiled and submitted to the Risk Management Committee and the results will be reported to the Executive Committee, the Audit Committee, and the Board of Directors on a regular basis in order to support and drive the Company's risk management process systematically.

The Company's risk management process included the consideration and assessment of business risk from both internal and external factors. This was done by taking into account the likelihood of risk and its possible impact and it covered various types of risk, such as business strategy, operations, reporting, compliance, and information technology, etc. This also included the possibility of fraud in various forms and assessing changes that affect patterns and the Company's operational risk.

In this regard, the Company established guidelines and measures to manage risk at an acceptable level in order to prevent or reduce damages that may occur. This was done by considering various approaches such as accepting risk, reducing risk, avoiding risk, etc., as well as monitoring risk management results in the organization consistently and continually.

## 3. Control Activities

The Company established organizational control measures and operational control measures for the Company and its subsidiaries through policies and operational procedures by separating responsibilities in important tasks. This included separating the responsibilities of the approval authorities, the person responsible for bookkeeping and information, and the person in charge of keeping assets apart in order to have an efficient and effective internal control. The Delegation of Authority (DOA) was also established which was approved by the resolutions of the Board of Directors.

In addition, the Company set policies for conflicts of interest by prohibiting directors, executives and employees from seeking benefits for themselves or others whether the transaction caused damage to the Company or not. The connected transaction policy is used as a guideline in the event that the Company has transactions with a person who may have a conflict of interest or connected persons. There must be trade conditions with fair prices and conditions that do not cause a transfer of benefits. The best interest of shareholders must be taken into account as well as the investment policies and the operations of subsidiaries, joint ventures and associated companies in order to supervise the operations in order to make sure that they follow the direction and goals set forth regarding both strategy and operations.

The Internal Audit Department is responsible for verifying that the operations of the Company and its subsidiaries are carried out in accordance with the policies and operational procedures defined by the Company, and by determining the annual audit plan to cover important operational processes as accepted and approved by the Audit Committee. In the case that defects are found, the Internal Audit Department will report the detected issues and give recommendations to any relevant departments in order to find a solution.

#### 4. Information and Communication Systems

The Company gives importance to information and communication systems and have internal and external communication channels. Internal and External information is used to analyze decisions made regarding the operations of the Company and its subsidiaries. Each department is responsible for controlling documents and keeping important documents organized so that the decisions made by the shareholders, stakeholders, directors and management of the Company are based on information that is accurate, sufficient, reliable and timely.

In regards to the Meeting of the Board of Directors, a meeting invitation letter, the meeting's agenda and the meeting documents that contain important and sufficient information will be sent 7 days prior to the Meeting. This is in line with the minimum time period required by the law. This enables the Board of Directors to have sufficient information to make decisions and have sufficient time to study this important information. The Company Secretary is the coordinator for each Meeting, preparing the meeting's minutes along with the meeting's agenda which is to be considered as well as any questions, comments or remarks from the directors. This also includes the approval/consideration of agenda items and keeping the meeting's minutes organized for future reference.

The Company established communication channels for employees to acknowledge any information and news among the organization through the notice board of the Company and to email certain employees or certain groups through the Company's intranet. The Company will use different channels for communication depending on the information and the group of employees in order to ensure that the information is fully communicated to the target staff.

In addition, the Company determined that investor relations are responsible for communicating the Company's information to outsiders. The Company created a website which consists of important content such as Company information, corporate governance, and complaints, as well as establishing a written whistleblowing policy and whistle blowing channel through the Company's website or via email at [ethics\\_hotline@indexlivingmall.com](mailto:ethics_hotline@indexlivingmall.com) so that both internal and external stakeholders can safely blow the whistle to the Company.

## 5. Monitoring Activities

The Company established an independent Internal Audit Department that reports directly to the Audit Committee in order to verify that the internal control system of the Company and its subsidiaries. This is in accordance with the policies and procedures that the Company established. The Company also established an annual internal audit plan by considering the risk and nature of business of the Company and its subsidiaries which was approved by the Audit Committee. In addition, the Internal Audit Department will review the internal audit plan to ensure that it is consistent and suitable with the nature of business of the Company and its subsidiaries. Changes may be made during the year or when necessary.

The Internal Audit Department will report any defects that were found or suggest any improvements that should be made to the internal control system of the Company and its subsidiaries to the relevant executives. The Internal Audit Department will report the results of the internal audit which includes the updated results after the improvement has been suggested in order to solve any significant flaws of the Company and its subsidiaries to the Audit Committee at least once per quarter. When corruption, something unusual, or any significant defects occur that may affect the reputation, image, financial status and business operation of the Company, facts must be gathered, investigated and reported to the executive management, the Internal Audit Department, the Audit Committee, and the Board of Directors immediately.

## Auditor's Observations

### Audit Observations and Internal Control Accounting System

KPMG Phoomchai Audit Company Limited ("KPMG"), the Company's auditor, did not find any significant defects in the internal control system and did not issue any report on observations or recommendations for accounting and the internal control accounting system for the Company's executive management for the year that ended on December 31, 2019.

### Observations on Information Technology (IT) System

KPMG Phoomchai Audit Company Limited ("KPMG"), the Company's auditor, did not find any significant defects in the internal control system and did not issue any report on observations or recommendations regarding the information technology (IT) system for the Company's executive m4. Information and Communication Systems

The Company gives importance to information and communication systems and have internal and external communication channels. Internal and External information is used to analyze decisions made regarding the operations of the Company and its subsidiaries. Each department is responsible for controlling documents and keeping important documents organized so that the decisions made by the shareholders, stakeholders, directors and management of the Company are based on information that is accurate, sufficient, reliable and timely.

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### Head of Internal Audit of the Company

The Company organized an internal audit department which reports directly to the Audit Committee of the Company to support the supervision and the operations of the internal audit to be independent, effective, and efficient. The Audit Committee Meeting No. 1/2018 (Limited Company) held on March 29, 2018 approved the appointment of Mr. Pisit Oprapakorn as Head of the internal audit of the Company due to his qualifications, educational background, and sufficient training and experience that is suitable to be the controller of the said operations. The details regarding the position of the Head of the internal audit appear in Attachment 3.

In this regard, consideration and approval, removal, and transfer of the Head of internal audit of the company must be approved by the Audit Committee.

### The highest-ranking accounting and financing officers and controllers

According to the regulations of the Securities and Exchange Commission regarding the qualifications of the highest-ranking accounting and financing officers (CFO) and controllers, the Company would like to disclose the following biography:

#### The highest-ranking accounting and financing officer

**Mrs. Kanokwanrat Srimaneesiri (53 years)**

- Senior Vice President - Accounting and Finance and Human Resources Management and Development
- Company Secretary

#### Education

- Bachelor of Business Administration in Accounting, Assumption University
- Master of Business Administration, Assumption University

#### Training

- 2018 - Certificate from the Capital Market Knowledge Development Center, the Stock Exchange of Thailand, CFO's Orientation Course for New IPOs 2018
- 2018 - Company Secretary Program (CSP), Thai Institute of Directors Association (IOD)
- 2562 - TLCA CFO Professional Development Program, Thai Listed Companies Association

## Controller

### Mr. Suchart Sasivimolvit (53 years)

- Accounting Director

### Education

- Bachelor of Business Administration, Accounting, Ramkhamhaeng University
- Master of Business Administration, Chulalongkorn University

### Accountant Registration

- Mr. Suchart Sasivimolvit was registered as accountant according to the Notification of the Department of Business Development on September 19, 2001.

### Training

- Continuing Professional Development and Accounting Development according to the criteria specified in the Notification of the Department of Business Development for a total of 26 hours in 2017, a total of 7 hours in 2018 and a total of 24 hours in 2019.

## Head of Internal Audit

### Head of Internal Audit

Mr. Pisit Oprapakorn

### Relationship between directors and executives

- None

### Education

- Master of Business Administration in Finance (MBA Finance), National Institute of Development Administration (NIDA)
- Bachelor of Business Administration, Major in Accounting (BBA Accounting), First Class Honor, Gold Medal with Assumption University (ABAC)
- Tax Auditor

### Training

A training course on internal auditing from the Federation of Accounting Professions as follows:

- 80 corruption issues that the organization must be aware of
- Annual Audit Management Planning
- Audit Process: How to Plan an Audit Work System
- Training Program for Internal Audit Certification (IACP)

### Work Experience

2014 - present	Internal Audit Department Manager (Head of Internal Audit)	Index Living Mall PLC
2013 - 2014	Senior Officer (Tax Auditor)	PricewaterhouseCoopers Company Limited, Tax and Legal Consultant
2010 - 2012	Senior Officer (Risk and Internal Control)	KPMG Phoomchai Company Limited, Business Consultant

### Responsibilities of the Head of Internal Audit

1. Organize the structure, delegate responsibilities and the general management within the Internal Audit Department.
2. Prepare manuals and operational standards for internal auditor. Review the compliance of the internal auditor with the manual and the internal audit standards.
3. Prepare the annual internal audit plan of the Company by setting goals and scope of the audit and propose it to the Audit Committee for consideration and approval.
4. Prepare the annual budget of the internal audit department and manage/control the expenses to be within the specified budget.
5. Review the administration and internal controls to be in accordance with the objectives, goals and scope of the internal audit in order to have an adequate, appropriate and effective internal control system.
6. Review and approve the audit program which includes risk and sufficiency assessment of internal control, both the operational and the information audit.
7. Review and give suggestions regarding the work of subordinates in order to carry out the audit guidelines. This includes controlling and checking to be in accordance with the plan, goals, objectives, work plans and regulations of the Company and relevant laws.
8. Review the audit report and follow up on the operations and solutions that had been summarized with the auditee.

# Management Discussion and Analysis

For the year ended 31 December 2019

## 2019 Highlights

Operating Highlights (Unit: THB million)	2018	2019	Change %YoY
Revenue from sale of goods	9,174.2	9,236.1	+0.7%
Revenue from rental and rendering of services	484.1	561.9	+16.1%
<b>Operating revenue</b>	<b>9,658.2</b>	<b>9,798.0</b>	<b>+1.4%</b>
Gross profit	4,263.2	4,262.1	-0.03%
EBITDA	1,360.8	1,566.8	+15.1%
<b>Net profit (loss)</b>	<b>542.9</b>	<b>596.1</b>	<b>+9.8%</b>
Gross profit margin (%)	44.1%	43.5%	-
EBITDA margin (%)	13.9%	15.8%	-
Net profit margin (%)	5.6%	6.0%	-
One-time expenses*	35.4	21.0	-40.7%
<b>Net profit excluding one-time expenses (reversal)</b>	<b>578.3</b>	<b>617.1</b>	<b>+6.7%</b>

Note: \*One-time expenses in 2018 were due to the closure of ILM Malaysia, while the one-time expense in 2019 was resulted from the employee retirement benefit

- The Company reported net profit in 2019 of Baht 596.1 million, representing a growth of 9.8% from 2018 mainly due to the increase in both revenue from sale of goods and revenue from rental and rendering of services, increased gross profit from rental and rendering of services from new rental spaces and improved occupancy rates, and decreased selling and distribution expenses from improved cost management.
- Operating revenue increased by 1.4% compared to 2018, with key contribution from revenue from rental and rendering of services which increased outstandingly by 16.1%, while revenue from sale of goods grew marginally by 0.7%, mainly contributed from online sales which increased impressively by 155.0%, “Younique Customized Furniture 4.0” which increased significantly by 55.1%, and domestic project which increased by 9.8%.
- The Company successfully opened several new stores that further contributed to the growth in revenue from sale of goods. The new stores in 2019 were Index Living Mall Chaiyapruet (opened in Jan 19), Index Living Mall Chanthaburi (opened in Aug 19), WINNER Ratchaburi (opened in Aug 19), 5 “Younique Customized Furniture 4.0” showrooms and 2 franchise stores in Ho Chi Minh, Vietnam.

## Significant Events in 2019

- **Opened Index Living Mall Chaiyapruak**

In January 2019, the Company successfully opened a new Index Living Mall store in Chaiyapruak as the 30<sup>th</sup> standalone Index Living Mall store in Thailand.

- **Opened Index Living Mall store in Chanthaburi**

In August 2019, the Company successfully opened a new Index Living Mall store in Chanthaburi as the 31<sup>st</sup> standalone Index Living Mall store in Thailand. This summed up to a total of 31 standalone stores of Index Living Mall and 6 stores of Index Furniture Center at the end of 2019 in Thailand.

- **Launched the first WINNER store**

In August 2019, the Company officially launched the first standalone WINNER store under a COCO (Company Owned Company Operated) format in Ratchaburi province. The Company developed WINNER store to expand its target segmentation of mass market. The new concept of a smaller size furniture store will focus on penetrating second-tier provinces and cities where Index Living Mall store has not yet operated.

- **First 2 franchise stores in Vietnam**

In November 2019, The Company successfully opened the first franchise store in Ho Chi Minh City, Vietnam as the 18<sup>th</sup> overseas store. The second store in Vietnam followed in December 2019, summing up to 19 stores in 8 countries at the end of 2019. With excessive feedback from the Vietnam stores, the Company plans to open more franchise stores in Vietnam in 2020.

- **Continuous expansion of 'Younique Customized Furniture 4.0'**

After receiving impressive feedback from the disruptive furniture model of 'Younique Customized Furniture 4.0' since the launch in late 2017, the Company continued to expand Younique in Index Living Mall store with 5 new openings in 2019, totaling 12 Younique stores at the end of 2019.

## Operating Results

Operating Highlights (Unit: THB million)	2018	2019	Change %YoY
Revenue from sale of goods	9,174.2	9,236.1	+0.7%
Revenue from rental and rendering of services	484.1	561.9	+16.1%
<b>Operating revenue</b>	<b>9,658.2</b>	<b>9,798.0</b>	<b>+1.4%</b>
Cost of sale of goods	5,118.9	5,208.2	+1.7%
Cost of rental and rendering of services	276.1	327.7	+18.7%
<b>Cost of sales and services</b>	<b>5,395.0</b>	<b>5,535.9</b>	<b>+2.6%</b>
<b>Gross profit</b>	<b>4,263.2</b>	<b>4,262.1</b>	<b>-0.03%</b>
Other income	109.6	104.7	-4.5%
Selling and distribution expenses	2,400.0	2,347.2	-2.2%
Administrative expenses	1,145.0	1,195.8	+4.4%
Finance costs	169.6	184.0	+8.5%
Other expenses (reversal)	166.5	-	-
Profit before income tax expenses	491.7	639.7	+30.1%
Tax expenses (income)	60.7	43.9	-27.6%
<b>Net profit (loss)</b>	<b>542.9</b>	<b>596.1</b>	<b>+9.8%</b>

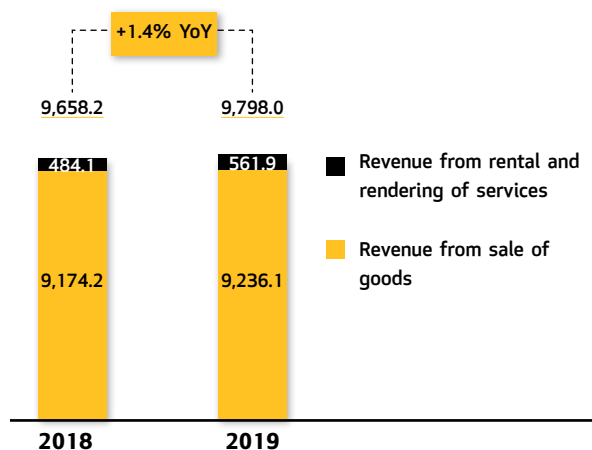
## Revenue Structure

Revenue (Unit: THB million)	2018	2019	Change %YoY
<b>A. Revenue from sale of goods</b>			
<b>Domestic sales</b>			
1. Retail stores	7,438.1	7,472.7	+0.5%
2. Project	1,082.8	1,189.3	+9.8%
3. Dealers	133.1	123.6	-7.2%
4. Online	84.8	216.4	+155.0%
<b>Total domestic sales</b>	<b>8,738.9</b>	<b>9,001.9</b>	<b>+3.0%</b>
<b>Overseas sales</b>	<b>435.3</b>	<b>234.2</b>	<b>-46.2%</b>
<b>Total revenue from sale of goods</b>	<b>9,174.2</b>	<b>9,236.1</b>	<b>+0.7%</b>
<b>B. Revenue from rental and rendering of services</b>	<b>484.1</b>	<b>561.9</b>	<b>+16.1%</b>
<b>Operating revenue</b>	<b>9,658.2</b>	<b>9,798.0</b>	<b>+1.4%</b>
Other income	109.6	104.7	-4.5%
<b>Total revenue</b>	<b>9,767.8</b>	<b>9,902.7</b>	<b>+1.4%</b>

## Operating Revenue

In 2019, the Company recorded operating revenue of Baht 9,798.0 million, increased by Baht 139.8 million or 1.4% when compared to 2018 due to the following reasons:

(Unit: THB million)



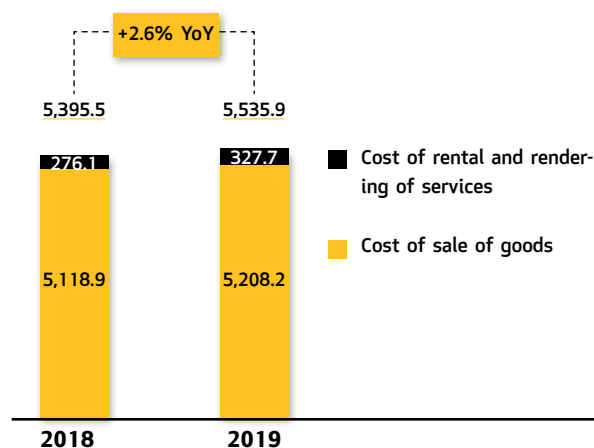
- Revenue from sale of goods** increased by Baht 62.0 million or 0.7% from 2018. The increase was mainly contributed by the better domestic performance, which increased by Baht 263.1 million or 3.0% as a result of the new stores (Index Living Mall Bangkrui-Sai Noi opened in Aug 2018, Index Living Mall Chaiyapruet opened in Jan 2019, and Index Living Mall Chanthaburi as well as WINNER Ratchaburi opened in Aug 2019), impressive growth from online sales, significant growth from “Younique Customized Furniture 4.0”, and increase in domestic project sales. Despite the drop of overseas sales by Baht 201.1 million or 46.2% as a result of the closure of ILM Malaysia as well as the big project sales in Vietnam which have completed since Q1/2018, the Company experienced growth from overseas OEM & Trading as well as overseas franchise sales supported by the 2 new franchise stores in Vietnam.
- Revenue from rental and rendering of services** increased by Baht 77.8 million or 16.1% from 2018 as a result of the increase in rental spaces (Index Mall Bangna opened in Sep 2018, Little Walk Pattaya opened in Nov 2018, and Index Mall Chaiyapruet opened in Mar 2019), improved occupancy rates, and higher revenue from home service including moving service, cleaning service, sleeping care service, design and build service, etc.



