



ASU  
ถูก ดี

ดูโฮม  
**Dohome**  
ANNUAL REPORT 2019



Centre of retail, wholesale, construction materials,  
repair and decorations.

บริษัท ดูโฮม จำกัด (มหาชน)  
DOHOME PUBLIC COMPANY LIMITED



CSU  
ถูก ดี

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บริษัท ดูโฮม จำกัด (มหาชน)  
DOHOME PUBLIC COMPANY LIMITED

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## Dr. Chatrchai Tuongratanaphan

Chairman of the Board of Directors  
Independent Director  
Member of Audit Committee  
Chairman of Nomination and  
Remuneration Committee

# Message from Chairman of the Board of Directors

Dear All Shareholders,

In 2019, it was great step of Dohome Public Company Limited to be listed on the Stock Exchange of Thailand and proposed initial public offering by having first-day traded on August 6, 2019. Our shares had been more interested and good feedbacked by investors.

For the Company's target in 2020, we would still focus on development of product categories in responding to serve demands of all customer groups with utmost satisfaction. This will be helpful to the Company's business for an opportunity to enter into the market of new customer groups which will be a positive result for the company's ongoing business operations.

On behalf of Dohome Public Company Limited ("the Company"), the Board of Directors, Executive Management and Employees, we are proud to be one of significant parts to manage and develop the Company's business operation with sustainable growth as well as building up maximize shareholder's returns. Furthermore, we would like to thank all shareholders for confidence and support to our team. The Company shall operate and maintain the business with sustainable growth under the Corporate Governance Policy (CG) and the Corporate Social Responsibility (CSR).

Sincerely yours,



(Mr. Chatrchai Tuongratanaphan)  
Chairman of the Board of Directors

# Message from Chairman of the Executive Directors

Dear All Shareholders,

Over the past 36 years of Dohome Public Company Limited ("the Company") and its subsidiaries, we devoted to develop and drive our business to be widely accepted for center of building materials and services and home décor products. As long as to the present, we are proud to be listed on the Stock Exchange of Thailand.

In 2019, overall picture of Thailand's Economy was slow down and had higher competition in the industries as well as commercial bank was still more strict to lending for Real estate sector. This will be resulted to lower customer demands in provincial areas. In this year, the company opened 1 large branch which is Phetkasem branch and opened small branches, 5 Dohome ToGo branches which are Makro Charansanitwong branch, Makro Sathorn branch, BigC Bang Phli branch, Tesco Lotus Korat branch and Pantip Ngamwongwan branch. The current existing branches include 10 large branches and 5 Dohome ToGo branches. In 2020, the Company plans to open branches continuously, 3 large branches and Dohome ToGo (small branch), in order for Economy of Scale

and penetrating the market of customer groups in all areas which will be increased in the future.

However, apart from opening platform of new business or Dohome ToGo in order to serve all customer demands, easy and convenience, the Company would focus on continuous development in driving more efficient management of executives and employees. We shall devote continuously to perform business operation under social responsibility for sustainable growth and in accordance with the changes of environment.

Finally, I would like to thank all shareholders, customers, vendors, financial institutions and stakeholders for continuous confidence and support to the Company's business operations. I am confident that the Company will perform the business with sustainable growth, wealthy and continuous generating profits under the Corporate Governance Policy (CG) for making confidence of good business's performance and returns to shareholders, investors and related parties in overall.

Sincerely yours,



(Mr. Adisak Tangmitrphracha)

**Chairman of the Executive Directors**

A portrait of Adisak Tangmitrphracha, a middle-aged man with glasses, wearing a dark blue suit, white shirt, and orange tie. He is looking slightly to the left of the camera with a neutral expression.

## Adisak Tangmitrphracha

Vice Chairman of the Board of Directors  
Chairman of Executive Committee  
Member of Risk Management Committee  
Managing Director  
Authorized Director to sign on  
behalf of the Company as  
stipulated in the Company Certificate





## Vision

Vision in doing business of **Dohome Public Company Limited (the “Company” or “DOHOME”)** is to be the hub in providing the complete, cheap and best products and services relating to construction materials and home decoration products to all groups of customers.





## Mission

- The Company has a mission to achieve the customers' perception in thinking of DOHOME as the one in mind for products, price and sincere services like friends, like relatives, with an aim to allow the customers to experience the purchase of products with smiles.
- The Company is determined to develop the employees' proficiency and capability and uses the modern and innovative technology in the organization in order to allow the employees to work with happiness and efficiency in a professional manner.
- The Company will keep a good relationship with its current business alliances, including seeking for new business alliances in the future to support and retain the success of both parties.
- The Company will have responsibility and return back to the society by participating in the activities of the projects which provide benefits to the society and environment.

# Goal and Strategy in Business Operations

The Company's and the subsidiaries (it hereby "the Group"), the Company is determined to best of retail and wholesale business and services relating to construction materials and home decoration products full circle under thinking of under the concept **"Complete, Cheap and Good at DOHOME "** by the major of strategy in business operations as follows:

- (1) Products presentation of decoration products to all groups of customers, by determined of Price leadership.
- (2) Providing related full services.
- (3) Increasing distribution of store sales by expanding branches in the region of Thailand
- (4) Sales online development.







# Dohome

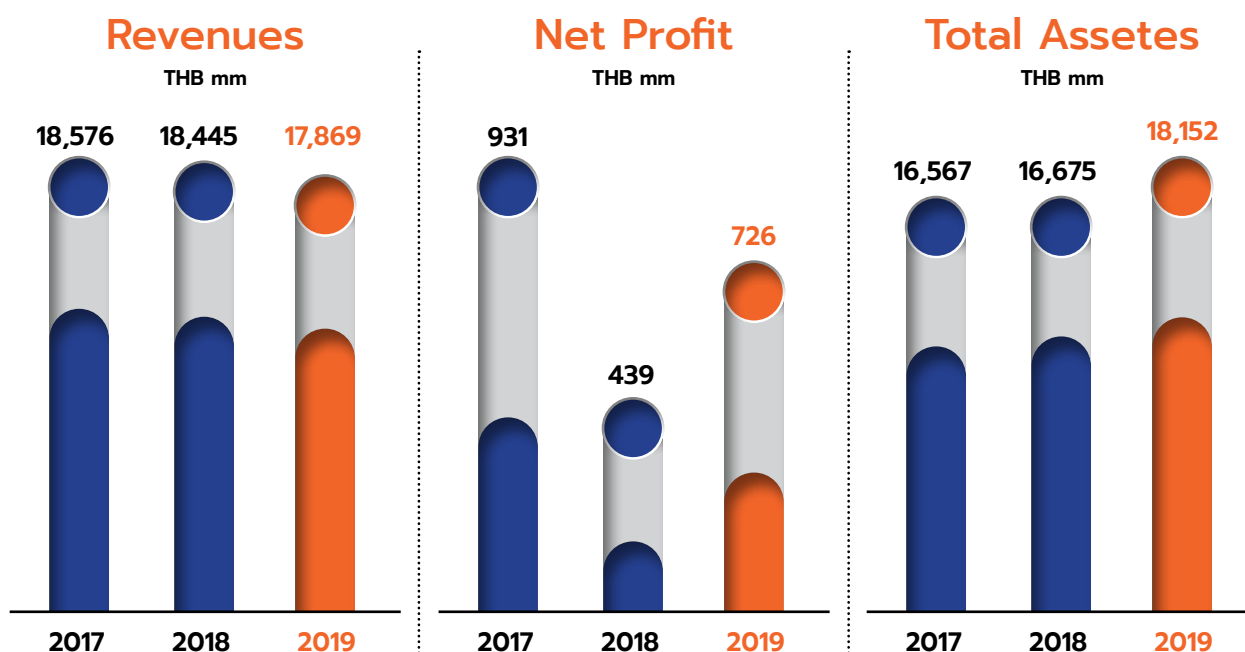
## FRIST DAY TRADE

August 6, 2019



# Important Financial Highlights

Financial statement summary	Consolidated financial statements			Separate financial statements		
Statement of Comprehensive Income	2017	2018	2019	2017	2018	2019
Sales and Services income	18,575.54	18,445.36	17,868.70	18,575.54	18,445.36	17,868.70
Total revenues	18,664.21	18,535.17	17,971.82	18,666.87	18,544.19	17,979.88
Gross profit	3,016.75	2,684.50	2,957.96	3,016.75	2,684.50	2,958.98
Profit before finance costs and income tax	1,473.89	865.96	1,155.67	1,435.02	820.77	1,103.14
Net profit for the year	931.38	438.75	725.51	907.68	402.80	683.02
<b>Statement of Financial Position</b>						
Total assets	16,566.67	16,674.63	18,151.71	17,161.83	17,204.47	18,666.96
Total liabilities	11,805.74	11,882.27	11,691.34	11,802.52	11,849.67	11,686.65
Total equity	4,760.92	4,792.37	6,460.37	5,359.31	5,354.81	6,980.31
<b>Financial ratio</b>						
Gross profit margin (%)	16.24	14.55	16.55	16.24	14.55	16.56
Net profit margin (%)	4.99	2.37	4.04	4.86	2.17	3.80
Return on equity (%)	21.72	9.19	12.89	19.78	7.52	11.07
Return on assets (%)	5.79	2.64	4.17	5.54	2.34	3.81
Debt to equity ratio (times)	2.48	2.48	1.81	2.20	2.21	1.67
<b>Performance per share (Baht)</b>						
Net profit for the year	0.90	0.31	0.46	0.90	0.29	0.43
Book value per share	4.73	3.42	4.08	5.32	3.82	4.40
Number of ordinary shares (million shares)	1,006.58	1,400.00	1,584.96	1,006.58	1,400.00	1,584.96



# The history of significant development



## Major Changes and Development

### Major Changes

The Company's Business was founded in 1983 by Mr. Adisak Tangmitrphracha and Mrs. Nattaya Tangmitrphracha under the name of S.Ubon Watsadu Partnership Limited, originally located on Sappasit Road, Mueang District, Ubon Ratchathani to sell steel products, roofing materials, plywood and construction materials. With a business approach focusing on selling a vast variety of good quality products at cheap prices, the business had grown rapidly.

In 1993, S. Ubon Watsadu Limited Partnership moved its business premise to Warin Chamrap Sub-district, Warin Chamrap District, Ubon Ratchathani Province, which is the current location of the Ubon Ratchathani store. At the same time, the Company was incorporated under the name Ubon Watsadu Co., Ltd. with a registered capital of 20.00 million baht in order to replace Ubon Watsadu Limited Partnership. The new company operated comprehensive retail and wholesale businesses of construction materials and home decoration items under the trade name of "Ubon Watsadu". Later in 2003, the Company started to expand the Ubon Ratchathani store to support the extension of product groups in order to meet the demands of all customer groups. In doing so, the modern trade model was introduced to the conventional construction material store, by which the store was changed into a warehouse with separated areas for retail and wholesale, and a barcode system and a modernized inventory management system

were adopted. As a result, the Company achieved steady and strong growth.

In 2007, the Company opened its second branch that was Nakhon Ratchasima store at Nong Bua Sub-district, Muang District, Nakhon Ratchasima Province. At this time, the new trade name "Dohome under the Ubon Watsadu Company Limited" was used for the first time in order to be in line with the business vision of committedly being a center of products and services offering complete, cheap and best construction materials and home decoration items for all groups of customers.

Subsequently, the Company has been continuously opening new branches in the North, Northeastern, Bangkok and its vicinity. At present, the Company has a total of 15 stores and one Distribution Center.

At present, the Company is one of the leaders in retail, wholesale and full service of construction materials and home decoration items under the business concept of "Complete, Cheap, Good...at Dohome", by focusing on offering a wide range of construction materials and home decoration products with good quality, cheap prices, and providing full range of related services. The Company has a plan to continually expand its investment to potential provinces in order to support the increasing purchasing power of people and urbanization.



## Significant development of the group of companies

Year	Improvement
2017	<ul style="list-style-type: none"> <li>■ The Extra-Ordinary General Shareholders' Meeting no. 9/2017 which was held on 19 December 2017, passed resolution to approved changing structure of the Group Company ready for actions offering of ordinary shares to initial public offering and bring the Company registering the Stock Exchange of Thailand ("SET")</li> </ul>
2018	<ul style="list-style-type: none"> <li>■ February 2018, The Company has established Kiddee Logistics Company Limited. ("KIDDEE") register capital started 10 million Baht with issued ordinary share total of 100,000 shares, a par value of Baht 1.00 per share, Therefore the Company's shareholding 99% for logistics service providers.</li> <li>■ April 2018, The Company's has opened Bangna branch, to be 9<sup>th</sup>.</li> <li>■ The Board of Directors' Meeting no. 3/2018 (before transforming to a public limited company) dated 15 May 2018 passed resolved to acknowledge the existing ordinary shares offered by Amplus Holdings Limited, the existing shareholder of the Company, Existing Ordinary Shares to the Public (IPO) in the amount of not exceeding 68,000,000 shares, with a par value 1.00 Baht.</li> <li>■ The Extra-Ordinary General of Shareholders' Meeting No. 1/2018 (before transforming to a public limited company) which was held on 22 May 2018 passed resolved as follows: <ul style="list-style-type: none"> <li>- Approved the transforming the Limited Company to the Public Limited Company and changing the name as a Dohome Public Limited Company. Therefore, the Company has been transformed Limited Company to a Public Limited Company on 24 May 2018.</li> <li>- Changed the Company's par value from Baht 100.00 per share to Baht 1.00 per share which resulted in the increase in number of the Company's ordinary shares from 14.00 million shares to 1.40 billion shares;</li> <li>- Increased the registered capital of not exceeding Baht 400.00 million by issuing newly-issued ordinary shares of not exceeding 400.00 million shares with a par value of Baht 1.00 per share for initial public offering (IPO).</li> </ul> </li> <li>■ In May 2018, to eliminate conflicts of interest, the Company acquired the shares of KIDDEE from Ms. Ariya Tangmitrphracha, Mrs. Salitip Ruangsuttipap, Mr. Maruay Tangmitrphracha and Dohome Holding Company ("DHG") As a result, the Company holds 100% in KIDDEE. Furthermore, the Company sold its shares to Dohome Land Company Limited. ("Dohome Land") to Mr. Adisak Tangmitrphracha.</li> <li>■ The Extra-Ordinary General of Shareholders' Meeting No. 1/2018 (After transforming to a public limited company) which was held on 5 July 2018 passed a resolution to an increase of registered capital and share allotment as follows: <ul style="list-style-type: none"> <li>- To increase the registered capital of not exceeding Baht 456.16 million resulting in increased registered of capital an amount Baht 1,400 million in consisting of Baht 1,856.16 million by issuing newly-issued ordinary shares 456.16 million shares with a par value of Baht 1.00 per share for IPO and (2) the allotment ordinary share of capital increase not exceeding Baht 56.10 million with a par value 1 Baht per share for share overallotment.</li> </ul> </li> </ul>

Year	Improvement
	<ul style="list-style-type: none"> <li>■ In June 2018, The Company's opened a Distribution Center (Distribution Center) in Pathumthani Province for increase the efficiency of warehouse management.</li> <li>■ In July 2018, the Company registered the establishment (1) Dohome Automation Co., Ltd. ("Dohome Automation") with the registered capital of Baht 5.00 million ordinary shares of 50,000 shares at par value of baht 100.00 per share, with a shareholding of 100.0% to operate the business of the system. automatic goods to the group of companies and (2) Dohome Energy Co., Ltd. ("Dohome Energy") with registered capital from Baht 5.00 million ordinary shares of 50,000 shares at par value of Baht 100.00 each, with the Company is 100.0% to the business of production and distribution of solar energy from the roof (Solar Rooftop) to the group.</li> <li>■ In November 2018, Dohome Energy increased the registered capital of baht 55.00 million issuing newly-share of 550,000 shares, a par value of baht 100.00 per share, Dohome Energy has increased its registered capital to 60.00 million baht. to use as an investment for solar power panels installed on the roof (Solar Rooftop).</li> </ul>
2019	<ul style="list-style-type: none"> <li>■ The Extra-Ordinary General Shareholders' Meeting of No. 1/2019 which was held on 22 May 2019, resolved to amend the allocation of newly issued ordinary shares of the Company not exceeding 456,160,000 shares at par value of Baht 1.00 per share to be the first initial public offering (IPO) and to acknowledged that Amplus Holdings Limited shareholders of the Company. To bring the existing ordinary shares of not more than 56.16 million shares to cover the over-allotment option. (Overallotment) the initial public offering for the first time and the over-allotment of shares Amplus Holdings Limited to a total of 68,000,000 shares.</li> <li>■ In July 2019, the company opened Dohome ToGo branches at Makro Charansanitwong branch and at Makro Sathorn branch.</li> <li>■ The Company's entered securities in the SET first day trading on 6 August 2019</li> <li>■ In November 2019, the Company opened Petchkasem branch as 10<sup>th</sup> branch and opened Dohome ToGo at Big C Bangplee branch.</li> <li>■ In December 2019, the Company opened Dohome ToGo at Tesco Lotus Korat branch and opened Dohome ToGo at Pantip Plaza Ngamwongwan, at the end of the year 2019, the Company has 10 large branches with Dohome ToGo 5 branches and 1 Distribution Center.</li> </ul>



# Executives Committee

## 1. Mr. Adisak Tangmitrphracha

Vice Chairman of the Board of Directors  
Chairman of Executive Committee  
Member of Risk Management Committee  
Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

## 2. Mrs. Nataya Tangmitrphracha

Director  
Deputy Executive Committee  
Member of Nomination and Remuneration Committee  
Deputy Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

## 3. Ms. Ariya Tangmitrphracha

Director  
Member of Executive Committee  
Deputy Managing Director - Operations and Procurement  
Assistant Managing Director - Procurement  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

## 4. Mrs. Saliltip Ruangsuttipap

Director  
Member of Executive Director  
Deputy Managing Director - Accounting, Finance and Organization Support  
Assistant Managing Director - Accounting and Finance  
Acting Deputy Assistant to Senior Vice President - Accounting and Finance  
Acting Assistant Finance Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

## 5. Mr. Maruay Tangmitrphracha

Director  
Member of Executive Committee  
Deputy Managing Director information Technology and E-commerce

# Board of Directors



**1. Mr. Chatrchai Tuongratanaphan**

Chairman of the Board of Directors  
Independent Director  
Member of Audit Committee  
Chairman of Nomination and Remuneration Committee



**2. Mr. Adisak Tangmitrphracha**

Vice Chairman of the Board of Directors  
Chairman of Executive Committee  
Member of Risk Management Committee  
Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate



**3. Mrs. Nataya Tangmitrphracha**

Director  
Deputy Executive Committee  
Member of Nomination and Remuneration Committee  
Deputy Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate



**4. Ms. Ariya Tangmitrphracha**

Director  
Member of Executive Committee  
Deputy Managing Director - Operations and Procurement  
Assistant Managing Director - Procurement  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate



**5. Mrs. Saliltip Ruangsuttipap**

Director  
Member of Executive Director  
Deputy Managing Director - Accounting, Finance and Organization Support  
Assistant Managing Director - Accounting and Finance  
Acting Deputy Assistant to Senior Vice President - Accounting and Finance  
Acting Assistant Finance Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate



**6. Mr. Maruay Tangmitrphracha**

Director  
Member of Executive Committee  
Deputy Managing Director information Technology and E-commerce



**7. Ms. Pikun Somwan**

Director  
Advisor to the Executive Committee



**8. Mr. Chalit Thongprayoon**

Director  
Independent Director  
Member of Audit Committee  
Chairman on Risk Management Committee



**9. Mr. Suvait Theeravachirakul**

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



**10. Ms. Sopawadee Lertmanaschai**

Director  
Independent Director



**11. Mr. Tarin Thaniyavarn**

Director  
Independent Director

# Details of Directors

as of 31 December 2019

## Mr. Chatrchai Tuongratanaphan

(Aged 63)

Chairman of the Board of Directors  
Independent Director  
Member of Audit Committee  
Chairman of Nomination and Remuneration Committee

---

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor of Science (Chemistry), Mahidol University
- Master Degree in International Marketing, United States International University
- Doctor of Philosophy in International Business, United States International University

**Training Course for Director :**

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Independent Director/Member of Nomination and Remuneration Committee of Aisance Co., Ltd.
Present	Independent Director of Vat Refund Center (Thailand) Co., Ltd.
Present	Advisor to Thai Resellers Association

## Mr. Adisak Tangmitrphracha

(Aged 66)

Vice Chairman of the Board of Directors  
Chairman of Executive Committee  
Member of Risk Management Committee  
Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

---

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 11.64 %

**Proportion of Indirect Shareholding :** 12.12 %

**Proportion of Shareholding by Spouse and Minor Children :**

8.73 %

**Family Relationship between Director and Executive**

Spouse of Mrs. Nataya Tangmitrphracha,  
Father of Ms. Ariya Tangmitsphracha,  
Mrs. Salitip Ruangsuttipap and  
Mr. Maruay Tangmitsphracha

**Educational Qualifications :**

- Bachelor's Degree in Engineering, Khon Kaen University

**Training Course for Director :**

- Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co., Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co., Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co., Ltd.
Present	Director, Dohome Express Co., Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director Dohome Holding Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director Aladdin Shoponline Co., Ltd.
Present	Director Ubon Watsadu Co., Ltd.
Present	Director Turbocash Insurance Broker Co., Ltd.