## Cost of Sales and Services

In 2019, the Company recorded cost of sales and services of Baht 5,535.9 million, increased by Baht 140.9 million or 2.6% when compared to 2018. This was mainly due to the following reasons:

(Unit: THB million)

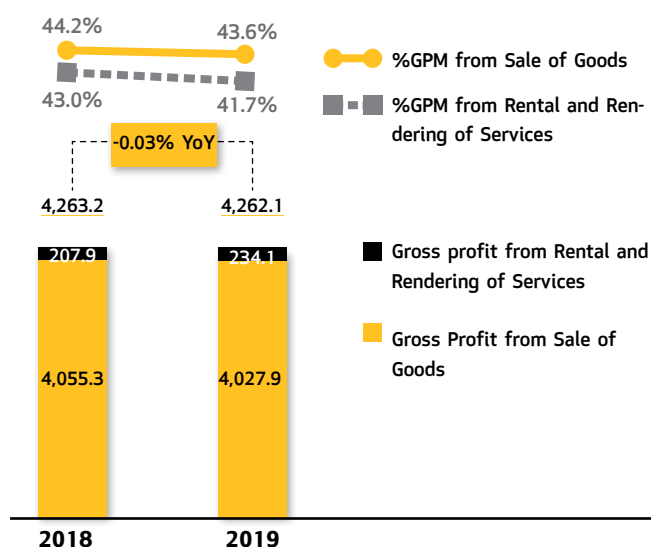


- **Cost of sale of goods increased** by Baht 89.3 million or 1.7% from 2018, mainly due to higher sales, clearance sales of old products and seasonal decorations products as well as selling a big lot of low margin project sales. As a result, inventories have decreased significantly at the end of Q4/2019, thus the Company expects a percentage of cost of goods sold to sales to get back to a normal level in Q1/2020.
- **Cost of rental and rendering of services increased** by Baht 51.6 million or 18.7% from 2018 due to the increase in expenses from new rental spaces, e.g. depreciation, utilities expenses, employee expenses, and rental costs.

## Gross Profit

In 2019, the Company recorded gross profit of Baht 4,262.1 million, slightly decreased by Baht 1.1 million or 0.03% compared to 2018. The slight decrease was mainly due to the following reasons:

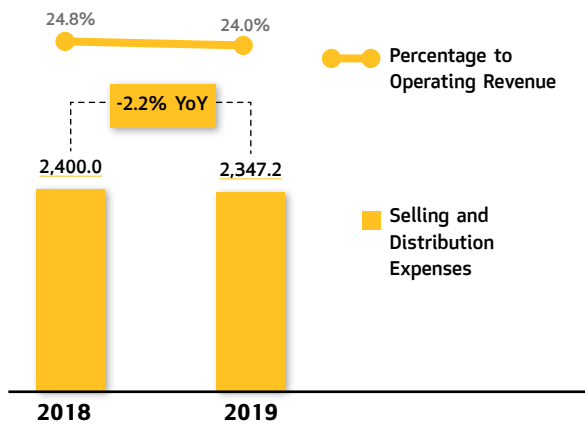
(Unit: THB million, %)



- **Gross profit from sale of goods decreased** by Baht 27.3 million or 0.7% from 2018. The decrease was mainly due to clearance sales of old products and seasonal decorations products as well as selling a big lot of low margin project sales. As a result, inventories have decreased significantly at the end of Q4/2019, thus the Company expects gross profit margin from sales to get back to a normal level in Q1/2020.
- **Gross profit from rental and rendering of services increased** by Baht 26.2 million or 12.6% from 2018 as a result of the increase in rental spaces and the improved occupancy rates.

## Selling and Distribution Expenses

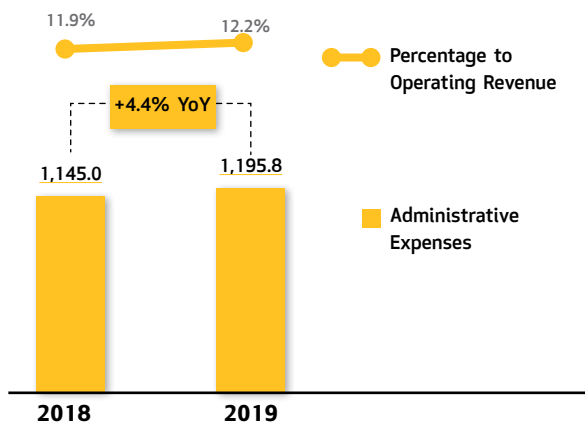
(Unit: THB million, %)



- In 2019, the Company recorded selling and distribution expenses of Baht 2,347.2 million, decreased by Baht 52.9 million or 2.2% from 2018. The decrease was mainly due to lower number of non-sales workforce employees at Index Living Mall stores, lower utilities expenses, and decreased promotional expenses, despite additional expenses from new stores, both from retail and rental spaces. On the other hand, operating revenue increased; as a result, the percentage of selling and distribution expenses to operating revenue decreased due to higher operating revenue and improved cost management.

## Administrative Expenses

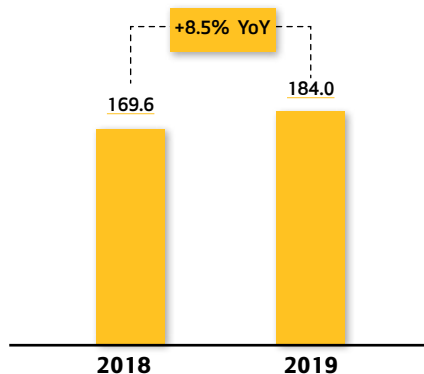
(Unit: THB million, %)



- In 2019, the Company recorded administrative expenses of Baht 1,195.8 million, increased by Baht 50.9 million or 4.4% compared to 2018. The increase was mainly due to higher employee expenses, depreciation, delivery costs caused by the rise in number of delivery trips as a result of the increase in sales, and higher outsource transportation rate adjusted since May 2018. In addition, there was a one-time expense of Baht 26.2 million from employee retirement benefits in Q1/2019.

## Finance Costs

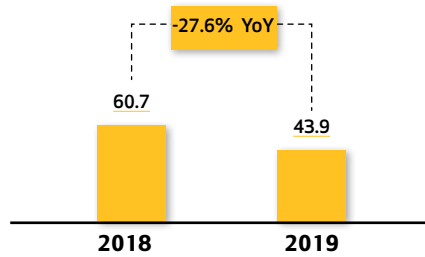
(Unit: THB million, %)



- In 2019, the Company recorded finance costs of Baht 184.0 million, increased by Baht 14.4 million or 8.5% compared to 2018. The increase in finance costs was due to the higher borrowings during the year. However, the interest-bearing debt at the end of 2019 was Baht 4,685.9 million, reduced from Baht 5,102.3 million at the end of 2018.

## Tax Expenses (Income)

(Unit: THB million)

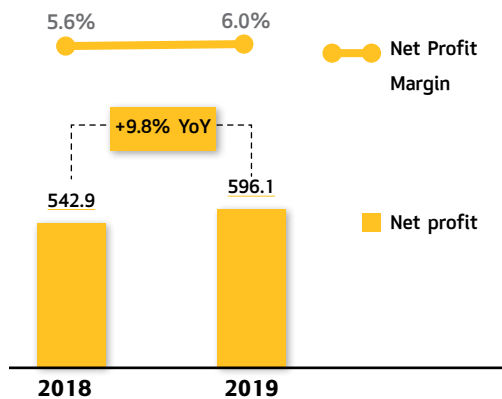


- In 2019, the Company recorded tax expenses of Baht 43.9 million in 2019, decreased by Baht 16.8 million or 27.6% compared to 2018 as a result of higher tax exempt income and higher tax deductible expenses.

## Net profit

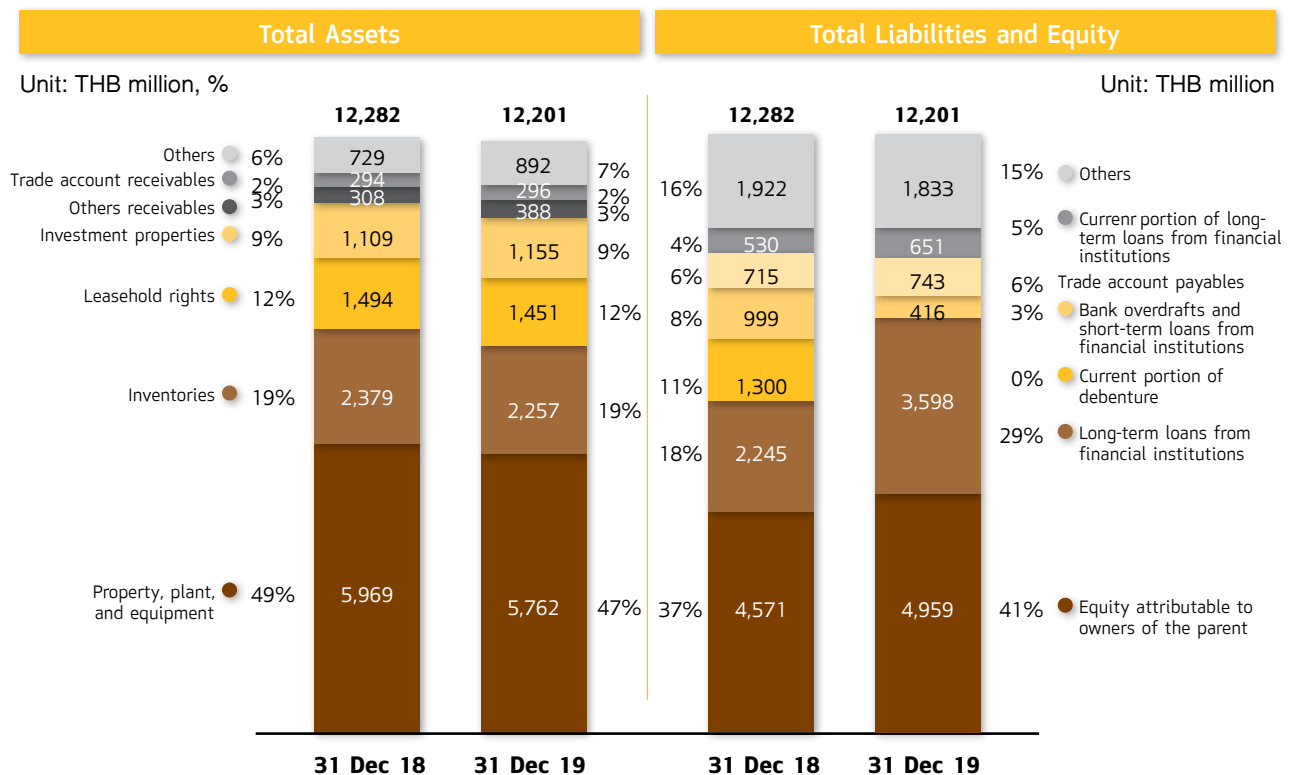
In 2019, the Company recorded net profit of Baht 596.1 million, increased by Baht 53.2 million or 9.8% compared to 2018. This was mainly due to the following reasons:

(Unit: THB million, %)



- Revenue from sale of goods showed a growth of 0.7% contributed mainly from online sales which increased significantly by 155.0%, "Younique Customized Furniture 4.0" which increased by 55.1%, and domestic project which increased by 9.8%.
- Increased revenue and gross profit from rental and rendering of services from additional rental spaces and improved occupancy rates.
- Decreased selling and distribution expenses from improved cost management.
- In 2018, there were one-time expenses totaling of Baht 35.4 million from closing ILM Malaysia. If excluding these one-time expenses, net profit in 2018 would be Baht 578.3 million.
- In 2019, there was one-time expense of Baht 21.0 million (net after tax) from employee retirement benefits. If excluding this one-time expense, net profit in 2019 would be Baht 617.1 million.

## Statement of Financial Position



## Assets

- As at 31 December 2019, the Company had total assets of Baht 12,201 million, decreased by Baht 81 million or 0.7% from Baht 12,282 million as at 31 December 2018. The decrease was mainly due to the following reasons:
  - Lower inventories as the Company has enforced stock reduction policy
  - Decrease in property, plant, and equipment due to depreciation
  - Decrease in leasehold rights due to amortization
- However, the overall decrease was partially offset by the increase in the following items:
  - Higher amount of cash and cash equivalents received from IPO proceeds
  - Increase in investment properties from additional rental spaces

## Liabilities

- As at 31 December 2019, the Company had total liabilities of Baht 7,241 million, decreased by Baht 469 million or 6.1% from Baht 7,710 million as at 31 December 2018. The decrease was mainly as a result of repaid debenture and some portion of short-term loans.

## Equity

- As at 31 December 2019, the Company had equity attributable to owners of the parent of Baht 4,959 million, increased by Baht 388 million or 8.5% from Baht 4,571 million as at 31 December 2018, mainly due to capital raised through IPO and the operating profit during 2019.

## Statement of Cash Flows

(Unit: THB million)	2018	2019	% Change
Profit (loss) from operating activities before changes in operating assets and liabilities	1,534	1,618	+5.4%
Profit (loss) from changes in operating assets and liabilities	(311)	(41)	-86.7%
<b>Net cash from operating activities</b>	<b>1,223</b>	<b>1,576</b>	<b>+28.9%</b>
Acquisition of property, plant and equipment	(603)	(546)	-9.5%
Acquisition of investment properties	(136)	(35)	-74.6%
Acquisition of leasehold rights	(182)	(37)	-79.6%
Acquisition of intangible assets	(33)	(28)	-14.6%
Net cash from other operating activities	385	83	-78.5%
<b>Net cash used in from investing activities</b>	<b>(569)</b>	<b>(563)</b>	<b>-1.2%</b>
Proceeds from issuance of shares	0	2,310	-
Proceeds from short-term loans from financial institutions	6,933	7,833	+13.0%
Repayment of short-term loans from financial institutions	(6,382)	(8,416)	+31.9%
Proceeds from long term loans from financial institutions	26	2,550	+9547.2%
Repayment of long term loans from financial institutions	(533)	(1,076)	+101.9%
Repayment of debenture	0	(1,300)	-
Dividends paid to owners of the Company	(500)	(2,450)	+390.0%
Interest paid	(170)	(197)	+16.0%
Net cash used in other financing activities	(20)	(69)	+254.4%
<b>Net cash used in financing activities</b>	<b>(644)</b>	<b>(815)</b>	<b>+26.6%</b>
Effect of exchange rate changes on cash and cash equivalents	0	(0)	-
<b>Net increase in cash and cash equivalents</b>	<b>10</b>	<b>199</b>	<b>+1942.6%</b>
Cash and cash equivalents at 1 January	317	326	+3.1%
<b>Cash and cash equivalents at 31 December</b>	<b>326</b>	<b>525</b>	<b>+60.8%</b>

At the end of 2019, the Company recorded ending cash of Baht 525 million, an increase of Baht 199 million from 326 million at the end of 2018, with details as follows:

- Net cash received from operating activities of Baht 1,576 million, consisting of (1) cash inflows from operating activities before changes in operating assets and liabilities of Baht 1,618 million; and (2) cash outflows from net change in working capital of Baht 41 million, mainly due to the increased trade receivables, and decreased other current liabilities
- Net cash used in investing activities of Baht 563 million, comprising of (1) cash outflows for acquisition of property, plant and equipment of Baht 546 million; (2) cash outflows from acquisition of investment properties of Baht 35 million; (3) cash outflows from acquisition of leasehold rights of Baht 37 million; (4) cash outflows from intangible assets of Baht 28 million; and (5) cash inflows from other investing activities of Baht 83 million.
- Net cash used in financing activities of Baht 815 million, consisting of (1) repayment of bank overdraft and short-term loans to financial institutions of Baht 8,416 million; (2) repayment of long-term loans of Baht 1,076 million; (3) repayment of debenture of Baht 1,300 million; (4) dividends paid to owners of the Company of Baht 2,450 million; (5) interest paid

of Baht 197 million; (6) net cash paid for other financing activities of Baht 69 million; while there was cash received from (1) proceeds from issuance of shares of Baht 2,310 million; (2) proceeds from bank overdraft and short-term loans from financial institutions of Baht 7,833 million; (3) proceeds from long term loans from financial institutions of Baht 2,550 million.

## Future Projects

- **Younique Customized Furniture 4.0 store upgrade**

At the end of 2019, the Company had 12 Younique Customized Furniture stores. To enhance product innovation and capture a higher customer base, the Company plans to upgrade the existing Younique Customize Furniture stores as well as adding more variety of materials to capture the ultra-luxury customer segment and grow customization ability for customers.

- **Overseas expansion**

After receiving impressive feedback from the first 2 franchise stores at the end of 2019 in Ho Chi Minh City, Vietnam, the Company plans to open more franchise stores in Vietnam as well as in other countries, such as Cambodia and Myanmar in 2020.

- **Minor store upgrade to increase sales area for high-margin products**

The Company has successfully minor renovated 2 Index Living Mall stores to increase sales area for high-priced and high-margin products as well as selecting products that better meet the needs of customers. With improved performance of both upgraded stores, the Company plans to follow the model with other stores.

- **Solar rooftop installation**

The Company has installed solar rooftop at the factory and 4 Index Living Mall stores in 2018 as well as 6 Index Living Mall stores in 2019, which has proven the significant savings of electricity costs for the business. Therefore, the Company plans to continue installing solar rooftop at more Index Living Mall stores in 2020 to further reduce electricity costs for the Company's operation sustainably.



# Connected Transactions

Connected transactions between the Company and/or Subsidiaries and Individuals or Juristic Persons that may have Conflicts of Interest for the Year that Ended on December 31, 2019 can be summarized as follows:

## (1) Product Sales List

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
1. Directors, Executives, and Employees which includes their families	<ul style="list-style-type: none"> <li>- Sales Revenue</li> <li>- Service Revenue</li> <li>- Other Revenue</li> </ul>	1.97 0.03 0.01	Directors, executives, and employees, which includes their families whether parents, spouse, brothers or sisters have purchased goods and gift vouchers as well as used the Company's installation services in which the said person purchased a product from the Company with a discount according to the policy regarding employee's discount or the price which the store offers to general customers. This transaction has the same general commercial conditions similarly to any transaction done with the third party.
2. Bangkok Master Wood Company Limited ("BMW") <ul style="list-style-type: none"> <li>• The affiliated directors are Mr. Pisith, Mrs. Kunthong, Miss Kridchanok, Miss Pichapim, Mr. Eakalak, and Mr. Ekaridh.</li> <li>• The affiliated shareholders are Mr. Pisith, Mrs. Kunthong, Miss Kridchanok, Miss Pichapim, Mr. Eakalak and Mr. Ekaridh, altogether holding 100.0% of the shares.</li> </ul>	<ul style="list-style-type: none"> <li>- Sales Revenue</li> <li>- Service Revenue</li> <li>- Other Revenue</li> <li>- Accounts Receivable</li> </ul>	1.03 0.31 - 0.18	<p>The Company ordered products from BMW. The Company needed the manufactured products to be in accordance with the quality, shape and color as the Company required. However, the raw materials that BMW used did not meet the needs of the Company. Thus, the Company sold the raw materials which included fabric to BMW so that BMW could use the raw materials to produce a sofa for the Company by setting the sales price in the form of cost plus as stated in the connected transaction policy. This profit margin was higher than the Company's profit margin that sell raw materials to other manufacturers. In addition to the gross profit margin, after the Company purchased the said product back and sold it in the Company's storefront, it was found that the gross profit margin of the said product would be in the range of the gross profit of the normal product sale of the Company and this transaction had general commercial conditions.</p> <p>In addition, BMW normally include shipping costs in the product, however in some cases, BMW is unable to procure a vehicle to deliver the products to the Company, as has been agreed upon, BMW will then ask the Company to bring a vehicle to pick up the product by ourselves and allow the Company to charge a transportation costs with BMW. In this case, if the Company wants to have flexibility, the Company will use the Company vehicle to get the products and charge transportation costs with cost plus pricing which can be compared with other external service providers and this transaction has general commercial conditions.</p>

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
	<ul style="list-style-type: none"> <li>- Sales Revenue</li> <li>- Service Revenue</li> <li>- Accounts Receivable</li> </ul>	<p>18.88</p> <p>7.63</p> <p>1.34</p>	IDF is engaged in the production of furniture parts such as doors, cabinet legs, table legs, etc., and IDF provides services such as sewing leather seats and surface finishing for BMW and BMW uses those parts as part of BMW's furniture production by setting the sales price in the form of cost plus pricing in accordance with the connected transaction policy. The cost-plus pricing can be compared with the profit margin for OEM non-trademarked products and the transaction has general commercial conditions.
	<ul style="list-style-type: none"> <li>- Sales Revenue from Machinery and Equipment</li> </ul>	1.28	In the first quarter of 2018, IDF sold used machinery and equipment that included cutters, drills, and shafts to BMW. This machinery and equipment have been used more than 10 years and had a book value of 1 Baht. This said machinery and equipment is specifically used in the furniture manufacturing business and does not have a high value. Therefore, auctioning this equipment or selling to a third party is quite difficult and may not be worth the cost of operations. Thus, IDF usually gets rid of machinery and equipment that it no longer uses in the form of scrap. However, since BMW wanted to purchase such machinery and equipment, IDF sold it to BMW at a price that was agreed upon which sold for more than selling it as scrap. However, In June 2018, the Company made a policy regarding connected transactions by requiring that the sale and purchase of goods with related persons, must compare the price of products with third parties. After establishing the policy, IDF sold unused machinery to BMW by comparing prices with third parties and found that the selling price for BMW was higher and IDF decide to sell it to BMW.
<p>3. Bangkok Sanyo Spring Company Limited ("BS")</p> <ul style="list-style-type: none"> <li>• The affiliated directors are Mr. Pisith, and Miss Kridchanok.</li> <li>• The affiliated shareholders are Mr. Pisith, Mrs. Kunthong, Miss Kridchanok, Miss Pichapim, Mr. Eakalak and Mr. Ekaridh, altogether holding 45% of the shares.</li> </ul>	<ul style="list-style-type: none"> <li>- Service Revenue</li> </ul>	0.95	IDF entered into a contract to provide various services to BS which included cleaning the factory of BS, providing utilities, procuring and training staff and employees of BS, etc. Since the BS Factory is adjacent to the IDF factory and in order to manage the costs of IDF, IDF charged a service fee of 85,000 Baht per month and the cost-plus margin for service is more than 300.0%. Therefore, IDF received a benefit from providing the service and the transaction has general commercial conditions that are in accordance with normal service conditions.