Dohome Public Company Limited | 17



## Mrs. Nataya Tangmitrphracha

(Aged 65)

Director  
Deputy Executive Committee  
Member of Nomination and Remuneration Committee  
Deputy Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 8.73 %

**Proportion of Indirect Shareholding :** 12.12 %

**Proportion of Shareholding by Spouse and Minor Children :**

11.64 %

**Family Relationship between Director and Executive**

Spouse of Mr. Adisak Tangmitrphracha,  
Mother of Ms. Ariya Tangmitrphracha,  
Mrs. Salitip Ruangsuttipap and  
Mr. Maruay Tangmitrphracha

**Training Course for Director :**

- Director Accreditation Program (DAP)  
Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co., Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co.,Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co.,Ltd.
Present	Director, Dohome Express Co.,Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director Dohome Holding Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director Aladdin Shoponline Co., Ltd.
Present	Director Ubon Watsadu Co., Ltd.

## Ms. Ariya Tangmitrphracha

(Aged 37)

Director  
Member of Executive Committee  
Deputy Managing Director - Operations and Procurement  
Assistant Managing Director - Procurement  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 5.82 %

**Proportion of Indirect Shareholding :** 3.46 %

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

Daughter of Mr. Adisak Tangmitrphracha and  
Mrs. Nataya Tangmitrphracha,  
Elder sister of Mrs. Salitip Ruangsuttipap and  
Mr. Maruay Tangmitrphracha

**Educational Qualifications :**

- Bachelor's Degree in Marketing,  
Chulalongkorn University

**Training Course for Director :**

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP),  
Thai Institute of Directors Association (IOD)
- Financial Statements for Directors (FSD),  
Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP),  
Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co.,Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co.,Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co.,Ltd
Present	Director, Dohome Express Co.,Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director, TMPC Trading Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd
Present	Director Ubon Watsadu Co., Ltd.
Present	Director, BCP Development Co., Ltd.
Present	Director Dohome Holding Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director Aladdin Shoponline Co., Ltd.
Present	Director Ubon Watsadu Co., Ltd.
Present	Director Turbocash Insurance Broker Co., Ltd.



## Mrs. Saliltip Ruangsuttipap

(Aged 36)

Director  
Member of Executive Director  
Deputy Managing Director - Accounting,  
Finance and Organization Support  
Assistant Managing Director - Accounting and Finance  
Acting Deputy Assistant to Senior Vice President -  
Accounting and Finance  
Acting Assistant Finance Director  
Authorized Director to sign on behalf of the Company  
as stipulated in the Company Certificate

---

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 5.82 %

**Proportion of Indirect Shareholding :** 3.46 %

**Proportion of Shareholding by Spouse and  
Minor Children :**

- None -

### Family Relationship between Director and Executive

Daughter of Mr. Adisak and Mrs. Nataya Tangmitrphracha,  
Younger sister of Mrs. Saliltip Ruangsuttipap,  
and Elder sister of Mr. Maruay Tangmitrphracha

### Educational Qualifications :

- Bachelor's Degree in Economics,  
Thammasart University

### Training Course for Director :

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP),  
Thai Institute of Directors Association (IOD)
- Financial Statements for Directors (FSD),  
Thai Institute of Directors Association (IOD) IOD)
- Advanced Audit Committee Program (AACP),  
Thai Institute of Directors Association (IOD)

### Training in 2019 :

- Company Secretary Program (CSP),  
Thai Institute of Directors Association (IOD)

### Work Experiences in the Past 5 Years in Brief :

#### Positions in other listed companies on SET :

- None -

#### Positions in non-listed companies :

Present	Director, Dohome Group Co.,Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co.,Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co.,Ltd
Present	Director, Dohome Express Co.,Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director, TMPC Trading Co., Ltd.
Present	Director, Thong Mawin Capital, Co.Ltd.
Present	Director, Thuntarin Co., Ltd.
Present	Director, Money OK Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd
Present	Director, Ubon Watsadu Co., Ltd.

## Mr. Maruay Tangmitrphracha

(Aged 28)

Director  
Member of Executive Committee  
Deputy Managing Director information  
Technology and E-commerce

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**Date of Appointment :** 3 July 2019

**Proportion of Direct Shareholding :** 5.82 %

**Proportion of Indirect Shareholding :** 3.46 %

**Proportion of Shareholding by Spouse and  
Minor Children :**

- None -

### Family Relationship between Director and Executive

Son of Mr. Mr.Adisak Tangmitrphracha and  
Mrs. Nataya Tangmitrphracha,  
Brother of Ms. Ariya Tangmitsphracha and  
Mrs. Saliltip Ruangsuttipap

### Educational Qualifications :

- Bachelor's Degree in Information and Communication  
Engineering, Chulalongkorn University
- Global MBA Program, University of Michigan

### Training Course for Director :

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)

### Training in 2019 :

- None -

### Work Experiences in the Past 5 Years in Brief :

#### Positions in other listed companies on SET :

- None -

#### Positions in non-listed companies :

Present	Director, Dohome Group Co., Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director Dohome Express Co., Ltd.
Present	Director, TMPC Property Co., Ltd.
Present	Director, TMPC Trading Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director, Aladdin Shoponline Co., Ltd.
Present	Director, Ubon Watsadu Co., Ltd.
Present	Director, ASM Real Estate Co., Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director, ASM Land Co., Ltd.
Present	Director, AN Capital Co., Ltd.

## Ms. Pikun Somwan

(Aged 48)

Director

Advisor to the Executive Committee

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**Date of Appointment :** 28 July 2018

**Proportion of Direct Shareholding :** 0.01 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree in Accounting, The Eastern University of Management and Technology

**Training Course for Director :**

- Financial Statements for Directors (FSD), Thai Institute of Directors Association (IOD)
- Company Secretary Program (CSP), Thai Institute of Directors Association (IOD)
- Company Reporting Program (CRP), Thai Institute of Directors Association (IOD)
- Board Reporting Program (BRP), Thai Institute of Directors Association (IOD)
- Effective Minutes Taking (EMT), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

- None -

## Mr. Chalit Thongprayoon

(Aged 63)

Director

Independent Director

Member of Audit Committee

Chairman on Risk Management Committee

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**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree, Doctor of Medicine, Mahidol University
- Diploma of Thai Medical Council in Surgery
- Bachelor of Business Administration in Golf Management, Ramkhamhaeng University
- Master of Business Administration in Golf Management, Ramkhamhaeng University

**Training Course for Director :**

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Successful Formulation & Execution the Strategy (SFE), Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Assistant Hospital Director, Bangkok Hospital
2013 - 2017	Hospital Director, Sunpasithiprasong Hospital

## Mr. Suvait Theeravachirakul

(Aged 60)

Director

Independent Director

Chairman of Audit Committee

Member of Nomination and Remuneration Committee

Member of Risk Management Committee

**Date of Appointment :** 26 April 2019

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree in Accounting, Ramkhamhaeng University
- Master of Business Administration, Wagner College
- Executive Program in Capital Market (CMA), Capital Market Academy
- Senior Executive Certificate in Anti-Corruption Strategic Management, Sanya Dharmasakti National Anti-Corruption Institute (SDI),
- Top Executive Program in Energy Literacy Thailand Energy Academy (TEA), Thailand Energy Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, UTCC

**Training Course for Director :**

- Successful Formulation & Execution the Strategy (SFE), Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)

**Training in 2019 :**

- Top Executive Program for Creative & Amazing Thai Services, UTCC

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- 2009 - Present Chief of Executive Officers, MBK Plc.
- 2002 - Present Director, Member of Executive Committee and President, MBK Plc.
- 2007 - Present Independent Director and Member of Audit Committee, IFS Capital (Thailand) Plc.
- 2005 - Present Independent Director/Member of Audit and Risk Management Committees, Thai Rung Car Plc.
- 2017- Present Vice Chairman of the Board of Director, Patum Rice Mill and Granary Plc.
- 2016 - Present Member of Nomination and Remuneration Committee, Patum Rice Mill and Granary Plc.
- 2009 - Present Vice Chairman of Executive Committee, Patum Rice Mill and Granary Plc.
- 2007 - 2018 Chairman of Executive Committee, Royal Orchid Hotel (Thailand) Plc.
- 2000 - 2007 Member of Executive Committee, Royal Orchid Hotel (Thailand) Plc.

**Positions in non-listed companies :**

- Present Chairman of the Board of Director and Director, Subsidiaries and Associates of MBK Plc.

## Ms. Sopawadee Lertmanaschai

(Aged 66)

Director

Independent Director

**Date of Appointment :** 3 July 2019

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree, Commerce and Accountancy, Thammasart University
- Bachelor's Degree in Laws, Thammasart University
- Master's Degree, Commerce and Accountancy, Thammasart University
- The Wharton Advanced Management Program, University of Pennsylvania

**Training Course for Director :**

- Successful Formulation & Execution the Strategy (SFE), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- 2019 - Present Director and Chairperson of Audit Sub-committee, the Stock Exchange of Thailand
- 2018 - Present Chairperson of Audit Committee and Independent Director, Central Plaza Hotel Plc.
- 2015 - Present Chairperson of Audit Committee and Independent Director, Maybank Kim Eng Securities (Thailand) Plc.
- 2014 - Present Independent Director, Member of Audit Committee and Strategic and Organizational Review Committee, Intouch Holdings Plc.
- 2014 - Present Advisor to Chairman of the Board, Member of Investment Committee, Dhipaya Insurance Plc
- 2014 - 2015 Independent Director and Member Audit Committee, CIMB Thai Bank Plc.