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
4. East Coast Furnitech Public Company Limited ("ECF") <ul style="list-style-type: none"> <li>Mr. Arak is the executive director and a major shareholder in this company, holding 15.4% of the shares.</li> </ul>	- Sales Revenue - Other Revenue	0.13 -	ECF purchased products from the Company at a discount in accordance with the store price that was available to general customers and with general commercial conditions which were the same as third parties.
5. Pens Marketing and Distribution Company Limited <ul style="list-style-type: none"> <li>Mrs. Pennapha Dhanasarnsilp, a Company director is also a director and major shareholder of the said company, holding 20.0% of the shares.</li> </ul>	- Sales Revenue	0.02	Pens Marketing and Distribution purchased products from the Company at the store price and with general commercial conditions which were the same as third parties.

## (2) Purchase List

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
1. Bangkok Master Wood Company Limited ("BMW") <ul style="list-style-type: none"> <li>The affiliated directors are Mr. Pisith, Mrs. Kunthong, Miss Kridchanok, Miss Pichapim, Mr. Eakalak, and Mr. Ekaridh.</li> <li>The affiliated shareholders are Mr. Pisith, Mrs. Kunthong, Miss Kridchanok, Miss Pichapim, Mr. Eakalak and Mr. Ekaridh, altogether holding 100.0% of the shares.</li> </ul>	- Expenses from Purchasing Products	159.72	The Company purchased furniture made from rubber wood from BMW. Since the Company group does not have the production machinery and requires production techniques that the Company group is unable to produce in order to be sold in Index Living Mall stores. When the Company paid the principal for the purchase of the said product and added the profit margin as required, the product still had a competitive price with similar products in the market. The gross profit margin of the product was in the range of the gross profit of normal product sales of the Company.
	- Trade Accounts Payable	14.88	
	- Down Payment	4.65	Therefore, the said transaction was necessary, reasonable and will continue in the future.
	- Expenses from Purchasing Products	32.76	
	- Trade Accounts Payable	2.47	IDF hired BMW to produce furniture from rubber wood because IDF does not have the production machinery and requires production techniques that IDF is unable to produce. IDF compared prices and trade terms between BMW and other vendors. The price of BMW was cheaper than other vendors. The terms and conditions were in normal business. IDF chose BMW to manufacture the product.
	- Sales and Service Expenses	0.13	
	- Purchase of Factory Equipment	1.46	Therefore, this transaction was necessary, reasonable and will continue in the future.
2. Bangkok Ai-Toa ("BI") Company Limited <ul style="list-style-type: none"> <li>The affiliated director is Mr. Pisith.</li> <li>The affiliated shareholder is Mr. Pisith, holding 6.0% of the shares.</li> </ul>	- Expenses from Purchasing Products	3.95	The Company purchased products made from wire and stainless steel such as hangers in kitchen sets in order to be distributed in Index Living Mall stores. When the Company added the cost of goods purchased with the required profit margin to the costs of products, the products still had a competitive price with similar products in the market. The gross profit margin of the products is in the same range of normal products that the Company sells. For products that can be purchased from third parties such as dish racks, the Company compared the price and payment terms of the product and found that BI's price was lower than other vendors. This transaction had general commercial conditions. Thus, the Company chose to purchase the products from BI.
	- Trade Accounts Payable	0.23	

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
3. Bangkok Sanyo Spring Company Limited ("BS") <ul style="list-style-type: none"> <li>The affiliated directors are Mr. Pisith and Miss Kridchanok</li> <li>The affiliated shareholders are Mr. Pisith, Mrs. Kunthong, Miss Kridchanok, Miss Pichapim, Mr. Eakalak and Mr. Ekaridh who together hold 45.0% of the shares.</li> </ul>	- Expenses from Purchasing Products - Trade Accounts Payable	0.00           -	IDF purchased spring from BS to test as a sample in a product. IDF compared the prices of springs from BS and other vendors. The spring price from BS was lower than other vendors and had general commercial conditions. Therefore, IDF chose to purchase springs from BS.
4. East Coast Furnitech Public Company Limited ("ECF") <ul style="list-style-type: none"> <li>Mr. Arak is the executive director and a major shareholder in this company, holding 15.4% of the shares.</li> </ul>	- Expenses from Purchasing Products - Trade Accounts Payable	12.33   2.34	The Company purchased furniture from ECF because ECF was able to produce the furniture in a cheaper price than the Company could itself. When the Company added the cost of goods purchased with the required profit margin, the product still had a competitive price with similar products in the market. The gross profit margin of the product was in the range of the gross profit margin for the sale of the Company's normal products.  The compensation for damages is for the damage from flooding in the basement of the Rama 2 branch of Index Living Mall at the end of 2017. The Company compensated the damage to other stores at the Rama 2 branch of Index Living Mall in the same way. However, the Company was able to make an insurance claim from the Company's insurer for the said compensation.
	- Compensation for Damages	-	
	- Expenses from Purchasing Products - Trade Accounts Payable	12.79  3.81	IDF purchased ECF seal paper to use in the production of the Company's furniture. IDF compared the price and terms of the seal paper from ECF and other vendors. The seal papers price of ECF was lower than other vendors and with normal trade terms. Thus, IDF decided to purchase seal paper from ECF.

## (3) List of Land Lease Agreements

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
1. Mr. Pisith Patamasatayasonthi ("Mr. Pisith") <ul style="list-style-type: none"> <li>• Director, executive and shareholder of the company, holding 3.0% of the paid-up capital.</li> <li>• The spouse of Mrs. Kunthong Udommahuntisuk ("Mrs. Kunthong").</li> <li>• The father of Miss Kridchanok ("Miss Kridchanok") Patamasatayasonthi, Miss Pichapim Patamasatayasonthi ("Miss Pichapim"), Mr. Eakalak Patamasatayasonthi ("Mr. Eakalak") and Mr. Ekaridh Patamasatayasonthi ("Mr. Ekaridh")</li> </ul>	- Land Rental Expenses - Other Payables	0.25                       0.10	<p>IDF rented land that was 3 rai and 1.2 square wah. This was part of the Mahachai factory from Mr. Pisith beginning on January 1, 2017 for a period of 3 years. Mr. Pisith allowed IDF to rent the space without any charges.</p> <p>As of March 15, 2019, IDF and Mr. Pisith agreed to amend the said contract. The new contract's lease period is from April 1, 2019 until March 31, 2049 which is a period of 30 years. The rental rate is 18,018 Baht per year between 2019 and 2022. The rental price will increase by 10% every three years. IDF hired an appraiser approved by the SEC to assess the rental rate of the said land. The appraiser was Prospec Appraisal Company Limited and they referenced the rental rate of the said appraisal in the rental price with general payment terms.</p>



Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
<p>2. The Company Group</p> <p>Mai Thammada Panich (“MTD”)</p> <ul style="list-style-type: none"> <li>The affiliated directors are Mr. Pisith, Mrs. Kunthong, Miss Kridchanok, Miss Pichapim, Mr. Eakalak, and Mr. Ekaridh.</li> <li>The affiliated shareholders are Miss Kridchanok, Miss Pichapim, Mr. Eakalak and Mr. Ekaridh, altogether holding 100.0% of the shares.</li> </ul>	<ul style="list-style-type: none"> <li>- Land Rental Expenses</li> <li>- Other Payables - Outstanding</li> <li>- Leasehold Rights - Beginning of the Period</li> <li>- Amortization of Leasehold Rights</li> <li>- Leasehold Rights - End of the Period</li> </ul>	<p>122.25</p> <p>134.60</p> <p>477.00</p> <p>(28.79)</p> <p><u>448.21</u></p>	<p>The Company Group entered into long-term land rental agreements which range in length from 9-20 years from the MTD group in order to use it as a location for Index Living Mall, community mall, The Walk and Little Walk, the head office and the factories of the Company Group. There is a total of 18 locations. They are: 1) Index Living Mall Rama 2 Branch 2) Little Walk Bangna 3) Index Living Mall Chiang Mai Branch 4) Index Living Mall Bangna Branch 5) Index Living Mall Ratchapruek Branch 6) Index Living Mall Khon Kaen Branch 7) Index Living Mall Udon Thani Branch 8) Index Living Mall Phitsanulok Branch 9) Index Living Mall Chon Buri Branch 10) Index Living Mall Nakhon Si Thammarat Branch 11) Index Living Mall Pattaya Branch 12) Index Living Mall Rayong Branch 13) Index Living Mall Surat Thani Branch 14) Index Living Mall Hat Yai Branch 15) Index Living Mall Kaset Nawamin Branch 16) Index Living Mall Chanthaburi 17) Headquarters at Rama 2 and 18) The Company Group’s factory at Ekachai. The Company hired appraisers that were approved by the Office of the SEC. which were Prospec Appraisal Company Limited, Agency for Real Estate Advisors Company Limited, and Bangkok Appraisal Company Limited. These appraisers assessed the leasehold value and the rental rate for these 17 locations. The Company used the said leasehold rights and rental rates as a standard for calculating rental rates. There was a condition to increase the rental rate by 10% every three years (except land where the community mall, The Walk at Kaset Nawamin and Index Living Mall Pattaya Branch, which will increase every 5-6 years respectively). The said transaction had general commercial conditions under the rental business.</p> <p>If the said land lease agreement expired and the Company wished to renew the land lease again, the Company must notify the MTD group in advance which is in accordance with the period specified in the contract. The negotiation will be made on the terms, conditions and rental rates again.</p>

## (4) List of Rental Spaces

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
1. Ms. Wisarat Choonhawatt (“Ms. Wisarat”) • The spouse of Eakalak.	- Revenue from Retail Space  - Other Revenue  - Deposits for Rentals  - Receivables	0.19  0.00  0.04  0.00	<p>Ms. Wisarat leased space in the community mall Little Walk Banga Branch with TW for three years from June 2, 2017 until June 1, 2020 to operate “Little Nail” nail salon. The space is 45.25 square meters. The service fee was 220.99 Baht per square meter per month. There was no rental charge which was a special rate compared to other stores in the Little Walk Community Mall, Banga Branch because Ms. Wisarat was the first tenant of Little Walk Community Mall Bangna Branch and. This was so that Little Walk Community Mall could open along with the opening of Little Walk Community Mall, Ms. Wisarat gave special rental and service rates. The said rental rate and service rates were the same as the special rental and service rates that the Company Group gave to third parties who rented space in the community mall of the Company Group during the Grand Opening period. If the current lease agreement is canceled, TW will consider adjusting the rental and service rates of Ms. Wisarat so that they are comparable to the rental and service rate offered to other stores in the community mall at that time.</p> <p>In addition, Ms. Wisarat also leased signage area in front of Little Walk Community Mall Banga Branch in order to install a “Little Nail” sign in the amount of 2.25 square meters at a rental rate of 444.44 Baht per square meter per month. This is a rate that was comparable to the rate other stores paid for the signage area</p>

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
2. East Coast Furnitech Public Company Limited (“ECF”) <ul style="list-style-type: none"> <li>Mr. Arak is the executive director and a major shareholder in this company, holding 15.4% of the shares.</li> </ul>	- Revenue from Retail Space - Other Revenue - Deposits for Rentals - Receivables - Other Receivables - Overdue Guarantees	6.08  0.01  0.03  -  -	<p>ECF leased space inside the Index Living Mall to sell ECF products for more than 10 years. This was before the Company Group had a community mall or plaza. Presently, ECF leases space in the Index Living Mall to ELEGA and Finna House stores with a contract of three years in order to distribute ECF furniture. ECF products have different designs and styles from the Company’s products. This helps Index Living Mall to have a variety of products and be able to attract many kinds of customers, it also helps the Company to manage space better.</p> <p>ECF rents the space in Index Living Mall at a rate higher than the Company’s cost and it is in an income range that Company receives from other consignment products in the same branch. This has the general commercial conditions.</p> <p>Therefore, the said transaction is reasonable. However as of December 2019, ECF canceled all spaces that they lease. This transaction will not occur in the future.</p>
	- Revenue from Renting Space - Revenue Received in Advance - Other Revenue - Deposits for Rentals - Receivables	5.76  -  0.02  -  -	<p>ECF leased space in the community mall The Walk, Market Walk and Index Mall (the plaza section of Index Living Mall) for a period of three years to ELEGA in order to distribute furniture. The rental rate was comparable to stores in the same area and had general commercial conditions.</p> <p>Therefore, this transaction is reasonable. However as of December 2019, ECF canceled all spaces that they lease. This transaction will not occur in the future.</p>
3. Nithasiri Company Limited (“Nithasiri”) <ul style="list-style-type: none"> <li>Mrs. Pennapha Dhanasarnsilp, a Company director is also a director and major shareholder of the company, holding 10.0% of the shares.</li> </ul>	- Revenue from Retail Space - Other Revenue - Deposits for Rentals - Receivables	2.20  0.01  0.42  0.04	<p>In 2017, Nithasiri rented space with TW at The Walk Ratchaphruek Branch for three years beginning on February 23, 2018 until February 22, 2021. This was to operate the Banana Leaf Restaurant in the amount of 146.00 Baht per square meter. The rental and service fees were 920.00 Baht per square meter per month. This rental rate was comparable to stores in the same area and had general commercial conditions.</p>

Person, Company/ Type of Relationship	Transaction Characteristics	Value of Transaction (millions of Baht)	Necessity and Reasonableness of the Transaction
4. JV Resto Company Limited	- Revenue from Retail Space	3.16	JV Resto rented space in the Little Walk Community Mall Bangna Branch with TW for 3 years between February 1, 2017 until January 31, 2020 in order to operate the “Shoyuu” restaurant business in the amount of 287.75 Baht per square meter with a rental and service fee at a rate of 5.0% of sales per month. This was a special rate compared to other stores in the Little Walk Community Mall Bangna Branch because JV Resto was the first tenant of the Little Walk Community Mall Bangna Branch and also for the Little Walk Community Mall to have shops open in time for the opening of Little Walk Community Mall. Thus, JV Resto was given special rental and service rates in which the said rental and service rates were the same special rental and service rate that the Company Group used for third parties that rented space in the community mall of the Company Group during the period of the Grand Opening if the current lease is ended,  However, since JV Resto intended to rent more space at Little Walk Community Mall, JV Resto and TW entered into a new lease and service agreement in which TW adjusted the rental and service fees in the new contract which were equal to 8.0% of the sales per month. This rental rate is comparable to stores in the same area and had general commercial conditions. The new contract will be effective from March 1, 2019 until February 28, 2022.  In addition, JV Resto leased the signage area in front of Little Walk Community Mall Bangna Branch for a “Shoyuu” sign which totaled 4.50 square meters with a rental rate of 444.44 Baht per square meter per month. This rate was comparable to the rate other stores rented the said signage.
• Mr. Eakalak, an executive, director and major shareholder of the Company is a director and major shareholder of the said company, holding 25.0% of the shares.	- Other Revenue	0.03	
	- Deposits for Rentals	0.31	
• Ms. Wisarat, the spouse of Mr. Eakalak is a major shareholder of the said company holding 25.0% of the shares.	- Receivables	0.26	

## Measures or Procedures for Approving Connected Transactions

In conducting connected transactions or related transactions of the Company, the Company will comply with the rules and regulations of the Securities and Exchange Act B.E. 2535 (including additional amendments) and the relevant regulations of the Capital Market Supervisory Board and/or the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand, and will also comply with the requirements regarding the disclosure of connected transactions in the notes of the financial statements which were audited by the auditor of the Company and the annual registration statement (56-1). In doing such transactions, the Company will investigate and oversee any transactions that occur without any stakeholders involved with the benefits make a decision regarding the connected transactions.

The Board of directors established a process to approve connected transactions or related transactions under the framework of good ethics. This was screened by the Audit Committee with due regard for the benefit of the Company and the major shareholders by requiring that the Board of Directors and supervisors ensure compliance with the regulations of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand, as well as considering the disclosure of connected transactions or related transactions to the public to be accurate and complete.

In the case of normal business transactions or transactions support the normal business of the Company or transactions that may continue in the future, the Company has a policy to specify the framework of the transaction in which there must be a trade agreement in the same way that an ordinary person would do to the general parties in the same situation by the bargaining power without any influence in the status of director, executive or related person and does not cause a transfer of benefits and/or is able to show that the transaction has a reasonable or fair price or condition. If the Board of Directors approved the above transaction framework as a general principle, the executive management of the Company will be able to immediately proceed with the said transaction as stated in the specified framework without having to propose such items for the approval of the Board of Directors again. The Company will prepare a summary report of connected transaction or related transactions to report to the Audit Committee of the Company and the Meeting of the Board of Directors each quarter in order to comply with securities and the stock exchange laws, the regulations, notifications, orders, or requirements of the Office of Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.

If there are any connected transactions or other related transactions, the Company must propose them to the Audit Committee so that they can comment on the appropriateness of the price as well as the reasonability of such transactions. In the event that the Audit Committee has no expertise to consider connected transactions, the Company will provide people who have knowledge and special expertise such as an independent auditor or an appraiser to provide an opinion on the connected transaction for the Board of Directors or shareholders to consider, as the case may be. Those who may have a conflict of interest or have an interest in the transaction will not have a right to vote to approve the connected transaction in order to be confident that entering into the said transaction would not move or transfer the interests of the Company but take into account the best interests of the Company and all shareholders. The Company will disclose the connected transactions in the notes to the financial statements which were audited by the auditor of the Company, the annual report, and the annual registration statement of the Company (Form 56-1).

### Policy regarding Future Connected Transactions or Related Transactions

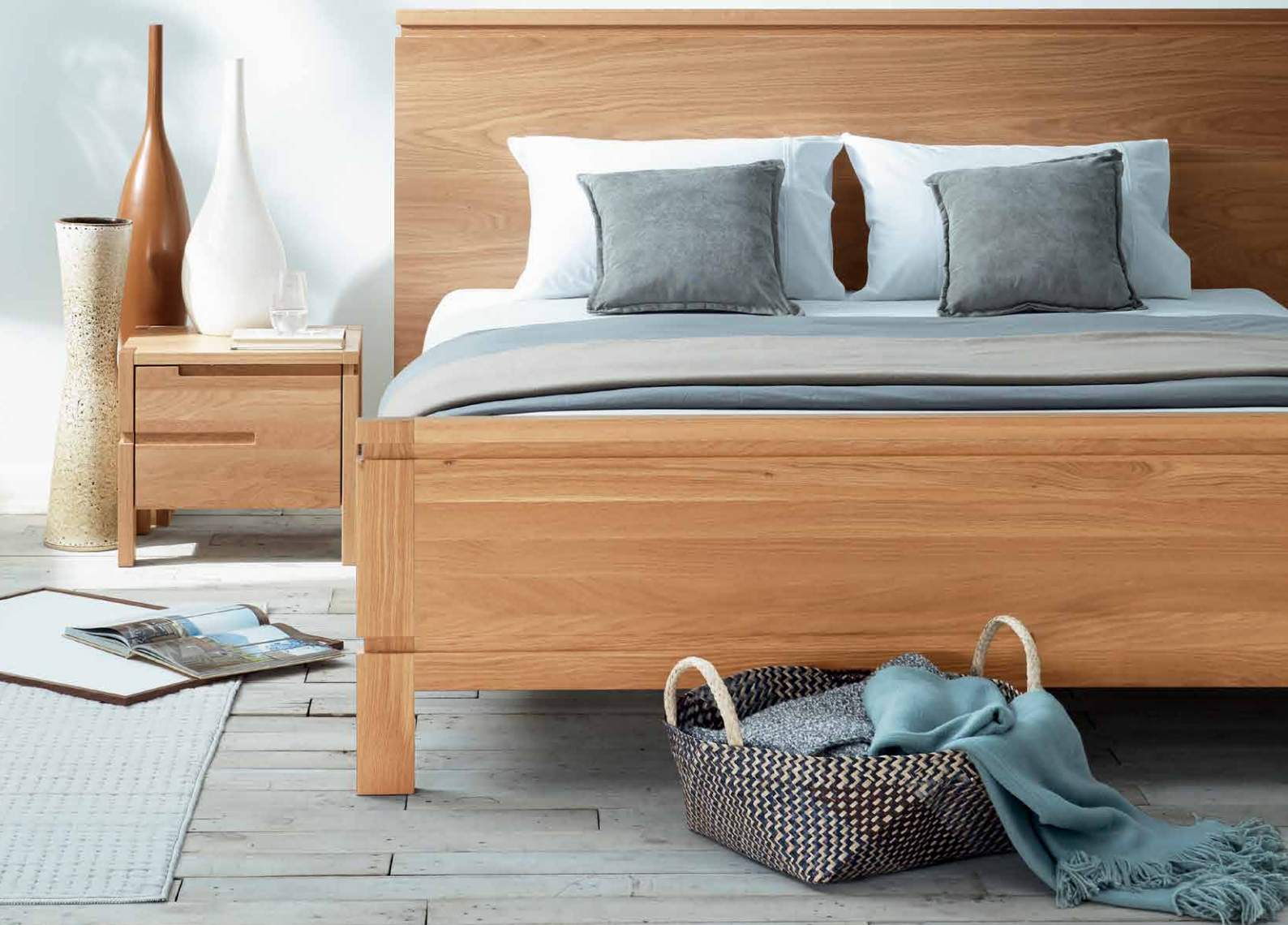
In the event that there is a connected transaction or a related transaction in the future, the Company will comply with the Securities and Exchange Act B.E. 2535 (including amendments), regulations, notifications, orders, or requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. However, the transaction will not move or transfer of the Company's benefits and will be taken into account the best interest of the Company and its shareholders.

In the case of normal business transactions or transaction support of normal business or transactions that may continue in the future, the Company will specify the criteria and the guidelines on how to comply with the general trade practices with reference to the appropriate, fair and reasonable price that can be verified. The transaction framework will be proposed to the Audit Committee for their opinion and the Board of Directors to consider and approve.

In addition, if there are any connected transactions or related transactions or there are any changes to the terms and conditions related to the transactions between major shareholders, directors, executives or persons with a possible conflict of interest or a connected persons of the Company, the directors who have a conflict of interest will not attend the Board Meetings for the agenda item related to the consideration of the said transaction.

# JOY — QUALITY

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# Report of the Board of Directors' Responsibilities for the Financial Statements

To shareholders

The Board of Directors is responsible for the consolidated financial statements of Index Living Mall Public Company Limited and its subsidiaries, which was prepared in accordance with financial reporting standards. The accounting policies are appropriately considered and consistently implemented, by using careful discretion and reasonable estimation principles in the preparation of the financial statements. In addition, the important information is sufficiently and transparently disclosed in the notes to financial statements for the benefit of shareholders and general investors.

The Board of Directors established good corporate governance, maintained risk management and internal control systems in order to ensure that accounting information are recorded correctly and completely and display information that is material, significant, timely and sufficient to maintain the property as well as to prevent fraud or significant unusual operations.

The Board of Directors appointed an audit committee consisting of independent directors to oversee and review the reliability and accuracy of financial reports including evaluating the internal control and internal audit systems to be efficient. The opinion of the Audit Committee regarding this matter appears in the Report of the Audit Committee in this annual report.

The Board of Directors is of the opinion that the internal control system and the internal audit of the Company can assurance that the consolidated financial statements of Index Living Mall Public Company Limited and its subsidiaries For the fiscal year ended 31 December 2019, show financial position, operating performance and cash flow in all material respects and in accordance with financial reporting standards. The auditor has examined and commented on the auditor's report which has been shown in this annual report.



Mrs. Kannika Chalitaporn  
Chairman



Ms. Kridchanok Patamasatayasonthi  
Managing Director

# Independent Auditor's Report

## To the Shareholders of Index Living Mall Public Company Limited

### *Opinion*

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

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

### *Basis for Opinion*

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

### Key Audit Matters

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

Valuation of inventories	
Refer to Notes 3 (e), and 9 of the consolidated and separate financial	
The key audit matter	How the matter was addressed in the audit
The Group's inventories are material to the financial statements where are measured at the lower of cost and net realizable value. High market competition affects to the determination of the Group's selling price. Moreover, some of the group's inventories are rapid change of popularity of products. Therefore, there is a risk that inventories may be presented at cost higher than net realizable value including the occurrence of the inventory obsolescence. The Group considers the allowance for decline in value and obsolescence by the management estimates and judgment. Consequently, I consider that this is a significant matter.	<p>My audit procedures were</p> <ul style="list-style-type: none"> <li>• understanding the policies and procedures that the Group's management applied for setting up allowance for decline in value of inventories;</li> <li>• testing on a sample basis items in the stock aging report and corroborated on whether these items were classified in the appropriate aging bracket;</li> <li>• performing test on a sample basis of net realisable value of inventories by investigating with the sales documents after period end whether there were any sales at price lower than cost to assess management's estimates and decision whether the allowance for decline in value of inventories was appropriate and adequate.</li> <li>• considering the historical accuracy of the allowance for decline in value of inventories for evaluating the appropriateness of the assumptions made in the current year and assessing the reasonableness of assumptions made by management on the extent of long-outstanding inventories and sales at price lower than cost to consider the appropriateness of the decline in value of inventories.</li> <li>• considering of the adequacy of the group's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>



### *Other Information*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



(Thanit Osathalert)  
Certified Public Accountant  
Registration No. 5155

KPMG Phoomchai Audit Ltd.  
Bangkok  
24 February 2020

# Financial Statements

## Statement of financial position

Index Living Mall Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
Current assets					
Cash and cash equivalents	5	524,963,046	326,433,751	500,923,646	223,333,607
Trade accounts receivable	7	296,092,063	294,164,550	305,841,707	307,803,981
Other receivables	8	387,817,006	307,654,131	366,885,077	284,044,197
Short-term loans to					
and interest receivable - related parties	4	-	-	21,060,362	13,005,799
Dividend receivable	4	-	-	167,999,930	-
Inventories	9	2,257,339,813	2,378,862,679	2,282,892,514	2,406,447,549
Other current assets		16,085,342	22,131,224	15,177,694	19,877,186
Total current assets		3,482,297,270	3,329,246,335	3,660,780,930	3,254,512,319
Non-current assets					
Available-for-sale investments	6	-	67,379,411	-	-
Investments in subsidiaries	10	-	-	980,398,400	980,398,400
Other long-term investments	6	5,000,000	5,000,000	-	-
Investment properties	12	1,154,854,328	1,109,304,618	939,177,655	909,273,863
Property, plant and equipment	13	5,762,386,838	5,969,386,104	4,875,947,150	5,079,474,335
Leasehold rights	4, 14	1,451,263,331	1,493,744,410	1,402,067,936	1,446,299,874
Other intangible assets		72,443,996	58,809,766	43,652,979	53,222,456
Deferred tax assets	25	177,761,688	161,854,984	120,318,313	108,284,624
Other non-current assets		95,393,290	87,448,149	92,236,353	86,328,143
Total non-current assets		8,719,103,471	8,952,927,442	8,453,798,786	8,663,281,695
Total assets		12,201,400,741	12,282,173,777	12,114,579,716	11,917,794,014

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



# Statement of financial position

Index Living Mall Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	15	416,000,000	999,487,197	416,000,000	869,486,210
Trade accounts payable		743,096,947	715,243,852	782,246,369	782,592,061
Other payables	16	1,168,865,382	1,309,651,072	1,085,461,084	1,214,276,337
Current portion of long-term loans					
from financial institutions	15	650,670,101	529,820,471	650,670,101	523,740,471
Current portion of debenture	15	-	1,300,000,000	-	1,300,000,000
Short-term loans from					
and interest payable-related parties	4, 15	-	-	337,604,073	373,664,471
Current portion of finance lease liabilities	15	8,880,228	13,542,618	7,674,924	13,020,657
Current tax payable		15,501,923	45,737,960	-	1,983,046
Other current liabilities		55,333,475	51,201,923	41,776,345	39,396,291
<b>Total current liabilities</b>		<b>3,058,348,056</b>	<b>4,964,685,093</b>	<b>3,321,432,896</b>	<b>5,118,159,544</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	15	3,598,060,977	2,244,548,148	3,598,060,977	2,227,235,531
Finance lease liabilities	15	12,297,726	14,854,798	12,297,726	13,649,494
Non-current provisions for employee benefits	17	224,924,908	147,501,493	156,092,056	105,127,959
Other non-current liabilities		347,744,479	338,225,137	224,814,575	237,699,423
<b>Total non-current liabilities</b>		<b>4,183,028,090</b>	<b>2,745,129,576</b>	<b>3,991,265,334</b>	<b>2,583,712,407</b>
<b>Total liabilities</b>		<b>7,241,376,146</b>	<b>7,709,814,669</b>	<b>7,312,698,230</b>	<b>7,701,871,951</b>
<b>Equity</b>					
Share capital:	18				
Authorised share capital		2,525,000,000	2,525,000,000	2,525,000,000	2,525,000,000
Issued and paid-up share capital		2,525,000,000	2,000,000,000	2,525,000,000	2,000,000,000
Surplus on the business combination					
under common control transactions	19	-	286,434,523	-	-
Share premium on ordinary shares	18	1,741,109,855	-	1,741,109,855	-
Retained earnings					
Appropriated Legal reserve	19	214,000,000	134,000,000	214,000,000	134,000,000
Unappropriated		480,720,844	2,150,798,505	321,771,631	2,081,922,063
Other components of equity		(2,094,382)	(600,800)	-	-
<b>Equity attributable to owners of the parent</b>		<b>4,958,736,317</b>	<b>4,570,632,228</b>	<b>4,801,881,486</b>	<b>4,215,922,063</b>
Non-controlling interests	11	1,288,278	1,726,880	-	-
<b>Total equity</b>		<b>4,960,024,595</b>	<b>4,572,359,108</b>	<b>4,801,881,486</b>	<b>4,215,922,063</b>
<b>Total liabilities and equity</b>		<b>12,201,400,741</b>	<b>12,282,173,777</b>	<b>12,114,579,716</b>	<b>11,917,794,014</b>

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

# Statement of comprehensive income

Index Living Mall Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Revenue</b>	20				
Revenue from sale of goods		9,236,149,013	9,174,155,438	9,205,090,976	9,008,315,084
Revenue from rental and rendering of services		561,863,736	484,063,064	373,489,790	342,097,536
Dividend income	4, 10	373,571	3,789,292	659,420,045	499,999,792
Interest income		1,877,036	5,627,301	1,900,629	314,176
Other income		95,703,418	100,191,157	110,931,357	101,416,172
Net foreign exchange gain		6,714,730	-	4,687,615	-
<b>Total revenue</b>		<b>9,902,681,504</b>	<b>9,767,826,252</b>	<b>10,355,520,412</b>	<b>9,952,142,760</b>
<b>Expenses</b>	24				
Cost of sales of goods	9	5,208,200,961	5,118,878,086	5,746,712,281	5,521,614,919
Cost of rental and rendering of services		327,739,357	276,137,205	199,351,061	173,216,979
Selling and distribution expenses	21	2,347,152,496	2,400,027,032	2,380,079,906	2,303,526,961
Administrative expenses	22	1,195,848,845	1,144,980,300	1,054,011,603	1,014,216,418
Impairment losses on investment in subsidiary		-	-	-	205,155,946
Loss from discontinued operation plan of subsidiary		-	161,516,428	-	-
Net foreign exchange loss		-	5,011,534	-	5,037,057
Finance costs		184,018,552	169,618,377	187,014,823	172,088,493
<b>Total expenses</b>		<b>9,262,960,211</b>	<b>9,276,168,962</b>	<b>9,567,169,674</b>	<b>9,394,856,773</b>
<b>Profit before income tax expense</b>		<b>639,721,293</b>	<b>491,657,290</b>	<b>788,350,738</b>	<b>557,285,987</b>
Tax income (expense)	25	(43,930,066)	(60,705,908)	(4,211,857)	10,309,094
<b>Profit for the year</b>		<b>595,791,227</b>	<b>430,951,382</b>	<b>784,138,881</b>	<b>567,595,081</b>

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

# Statement of comprehensive income

Index Living Mall Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(241,776)	(3,761,363)	-	-
Losses on remeasuring available-for-sale investments		-	(633,725)	-	-
Net change in fair value of available-for-sale investments transferred to profit or loss		(1,733,361)	(1,608,616)	-	-
Income tax relating to items that will be reclassified	25	346,672	448,468	-	-
Total items that will be reclassified subsequently to profit or loss					
		(1,628,465)	(5,555,236)	-	-
Items that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	17	(28,256,223)	-	(17,861,641)	-
Income tax relating to items that will not be reclassified	25	5,651,245	-	3,572,328	-
Total items that will not be reclassified to profit or loss					
		(22,604,978)	-	(14,289,313)	-
Other comprehensive income (expense)					
for the year, net of tax		(24,233,443)	(5,555,236)	(14,289,313)	-
Total comprehensive income (expense) for the year					
		571,557,784	425,396,146	769,849,568	567,595,081
Profit (loss) attributable to:					
Owners of the parent		596,092,775	542,919,669	784,138,881	567,595,081
Non-controlling interests	11	(301,548)	(111,968,287)	-	-
Profit for the year					
		595,791,227	430,951,382	784,138,881	567,595,081
Total comprehensive income (expense) attributable to:					
Owners of the parent		571,994,234	538,136,144	769,849,568	567,595,081
Non-controlling interests	11	(436,450)	(112,739,998)	-	-
Total comprehensive income for the year					
		571,557,784	425,396,146	769,849,568	567,595,081
Basic earnings per share (in Baht)					
	26	1.33	1.36	1.75	1.42

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

# Statement of changes in equity

Index Living Mall Public Company Limited and its Subsidiaries

	Consolidated financial statements							
	Retained earnings		Other components of equity				Equity	
	Issued and paid-up share capital	Surplus on the business combination under common control transactions	Legal reserve	Unappropriated operations	Translating foreign operations	Available-for-sale investments	Total other components of equity	Equity attributable to owners of the parent
Note								
(in Baht)								
<b>Year ended 31 December 2018</b>								
<b>Balance at 1 January 2018</b>	2,000,000,000	286,434,523	105,400,000	2,136,478,836	1,002,164	3,180,561	4,182,725	4,532,496,084
								120,806,032
								4,653,302,116
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the parent</i>								
Loss of control over a subsidiary	-	-	-	-	-	-	-	(6,338,946)
Dividends to owners of the Company	-	-	-	(500,000,000)	-	-	-	(500,000,000)
<b>Total distributions to owners of the parent</b>	-	-	-	(500,000,000)	-	-	-	(506,338,946)
<b>Changes in ownership interests in subsidiaries</b>								
Dividends of subsidiary to non-controlling interests	-	-	-	-	-	-	-	(208)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	-	(208)
<b>Total transactions with owners, recorded directly in equity</b>	-	-	-	(500,000,000)	-	-	-	(506,339,154)
<b>Comprehensive income for the year</b>								
Profit or (loss)	-	-	-	542,919,669	-	-	-	542,919,669
Other comprehensive income	-	-	-	-	(2,989,653)	(1,793,872)	(4,783,525)	(4,783,525)
<b>Total comprehensive income (expense) for the year</b>	-	-	-	542,919,669	(2,989,653)	(1,793,872)	(4,783,525)	538,136,144
								(112,739,998)
								425,396,146
Transfer to legal reserve	-	-	28,600,000	(28,600,000)	-	-	-	-
<b>Balance at 31 December 2018</b>	2,000,000,000	286,434,523	134,000,000	2,150,798,505	(1,987,489)	1,386,689	(600,800)	4,570,632,228
								1,726,880
								4,572,359,108