**Positions in non-listed companies :**

- Present Director, Dohome Group Co., Ltd.
- Present Director, Kiddee Logistics Co., Ltd.
- Present Director Dohome Express Co., Ltd.
- Present Director, TMPC Property Co., Ltd.
- Present Director, TMPC Trading Co., Ltd.
- Present Director S.Ubon Watsadu Co., Ltd.
- Present Director, Aladdin Shoponline Co., Ltd.
- Present Director, Ubon Watsadu Co., Ltd.
- Present Director, ASM Real Estate Co., Ltd.
- Present Director, ASM Consultant Co., Ltd.
- Present Director, ASM Land Co., Ltd.
- Present Director, AN Capital Co., Ltd.

## Mr. Tarin Thaniyavarn

(Aged 35)

Director

Independent Director

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**Date of Appointment :** 3 July 2019

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and  
Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- HBA, Exchange Program,  
The University of Western Ontario - Richard Ivey  
School of Business
- BBA, Finance, Thammasat University
- MBA, Business Administration, Finance,  
The Wharton School, University of Pennsylvania

**Training Course for Director :** - None -

**Training in 2019 :**

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

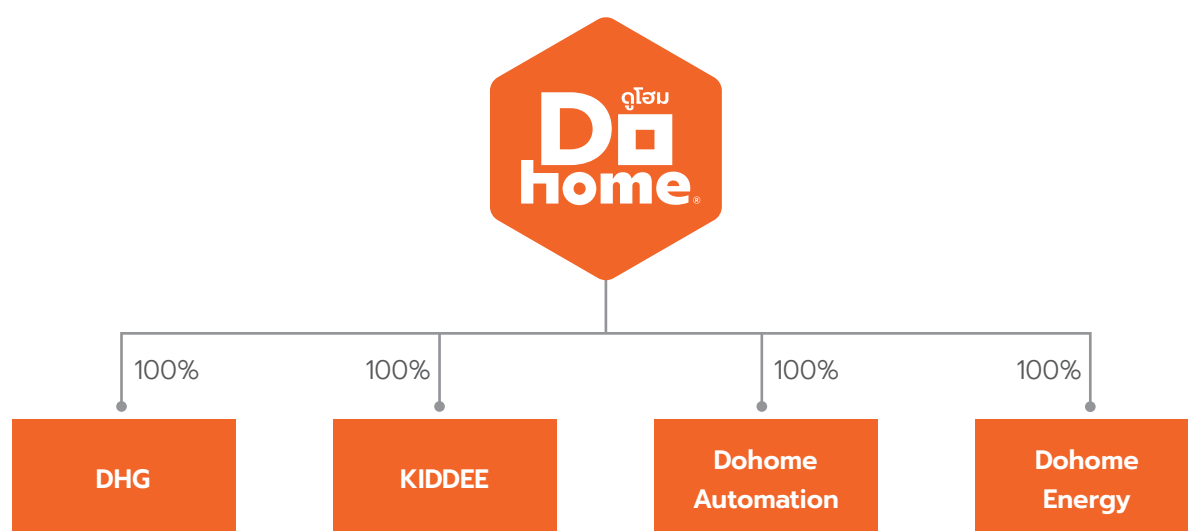
- None -

**Positions in non-listed companies :**

2018 - Present	Country Head, Thailand Grabtaxi (Thailand) Co.,Ltd.
Present	GTT 1 Co., Ltd.
Present	GTT 1 Co., Ltd.
2015 - Present	EVP, Group Strategy and Government Relation / EVP, Chief Commercial Officer Lazada Group
2007 - 2015	Project Leader BCG, The Boston Consulting Group

# Shareholding Structure of the Group companies

In the present, the Company has 4 Subsidiaries and the shareholding structure of the Group is as follows:



NO.	Company's name	The business objectives	Nationality	Year	Registered Capital Paid up <sup>(1)</sup> (Million Baht)	Shareholding <sup>(1)</sup> (Percentage)
1	DHG	Land holding of the Company's Group	Thailand	1996	400.00	100.0
2	KIDDEE <sup>(2)</sup>	Logistics service	Thailand	2018	5.00	100.0
3	Dohome Automation <sup>(2)</sup>	Automatic storage for the Company's Group	Thailand	2018	1.25	100.0
4	Dohome Energy	Manufacturing and distribution electronic form solar energy (Solar Rooftop) installed, for the Company's Group	Thailand	2018	60.00	100.0

**Remark :** (1) Information as of 31 December 2019  
(2) The Present, the Companies non-operation



# Business operations



## Business overview and income structure

The Group operates retail, wholesale and service of construction materials and home decoration products including related services under the trade name "DOHOME" with a One-stop Home Products Destination, which is also known as "The Great Empire of Home Products", which is a large distribution building with service areas consisting of sales areas and warehouses, approximately 22,000 - 65,000 square meters and parking space. Currently, the Group has 15 branches in operation which are divided into area large 10 branches and 5 small branches Dohome ToGo with the following details:





**The details of branches in operation as of 31 December 2019**

No.	Branch	Address	Opened	Spaces <sup>(1)</sup> (square meters)		
				retail spaces	คลังสินค้า	จอดรถ
1	Ubon Ratchathani	34-47 Srimongkhon Road, Warinchamrab Sub-District, Warinchamrab District, Ubon Ratchathani Province 34190, Thailand	December 1993	21,956	23,310	4,200
2	Nakhon Ratchasima	412 Moo 2, Ratchasima-Chokchai Road, Nongbuasala Sub-District, Muang District, Nakhon Ratchasima Province 30000, Thailand	September 2007	19,725	33,880	3,282
3	Rangsit	185/5 Moo 4, Rangsit-Nakhonnayok Road, Rangsit Sub-District, Thunyaburi District, Pathumthani Province 12110, Thailand	July 2010	19,500	29,236	5,263
4	Khonkaen	678 Moo 2, Mittraphap Road, Sila Sub-District, Muang District, Khonkaen Province 40000, Thailand	June 2012	26,655	31,645	14,270
5	Udonthani	888 Moo 11, Mittraphap Road, Moomon Sub-District, Muang District, Udonthani Province 41000, Thailand	December 2013	30,424	34,898	12,690
6	Rama II	88/8 Moo 2, Rama II Road, Chaimongkhon Sub-District, Muang District, Samutsakorn Province 74000, Thailand	December 2014	29,025	25,184	7,534
7	Bangbuathong	88 Moo 5, Outer Ring Road, Laharn Sub-District, Bangbuathong District, Nonthaburi Province 11110, Thailand	October 2015	24,412	23,790	5,265
8	Chiangmai	88/8 Moo 3, Chiangmai-Lamphun Superhighway Road, Umong Sub-District, Muang District, Lamphun Province 51000, Thailand	December 2015	21,562	26,554	8,134
9	Bangna	88/8 Moo 5, Bangna-Trad Road, Samak Sub-District, Bangpakong District, Chachoengsao Province 24180, Thailand	April 2018	19,570	17,844	9,600
10	Makro Charansanitwong	521/27 Chanrunsanitwong Road, Bangkhunsri Sub-district, Bangkok Noi District, Bangkok 10700, Thailand	July 2019	265	-	-
11	Makro Sathorn	1 Narathiwat-Ratchanakarin Road, Thungwatdon Sub-district, Sathorn District, Bangkok 10210 Thailand	July 2019	384	-	-
12	Petchkasem	88/88 Moo 11, Tambol Aomnoi, Amphur Krathumban, Samutsakorn Province 74130, Thailand	November 2019	13,200	8,837	4,500
13	Big-C Bangplee	89 Moo 9, Theparal Road, Tambol Bangpleeyai, Amphur Bangplee, Samutprakarn Province 10540, Thailand	November 2019	632	-	-
14	Tesco Lotus Korat	719/5 Mitrapap Road, Tambol Nai Mueang, Amphur Mueang, Nakhon Ratchasima, Province 30000, Thailand	December 2019	600	-	-
15	Pantip Plaza	217 Ngamwongwan Road, Tambol Bangkhen, Amphur Mueang, Nonthaburi Province 11000, Thailand	December 2019	784	-	-

The Group is determined to sales products the best quality from supplier manufacture both of domestic and overseas, the product category cover of construction materials, product category of repair materials and product category of

decoration materials with a total of stock keeping units (SKUs) of more than 100,000 SKUs, as of 31 December 2019, the products of the group can be divided into 3 main group i.e. product category of construction materials

### Revenue Structure of the Group

Revenue Structure	For the fiscal year ended 31 December					
	2017		2018		2019	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Sales and Services Income <sup>(1)</sup>	18,575.54	99.5	18,445.36	99.5	17,868.70	99.4
Other Income	88.66	0.5	89.81	0.5	103.12	0.6
<b>Total Revenues</b>	<b>18,664.21</b>	<b>100.0</b>	<b>18,535.17</b>	<b>100.0</b>	<b>17,971.82</b>	<b>100.0</b>

**Remarks :** (1) Percentage of total revenues mainly from delivery service.

The revenues of the Group are mainly from the sales and services. During the year 2017-2019, the Group's revenues from sales and services could be divided by product categories as follows: (1) Product category of construction materials at approximately 46.0% - 49.0% of the revenues from sales and services; (2) Product category of repair materials at approximately 35.0% - 38.0% of the revenues from sales and services; and (3) Product category of decoration materials at approximately 15.0% - 18.0% of the revenues from sales and services respectively.

Furthermore, the revenues from the sales and services income, the Group provides a space for rent within the branch(es) such as setting up a maintenance & repair tools service center by a third-party service provider having foods and beverage etc. As the Group mainly provides rental service in consisting facilitates the customers. In the future, the Group's may consider adjusting the retail spaces and rental space proportion as appropriate for maximum benefit to the group of companies.

## Characteristics of products or services

### Business information classifying

Products of the Group can be divided into 3 main groups which are construction materials product, category of repair materials product and

category of decoration materials products by product categories and example product list with details as follows:

### the example product by product category group

Item categories and product groups	Example list of products
1. Construction materials product	Steel sections, steel bars, paints and chemicals, wood, cement, stainless steel wire and other infrastructure products.
2. Repair materials product	Hardware, tools agriculture, gardening - plumbing equipment, flooring - wall electrical equipment, Knobs - hinges, water pump, sanitary equipment, Kitchenware - Sink, sanitary ware, door-window.
3. Decoration materials products	Electrical appliances, home furniture appliances, printing stationery, decorative lamps, consumer goods, bedding, gift shops, and home decorations.

**Source :** Company's data

Source: Company's data



The Group's has working brand which are the products designed and/or ordered for manufacturing from the factory for the purpose of selling at the branches of the Group. This allows the Company to set the selling price of the House Brand products of the Company/Group in a manner being able to compete with other Non-house Brand products and working well in motivating the purchase by the customers.