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

# Statement of changes in equity

Index Living Mall Public Company Limited and its Subsidiaries

Note	Consolidated financial statements										
	Retained earnings			Other components of equity							
	Issued and paid-up share capital	Surplus on the business combination under common control transactions	Share premium on ordinary shares	Legal reserve	Unappropriated	Translating foreign operations	Available-for-sale investments	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in Baht)											
Year ended 31 December 2019											
Balance at 1 January 2019											
Transactions with owners, recorded directly in equity											
Contribution by and distributions to owners of the parent											
18	Issue of ordinary shares	525,000,000	286,434,523	-	1,741,109,855	-	-	-	2,266,109,855	-	2,266,109,855
19	Dividend paid from retained earnings before business restructuring	-	(286,434,523)	-	-	286,434,523	-	-	-	-	-
27	Dividends to owners of the Company	-	-	-	-	(2,450,000,000)	-	-	(2,450,000,000)	-	(2,450,000,000)
Total contribution by and distributions to owners of the parent		525,000,000	(286,434,523)	1,741,109,855	-	(2,163,565,477)	-	-	(183,890,145)	-	(183,890,145)
Changes in ownership interests in subsidiaries											
Dividends of subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(2,152)	(2,152)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	(2,152)	(2,152)
Total transactions with owners, recorded directly in equity		525,000,000	(286,434,523)	1,741,109,855	-	(2,163,565,477)	-	-	(183,890,145)	(2,152)	(183,892,297)
Comprehensive income for the year											
Profit or (loss)		-	-	-	-	596,092,775	-	-	596,092,775	(301,548)	595,791,227
Other comprehensive income		-	-	-	-	(22,604,959)	(106,893)	(1,386,689)	(24,098,541)	(134,902)	(24,233,443)
Total comprehensive income for the year		-	-	-	-	573,487,816	(106,893)	(1,386,689)	571,994,234	(436,450)	571,557,784
Transfer to legal reserve											
19	Balance at 31 December 2019	2,525,000,000	-	1,741,109,855	214,000,000	480,720,844	(2,094,382)	-	4,958,736,317	1,288,278	4,960,024,595

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

## Statement of changes in equity

Index Living Mall Public Company Limited and its Subsidiaries

Separate financial statements						
		Issued and paid-up share capital	Retained earnings			Total equity
	<i>Note</i>		Legal reserve	Unappropriated		
			<i>(in Baht)</i>			
Year ended 31 December 2018						
Balance at 1 January 2018						
		2,000,000,000	105,400,000	2,042,926,982		4,148,326,982
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
	27	-	-	(500,000,000)		(500,000,000)
		-	-	(500,000,000)		(500,000,000)
Comprehensive income for the year						
		-	-	567,595,081		567,595,081
		-	-	567,595,081		567,595,081
Transfer to legal reserve						
	19	-	28,600,000	(28,600,000)		-
Balance at 31 December 2018						
		2,000,000,000	134,000,000	2,081,922,063		4,215,922,063

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



# Statement of changes in equity

Index Living Mall Public Company Limited and its Subsidiaries

	Separate financial statements				
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	
				Legal reserve (in Baht)	Total equity
<b>Year ended 31 December 2019</b>					
<b>Balance at 1 January 2019</b>		<b>2,000,000,000</b>	<b>-</b>	<b>134,000,000</b>	<b>2,081,922,063</b>
					<b>4,215,922,063</b>
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contribution by and distributions to owners</i>					
Issue of ordinary shares	18	525,000,000	1,741,109,855	-	2,266,109,855
Dividends to owners of the Company	27	-	-	(2,450,000,000)	(2,450,000,000)
<b>Total contribution by and distributions to owners</b>		<b>525,000,000</b>	<b>1,741,109,855</b>	<b>-</b>	<b>(183,890,145)</b>
<b>Comprehensive income for the year</b>					
Profit		-	-	-	784,138,881
Other comprehensive income		-	-	-	(14,289,313)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>769,849,568</b>
Transfer to legal reserve	19	-	-	80,000,000	(80,000,000)
<b>Balance at 31 December 2019</b>		<b>2,525,000,000</b>	<b>1,741,109,855</b>	<b>214,000,000</b>	<b>4,801,881,486</b>

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

## Statement of cash flows

Index Living Mall Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
(in Baht)					
<b>Cash flows from operating activities</b>					
Profit for the year		595,791,227	430,951,382	784,138,881	567,595,081
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	25	43,930,066	60,705,908	4,211,857	(10,309,094)
Finance costs		184,018,552	169,618,377	187,014,823	172,088,493
Depreciation and amortization	24	752,725,476	709,245,563	627,764,991	602,695,532
Impairment losses on investment in subsidiary		-	-	-	205,155,946
Loss from discontinued operation plan of a subsidiary		-	161,516,428	-	-
Provision for employee benefit	17	53,558,025	20,422,461	35,893,409	15,829,667
(Reversal of) customer royalty program expense		146,563	(3,349,352)	146,563	(3,349,352)
Unrealised (gains) losses on exchange rate		(240,842)	(4,493,142)	8,231	(1,108,255)
(Gains) losses on available for sale		(2,304,834)	1,608,616	-	-
Bad and doubtful debts expenses	7, 8	4,030,645	6,948,927	3,713,552	22,630,147
(Reversal of) losses on inventories devaluation	9	1,920,226	(3,987,717)	4,929,461	1,755,898
Gain on disposal of property, plant and equipment and other intangible assets		(9,170,335)	(5,483,711)	(6,359,467)	(2,244,122)
Loss on write-off property, plant and equipment investment properties and other intangible assets		5,299,037	3,325,760	4,593,184	3,306,437
Amortization leasehold rights income		(9,700,000)	(9,700,000)	(9,700,000)	(9,700,000)
Warranty		-	6,300,000	-	6,300,000
Interest income		(1,877,036)	(5,627,301)	(1,900,629)	(314,176)
Dividend income	4, 10	(373,571)	(3,789,292)	(659,420,045)	(499,999,792)
		1,617,753,199	1,534,212,907	975,034,811	1,070,332,410
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		(5,553,965)	146,802	(1,263,398)	(34,643,305)
Other receivables		(60,896,421)	(98,437,386)	(63,654,427)	(65,096,717)
Inventories		119,602,640	55,839,546	118,625,574	(27,027,572)
Other current assets		6,046,037	(351,066)	4,699,491	(358,824)
Other non-current assets		(7,945,141)	(4,779,569)	(5,908,210)	(10,969,355)
Trade accounts payable		27,782,823	(199,347,312)	(426,684)	(146,665,518)
Other payables		(46,689,247)	84,930,437	(39,987,276)	140,853,866
Other current liabilities		4,131,552	(10,283,187)	2,380,054	(19,135,006)
Employee benefit paid	17	(4,390,833)	(6,472,360)	(2,790,953)	(3,991,060)
Other non current liabilities		19,219,342	5,481,196	(3,184,846)	(84,314,610)
Net cash generated from operating		1,669,059,986	1,360,940,008	983,524,136	818,984,309
Taxes paid		(92,690,585)	(137,793,674)	(23,271,958)	(37,729,567)
<b>Net cash from operating activities</b>		<b>1,576,369,401</b>	<b>1,223,146,334</b>	<b>960,252,178</b>	<b>781,254,742</b>

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

# Statement of cash flows

Index Living Mall Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		(in Baht)			
<b>Cash flows from investing activities</b>					
Interest received		1,877,036	5,627,301	1,846,066	309,122
Dividends received		373,571	3,789,292	491,420,115	499,999,792
Decreased in current investment		-	308,450,781	-	-
Acquisition of available-for-sale	6	-	(310,954,226)	-	-
Proceeds from available-for-sale	6	67,950,886	381,477,802	-	-
Acquisition of increasing in share capital in subsidiary		-	-	-	(4,000,000)
Cash decrease from loss of control over subsidiary		-	(17,663,511)	-	-
Acquisition of property, plant and equipment		(545,561,736)	(602,888,166)	(417,736,336)	(312,360,502)
Proceeds from sale of property, plant and equipment		12,662,827	14,202,977	9,272,914	2,387,774
Acquisition of investment property		(34,621,488)	(136,180,857)	-	(8,430,991)
Acquisition of leasehold rights		(37,208,395)	(182,272,101)	(37,208,395)	(193,230,084)
Acquisition of other intangible assets		(28,188,916)	(32,999,759)	(21,942,291)	(23,655,273)
Proceeds from sale other intangible assets		70,957	15,162	-	-
Proceeds from repayment of loans to related parties	4	-	-	338,710,502	15,200,000
Loans to related parties	4	-	-	(346,710,502)	(28,000,000)
<b>Net cash (used in) from investing activities</b>		<b>(562,645,258)</b>	<b>(569,395,305)</b>	<b>17,652,073</b>	<b>(51,780,162)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares	18	2,310,000,000	-	2,310,000,000	-
Transaction costs from issue of shares	18	(54,862,682)	-	(54,862,682)	-
Proceeds from bank overdraft and short-term loan - financial institutions	15	7,832,500,000	6,933,486,987	6,463,500,000	6,631,486,000
Repayment of bank overdraft and short-term loan - financial institutions	15	(8,415,987,197)	(6,382,000,000)	(6,916,986,210)	(6,120,000,000)
Proceeds from borrowings - related parties	4, 15	-	-	3,692,000,000	2,604,000,000
Repayment of borrowings - related parties	4, 15	-	-	(3,728,000,000)	(2,614,000,000)
Proceeds from long term loan - financial institutions	15	2,550,000,000	26,432,617	2,550,000,000	-
Repayment of long term loan - financial institutions	15	(1,075,637,542)	(532,852,085)	(1,052,244,924)	(483,012,085)
Repayment of debenture	15	(1,300,000,000)	-	(1,300,000,000)	-
Payment by a lessee for reduction of the outstanding liabilities relating to a finance lease	15	(14,467,743)	(19,565,488)	(13,945,782)	(18,418,146)
Dividends paid to owners of the Company	27	(2,450,000,000)	(500,000,000)	(2,450,000,000)	(500,000,000)
Dividends paid to non-controlling interests		(2,082)	(208)	-	-
Interest paid		(196,724,369)	(169,533,497)	(199,761,273)	(172,317,229)
<b>Net cash used in financing activities</b>		<b>(815,181,615)</b>	<b>(644,031,674)</b>	<b>(700,300,871)</b>	<b>(672,261,460)</b>
Net increase in cash and cash equivalents, before effect of exchange rates		198,542,528	9,719,355	277,603,380	57,213,120
Effect of exchange rate changes on cash and cash equivalents		(13,233)	-	(13,341)	-
<b>Net increase in cash and cash equivalents</b>		<b>198,529,295</b>	<b>9,719,355</b>	<b>277,590,039</b>	<b>57,213,120</b>
Cash and cash equivalents at 1 January		326,433,751	316,714,396	223,333,607	166,120,487
<b>Cash and cash equivalents at 31 December</b>	5	<b>524,963,046</b>	<b>326,433,751</b>	<b>500,923,646</b>	<b>223,333,607</b>

## Supplementary disclosure of cash flows information :

### Non-cash transactions

Acquisition of property, plant and equipment and investment property for which payment has not yet been made		67,434,396	137,796,599	51,134,841	117,048,074
Dividend receivable	4	-	-	168,000,000	-

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

# Notes to the Financial Statements

For the year ended 32 December 2019

Index Living Mall Public Company Limited and its Subsidiaries

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2020.

## 1 General information

Index Living Mall Public Company Limited, the “Company”, was incorporated in Thailand and was listed on the Stock Exchange of Thailand on 26 July 2019. The Company’s registered office at 147 Rama 2 Soi 50, Rama 2 road, Samaedam, Bangkhunthien, Bangkok, Thailand.

The Company’s major shareholders during the financial year were Tummada Panich Family Co., Ltd. (40.26% shareholding) and Patamasatayasonthi Family (29.04% shareholding).

The principal activities of the Company and subsidiaries are retail and wholesale furniture, electronic and home decorative product, rental and services area. The Company’s subsidiaries are manufacturing, import and export and distributor furniture, home appliance, rental area, warehouse rental and franchise. Details of the Company’s subsidiaries as at 31 December 2019 and 2018 are given in note 10.

## 2 Basis of preparation of the financial statements

### (a) Statement of compliance

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

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

The Group has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Group has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 31.

*(b) Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement basis</i>
Available-for-sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation

*(c) Functional and presentation currency*

The financial statements are prepared in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

*(d) Use of judgements and estimates*

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

*(1) Judgements*

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

- Note 3(q) Revenue recognition:
- whether performance obligations in a bundled sale of products and services are capable of being distinct;
  - whether revenue from sales of products is recognised over time or at a point in time;
  - commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;

*(2) Assumptions and estimation uncertainties*

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

- |           |  |
|-----------|--|
| Note 3(q) | Revenue recognition: estimate of expected returns;   |
| Note 9    | Valuation of inventories: key assumptions underlying allowance for decline in value of inventories;  |
| Note 17   | Measurement of defined benefit obligations: key actuarial assumptions;   |
| Note 25   | Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; |



### 3 Significant accounting policies

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

#### (a) *Basis of consolidation*

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

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

##### *Step acquisition*

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

### *Acquisitions from entities under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

### *Subsidiaries*

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

### *Non-controlling interests*

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

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

### *Loss of control*

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

### *Transactions eliminated on consolidation*

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

## **(b) Foreign currencies**

### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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

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

Foreign currency differences are generally recognized in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

#### **(c) Cash and cash equivalents**

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

#### **(d) Trade and other accounts receivable**

A receivable is recognised when the Group has an unconditional right to receive consideration.

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

#### **(e) Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost and is calculated using standard cost adjusted to approximate average cost includes an appropriate share of production overheads based on normal operating capacity.

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

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

**(f) Investments**

*Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

*Investments in equity securities*

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses is recognised directly in equity. Impairment losses is recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

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

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

**(g) Investment properties**

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

Investment properties are measured at cost less accumulated depreciation and impairment losses.

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

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

Building and improvement	20 - 30 years
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No depreciation is provided on investment properties - freehold land and assets under construction and installation.

#### (h) **Property, plant and equipment**

##### *Recognition and measurement*

##### *Owned assets*

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

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

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

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

##### *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 capitalised 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 the profit or loss.

##### *Subsequent costs*

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

##### *Depreciation*

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

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

Building and building improvement	5 - 35	years
Tools and equipment	5 - 10	years
Furniture, fixtures and office equipment	3 - 10	years
Vehicles	5	years
Utility system	5 - 20	years

No depreciation is provided on freehold land and assets under construction and installation.

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

**(i) Intangible assets**

*Other intangible assets*

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

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*Amortisation*

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

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

Computer program	3 - 10	years
Franchise license	3 - 5	years

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

**(j) Leasehold rights**

Leasehold rights are stated at cost less accumulated amortisation and accumulated impairment loss.

Amortisation is recognized in profit or loss on straight-line basic over the agreement period.



**(k) Impairment**

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

**(l) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**(m) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

### *Refund liabilities*

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and make a corresponding change to the amount of revenue recognised.

## **(n) Employee benefits**

### *Defined contribution plans*

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

### *Defined benefit plans*

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

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

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

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

### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

### *Short-term employee benefits*

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

**(o) Provisions**

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

**Warranties**

A provision for warranties is recognised 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.

**(p) Measurement of fair values**

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

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

Significant valuation issues are reported to the Group Audit Committee.

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

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

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

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

**(q) Revenue*****Accounting policies for revenue recognition in 2019***

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

***Sale of goods and rendering of services***

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on surveys of work performed. The related costs are recognized in profit or loss when they are incurred.

***Loyalty programmes***

The consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

***Accounting policies for revenue recognition in 2018***

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

***Sale of goods and rendering of services***

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognized as services are provided.

### *Loyalty programmes*

The Company has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Company at a discount. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

#### **(r) Rental income**

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

#### **(s) Investments income**

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

#### **(t) Finance costs**

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

#### **(u) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

#### **(v) Income tax**

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

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

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

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

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

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

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

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

**(w) *Earnings per share***

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**(x) *Related parties***

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



(y) **Segment reporting**

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

**4 Related parties**

Relationships with subsidiaries are described in notes 10. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
Tummada Panich Family Co., Ltd.	Thailand	Major shareholders
Bangkok Master Woods Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich C.H. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich H.Y. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich K.K. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich N.R. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich P.L. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich P.Y. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich R.Y. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich S.N. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich U.D. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich B.N. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich C.M. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich R.P. Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich K.N Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich C.P Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich H.Q Co., Ltd.	Thailand	Common major shareholders and directors
Maitummada Panich Ekachai Co., Ltd	Thailand	Common major shareholders and directors
Bangkok Sanyo Spring Co., Ltd.	Thailand	Common major shareholders and directors
Bangkok AI-TOA Co., Ltd.	Thailand	Common major shareholders and directors
Patamma Co.,Ltd.	Thailand	Common major shareholders and directors
Index Living Mall Consulting DMCC.	Dubai	Major shareholders and directors have control
JV Resto Company Limited	Thailand	Common major shareholders, directors and spouse
East Coast Furnitech Public Company Limited	Thailand	Common major shareholders and directors are spouse
ECF Holding Company Limited	Thailand	Common major shareholders and directors are spouse

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

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods	Prices agreed between the parties
Rental and rendering of service income	Prices agreed between the parties
Interest income	Rate agreed between the parties
Dividend income	Declared rate
Franchise income	Contractually agreed prices
Other income	Contractually agreed prices
Purchase of goods	Prices agreed between the parties
Rental and service expense	Contractually agreed prices
Amortization leasehold right	Contractually agreed prices
Other selling and administrative expense	Contractually agreed prices / prices agreed between the parties
Finance cost	Rate agreed between the parties
Purchase/ sale of fix assets or other assets	Contractually agreed prices
Key management personnel	Criteria defined by Nomination and Remuneration Committee and Company's policies

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

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sale of goods	-	-	8,509	22,022
Rental and rendering of service income	-	-	224,201	211,244
Interest income	-	-	695	36
Franchise income	-	-	1,280	1,300
Other income	-	-	42,355	29,738
Purchase of goods	-	-	2,187,157	2,027,019
Rental and service expense	-	-	148,139	145,069
Amortization leasehold right	-	-	5,479	5,479
Other selling and administrative expense	-	-	34,588	29,529
Finance cost	-	-	5,447	4,655
Purchase of property	-	-	14,753	7,052
Selling assets	-	-	-	136
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	107,404	139,272	98,502	83,857
Post-employment benefits	56,400	3,590	8,902	3,246
Total key management personnel compensation	<u>163,804</u>	<u>142,862</u>	<u>107,404</u>	<u>87,103</u>

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Sale of goods	19,184	11,660	1,296	512
Rental and rendering of service income	10,906	19,852	4,340	11,020
Dividend income	374	945	-	-
Franchise income	660	385	-	-
Other income	11,851	11,999	2,057	46
Purchase of goods	221,562	201,794	176,002	171,532
Rental and service expense	119,795	118,494	95,275	94,233
Amortization leasehold right	28,789	28,779	26,051	26,042
Selling and other administrative expenses	160	610	-	568
Interest expense	195	-	-	-
Purchase of fixed assets	1,660	340	-	-

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	27,616	30,960
Other related parties	1,796	6,820	183	2,170
<b>Total</b>	<b>1,796</b>	<b>6,820</b>	<b>27,799</b>	<b>33,130</b>

<i>Other receivables</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	3,624	5,354
Other related parties	4,653	-	4,653	-
<b>Total</b>	<b>4,653</b>	<b>-</b>	<b>8,277</b>	<b>5,354</b>

<i>Short-term loans to and interest receivable</i>	<b>Separate financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
<b>Subsidiaries</b>		
Short-term loans	21,000	13,000
Interest receivable	60	6
<b>Total</b>	<b>21,060</b>	<b>13,006</b>

<i>Movement of loans to</i>	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	(Decrease)	At 31 December
<i>(in thousand Baht)</i>					
<b>2019</b>					
Subsidiaries	1.65	13,000	346,711	(338,711)	21,000
<b>2018</b>					
Subsidiaries	1.69 - 1.72	200	28,000	(15,200)	13,000

<i>Dividend receivables</i>	Consolidated financial statements	Separate financial statements
	2019 2018 <i>(in thousand Baht)</i>	2019 2018
Subsidiaries	-	168,000
<b>Total</b>	<b>-</b>	<b>168,000</b>

<i>Leasehold right</i>	Consolidated financial statements	Separate financial statements
	2019 2018 <i>(in thousand Baht)</i>	2019 2018
Subsidiaries	-	5,479
Other related parties	448,238	430,066
<b>Total</b>	<b>448,238</b>	<b>435,545</b>

<i>Trade accounts payable</i>	Consolidated financial statements	Separate financial statements
	2019 2018 <i>(in thousand Baht)</i>	2019 2018
Subsidiaries	-	345,401
Other related parties	27,310	22,183
<b>Total</b>	<b>27,310</b>	<b>367,584</b>

<i>Other payables</i>	Consolidated financial statements	Separate financial statements
	2019 2018 <i>(in thousand Baht)</i>	2019 2018
Subsidiaries	-	11,909
Other related parties	131,129	93,740
<b>Total</b>	<b>131,129</b>	<b>105,649</b>

<i>Other current liabilities</i>	Consolidated financial statements	Separate financial statements
	2019 2018 <i>(in thousand Baht)</i>	2019 2018
Other related parties	2,255	-
<b>Total</b>	<b>2,255</b>	<b>-</b>

<i>Short-term loans from and interest payable</i>	<b>Separate financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
<b>Subsidiaries</b>		
Short-term loans	337,000	373,000
Interest payable	604	664
<b>Total</b>	<b>337,604</b>	<b>373,664</b>

	<b>Interest rate</b>	<b>Separate financial statements</b>			
<i>Movement of loans from</i>	At	At			At
	31 December	1 January	Increase	(Decrease)	31 December
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
<b>2019</b>					
Subsidiaries	0.88 - 0.98	373,000	3,692,000	(3,728,000)	337,000
<b>2018</b>					
Subsidiaries	1.20 - 1.95	383,000	2,604,000	(2,614,000)	373,000
<b>Total</b>					

<i>Other non-current liabilities</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties	346	5,218	30	2,141
<b>Total</b>	<b>346</b>	<b>5,218</b>	<b>30</b>	<b>2,141</b>

#### Commitments with related parties

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within one year	97,916	93,322	168,441	218,632
After one year but within five years	420,026	402,239	360,515	436,079
After five years	1,456,203	1,525,024	1,229,650	1,283,824
<b>Total</b>	<b>1,974,145</b>	<b>2,020,585</b>	<b>1,758,606</b>	<b>1,938,535</b>

<i>Other commitments</i>	<b>Separate financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
Bank Guarantee	1,610,087	1,667,973

### ***Significant agreements with related parties***

#### ***Land and retail space lease contracts***

The Company entered into land and retail space lease contracts with other related parties. The Company has to pay monthly rental fee in total amount of Baht 6.09 million. Moreover, the Company paid advance leasehold rights in amount of Baht 514 million and will be amortized by Baht 2 million per month, the balance as at 31 December 2019 and 2018 is of Baht 1,633 million and 1,669 million respectively. The period of contracts are available for 3 - 20 years 6 months and will be expired in 2033 - 2039. The contract can be renewable by written notice at least 6 months in advance.

#### ***Office building and warehouse service contracts***

The Company entered into office building and warehouse service contracts with Index Interfurn Co.,Ltd. (subsidiary). The Company has to pay monthly service fee in total amount of Baht 5.15 million. Moreover, the Company paid advance for leasehold right in amount of Baht 16.4 million. The period of contracts are 1 year and 3 months to 3 years and will be expired in 2019 - 2020. The contract can be renewable by written notice at least 30 days in advance.

#### ***Warehouse rental contracts***

The Company entered into warehouse rental contracts with Bangkok Casa Co.,Ltd. (subsidiary). The Company has to pay monthly rental fee in total amount of Baht 3.70 million. The period of contracts are 2 years and 4 months and will be expired in September of 2021. The contracts can be renewable for a period of 3 years by written notice at least 30 days in advance.

#### ***Land lease contracts***

Index Interfurn Co., Ltd. (subsidiary) entered into land lease contracts with several related parties. The subsidiary has to pay monthly rental fee in amount of Baht 1.15 million. Moreover, the Company paid advance leasehold rights in amount of Baht 55 million and will be amortized by Baht 0.23 million per month. As at 31 December 2019 and 2018, the balance of commitment are amounting to Baht 290 million and 293 million, respectively. The period of contract is 20 - 30 years and contract will be expired in 2035 - 2049.

#### ***Building and equipment rental contracts***

During January 2018, the Company entered into the building and equipment rental contract with The Walk Co., Ltd. (subsidiary). The Company received the rental income per month of Baht 14.09 million. The contracts have the period of 3 years and will be expired in 2021. The contract can be renewable by written notice at least 30 days in advance.

#### ***Building service area contracts***

During January 2018, the Company entered into the building service area contract with The Walk Co., Ltd. (subsidiary). The Company has to pay monthly service fee in amount of Baht 3.8 million. The contracts have the period of 3 years and will be expired in 2020. The contract can be renewable by written notice at least 30 days in advance.



*Supporting service contract*

On 21 June 2018, the Company entered into a supporting service contract with The Walk Co., Ltd. (subsidiary). The Company will provide the supporting service of the Company's operations. The Company received the supporting service income per month of Baht 2.71 million. The period of this agreement is 3 years, from 1 January 2018 to 31 December 2020. On 2 January 2019, the Company changed service income per month to Baht 3.5 million.

*Franchise Contract*

During June 2018, the Company entered into franchise contract with Index Living Mall Inter Co., Ltd. (subsidiary). The contract will be charged in amounting of Baht 1.6 million. The period of contract is available for 5 years and has renewal contract for 5 years. The Contract will expire in 2028. In addition, Index Living Mall Inter Co., Ltd. will pay the license fee of baht 0.96 million per year.

*Bank Guarantees*

The Company has guarantees credit facilities of Index Interfurn Co., Ltd. (subsidiary) with several financial institutions. The purposed is liquidity for operation.

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	15,085	12,770	10,562	12,010
Cash at banks - current accounts	3,355	4,662	1,687	4,530
Cash at banks - savings accounts	506,523	309,002	488,675	206,794
<b>Cash and cash equivalents in the statement of financial position</b>	<b>524,963</b>	<b>326,434</b>	<b>500,924</b>	<b>223,334</b>

**6 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Other long-term investments</b>				
Equity securities available for sale	-	67,379	-	-
Other non-marketable equity securities	5,000	5,000	-	-
<b>Total</b>	<b>5,000</b>	<b>72,379</b>	<b>-</b>	<b>-</b>

Dividend income for the year ended 31 December 2019 amounting to Baht 0.37 million (2018: Baht 3.80 million).

<i>Marketable equity</i>	Consolidated financial statements				At 31 December
	At			Fair value	
	1 January	Purchase	(Disposal)	adjustment	
	(in thousand Baht)				
<b>2019</b>					
<b>Other long-term investments</b>					
Equity securities available for sale	67,379	-	(65,646)	(1,733)	-
<b>2018</b>					
<b>Other long-term investments</b>					
Equity securities available for sale	141,754	310,954	(383,086)	(2,243)	67,379

## 7 Trade accounts receivable

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<i>(in thousand Baht)</i>			
Within credit term	122,555	126,397	117,420	127,760
Overdue:				
Less than 3 months	148,284	148,184	163,514	162,319
3 - 6 months	23,606	15,292	23,349	14,490
6 - 12 months	642	2,406	605	1,349
Over 12 months	8,153	5,819	7,705	5,819
<b>Total</b>	<b>303,240</b>	<b>298,098</b>	<b>312,593</b>	<b>311,737</b>
Less allowance for doubtful accounts	(7,148)	(3,933)	(6,751)	(3,933)
<b>Net</b>	<b>296,092</b>	<b>294,165</b>	<b>305,842</b>	<b>307,804</b>

The normal credit term granted by the Group ranges from 7 days to 55 days.

## 8 Other receivables

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<i>(in thousand Baht)</i>			
Prepayment of goods	159,089	78,447	150,080	68,461
Accrued income	132,714	149,095	130,270	150,565
Prepaid expenses	54,413	46,743	52,708	39,516
Tax refund	21,447	4,368	19,588	-
Undue value added tax	8,409	17,306	5,708	14,249
Others	19,695	19,323	11,800	14,120
<b>Total</b>	<b>395,767</b>	<b>315,282</b>	<b>370,154</b>	<b>286,911</b>
Less allowance for doubtful accounts	(7,950)	(7,628)	(3,269)	(2,867)
<b>Net</b>	<b>387,817</b>	<b>307,654</b>	<b>366,885</b>	<b>284,044</b>

## 9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	2,081,006	2,241,959	2,276,563	2,422,641
Work in progress	47,432	46,143	-	-
Raw materials	110,386	99,993	-	-
Factory supplies	4,804	4,942	-	-
Goods in transit	71,703	41,897	63,601	36,149
	<u>2,315,331</u>	<u>2,434,934</u>	<u>2,340,164</u>	<u>2,485,790</u>
Less allowance for decline in value of inventories	<u>(57,991)</u>	<u>(56,071)</u>	<u>(57,271)</u>	<u>(52,342)</u>
<b>Total</b>	<u><b>2,257,340</b></u>	<u><b>2,378,863</b></u>	<u><b>2,282,893</b></u>	<u><b>2,406,448</b></u>
Inventories recognised in 'cost of sales of goods':				
- Cost	5,206,281	5,122,865	5,741,783	5,519,859
- (Reversal of) write-down to net realisable value	<u>1,920</u>	<u>(3,987)</u>	<u>4,929</u>	<u>1,756</u>
<b>Net</b>	<u><b>5,208,201</b></u>	<u><b>5,118,878</b></u>	<u><b>5,746,712</b></u>	<u><b>5,521,615</b></u>

## 10 Investments in subsidiaries

Type of business	Ownership interest (%)	Separate financial statements					Dividend income for the year	
		Paid-up capital		Cost		Impairment	At cost - net	
		2019	2018	2019	2018	2019	2019	2018
<i>(in thousand Baht)</i>								
<b>Direct subsidiaries</b>								
The Walk Co., Ltd.	99.99	15,400	15,400	15,399	15,399	-	15,399	15,399
Building rental	99.99					-		
Manufacturing and sales furniture	99.99	960,000	960,000	960,000	960,000	-	960,000	960,000
Index Interfurn Co., Ltd.	99.99							
Index Living Mall Inter Co., Ltd.	99.99	5,000	5,000	4,999	4,999	-	4,999	4,999
Index Living Mall Malaysia Sdn. Bhd.	51.00	823,953	823,953	348,149	348,149	(348,149)	-	-
Discontinued operation	51.00			<u>1,328,547</u>	<u>1,328,547</u>	<u>(348,149)</u>	<u>980,398</u>	<u>980,398</u>
							<u>659,420</u>	<u>500,000</u>
<b>Indirect subsidiary</b>								
Bangkok Casa Co., Ltd.	100.00	250,000	250,000	250,000	250,000	-	250,000	250,000
Warehouse rental	100.00					-		

All subsidiaries were incorporated in Thailand, except Index Living Mall Malaysia Sdn. Bhd. which was incorporated in the Malaysia.

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

## 11 Non-controlling interests

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

	31 December 2019			
	Index Living Mall Malaysia Sdn. Bhd.	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations	Total
Non-controlling interest percentage	49%			
Current assets	6,020			
Current liabilities	(796)			
<b>Net assets</b>	<b>5,224</b>			
Carrying amount of non-controlling interest	2,560	5	(1,277)	<b>1,288</b>
Revenue	448			
Loss	(621)			
Other comprehensive income	(275)			
<b>Total comprehensive expense</b>	<b>(896)</b>			
Loss allocated to non-controlling interest	(304)	2	-	<b>(302)</b>
Other comprehensive expense allocated to non-controlling interest	(135)	-	-	<b>(135)</b>
Cash flows from operating activities	(18,053)			
Cash flows from investing activities	-			
Cash flows from financing activities	-			
<b>Net decrease in cash and cash equivalents</b>	<b>(18,053)</b>			
	31 December 2018			
	Index Living Mall Malaysia Sdn. Bhd.	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations	Total
Non-controlling interest percentage	49%			
Current assets	22,244			
Current liabilities	(16,124)			
<b>Net assets</b>	<b>6,120</b>			
Carrying amount of non-controlling interest	2,999	4	(1,276)	<b>1,727</b>

	Index Living Mall Malaysia Sdn. Bhd.	31 December 2018		Total
		Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations	
Revenue	182,412			
Loss	(232,397)			
Other comprehensive income	(1,444)			
<b>Total comprehensive expense</b>	<b>(233,841)</b>			
Loss allocated to non-controlling interest	(113,875)	2	1,905	(111,968)
Other comprehensive expense allocated to non-controlling interest	(708)	-	(64)	(772)
Cash flows from operating activities	(61,025)			
Cash flows from investing activities	3,025			
Cash flows from financing activities	-			
<b>Net decrease in cash and cash equivalents</b>	<b>(58,000)</b>			

## 12 Investment properties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January	1,365,419	1,219,884	1,158,357	1,155,151
Additions	38,841	146,106	12,017	3,777
Reclassification from property, plant and equipment	56,339	-	56,339	-
Disposals/ Write off	(434)	(571)	(434)	(571)
<b>At 31 December</b>	<b>1,460,165</b>	<b>1,365,419</b>	<b>1,226,279</b>	<b>1,158,357</b>
<b>Depreciation</b>				
At 1 January	256,114	216,320	249,083	212,886
Depreciation charge for the year	49,384	39,794	38,205	36,197
Disposals/ Write off	(187)	-	(187)	-
<b>At 31 December</b>	<b>305,311</b>	<b>256,114</b>	<b>287,101</b>	<b>249,083</b>
<b>Net book value</b>				
At 1 January	<b>1,109,305</b>	<b>1,003,564</b>	<b>909,274</b>	<b>942,265</b>
At 31 December	<b>1,154,854</b>	<b>1,109,305</b>	<b>939,178</b>	<b>909,274</b>



<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss for investment properties</i></b>				
Revenue from rental and rendering of services	561,864	484,063	373,490	342,098
Depreciation and amortization expense:	110,439	97,831	83,244	80,230

<i>At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Minimum lease payments under non- cancellable operating lease are receivable:</i></b>				
Within 1 year	98,150	77,007	4,663	4,158
1 - 5 years	82,824	63,199	7,505	9,577
After 5 years	1,739	2,898	1,739	2,898
<b>Total</b>	<b>182,713</b>	<b>143,104</b>	<b>13,907</b>	<b>16,633</b>

Investment properties of the Group and Company are a portion of several land held for future projects, building, building improvement and utility system. As at 31 December 2019, the net book value of the investment properties are amounting to Baht 1,155 million and 939 million, respectively (2018: Baht 1,109 million and 909 million, respectively). The period of contracts are available for 1 - 12 years and automatically renewal in the term of 1 - 2 years until written cancelled notice is given by any one party to the other as stipulated in the agreement at least 180 days in advance.

As at 31 December 2019, the net book value of several land held for future projects of the Company are amounting to Baht 244 million (2018: Baht 244 million) which was appraised by an independent valuer base on the market approach was Baht 508 million (2018: Baht 508 million).

As at 31 December 2019, the net book value of other investment properties of the Group and the Company are amounting to Baht 910 million and 695 million, respectively (2018: Baht 865 million and 665 million, respectively) which were appraised by an independent valuer base on the cost approach was Baht 2,108 million and 2,044 million, respectively (2018: Baht 2,108 million and Baht 2,044 million, respectively).

The fair value measurement for investment property has been categorised as a Level 3 fair value.

#### *Security*

At 31 December 2019, the Group and Company has pledged a portion of their investment properties, that has net book value of Baht 199 million (2018: 211 million), as collateral for securities for long-term loans from financial institution (see note 15).

## 13 Property, plant and equipment

	Consolidated financial statements							
	Land	Building and building improvement	Tools and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Utility system	Assets under construction and installation	Total
<b>Cost</b>								
At 1 January 2018	174,671	5,705,632	1,598,663	2,992,899	239,179	1,846,988	26,482	12,584,514
Additions	-	37,560	66,798	139,426	28,394	133,891	327,711	733,780
Transfer	-	17,690	(117)	147	1,121	2,093	(20,934)	-
Reclassification to other current assets	-	-	-	(225)	-	-	-	(225)
Disposals / write off	-	(4,837)	(276,090)	(79,384)	(13,184)	(87,956)	(2,710)	(464,161)
<b>At 31 December 2018 and 1 January 2019</b>	<b>174,671</b>	<b>5,756,045</b>	<b>1,389,254</b>	<b>3,052,863</b>	<b>255,510</b>	<b>1,895,016</b>	<b>330,549</b>	<b>12,853,908</b>
Additions	-	94,224	40,598	181,779	9,005	73,552	78,738	447,896
Transfer	-	93,669	142,052	41,578	-	32,352	(309,651)	-
Transfer to investment property	-	-	-	-	-	-	(56,339)	(56,339)
Transfer to intangible assets	-	-	-	-	-	-	(20,362)	(20,362)
Disposals / write off	-	(2,684)	(133,193)	(43,312)	(29,028)	(24,912)	(4,456)	(237,585)
<b>At 31 December 2019</b>	<b>174,671</b>	<b>5,941,254</b>	<b>1,438,711</b>	<b>3,232,908</b>	<b>235,487</b>	<b>1,976,008</b>	<b>18,479</b>	<b>13,017,518</b>
<b>Depreciation</b>								
At 1 January 2018	-	2,190,934	1,416,950	2,038,819	172,061	839,934	-	6,658,698
Depreciation charge for the year	-	220,212	65,394	176,548	28,092	87,727	-	577,973
Transfer	-	-	(15)	7	-	8	-	-
Reclassification to other current assets	-	-	-	(117)	-	-	-	(117)
Disposals / write off	-	(1,243)	(242,904)	(63,817)	(13,814)	(30,885)	-	(352,033)
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>2,409,903</b>	<b>1,239,425</b>	<b>2,151,440</b>	<b>186,969</b>	<b>896,784</b>	<b>-</b>	<b>6,884,521</b>
Depreciation charge for the year	-	217,856	73,158	184,669	26,891	97,075	-	599,649
Disposals / write off	-	(1,485)	(132,532)	(41,801)	(28,665)	(24,556)	-	(229,039)
<b>At 31 December 2019</b>	<b>-</b>	<b>2,626,274</b>	<b>1,180,051</b>	<b>2,294,308</b>	<b>185,195</b>	<b>969,303</b>	<b>-</b>	<b>7,255,131</b>

Consolidated financial statements						
	Land	Building and building improvement	Tools and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Utility system
						Assets under construction and installation
						Total
<b>Net book value</b>						
<b>At 31 December 2018</b>						
Owned assets	174,671	3,346,142	149,829	901,423	31,504	998,232
Assets under finance leases	-	-	-	-	37,037	-
	<u>174,671</u>	<u>3,346,142</u>	<u>149,829</u>	<u>901,423</u>	<u>68,541</u>	<u>998,232</u>
						<u>5,932,350</u>
						<u>37,037</u>
						<u>5,969,387</u>
<b>At 31 December 2019</b>						
Owned assets	174,671	3,314,980	258,660	938,600	22,944	1,006,705
Assets under finance leases	-	-	-	-	27,348	-
	<u>174,671</u>	<u>3,314,980</u>	<u>258,660</u>	<u>938,600</u>	<u>50,292</u>	<u>1,006,705</u>
						<u>18,479</u>
						<u>5,735,039</u>
						<u>27,348</u>
						<u>5,762,387</u>

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 3,122 million (2018: Baht 3,074 million).