As at 31 December 2019, the Group has more than 22,000 SKUs of the House Brand products such as tools agriculture, Hardware, door-window, printing stationery, gardening - plumbing equipment etc. the Group has permission from Thai Industrial Standards Institute ("TISI") to approval letter more than 130, for products under the house brand of the Group (House Brand).

#### Revenue from sales and services fee by products type.

Revenue structure of sales and services	For the year ended 31 December		
	2017	2018	2019
	Percentage <sup>(1)</sup>	Percentage <sup>(1)</sup>	Percentage <sup>(1)</sup>
Non-house brand products	85.7	85.6	84.0
House brand products	14.3	14.4	16.0
Total sales and service income	100.0	100.0	100.0

Remarks : (1) Percentage of total revenues mainly from sales and services.

In 2017-2019, the Group's revenue ratio from the sales and services income from the House Brand products of the Group was 14.3% in 2017 as percentage 14.4 in 2018 as percentage 16.0 in 2019,

However, The Group set targets to increase the revenue ratio from the sales and services income from the House Brand products of the Group in the future to 20.0% of the revenue from the sales and services income 2020.

## Services

The Group is determined to improve the quality of the services relating to construction, renovation and decoration of home in a complete range and with good quality, comprising of:

- |   |  |
|---|--|
| Delivery Service                                  | : The Group provides a delivery service to the customers by delivering the products to the destination by the Group's transport vehicles and the co-transport vehicles from a third party, with an aim to deliver the products to the customers in a fast and punctual manner to achieve the customers' utmost satisfaction.   |
| Maintenance and Repair Service                    | : The Group provides a space for rent within the branch(es) for setting up a maintenance and repair service center by a third-party service provider having good quality and standard of service and the Group also facilitates the customers by delivering the tools and equipment from the maintenance and repair service center to the branch not having a maintenance and repair service center to provide service to the customers.   |
| Home Service (Assembly & Installation)            | : The Group provides the home service for assembly and installation of products in the categories of electric appliances, sanitary fittings and furniture. After completing the payment of products, the customers can contact for the use of home service and make appointment at the branch for the date and time for assembly and installation. Moreover, the Group provides assembly and installation out of payment of services, the customers fully conditions for sale promotion and sales stimulate in time periods. |
| Design Center (Providing Consultation and Design) | : The Group provides a design center which has product consultants, design team and specialists to provide consultation about the products in detail to the customers and to provide consultation on design concurrently with product price assessment in order to allow the customers to select the products which are most suitable and met the customers' requirements.   |
| Special Order                                     | : The Group provides a special order service to meet the different and diversified needs of the customers, for example, product category of decoration materials on curtain, bathroom partition and kitchen table to which the customers will need to select the style, color and size before making an order, etc.  |

## Market and Competition

### Competitive Strategy

The Dohome Group aims for being a leader in retail, wholesale and service business providing complete, cheap and best construction materials and home decoration items for all customers with the following key business strategies:

#### (1) Product Variety

The Group has been continuously developing and searching for new products and services in order to add variety to its products, whether in terms of (1) the quantity to meet customers' demand for large quantity of products and; (2) the vast variety of (2.1) product depth with several SKUs for each product e.g. various designs and brands, and (2.2) product assortment in order to provide a one-stop service that meet all customers' demand.

With more than 36 years of experience in retail and wholesale business of construction materials and home decoration items, the Group understands what customers need and thus pay attention to the selection of products for sale. At present, the Group markets and sell both house brand products and non-house brand products.

- **House brand products** : A working group was set up by the Group to find product suppliers and/or developers and/or designers under the Group's house brand with an aim to provide modern and nice products with equivalent quality to other non-house brand, but at the most reasonable prices.
- **Non-house brand products** : The Group selects famous branded product from both domestic and international manufacturers in order to meet the demand of all customer groups.

#### (2) Price Competitiveness

The Group's pricing policy focuses on worthiness for customers and competitive advantage for the Group. Efficient cost management has enabled the Group to sell products with competitive prices. The Group's pricing policy based on product categories is as follows:

- **Fast Moving Products** are in general popular products with high turnover rate such as branded products known among customers and generally available like paints, hand tools

and electric appliances. The Group will determine competition-based pricing of these products by regularly checking their market prices so as to ensure price competitiveness that is attractive to customers and increase sales.

- **House Brand Products** - The Group will determine competition-based pricing for the same products of non-house brand in order to offer an option for customers who consider price, quality and functional property that are equivalent to the same products available in the market.
- **Steel** is a commodity of which the price varies according to the global market. It is the Group's policy to adjust the steel price according to the market-based pricing and the product's target gross profit margin in order to ensure competitiveness.
- **Others** are other products such as lamps, furniture and home decoration items. Cost-plus pricing is used for this product category, while taking into consideration the target gross profit margin under the Group's policy.

#### (3) One-Stop Service

The Group commits to provide comprehensive and quality services relating to construction, extension and interior decoration by (1) equipping employees with in-depth knowledge and understanding of product on sale through regular training such as training on product at least twice a year and; (2) making employees attentively service customers so as to create service differentiation that thus improve the customer service standard.

Currently, the services provided by the Group can be divided into 3 parts i.e.

- **Provision of pre-purchase information** : Product consultants with knowledge of and familiarity with a particular brand or product group are made available to give an insight about such product, as well as advices and suggestions on how to choose a right product that meet customers' need. Additionally, designers and skilled staffs are also available to advise customers on house design, home renovation and decoration.

- **Delivery and installation services :** Nationwide delivery service is available for customers who make both offline and online purchases, emphasizing on fast and on time delivery for the highest customer satisfaction. Moreover, the Group also provides skilled mechanics to assemble and install electric equipment and furniture.
- **Maintenance and repair services :** Maintenance service centers with skilled staffs are established by the Group. Customers can have their equipment or hand tools repaired directly at such service center or can contact a store if there is no service center at that branch for more convenience.

## Sale and Marketing

### (1) Marketing Activities

Marketing and public relations plan is prepared annually, using behavioral targeting to determine marketing and public relations activities, formats and media at each particular time of a year that match the target group's purchasing behavior according to seasons or other factors such as a harvest season or government measures or policies to boost consumption.

The Group's marketing activities can be grouped into:

- Promotion activities to promote sale in seasons in accordance with consumption behavior; for examples, the Home Decoration Fair, the Mechanic Work Fair, the Agricultural Farm and Water Supply Fair, the Annual Grand Sale Fair, and the Dohome Online Festival for the online channel. Promotions for best-selling product groups are made available in accordance with such particular period of time.
- Marketing events at fairs to attract the target group to come to stores; for examples, Chinese New Year, Valentine's festival and Songkran festival. At these festivals, marketing events are organized in accordance with the Group's promotion in order to promote it among customers.
- Participation in local activities of each area as a sponsor in order to create the Company's brand awareness and recognition; for example, being one of sponsors for Songkran festival and Candle festival.

In doing so, media formats and campaign will be prepared in line with the abovementioned marketing activities, using various marketing and public relations channels that cover all customer groups including:

- Conventional advertising like as print media, newspapers, magazines, pamphlets;
- Outdoor advertising like billboards and/or advertising signages on main roads;
- Digital advertising and social media like Facebook, Instagram, Line and the Group's website to more easily connect between customers and the Group. Through such online media, product information and promotions will be presented, making customers wish to visit stores more to make a purchase;
- Marketing effort at stores by cooperating with manufacturers and/or distributors; for example, advertisement, product display, product recommendation by product consultants representing each particular brand, in order to persuade customers visiting stores to make a purchase;

Furthermore, the Group has a membership scheme to earn points for every purchase and redeem them for gifts under conditions. Special discounts at various occasions are available for members, motivating them to make a purchase. Moreover, the Group can use the member purchasing record to analyze a purchasing behavior at each period of time, thus allowing the Group to better make a marketing plan and select appropriate products to sell that would better meet each customer's need.

### (2) Promotional Activities

The Group has done various promotions through distribution channels in order to boost sale and product turnover all year round as follows:

- Purchase discounts;
- Rewards, giveaways and samples;
- Special programs offered to customers who have reached a purchase order threshold, such as rebate and advice on product display at stores for resellers.



### **(3) Market Conditions and Competition**

Early this year, Thailand's economy has been impacted by a political situation, resulting in a slowdown in real estate investment and trading, and hence an impact on sales volume of construction materials. However, the market of construction materials is still driven by two positive factors i.e. house reparations due to natural disasters and the urban sprawl in border provinces and nearby areas. Also, there are more customers from neighboring countries who come to Thailand to buy construction and decoration materials, leading to a steady sales growth in such areas.

Because of the aforementioned factors, other major entrepreneurs have increasingly expanded their businesses to provincial areas; while local entrepreneurs have improved their businesses to accommodate a changing consumer behavior; hence more intense competition. Therefore, the Company has regularly reviewed its marketing strategy so that it is in line with the economic situation and stronger competition.

#### **Competitors**

Competitors in the business of construction materials and home decoration items can be grouped as follows:

Home center business group including:

1. HomePro : Managed by Home Product Center Public Company Limited, operating a retail business in home and building construction, extension and improvement as a one-stop shopping home center. Currently, there are 113 stores.

2. Thai Watsadu : Managed by CRC Thai Watsadu Company Limited, selling a complete range of materials for home improvement with a selling point "Complete, Cheap, Good at Thai Watsadu". The business was established in 2010 and now has 50 stores.

3. GLOBAL HOUSE : Managed by Siam Global House Public Company Limited, has been operating a retail business in construction, home improvement, tools for home and garden decoration for more than 12 years. Currently, there are 67 stores in operation.

4. Home HUB : Managed by Mr. Ong-ard Tangmitrphracha, selling home construction and decoration materials under a slogan: "Home HUB, Fast, Easy, As You Wish". They now have 5 stores, of which 3 stores located in Ubon Ratchathani, 1 stores located in Khon Kaen, and 1 stores located in Udon Thani.

5. MEGA HOME : Managed by Mega Home Center Company Limited, is a product center for construction materials and tools. Its major shareholder is Home Product Center Public Company Limited (HomePro). It was established in 2013 and now has 14 store.

6. baan & BEYOND : Managed by CRC Thai Watsadu Company Limited under Central Retail Corporation. It is a department store for home segment, established in 2013 and now has 6 stores.