#### Security

At 31 December 2019 the Group has pledged a portion of their land, building and improvement of building, that has net book value of Baht 1,831 million (2018: Baht 1,707 million), as collateral for long-term loans from financial institution (see note 15).

	Separate financial statements					Assets under construction and installation	Total
	Building and building improvement	Tools and equipment	Furniture, fixtures and office equipment	Vehicles	Utility system		
	(in thousand Baht)						
<b>Cost</b>							
At 1 January 2018	4,304,257	456,298	2,906,082	196,670	1,559,650	7,146	9,430,103
Additions	21,371	28,445	130,403	16,080	36,744	210,943	443,986
Transfer	4	-	30	1,121	10	(1,165)	-
Disposals / write off	-	(2,621)	(34,466)	(6,260)	(28)	(2,710)	(46,085)
At 31 December 2018 and 1 January 2019	4,325,632	482,122	3,002,049	207,611	1,596,376	214,214	9,828,004
Additions	93,486	21,567	150,678	9,003	71,630	358	346,722
Transfer	92,719	-	30,226	-	27,622	(150,567)	-
Transfer to investment property	-	-	-	-	-	(56,339)	(56,339)
Disposals / write off	(98)	(8,553)	(40,758)	(28,979)	(10,772)	(4,456)	(93,616)
At 31 December 2019	4,511,739	495,136	3,142,195	187,635	1,684,856	3,210	10,024,771
<b>Depreciation</b>							
At 1 January 2018	1,244,338	331,698	1,980,266	136,161	623,436	-	4,315,899
Depreciation charge for the year	155,537	49,050	168,273	24,805	78,171	-	475,836
Transfer	-	-	(8)	-	8	-	-
Disposals / write off	-	(2,530)	(34,415)	(6,260)	-	-	(43,205)
At 31 December 2018 and 1 January 2019	1,399,875	378,218	2,114,116	154,706	701,615	-	4,748,530
Depreciation charge for the year	156,864	44,783	178,977	22,653	83,374	-	486,651
Disposals / write off	(17)	(8,007)	(39,300)	(28,618)	(10,415)	-	(86,357)
At 31 December 2019	1,556,722	414,994	2,253,793	148,741	774,574	-	5,148,824

	Separate financial statements					Total
	Building and building improvement	Tools and equipment	Furniture, fixtures and office equipment	Vehicles (in thousand Baht)	Utility system	Assets under construction and installation
<b>Net book value</b>						
<b>At 31 December 2018</b>						
Owned assets	2,925,757	103,904	887,933	17,635	894,761	5,044,204
Assets under finance leases	-	-	-	35,270	-	35,270
	<u>2,925,757</u>	<u>103,904</u>	<u>887,933</u>	<u>52,905</u>	<u>894,761</u>	<u>5,079,474</u>
<b>At 31 December 2019</b>						
Owned assets	2,955,017	80,142	888,402	12,581	910,282	4,849,634
Assets under finance leases	-	-	-	26,313	-	26,313
	<u>2,955,017</u>	<u>80,142</u>	<u>888,402</u>	<u>38,894</u>	<u>910,282</u>	<u>4,875,947</u>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 1,934 million (2018: Baht 1,879 million).

#### Security

At 31 December 2019 the Company has pledged a portion of their building and improvement of building, that has net book value of Baht 1,831 million (2018: Baht 1,707 million), as collateral for long-term loans from financial institution (see note 15).

#### 14 Leasehold rights

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Cost</b>				
At 1 January	1,951,232	1,768,960	1,892,288	1,699,058
Additions	37,208	182,272	37,208	193,230
<b>At 31 December</b>	<b>1,988,440</b>	<b>1,951,232</b>	<b>1,929,496</b>	<b>1,892,288</b>
<b>Amortization</b>				
At 1 January	457,487	381,717	445,988	368,467
Amortization charge for the year	79,690	75,770	81,440	77,521
<b>At 31 December</b>	<b>537,177</b>	<b>457,487</b>	<b>527,428</b>	<b>445,988</b>
<b>Net book value</b>				
At 1 January	1,493,745	1,387,243	1,446,300	1,330,591
<b>At 31 December</b>	<b>1,451,263</b>	<b>1,493,745</b>	<b>1,402,068</b>	<b>1,446,300</b>

#### Security

At 31 December 2019 the company has pledged a portion of their leasehold rights, that has net book value of Baht 280 million (2018: Baht 310 million), as collateral for long-term loans from financial institution (see note 15).

#### 15 Interest-bearing liabilities

	Consolidated financial statements					
	2019			2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts	-	-	-	-	100,487	100,487
Short-term loans from financial institutions	-	416,000	416,000	-	899,000	899,000
Long-term loans from financial institutions	4,248,731	-	4,248,731	2,774,368	-	2,774,368
Debenture	-	-	-	1,300,000	-	1,300,000
Finance lease liabilities	-	21,178	21,178	-	28,398	28,398
<b>Total interest-bearing liabilities</b>	<b>4,248,731</b>	<b>437,178</b>	<b>4,685,909</b>	<b>4,074,368</b>	<b>1,027,885</b>	<b>5,102,253</b>



	Separate financial statements					
	Secured	2019 Unsecured	Total (in thousand Baht)	Secured	2018 Unsecured	Total
Bank overdrafts	-	-	-	-	100,486	100,486
Short-term loans from financial institutions	-	416,000	416,000	-	769,000	769,000
Short-term loans from related parties	-	337,000	337,000	-	373,000	373,000
Long-term loans from financial institutions	4,248,731	-	4,248,731	2,750,976	-	2,750,976
Debenture	-	-	-	1,300,000	-	1,300,000
Finance lease liabilities	-	19,973	19,973	-	26,670	26,670
<b>Total interest-bearing liabilities</b>	<b>4,248,731</b>	<b>772,973</b>	<b>5,021,704</b>	<b>4,050,976</b>	<b>1,269,156</b>	<b>5,320,132</b>

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018 (in thousand Baht)	2019	2018
Investment properties	12	198,866	211,318	198,866	211,318
Building and building improvement	13	1,830,969	1,707,040	1,830,969	1,707,040
Leasehold rights	14	279,910	310,311	279,910	310,311
<b>Total</b>		<b>2,309,745</b>	<b>2,228,669</b>	<b>2,309,745</b>	<b>2,228,669</b>

The principal features and details of the borrowings were as follows:

As at 31 December 2019, the Group and the Company have bank overdrafts of which bore interest at rates of MOR (2018: MOR). Moreover, the Group and the Company have short-term promissory notes from financial institutions which bore interest at the fixed interest rate as stipulated in the agreements. (2018: fixed interest rate as stipulated in the agreements).

During July 2019, The Company entered into two secured long term loan agreements with local financial institutions in total amount of Baht 2,550 million. These loans were secured by buildings and land lease hold right. The loans bear interest at the floating rate per annum which bore interest at MLR deducted by fixed interest rate as stipulated in the agreements and are repayable in monthly for 96 installments commencing from July 2019 to July 2026. The Company must comply with the conditions and requirements as stipulated in the loan agreement i.e. maintain the interest-bearing debt to the equity and maintain Debt Coverage ratio ("DSCR").

During July 2019, the Company used cash on hand from operations to repay matured debenture amount of Baht 1,300 million.

As at 31 December 2019, the Group and company had unutilised credit facilities totaling Baht 1,909 million and Baht 1,049million respectively (2018: Baht 1,446 million and Baht 596 million).

Consolidated financial statements						
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<b>Finance lease liabilities</b>						
<i>Maturity period</i>						
Within 1 year	9,573	(698)	8,880	14,536	(993)	13,543
1 - 5 years	12,813	(515)	12,298	15,609	(754)	14,855
<b>Total</b>	<b>22,391</b>	<b>(1,213)</b>	<b>21,178</b>	<b>30,145</b>	<b>(1,747)</b>	<b>28,398</b>

Separate financial statements						
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<b>Finance lease liabilities</b>						
<i>Maturity period</i>						
Within 1 year	8,293	(618)	7,675	13,795	(774)	13,021
1 - 5 years	12,813	(515)	12,298	14,324	(675)	13,649
<b>Total</b>	<b>21,106</b>	<b>(1,133)</b>	<b>19,973</b>	<b>28,119</b>	<b>(1,449)</b>	<b>26,670</b>

*Changes in liabilities arising from financing activities*

Consolidated financial statements					
	Overdraft and short-term loans	Long-term loans	Debenture	Finance lease liabilities	Total
	(in thousand Baht)				
<b>2019</b>					
Balance at 1 January	999,487	2,774,368	1,300,000	28,398	5,102,253
Changes from financing cash flows	(583,487)	1,474,363	(1,300,000)	-	(409,124)
Other changes:					
Finance lease	-	-	-	(7,220)	(7,220)
<b>Balance at 31 December</b>	<b>416,000</b>	<b>4,248,731</b>	<b>-</b>	<b>21,178</b>	<b>4,685,909</b>
<b>2018</b>					
Balance at 1 January	448,000	3,280,788	1,300,000	33,040	5,061,828
Changes from financing cash flows	551,487	(506,420)	-	-	45,067
Other changes:					
Finance lease	-	-	-	(4,642)	(4,642)
<b>Balance at 31 December</b>	<b>999,487</b>	<b>2,774,368</b>	<b>1,300,000</b>	<b>28,398</b>	<b>5,102,253</b>

	Separate financial statements					
	Overdraft and short-term loans	Short-term loans from related parties	Long-term loans	Debenture	Finance lease liabilities	Total
<i>(in thousand Baht)</i>						
<b>2019</b>						
Balance at 1 January	869,486	373,000	2,750,976	1,300,000	26,670	5,320,132
Changes from financing cash flows	(453,486)	(36,000)	1,497,755	(1,300,000)	-	(291,731)
Other changes:						
Finance lease	-	-	-	-	(6,697)	(6,697)
<b>Balance at 31 December</b>	<b>416,000</b>	<b>337,000</b>	<b>4,248,731</b>	<b>-</b>	<b>19,973</b>	<b>5,021,704</b>
<b>2018</b>						
Balance at 1 January	358,000	383,000	3,233,988	1,300,000	30,166	5,305,154
Changes from financing cash flows	511,486	(10,000)	(483,012)	-	-	18,474
Other changes:						
Finance lease	-	-	-	-	(3,496)	(3,496)
<b>Balance at 31 December</b>	<b>869,486</b>	<b>373,000</b>	<b>2,750,976</b>	<b>1,300,000</b>	<b>26,670</b>	<b>5,320,132</b>

## 16 Other payables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Goods deposit	408,277	415,091	408,277	414,961
Accrued rental expenses	312,511	257,233	293,930	253,671
Accrued bonus expenses	75,147	73,351	73,714	72,111
Payable for purchase asset	67,102	137,797	50,803	117,048
Revenue department payable	42,631	47,836	38,781	46,234
Accrued advertising expenses	25,526	75,758	25,077	74,420
Accrued promotion expenses	25,519	24,218	25,206	24,194
Accrued local and property tax	25,260	56,415	21,306	53,832
Accrued utilities expenses	22,872	25,889	17,117	18,812
Accrued securities expenses	15,017	13,366	11,347	9,926
Accrued export expenses	9,809	12,303	9,809	12,303
Accrued interest expenses	1,901	14,607	1,901	14,587
Others	137,293	155,787	108,193	102,177
<b>Total</b>	<b>1,168,865</b>	<b>1,309,651</b>	<b>1,085,461</b>	<b>1,214,276</b>

## 17 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Post-employment benefits				
Defined benefit plan	<u>224,925</u>	<u>147,501</u>	<u>156,092</u>	<u>105,128</u>

### *Defined benefit plan*

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	147,501	133,551	105,128	93,289
<b>Include in profit or loss:</b>				
Current service cost	16,841	17,564	11,922	13,645
Past service cost for employee benefits from amendment of the Labor Protection Act	33,780	-	21,923	-
Interest on obligation	<u>2,937</u>	<u>2,858</u>	<u>2,048</u>	<u>2,185</u>
	<u>53,558</u>	<u>20,422</u>	<u>35,893</u>	<u>15,830</u>
<b>Included in other comprehensive income</b>				
Actuarial loss				
- Demographic assumptions	-	-	-	-
- Financial assumptions	15,908	-	11,528	-
- Experience adjustment	<u>12,349</u>	<u>-</u>	<u>6,334</u>	<u>-</u>
	<u>28,257</u>	<u>-</u>	<u>17,862</u>	<u>-</u>
<b>Other</b>				
Benefit paid	<u>(4,391)</u>	<u>(6,472)</u>	<u>(2,791)</u>	<u>(3,991)</u>
<b>At 31 December</b>	<u>224,925</u>	<u>147,501</u>	<u>156,092</u>	<u>105,128</u>

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

<b>Principal actuarial assumptions</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	(%)			
Discount rate	1.63	2.63	1.63	2.63
Future salary growth	3.00 - 5.00	3.00 - 5.00	3.50 - 4.50	3.50 - 4.50
Employee turnover	0.00 - 50.00	0.00 - 50.00	0.00 - 50.00	0.00 - 50.00

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

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 9.9 years (2018: 10.3 years).

### **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.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	(in thousand Baht)			
At 31 December 2019				
Discount rate (1% movement)	(16,042)	18,137	(11,361)	12,927
Future salary growth (1% movement)	17,552	(15,868)	12,489	(11,222)
Turnover rate (20% movement)	(18,772)	23,913	(13,941)	17,923
At 31 December 2018				
Discount rate (1% movement)	(9,159)	10,322	(6,611)	7,492
Future salary growth (1% movement)	11,389	(10,252)	8,207	(7,348)
Employee turnover (20% movement)	(12,573)	16,251	(9,207)	12,067

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 18 Share capital

	Par value per share (in Baht)	2019		2018	
		Number	Baht (thousand shares / thousand Baht)	Number	Baht
Authorised shares at 31 December	5	<u>505,000</u>	<u>2,525,000</u>	<u>505,000</u>	<u>2,525,000</u>
<b><i>Issued and paid up</i></b>					
At 1 January					
- Ordinary shares	100	-	-	20,000	2,000,000
- Ordinary shares	5	400,000	2,000,000	-	-
Reduction in par value					
- from Baht 100 to Baht 5	5	-	-	380,000	-
Increase of new shares	5	<u>105,000</u>	<u>525,000</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>					
<b>Ordinary shares</b>	<b>5</b>	<b><u>505,000</u></b>	<b><u>2,525,000</u></b>	<b><u>400,000</u></b>	<b><u>2,000,000</u></b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the company.

### *Issue of ordinary shares*

On 22 July 2019, the Company completed its Initial Public Offering ("IPO") by issuing 105 million new ordinary shares with an offering price of Baht 22 per share amounting to Baht 2,310 million, which has share premium in amount of Baht 1,741 million and direct expenses related to the offering of shares in amount of Baht 44 million after tax benefit, which is shown as a deduction from shares premium received from the offering of new shares. The Company was listed in the Stock Exchange of Thailand on 26 July 2019.

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 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"). Share premium is not available for dividend distribution.

## 19 Reserve and surplus

### *Reserves and surplus comprise*

### *Appropriations of profit and/or retained earnings*

#### **Legal reserve**

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

During 2019, the Company's allocated legal reserve amounting of Baht 80 million (2018: Baht 28.6 million).



### ***Other components of equity***

#### **Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

#### **Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

#### **Movements in reserves**

Movements in reserves are shown in the statements of changes in equity.

### ***Surplus on the business combination under common control transactions***

Surplus on the business combination under common control transactions arising within equity represents the difference of the book values of certain entities or business under common control under their cost as of the date of their acquisitions. The reserve is non-distributable and will be retained until the respective business are sold or otherwise disposed of.

During 2015, Index Interturn Co.,Ltd. had acquired Bangkok Casa Co.,Ltd. by purchase shares in amount of Baht 218.12 million. At the acquisition date, the difference between the carrying amount of the acquired net assets was over than the consideration paid in amount of Baht 74.28 million and its interest in retained earnings before business restructuring was Baht 74.28 million.

During 2015, Index Living Mall Co.,Ltd. had acquired Index Interturn Co.,Ltd. by purchase shares in amount of Baht 960 million. At the acquisition date, the difference between the carrying amount of the acquired net assets was over than the consideration paid in amount of Baht 212.15 million and its interest in retained earnings before business restructuring was Baht 212.15 million.

Total difference between the carrying amount of the acquired net assets and the consideration paid from business restructuring under common control in amounted of Baht 286.43 million was recognized as surplus from business combinations under common control in shareholder's equity.

As at 25 June 2019, the executive committee approved the appropriation dividend from retain earning and profit from the Company's operation up to 31 March 2019 of Baht 3.125 per share, in total amount of Baht 1,250 million. This retained earning came from the dividends received from Bangkok Casa Co., Ltd. and Index Interturn Co., Ltd. in amount of Baht 286.43 million which was paid from retained earnings before the acquisition date. After the said amount of dividends are paid to the former shareholder who hold their shares before the acquisition date. It will be deducted from Surplus on the business combination under common control.