# Risk Factors



Risk factors that may pose negative impacts on the Group and the Company's share value. Apart from the risk factors described herein, there may be other risks currently unknown to the Company or risks considered by the Company at this moment as insignificant, but may become significant in the future. Such risks may have a significant impact on the Group's business, income, profit, performance, cash flow, financial status, assets, liquidity, a source of fund, and business opportunities.

Besides, any forward-looking statements appear in this document, such as wordings like "believe", "expect", "forecast", "anticipate", "plan", "wish", "approximate", "estimate", or any other similar wordings signify future prediction. This includes financial forecasting, future projects,

forecasts about business performance, business expansion plans, changes in laws governing business operations of the Group, government policies and others. All of these are predictions of future situation, but actual results may significantly differ from such predictions or anticipation due to various factors including risks described in this section or other sections in this document. Any information referring or relating to the government or overall national economy is derived from open-source information or extracted from government publications or other sources which the Company does not examine or certify its correctness or the method of acquiring at all. Therefore, investors should carefully review prior to an investment in the Company's ordinary shares.

## Business Risks

### 1 Risk from economic fluctuations

The Group operates a retail, wholesale and service business providing construction materials and home decoration items which normally relates significantly to investments in the real estate sector and the number of construction activities. And such investments in the real estate sector and the number of construction activities may be affected by the economy such as household consumption, unemployment rate, household debt, condition of credit market, private investment, public investment, and urbanization. As a result, any negative change in those factors can adversely affect the Group's business operation.

Realizing the risk from economic fluctuations, the Group has closely monitored the economic situation. Marketing activities and promotions are tailored according to a specific economic situation in order to promote sales volume. Also, competitive prices are maintained focusing on priceworthy in order to motivate or persuade consumers to buy the Group's products and use its services. Furthermore, the Group has internal work management in place in order to reduce operational costs. All of these can mitigate the impact of economic fluctuations on the Group's business operation.

### 2 Risk from competition

The Group has faced a fierce competition in retail, wholesale and service business of construction materials and home decoration items, whether from modern trade businesses in a form of home centers, specialty stores like furniture stores, home decoration stores, construction material stores and sanitaryware stores, and traditional trade businesses. Such competitors can affect the market share and may cause the Group's income below target or significant higher costs in marketing, advertising and promotional activities. This risk can have a negative impact on the Group's business operation and financial status.

To manage this risk, the Group emphasizes on developing an awareness of the trade name "Dohome" as home product solution with complete, cheap products and friendly service under the concept of "Complete, Cheap, Good...at Dohome". The Group also commits to provide a variety of products in all categories,

allowing customers to buy any products they need for structural construction, repair and decoration. Omni-channel marketing is also developed by linking offline and online channels in which customers can view products on the website and then make a purchase at a store.

### 3 Risk from the ability to supply quality products to adequately meet various customer demands

The Group's competition strategy is providing complete and cheap products with good quality. Therefore, there is a risk from supplying quality products to adequately meet various customer demands at all times. If the Group is not able to acquire quality products at specified prices and quantities, it may not be able to satisfy customer demands, possibly leading to a negative impact on its business, performance and financial status.

However, the Group procures and purchases products from both domestic and overseas manufacturers and/or dealers. There is a team to seek and select new manufacturers and/or dealers to mitigate a risk of relying on a few manufacturers and/or dealers, as well as to build a negotiating power in a long term. Moreover, for some product groups of which the prices are not seasonal, the Group plans with their manufacturers and/or dealer to purchase in advance in order to always have adequate stock for customer demands.

### 4 Risk from an increase in cost of goods

Cost of goods is the major cost in the Group's business operation. Change in cost of goods may have a significant direct impact on its business performance. Such cost may fluctuate and depend on factors beyond the Group's control such as economic situation, demand and supply of goods or their key raw material, transportation cost, etc. In addition, the cost of some goods fluctuates according to a global price such as steel products, affecting entrepreneurs in this industry in general. Sometimes the Group may not be able to fully or immediately adjust its selling price according to the increased cost because such price adjustment depends on the market, competition, price control and standards of manufacturers and/or dealers. Consequently, the Group can have a risk relating to the cost of product sourcing and the value of inventory which may affect the Group's business, performance and financial status.

For steel products, the Group has a policy to closely monitor their price and analyze their price trend, as well as forecast sales to plan a purchase at proper and adequate quantity. The Group may consider adjusting the price based on market-based pricing and its target gross profit margin.

## 5 Risk from a change of consumer behavior or market trend

The Group operates the retail and wholesale business of home products of which a business success depends on an ability to forecast and understand consumer demand and behavior, as well as a market trend. If the Group fails to analyze a change of consumer behavior and market trend in order to define and develop advertising format, marketing effort, distribution channel and attractive products and services, the Group may not be able to sustain existing customers and build new customers. And this may pose an adverse impact on the Group's business, performance and financial status.

However, the Group has a plan to monitor consumer behavior and changes in market trend and technologies in order to analyze and determine short-, medium-, and long-terms business strategies such as product placement at stores, product presentation by product consultants, planning on marketing and promotional activities, improved distribution channels, and planning on branch expansion and its format.

## 6 Risk from inventory management

As at 31 December 2017, 2018 and 2019, the Group has inventory amounted to 6,712.71 million baht, 6,260.20 million baht and 7,048.16 respectively, and has average selling periods at 156 days, 147 days and 159 days respectively. Such inventory is shown in cost price or net realizable value depending on which one is lower. The net realizable value is calculated from estimated normal selling price of goods, the cost of their sales and depreciation allowance for deterioration and obsolescence. As a result, there is a risk from the depreciation of inventory if the selling price decrease, or the inventory turnover is lower than expected, or goods become deteriorated or obsolete, which may have a negative effect on the Group's business, performance and financial status.

Realizing such risk, the Group continuously put an effort on reducing the average selling

period by introducing information technology to the inventory management, controlling the minimum amount of inventory before making purchases; negotiating with manufacturers and/or dealers to change some old model products into a new model; separating the purchasing team from the inventory management team for check and balance; providing an option of e-commerce shopping; setting up a planogram team to be in charge of a store's product display; and arranging marketing and promotional activities to boost sales of seasonal or festival products. Moreover, the Group launched its Distribution Center in 2018 which is expected to make inventory management more efficient with a goal to decrease the average selling period.

## 7 Risk from loss of goods

Apart from depending on the ability to make income from the sales of goods, the Group's business performance also depends on the ability to control costs and expenses. A major issue is loss of goods which can occur due to several causes including loss during transportation, and loss in warehouse due to errors in internal management and frauds by employees and customers.

In order to manage such risk, the Group has Loss Prevention teams in place at each store in order to plan and impose measures against loss of goods. Those measures include:

- Using store design and lay-out that are easy for employees to monitor such as using transparent glass as walls, having only one point of entrance, placing high value products at areas under monitor by permanent employees;
- Installing CCTV and assigning employees to check bought products with receipts at the entrance;
- Assigning employees in each department to randomly count the number of products on shelves;
- Determining punishments for wrongdoers, for examples, suspension and dismissal for employees, and fine and legal proceeding for both employees and customers;
- Determining a policy to provide protection and fairness to whistleblowers, as well as setting up a specific unit to receive complaints from employees and third party so that all stakeholders can constantly monitor for any frauds.

## 8 Risk from the Group's insurance that may not cover damage or claim that may occurs

In operating business, risks can occur in work procedures, including risks from negligence resulting in injury, death or damage to the Group's assets, and risks from torts, law violations or causing environmental pollution. These risks can result in business suspension and civil and/or criminal actions against directors or executives.

The Group already have insurances for its business operation in order to mitigate risks of loss and damage to its main business assets. It is the Group's policy to maintain the highest coverage plans at appropriate premiums. However, there are still some risks that are not fully or completely covered by insurance policies including (1) insurance policies does not cover loss and/or damage arising from some incidents including damage from business interruption, loss of income, suspension or stoppage of public utility services, and damage from war or terrorism; (2) the amount of deductibles under the policy conditions (as the case may be) does not cover the value of damages; (3) the value of damages exceeds the sum assured; (4) insurance companies cannot pay compensation as specified in insurance policies; (5) the Group may not be able to obtain insurance at appropriate price due to high and disproportionate premiums; and (6) the Group are not able to claim for compensation on the insurance due to not following the conditions of insurance policy. All of these risks may affect the Group's business, performance and financial status.

## 9 Risk from the fact that the Company relies on rented lands and buildings for its business

At present, the Group has made lease agreements for key lands and building for its operation. In case of termination of agreements, or that the Group cannot renew the agreements under the similar terms and conditions or cannot renew the agreements at all, the Group then cannot use such lands and buildings for its business operation, or may have to pay for demolition or transport of properties out of the buildings, or may not be able to utilize buildings and/or invested building/land improvements as planned. This can pose a negative impact on the Group's business, performance and financial status, as well as causing higher investment expenses.

## 10 Risk from product liability claims

The Group has procured goods from manufacturers and/or dealers for selling and marketing under its house brands. So, it is possible that the Group may face product liability claims due to several reasons including (1) product safety issue, (2) product inefficiency, (3) product defect, (4) insufficient or incorrect or misunderstanding product label and warning statements, or (5) infringement of copyright, patent and brand.

Whole or partial product recall or product withdrawal resulted from the abovementioned incident may cause damage to the Group due to costs of product recall including costs of destroying remaining products, and the loss of sales as recalled product is not available for sale during that period. Moreover, the Group may have to indemnify in the event that injury, sickness or death occurs as a result of using the Group's product. Such incidents may be caused by the production process of OEMs hired by the Group, contamination or deterioration during transportation or storage, or the acts of retail stores reselling the house-brand products.

Furthermore, if there is any allegation that the Group's house-brand products are unsafe, even though not based on facts, it can damage reputation, customer confidence and demand for house-brand products, hence leading to a negative impact on the Group's business, performance and financial status.

Realizing the potential risk caused by product liability claims, the Group then puts in place a strict OEM selection and quality examination system, as well as exercises random quality check on house-brand products before selling to customers

## 11 Risk relating to delivery

The Group provide delivery service by its own transporting vehicles or third party's service. There may be problems in delivery caused by unexpected incidents, such as accidents during transportation, traffic congestions, natural disasters, insurgencies and strikes, and poor service of delivery service providers, that lead to a delay in delivery, product damages or losses. This can possibly cause the Group to lost income or pay compensation to customers, leading to the lack of customer satisfaction and confidence, a damage to the Group's reputation, and a potential negative impact on the Group's



business, performance and financial status.

Realizing the risk relating to delivery, for delivery services provided by the Group's own vehicles, the Group has organized training on driving skills for drivers, installed a Global Positioning System (GPS) to track and locate transport vehicles, and planned on delivery routes for efficient service.

Regarding third party delivery service, the Group has made an approved list of delivery service providers, strictly taking into account their qualifications in terms of delivery time, scope of service and cost of delivery. Such list is reviewed regularly. Furthermore, the Group has arranged an insurance covering any damages may occur from delivery by the Group; while requesting third-party service providers to obtain an insurance as well.

## 12 Risk from the efficiency of information technology system

The Group has continually invested in an information technology system for data management in order to optimize its operations. Currently, the Group uses SAP program for its database and a centralized center for internal data sharing. The program connects to the sales application and uses such data to make a financial statement, as well as to analyze the Group's performance and financial status. In case of any issues occurring to the system, unplanned system shutdown, or any security violations, a significant adverse effect may occur to the Group's business.

In this regard, the Group has assigned permissions to access data and the information system according to the authority and responsibility of employees at each level. Access to data and the information system is protected by passwords. Data is backed-up. Specialist employees always monitor the system and solve problems. Also, a business continuity plan is in place; while a dry run is conducted to respond to emergencies at an operational level. In addition, the policy and work procedures covering a information technology process has already been introduced.

## 13 Risk from not being able to fully comply with contracts' terms and conditions

The Group has made several agreements including loan agreements and lease agreements

for land and building used in its business operation. Terms in some agreements require the Group to do and do not do some actions such as maintaining a financial ratio, obtaining an insurance against risks. If the Group fails to do so, it may be a reason for terminating relevant agreements, leading to a negative impact on the Group's business.

However, the Group has assigned a team to monitor and ensure that its business operation always follows the law and the Group can fully carry out the contract terms.

## Financial Risks

### 1 Risk from loan burden with financial institutions

The Group has borrowed money from financial institutions, both short-term and long-term loans, in order to buy lands and/or build stores and/or use as working capital. Therefore, the Group has a burden to pay interests and repay such loans, as well as to follow the conditions specified in the loan agreements such as maintaining a financial ratio and obtaining an insurance against risks. The Group's ability to get a loan depends on its performance and financial status at that time, the restrictions of existing loan agreements, and other factors including the market condition and economic situation in general. Besides, the interest rates under some loan agreements are a floating rate; therefore, a significant change of the interest rates can affect the Group's business performance.

However, the Group has made a financial planning and constantly monitored its performance in order to ensure that its cash flow is sufficient for paying interests and repaying the loans; financial conditions set forth in the loan agreements are observed and/or possibly being relaxed as requested; and its investment expansion can be efficiently conducted as planned. The Group also has the Risk Management Committee in place with a duty to scrutinize risk-relating policies and risk management approaches in many areas including a risk from interest rate fluctuations in order to keep risks at an acceptable level. Furthermore, the Group has compared the cost of loan and conditions of several financial institutions in order to achieve the most suitable cost management

## 2 Risk from exchange rate fluctuations

The Group make some payments for goods in foreign currency; as a result, exchange rate fluctuations can make the cost of sales higher which affects the Group's performance.

The Group has established the Risk Management Committee with a duty to scrutinize risk-relating policies and risk management approaches in many areas including risk from exchange rate fluctuations. The Group also has a policy to prevent exchange rate fluctuation using financial instruments such as currency forward and currency option. Additionally, the Group plans to purchase goods in advance in order to prevent a risk from price fluctuations due to exchange rate.

## Risks from business expansion

### 1 Risk from securing funds for branch expansion

To invest in new branches, the Group will use funds from financial institution's loan and/or shareholders' capital increase and/or the cash flow from the operation of existing stores. If the Group cannot secure adequate funds for its business expansion, the branch expansion in the future would not succeed as planned.

However, the Group has maintained good relationships with many financial institutions. And after the IPO the Group will have more financial flow and increased capacity to get loans, as well as a greater access to funds both in the equity market and bond market.

### 2 Risk from seeking lands to build stores

The Group focuses on expanding its branches with a goal to become Thailand's leader in retail and wholesale business of home products. Therefore, it is necessary to find proper lands for future branch expansion. Consequently, there is a risk of finding lands with enough area in locations specified in the business plan, and/or a risk of higher cost of land than expected. This would make the investment expenses higher than expected; the plan for branch expansion may be delayed; or such branch expansion may not be possible at all.

To find lands, the Group assigns its staff team and real estate agents to gather lands according to criteria specified by the Group. In doing so, the Group must maintain strong relationships with

several real estate agents who are experts in finding lands nationwide. However, land sale agreement and/or lease agreement will be made directly with landowners in order to ensure that the sale price and/or rental rate are suitable for business operation.

### 3 Risk from the return on investment lower than expected and/or potential loss of investment opportunity

The Group aims at continually expanding new branches, including a new store type in smaller scale. If the Group fails to carry out its business expansion plan within the planned budget or specified timeframe, or fails to generate target income or have higher operational costs, the return from such new branches may be lower than expected or the Group may lose investment opportunities, resulting in a negative impact on its business, performance and financial status.

However, the Group has expertise in retail and wholesale business of home products as well as experiences in opening new stores in the past. Besides, the Group has conducted investment assessment prior to investing in any new store and closely observed the branch expansion plan to ensure that such expansion is in line with the planned budget and timeframe and the plan can be properly adjusted according to changing situation.

## Risks of Management

### 1 Risk from the dominance of major shareholders in shareholder's meeting

As of 31 December 2019, the Tangmitrphracha Family directly and indirectly holds a total share of approximately 72.46 percent of total issued and sold shares. Although members of the family do not intend to act in concert, such shareholding proportion allows dominance over resolution of shareholder's meeting, except issues required by law or the articles of association company regulation to have three-fourth of the votes cast. Therefore, it is a risk for other shareholders in which they are not able to gather enough votes to do checks and balances against issues raised by major shareholders in the meeting.

The company's Board of Directors consists of 11 persons, of which 5 persons are independent directors, a number greater than one-third of the total directors. The Chairperson of the Board

is an independent director who check, balance, decide and approve agenda before proposing to the shareholders' meeting, in order to ensure that any actions taken by the Company are for the Company's, minority shareholders' and other stakeholders' benefits. Under method specified by the company, there is also a channel available for minority shareholders to add the meeting agenda or nominate someone to be a director prior to the shareholder's meeting date. Furthermore, the Company also arranges a mechanism to check the BOD's working. There is also a regulation determined by the BOD in case of connected transaction by connected person in which such persons will not have a right to vote for that transaction approval.

## 2 Risk from reliance on key executives and capable employees

The success of the Group depends on knowledge, understanding and experiences in the industry and the Group's business operation, as well as the continuity of employment of high-level executives and personnel, particularly the Tangmitrphracha Family who is the company founder. However, the Group has increased the number of high-level executives and personnel with knowledge, understanding and experiences in this industry in order to support the Group's business growth and expansion. If the Group is not able to persuade and retain knowledgeable key executives and employees, or fails to replace or increase personnel at the right time in case of any changes, there may be a negative impact on the Group's business, performance and financial status.

Realizing the importance of persuading and retaining human resources, the Group focuses on improving personnel capability and responsibility. Training suitable to the Group's business is organized to develop working skills of employees at all levels in each sector to be efficient and keep up with changes in business. Career path of employees at each level is clearly defined. The Group also determines a proper amount of remuneration according to each person's capability, compared with other entrepreneurs. Besides, the Group has a succession plan and a recruitment plan for replacement so that there will always be enough employees consistent with the Group's business plan.

## Risks relating to laws and regulations

1 The Group's business operation is under several laws and regulation, particularly those relating to consumers, increasing legal risk to the Group more than other companies in general. This may increase operational costs and expenses to the Group, as well as a risk of increased liability.

Apart from normal business operation that must be under general laws and regulations, the Group's business is directly involved with consumers and thus is governed by another two specific laws i.e. the Liability for Damage Arising from Unsafe Products Act, B.E. 2551 (2008) and the Consumer Protection Act, B.E. 2522 (1979). These two laws prescribes the legal rights of consumers to sufficient product information, product safety, contractual fairness, as well as the rights to compensation; particularly a protection against unsafe products if their usage causes damage to life, body, physical health, mental health or property of such consumer or other person, whether or not caused by intentional or negligent action of entrepreneur, and whether such unsafety arising from production, design or even failure to provide proper product usage, storage, warning or information. The laws allow consumers to claim for compensations in a fairer way, other than prescribed in normal laws, i.e. compensation for mental injury and punitive damages that can amount to a double of actual compensation. A producer, a party authorizing the production, importer, and a seller of product who cannot identify his/her producer, party authorizing the production or importer, are entrepreneur who is liable for damages under the laws.

Procuring products for sales or selling house-brand products is also governed by these laws. If the Group is liable for damages under the laws, its business, performance, financial status, reputation and business opportunities may be affected significantly.

Realizing such potential risk, the Group therefore put in place a strict OEM selection and quality examination system, as well as exercises random quality check on house-brand products before selling to customers.

## 2 Risk of patent law violation

Construction materials and home decorating items business involves a vast variety of products, some of which constantly change their designs, both products procured and purchased from manufacturers or dealers, and whether under manufacturers' own brands or the Group's house brands. Business operation in this circumstance is prone to legal litigations; particularly production, sale, having in possession for sale, offering for sale or import of product of which a patent has been granted to other person without authorization from the patent owner can constitute an infringement of the patent owner's right in violation of the Patent Act, B.E. 2522 (1979) and its amendments. This action can result in civil and criminal liabilities of the Group and potentially its corporate representatives.

Realizing such risk, the Group therefore put in place a working procedure and process to examine copyrights and patents before purchasing and/or selling products of both domestic and overseas vendors.

## 3 The Group is supervised under laws on trade competition in order to prevent monopoly

The Group's business operation is under the Trade Competition Act, B.E. 2560 (2017) that aims for promoting a free and fair business competition and preventing monopoly. The law established a Trade Competition Commission to supervise and ensure that business operations comply with the purpose of this law. Therefore, in case of any complaints taken to the Commission that the Group's business operation may violate the law on trade competition, there would be an investigation or legal actions under such law, resulting in more expenses for litigation as well as negative impact on the Group's reputation and image.

Being aware that it is important to observe the trade competition law, the Group has since operated its business with fairness, ethics and has never taken any actions of unfair monopoly towards both customers and business partners.