## 20 Segment information and disaggregation of revenue

Management determined that the Group has four reportable segments, as described below, which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1                      Retail of furniture
- Segment 2                      Manufacturing of furniture
- Segment 3                      Rental area and service
- Segment 4                      Others

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

For the year ended 31 December	Consolidated financial statements							
	Retail of furniture		Manufacturing of furniture		Rental area and service		Elimination	
	2019	2018	2019	2018	2019	2018	2019	2018
<i>(in thousand Baht)</i>								
<b>Information about reportable segments</b>								
External revenue	9,217,677	9,161,695	18,472	12,460	556,449	477,753	-	9,798,013
Inter-segment revenue	8,509	22,022	2,213,343	2,032,523	274,758	247,916	(2,346,141)	-
<b>Total segment revenue</b>	<b>9,226,186</b>	<b>9,183,717</b>	<b>2,231,815</b>	<b>2,044,983</b>	<b>831,207</b>	<b>725,669</b>	<b>(2,346,141)</b>	<b>9,798,013</b>
<b>Major products/ service lines</b>								
Furniture and bedding	6,492,627	6,439,941	2,213,343	2,032,523	-	-	(2,221,852)	6,484,118
Home decorative product	1,686,394	1,727,503	-	-	-	-	-	1,686,394
Electric appliances	1,026,070	1,016,273	-	-	-	-	-	1,026,070
Rental and service area income	-	-	-	-	831,207	725,669	(274,758)	556,449
Others	21,095	-	18,472	12,460	-	-	(45,446)	44,982
<b>Total revenue</b>	<b>9,226,186</b>	<b>9,183,717</b>	<b>2,231,815</b>	<b>2,044,983</b>	<b>831,207</b>	<b>725,669</b>	<b>(2,346,141)</b>	<b>9,798,013</b>
<b>Timing of revenue recognition</b>								
At a point in time	9,226,186	9,183,717	2,231,815	2,044,983	-	-	(2,221,852)	9,236,149
Over time	-	-	-	-	831,207	725,669	(320,204)	561,864
<b>Total revenue</b>	<b>9,226,186</b>	<b>9,183,717</b>	<b>2,231,815</b>	<b>2,044,983</b>	<b>831,207</b>	<b>725,669</b>	<b>(2,346,141)</b>	<b>9,798,013</b>
<b>Timing of revenue recognition</b>								
At a point in time	9,226,186	9,183,717	2,231,815	2,044,983	-	-	(2,221,852)	9,174,156
Over time	-	-	-	-	831,207	725,669	(320,204)	484,063
<b>Total revenue</b>	<b>9,226,186</b>	<b>9,183,717</b>	<b>2,231,815</b>	<b>2,044,983</b>	<b>831,207</b>	<b>725,669</b>	<b>(2,346,141)</b>	<b>9,658,219</b>



<i>For the year ended 31 December</i>	<b>Separate financial statements</b>					
	Retail of furniture		Rental area and service		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
<b>Major products/ service lines</b>						
Furniture and bedding	6,492,627	6,264,539	-	-	6,492,627	6,264,539
Home decorative product	1,686,394	1,727,503	-	-	1,686,394	1,727,503
Electric appliances	1,026,070	1,016,273	-	-	1,026,070	1,016,273
Rental and service area income	-	-	373,490	342,098	373,490	342,098
<b>Total revenue</b>	<b>9,205,091</b>	<b>9,008,315</b>	<b>373,490</b>	<b>342,098</b>	<b>9,578,581</b>	<b>9,350,413</b>
<b>Timing of revenue recognition</b>						
At a point in time	9,205,091	9,008,315	-	-	9,205,091	9,008,315
Over time	-	-	373,490	342,098	373,490	342,098
<b>Total revenue</b>	<b>9,205,091</b>	<b>9,008,315</b>	<b>373,490</b>	<b>342,098</b>	<b>9,578,581</b>	<b>9,350,413</b>

### *Promotional privileges*

The Group has been granted promotional certificates by the Office of the Board of Investment relating to manufacture furniture, spare part and bedding. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

	<b>Consolidated financial statements</b>		
	2019		
	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>		
Export sales	-	224,880	224,880
Local sales	310,137	10,922,984	11,233,121
Eliminations	-	(2,221,852)	(2,221,852)
<b>Total revenue</b>	<b>310,137</b>	<b>8,926,012</b>	<b>9,236,149</b>

## 21 Selling and distribution expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Employee benefit expenses	792,953	826,807	789,804	772,336
Depreciation and amortization expenses	465,310	458,459	465,310	445,873
Rental and service expenses	232,363	243,453	280,340	265,728
Utilities expenses	199,093	198,374	199,515	192,527
Promotion expenses	183,252	195,501	172,467	174,107
Wage and other service expenses	154,485	116,490	153,415	115,618
Bank charge	111,380	113,484	111,380	113,484
Securities expenses	40,100	36,364	40,100	36,364
Tax and other fee expenses	13,673	16,094	13,232	15,579
Others	154,543	195,001	154,517	171,911
<b>Total</b>	<b>2,347,152</b>	<b>2,400,027</b>	<b>2,380,080</b>	<b>2,303,527</b>

## 22 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Employee benefit expenses	713,087	660,990	558,706	519,641
Transportation expenses	142,132	114,260	142,132	114,254
Depreciation and amortization expenses	114,269	112,191	79,211	76,593
Travel expenses	40,143	48,151	37,352	42,627
Vehicle rental expenses	26,348	29,479	23,076	26,708
Utilities expenses	18,136	18,645	16,030	15,879
Building and warehouse rental and service expenses	16,955	16,541	100,347	99,146
Others	124,778	144,723	97,157	119,368
<b>Total</b>	<b>1,195,848</b>	<b>1,144,980</b>	<b>1,054,011</b>	<b>1,014,216</b>

## 23 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Wages and salaries		1,431,695	1,433,089	1,029,419	1,013,740
Bonus		134,977	111,830	87,526	73,640
Commission		95,045	93,304	94,689	91,808
Provident and compensation fund		42,423	48,383	30,233	31,330
Defined benefit plans	17	53,558	20,422	35,893	15,830
Defined contribution plans		13,960	13,926	13,745	13,756
Others		74,732	84,131	59,720	54,645
<b>Total</b>		<b>1,846,390</b>	<b>1,805,085</b>	<b>1,351,225</b>	<b>1,294,749</b>



*Defined contribution plans*

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 3% of their basic salaries and by the Group at rates ranging from 2% to 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**24 Expenses by nature**

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Changes in inventories of finished goods and work in progress		(125,753)	(76,886)	(118,626)	27,028
Purchase finished goods and raw materials		4,890,539	4,787,813	5,865,338	5,494,587
Employee benefit expenses	23	1,846,390	1,805,085	1,351,225	1,294,749
Depreciations and amortization expenses		752,725	709,245	627,765	602,696
Utilities expenses		344,357	337,075	253,397	245,154
Building and warehouse rental and service expenses		300,046	314,516	421,301	404,408
Promotion expenses		178,614	200,559	167,302	179,173
Wage and other service expenses		210,953	157,313	191,510	133,042
Bank charge		116,413	120,859	115,892	120,177
Transportation expense		155,241	117,630	155,125	117,622
Vehicle expenses		73,432	83,587	65,377	72,279
Others		335,984	383,226	284,549	321,660
<b>Total cost of sales of goods, selling and distribution expense and administrative expenses</b>		<b>9,078,941</b>	<b>8,940,022</b>	<b>9,380,155</b>	<b>9,012,575</b>

## 25 Income tax expense

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	53,957	127,472	12,673	33,599
(Over) Under provided in prior years	(118)	1,723	-	1,661
	<u>53,839</u>	<u>129,195</u>	<u>12,673</u>	<u>35,260</u>
<b>Deferred tax expense</b>				
Movements in temporary differences	(9,909)	(71,715)	(8,461)	(45,569)
Tax loss utilized	-	3,226	-	-
	<u>(9,909)</u>	<u>(68,489)</u>	<u>(8,461)</u>	<u>(45,569)</u>
<b>Total income tax expense</b>	<u>43,930</u>	<u>60,706</u>	<u>4,212</u>	<u>(10,309)</u>

	<b>Consolidated financial statements</b>					
	2019			2018		
<i>Income tax</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Available-for-sale financial assets	(1,733)	347	(1,386)	(2,242)	448	(1,794)
Defined benefit plan actuarial losses	(28,257)	5,651	(22,606)	-	-	-
<b>Total</b>	<u>(29,990)</u>	<u>5,998</u>	<u>(23,992)</u>	<u>(2,242)</u>	<u>448</u>	<u>(1,794)</u>

	<b>Separate financial statements</b>					
	2019			2018		
<i>Income tax</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	(17,862)	3,572	(14,290)	-	-	-
<b>Total</b>	<u>(17,862)</u>	<u>3,572</u>	<u>(14,290)</u>	<u>-</u>	<u>-</u>	<u>-</u>

<b>Reconciliation of effective tax rate</b>	<b>Consolidated financial statements</b>			
	<b>2019</b>		<b>2018</b>	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		639,721		419,657
Income tax using the Thai corporation tax rate	20.00	127,944	20.00	98,332
Income not subject to tax		(62,027)		-
Expenses not deductible for tax purposes		3,043		7,178
Expenses with additional deduction for tax purposes		(25,560)		(31,802)
Current year losses for which no deferred tax asset was recognized		155		58,099
(Over) Under provided in prior years		(118)		1,723
Impairment loss of investment		-		(69,630)
Others		493		(3,194)
<b>Total</b>	<b>6.87</b>	<b>43,930</b>	<b>12.35</b>	<b>60,706</b>

<b>Reconciliation of effective tax rate</b>	<b>Separate financial statements</b>			
	<b>2019</b>		<b>2018</b>	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		788,351		557,286
Income tax using the Thai corporation tax rate	20.00	157,670	20.00	111,457
Income not subject to tax		(131,884)		(100,000)
Expenses not deductible for tax purposes		1,953		6,325
Expenses with additional deduction for tax purposes		(23,527)		(29,752)
Under provided in prior years		-		1,661
<b>Total</b>	<b>0.53</b>	<b>4,212</b>	<b>(1.85)</b>	<b>(10,309)</b>

**Deferred tax**  
**At 31 December**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<i>(in thousand Baht)</i>		
Deferred tax assets	177,762	162,202	120,318	108,285
Deferred tax liabilities	-	(347)	-	-
<b>Net deferred tax assets</b>	<b>177,762</b>	<b>161,855</b>	<b>120,318</b>	<b>108,285</b>

Consolidated financial statements				
(Charged) / Credited to:				
	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
		(in thousand Baht)	income	
<b>2019</b>				
<b>Deferred tax assets</b>				
Accounts receivable and other receivable (doubtful accounts)	2,312	809	-	3,121
Inventories (allowance for decline in value)	11,214	384	-	11,598
Inventories (eliminate profit)	43,745	(1,230)	-	42,515
Employee benefit obligations	29,500	9,834	5,651	44,985
Provisions	5,801	112	-	5,913
Investment (impairment)	69,630	-	-	69,630
<b>Total</b>	<b>162,202</b>	<b>9,909</b>	<b>5,651</b>	<b>177,762</b>
<b>Deferred tax liability</b>				
Marketable securities	(347)	-	347	-
<b>Total</b>	<b>(347)</b>	<b>-</b>	<b>347</b>	<b>-</b>
<b>Net</b>	<b>161,855</b>	<b>9,909</b>	<b>5,998</b>	<b>177,762</b>
<b>2018</b>				
<b>Deferred tax assets</b>				
Accounts receivable and other receivable (doubtful accounts)	923	1,389	-	2,312
Inventories (allowance for decline in value)	12,012	(798)	-	11,214
Inventories (eliminate profit)	46,422	(2,677)	-	43,745
Employee benefit obligations	26,710	2,790	-	29,500
Provisions	4,420	1,381	-	5,801
Loss carry forward	3,226	(3,226)	-	-
Investment (impairment)	-	69,630	-	69,630
<b>Total</b>	<b>93,713</b>	<b>68,489</b>	<b>-</b>	<b>162,202</b>
<b>Deferred tax liability</b>				
Marketable securities	(795)	-	448	(347)
<b>Total</b>	<b>(795)</b>	<b>-</b>	<b>448</b>	<b>(347)</b>
<b>Net</b>	<b>92,918</b>	<b>68,489</b>	<b>448</b>	<b>161,855</b>

	Separate financial statements (Charged) / Credited to:			
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
<b>2019</b>				
<b>Deferred tax assets</b>				
Accounts receivable and other receivable (doubtful accounts)	1,360	743	-	2,103
Inventories (allowance for decline in value)	10,468	986	-	11,454
Employee benefit obligations	21,026	6,620	3,572	31,218
Investment in subsidiary (impairment)	69,630	-	-	69,630
Provisions	5,801	112	-	5,913
<b>Total</b>	<b>108,285</b>	<b>8,461</b>	<b>3,572</b>	<b>120,318</b>
<b>2018</b>				
<b>Deferred tax assets</b>				
Accounts receivable and other receivable (doubtful accounts)	923	437	-	1,360
Inventories (allowance for decline in value)	10,117	351	-	10,468
Employee benefit obligations	18,658	2,368	-	21,026
Investment in subsidiary (impairment)	28,598	41,032	-	69,630
Provisions	4,420	1,381	-	5,801
<b>Total</b>	<b>62,716</b>	<b>45,569</b>	<b>-</b>	<b>108,285</b>

<b>Unrecognised deferred tax assets</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Tax losses	58,254	58,099	-	-

In 2019, the subsidiary of the Group has tax losses amounting Baht 0.62 million (2018: Baht 232 million). The Group has not been recognized in respect of these item because management considered that the tax losses expire in 2022 - 2023 and it probable that future taxable profits would be available against which such losses can be used.

## 26 Earnings per share

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2018	2019
		<i>(in thousand Baht / in thousand shares)</i>			
<b>Profit for the year attributable to ordinary shareholders of the Company (basic)</b>		<b>596,093</b>	<b>542,920</b>	<b>784,139</b>	<b>567,595</b>
<b>Number of ordinary shares outstanding</b>					
Number of ordinary shares outstanding at 1 January		400,000	20,000	400,000	20,000
Increase in number of share from reduction in par value	18	-	380,000	-	380,000
Effect of shares issued (22 July 2019)	18	46,890	-	46,890	-
<b>Weighted average number of ordinary shares outstanding (basic) (in Baht) as at 31 December</b>		<b>446,890</b>	<b>400,000</b>	<b>446,890</b>	<b>400,000</b>
<b>Earnings per share (basic) (in Baht)</b>		<b>1.33</b>	<b>1.36</b>	<b>1.75</b>	<b>1.42</b>

## 27 Dividends

At the Board of Directors' meeting held on 25 June 2019, the Board of Directors unanimously approved the interim dividend payment from the profit for the three-month period ended 31 March 2019 of Baht 3.125 per share, totaling Baht 1,250 million. The dividend was paid to the shareholders in 11 July 2019.

At the Annual General Meeting held on 22 March 2019, the shareholders unanimously approved the dividend payment of Baht 3 per share, totaling Baht 1,200 million. The dividend was paid to the shareholders on 3 April 2019.

At the Extraordinary Meeting held on 22 August 2019, the Board of Directors unanimously approved the dividend payment from the profit of year 2017 of Baht 1.25 per share, totaling Baht 500 million. The dividend was paid to the shareholders on 2018.

## 28 Financial instruments

### *Financial risk management policies*

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

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.



### Capital management

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

### Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 15). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates

At 31 December	Effective Interest rate (% per annum)	Consolidated financial statements			
		Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2019</b>					
<b>Financial liabilities</b>					
Short-term loans from financial institutions	1.50	416,000	-	-	416,000
Long-term loans from financial institutions	3.75 - 5.60	650,670	2,315,392	1,282,669	4,248,731
Finance lease liabilities	3.70 - 4.10	8,880	12,298	-	21,178
<b>Total</b>		<b>1,075,550</b>	<b>2,327,690</b>	<b>1,282,669</b>	<b>4,685,909</b>
<b>2018</b>					
<b>Financial liabilities</b>					
Bank overdrafts	7.12	100,487	-	-	100,487
Short-term loans from financial institutions	1.85 - 2.05	899,000	-	-	899,000
Long-term loans from financial institutions	3.20 - 5.60	529,820	479,491	1,765,057	2,774,368
Finance lease liabilities	0.97 - 5.12	13,543	14,855	-	28,398
Debenture	2.17	1,300,000	-	-	1,300,000
<b>Total</b>		<b>2,842,850</b>	<b>494,346</b>	<b>1,765,057</b>	<b>5,102,253</b>

		Separate financial statements			
		Maturity period			
At 31 December	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2019					
Financial assets					
Short-term loans to related parties	1.65	21,000	-	-	21,000
Financial liabilities					
Short-term loans from related parties	0.88 - 0.98	337,000	-	-	337,000
Short-term loans from financial institutions	1.50	416,000	-	-	416,000
Long-term loans from financial institutions	3.75 - 5.60	650,670	2,315,392	1,282,669	4,248,731
Finance lease liabilities	3.70 - 4.10	7,675	12,298	-	19,973
Total		1,411,345	2,327,690	1,282,669	5,021,704
2018					
Financial assets					
Short-term loans to related parties	1.69 - 1.72	13,000	-	-	13,000
Financial liabilities					
Bank overdrafts	7.12	100,486	-	-	100,486
Short-term loans from related parties	1.20 - 1.95	373,000	-	-	373,000
Short-term loans from financial institutions	1.85 - 2.05	769,000	-	-	769,000
Long-term loans from financial institutions	4.05 - 5.60	523,740	462,179	1,765,057	2,750,976
Finance lease liabilities	0.97 - 5.12	13,021	13,649	-	26,670
Debenture	2.17	1,300,000	-	-	1,300,000
Total		3,079,247	475,828	1,765,057	5,320,132

### **Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>United States Dollars</i></b>				
Cash and cash equivalents	1,538	618	1,054	582
Trade accounts receivable	14,849	4,040	13,477	4,040
Trade accounts payable	55,832	14,411	45,045	10,363
Other payables	-	-	-	-
<b><i>Euro</i></b>				
Trade accounts payable	418	7,697	-	-
<b>Gross balance sheet exposure</b>	<u>72,637</u>	<u>26,766</u>	<u>60,026</u>	<u>14,985</u>
Currency forwards purchase	-	-	-	-
Currency forwards sales	-	(12,716)	-	-
<b>Net exposure</b>	<u>72,637</u>	<u>14,050</u>	<u>60,026</u>	<u>14,985</u>

#### ***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 in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

#### ***Liquidity risk***

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

#### ***Carrying amount and fair values***

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

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
<b>31 December 2019</b>					
<i>Financial assets / financial liabilities not measured at fair value</i>					
Other equity securities	5,000	-	-	5,000	5,000
Long-term loans from financial institutions	4,248,731	-	-	4,248,731	4,248,731
Finance lease liabilities	21,178	-	-	17,429	17,429
<b>31 December 2018</b>					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale	67,379	-	67,379	-	67,379
<i>Financial assets / financial liabilities not measured at fair value</i>					
Other equity securities	5,000	-	-	5,000	5,000
Long-term loans from financial institutions	2,774,368	-	-	2,774,368	2,774,368
Debenture	1,300,000	-	1,298,390	-	1,298,390
Finance lease liabilities	28,397	-	-	24,530	24,530
	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
<b>31 December 2019</b>					
<i>Financial liabilities not measured at fair value</i>					
Long-term loans from financial institutions	4,248,731	-	-	4,248,731	4,248,731
Finance lease liabilities	19,973	-	-	16,224	16,224
<b>31 December 2018</b>					
<i>Financial liabilities not measured at fair value</i>					
Long-term loans from financial institutions	2,750,976	-	-	2,750,976	2,750,976
Debenture	1,300,000	-	1,298,390	-	1,298,390
Finance lease liabilities	26,670	-	-	22,803	22,803

## Measurement of fair values

### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation technique
Investments in marketable unit trusts classified as available-for sale investments	The net asset value as of the reporting date.

#### Financial instruments not measured at fair value

Type	Valuation technique
Debenture	Based on broker quotes
Finance lease liabilities	Discounted cash flows

The fair value of other equity securities is taken to approximate the carrying value.

The fair value of short-term loans to and short-term loans from is taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

## 29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
<b>Capital commitments</b>				
Buildings and other constructions	-	13,256	-	12,868
Machinery and equipment	6,586	78,826	-	-
<b>Total</b>	<b>6,586</b>	<b>92,082</b>	<b>-</b>	<b>12,868</b>
<b>Future minimum lease payment under non-cancellable operating leases</b>				
Within 1 year	169,333	179,475	145,228	157,817
1 - 5 years	366,130	364,783	351,192	344,519
After 5 years	1,560,307	1,572,432	1,546,690	1,558,815
<b>Total</b>	<b>2,095,770</b>	<b>2,116,690</b>	<b>2,043,110</b>	<b>2,061,151</b>
<b>Other commitments</b>				
Unused letters of credit for goods and supplies	12,906	54,348	12,906	8,893
Forward contracts	-	47,117	-	-
Bank guarantees	282,518	1,508,880	262,818	1,489,295
<b>Total</b>	<b>295,424</b>	<b>1,610,345</b>	<b>275,724</b>	<b>1,498,188</b>

### *Land lease contracts*

The company and subsidiaries entered into several land lease contracts and paid for the fee in monthly amounting of Baht 7.79 million. The contract agreement is 30 years and terminate in 2019 - 2047

## **30 Events after the reporting period**

At the board of directors' meeting of the Company held on 24 February 2019, the Board approved to propose the appropriation of dividend from retained earnings as of 31 December 2019 of Baht 0.46 per share in amounting to Baht 232.2 million.

## **31 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January 2020 of the following years.

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation

\* *TFRS - Financial instruments standards*

### **(a) TFRS - Financial instruments standards**

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

### **(b) TFRS 16 Leases**

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

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.



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