## 4 The enactment of law on the liability for defective products may pose an adverse impact on the Group's financial status, performance, reputation and business opportunities

The Draft Liability for Defective Products Act protects consumers who are damaged by defective products and prescribes remedy for such damages. Under this bill, consumers has a right to make a claim to an entrepreneur, which includes seller, producer for sale, person who order or import for sale, or reseller, to correct, change, change a product, terminate a contract, lower a price, and pay damages or expenses for a defective product. This bill has already been approved by the Cabinet and is now in a process of enactment. Once it is enforced as proposed, the Group as a seller will have a duty to remedy consumers for damages from defective products. And if it is the case, the Group's reputation and product sale may be negatively affected, resulting in an adverse impact on its business, financial status, performance and business opportunities.

## 5 Risk of acquiring or having in place licenses required for business operations in several parts

In operating its businesses, the Group has to acquire, have in place or maintain licenses to operate business, for examples, a license to operate business harmful to health (stone, soil, sand, cement) that is required for selling cement; and a pet food license and a license to sell controlled seeds that are required for selling the Group's products. Such licenses required by laws may change in type and number depending on the type of products and services provided by the Group at that moment. Although it is the Group's responsibility to constantly monitor and perform relating to licenses, it cannot be guaranteed that the Group will be able to completely and correctly acquire or have in place these licenses. And this fact may bring about an impact on the Group's reputation, business, performance and financial status. However, the Group pays attention to this issue and closely and regularly exercise a monitoring process.

# Securities Information and Shareholders

## 1. Company's Securities

As at 31 December 2019

Registered capital : 1,856,160,000 baht (1,856,160,000 ordinary shares of 1 baht each)

Paid-up capital : 1,856,160,000 baht (1,856,160,000 shares of 1 baht each)

Name of the market : The Stock Exchange of Thailand

Symbol : DOHOME

According to the information on ordinary shareholders, the number of Company's shares held by Thai NVDR Company Limited (Thai NVDR) as at 31 October 2019 is 11,954,741 shares, equivalent to 0.64 percent of the total number of shares sold and purchased. NVDR holders does not have a voting right in the shareholders' meeting, except voting with respect to delisting. Therefore, the number of shares with a voting right is decreased, while making the voting right of other shareholders increased. Shareholders and investors can check the number of shares held by Thai NVDR at the SET's website for the benefit of their voting right.

## 2. Shareholding Structure

At the book closing date as at 31 October 2019, the Company's registered capital was 1,856,160,000 shares, of which 1,856,160,000 shares had been paid up. The top 10 shareholders are listed below:

No.	Name of Shareholder	Number of Share	Shareholding(%)
1	Dohome Holding Company Limited	540,000,000	29.1
2	Mr. Adisak Tangmitrphracha	216,000,000	11.6
3	Mrs. Nattaya Tangmitrphracha	162,000,000	8.7
4	Ms. Ariya Tangmitrphracha	108,000,000	5.8
5	Mrs. Salitip Ruangsuttipap	108,000,000	5.8
6	Mr. Maruay Tangmitrphracha	108,000,000	5.8
7	Amplus Holdings Limited	102,960,000	5.5
8	Mr. Sathaporn Nganmruengphong	91,000,000	4.9
9	Mr. Phongsak Thamtacharee	58,719,100	3.2
10	Mr. Jiradech Jongwatthanasinkul	55,200,000	3.0

**Notes**

- The (1) shareholder, Dohome Holding Company Limited, has the following major shareholders : Mr. Adisak Tangmitrphracha holding shares at 35.0 percent, and Mrs. Nataya Tangmitrphracha holding shares at 35.0 percent of the total shares sold and purchased (as of 2 August 2019).
- The (7) shareholder, AMPLUS HOLDINGS LIMITED, has the following major shareholders : Mr. Adisak Tangmitrphracha holding shares at 35.0 percent, and Mrs. Nataya Tangmitrphracha holding shares at 35.0 percent of the total shares sold and purchased (as of 4 June 2019).



## Dividend Policy of the Company

### 1. Dividend policy of Dohome public Company Limited

The Company has a policy to pay dividend at the rate of not less than 30.0% of the net profit in its separated financial statements after deducting corporate income tax and all types of reserves as specified by laws and the Company's articles of association.

Such dividend payment may be changed upon other factors the Board of Directors considers necessary and appropriate, for instance, the performance, liquidity, cash flow, financial position, working capital for business management and expansion, economic condition and other necessities in the future.

Payout of dividend must be approved by the shareholders' meeting except the interim dividend which may be approved by the Board of Directors from time to time if the Company's profit deems sufficient to do so and such dividend payment shall be reported in the next shareholders' meeting.

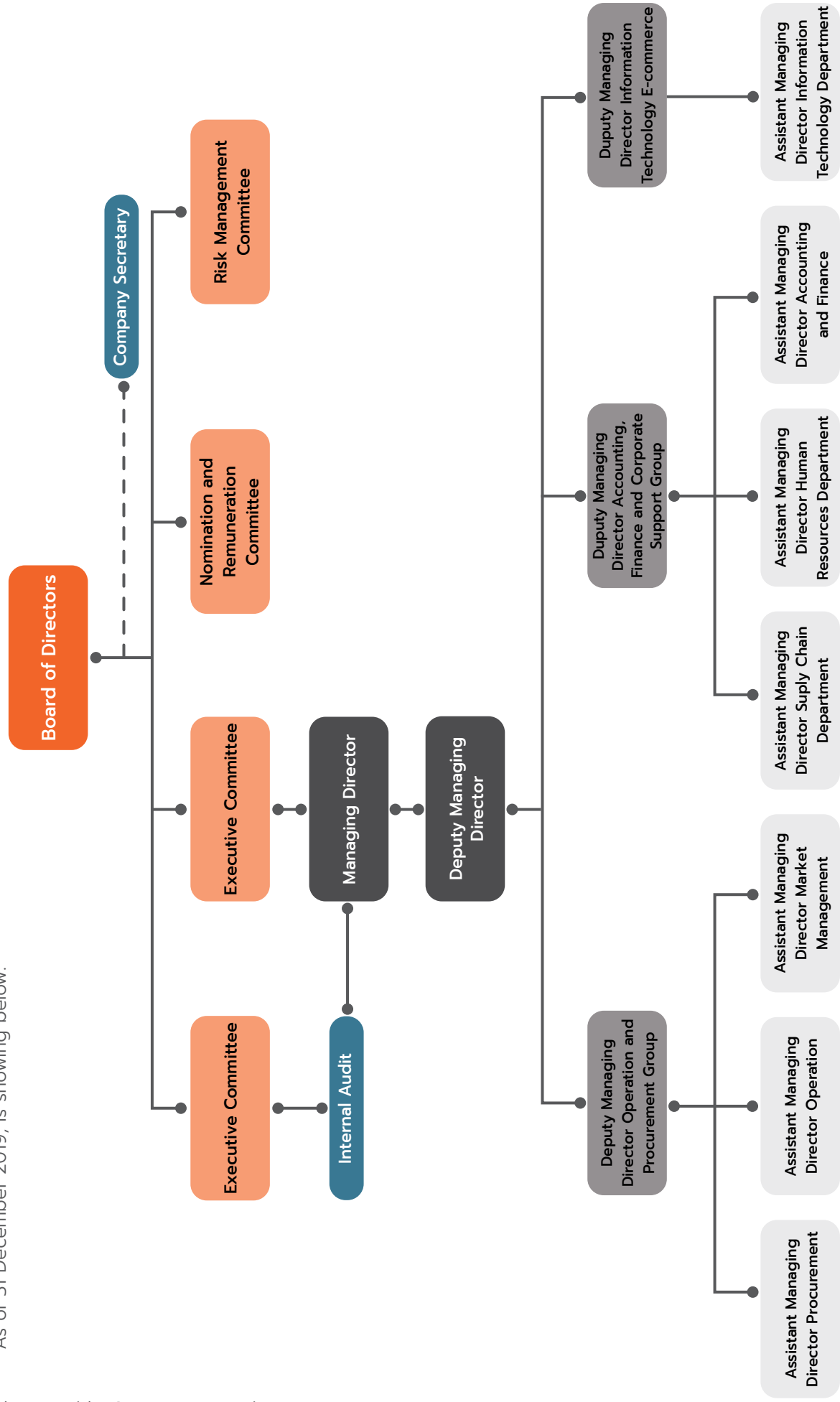
### 2. Dividend Policy of the Subsidiaries

The dividend payment of the subsidiaries is subjected to the approval of the Board of Director's and/ or shareholders' meetings of such subsidiaries. When considering the payout of dividend, each subsidiary shall take into account these aspects: the performance, liquidity, cash flow, financial position, working capital for business management and expansion, economic condition and other aspects the subsidiary's Board of Directors and/ or shareholders' meeting consider appropriate.

In order for the subsidiaries' payout of dividend to be in compliance with the corporate governance principle, be transparent and be able to verify, when it is paid, the director, who is the Company's representative in each subsidiary, shall report on such dividend payment to the next Company's Board of Directors' meeting.

# Management Structure

As of 31 December 2019, is showing below.



# 1 Board of Directors

## 1.1 Board of Directors

As of 31 December 2019, the Board of Directors consisted of eleven directors as follows:

Name	Position
1. Mr. Chatrchai Tuongratanaphan <sup>(1)</sup>	Chairman, Independent Director, Audit Committee Member and Chairman of the Nomination and Remuneration Committee
2. Mr. Adisak Tangmitrphracha	Vice Chairman, Chairman of the Executive Committee and Risk Management Committee Member
3. Mrs. Nattaya Tangmitrphracha	Director, Deputy Executive Committee and Nomination and Remuneration Committee Member
4. Ms. Ariya Tangmitrphracha	Director and Executive Committee Member
5. Mrs. Saliltip Ruangsuttipap	Director and Executive Committee Member
6. Mr. Maruay Tangmitrphracha <sup>(1)</sup>	Director and Executive Committee Member
7. Ms. Pikun Somwan	Director
8. Mr. Chalit Thongprayoon	Independent Director, Audit Committee Member and Chairman of the Risk Management Committee
9. Mr. Suvait Theeravachirakul <sup>(2)</sup>	Independent Director, Chairman of the Audit Committee, Nomination and Remuneration Committee Member and Risk Management Committee Member
10. Ms. Sopawadee Lertmanaschai <sup>(1)</sup>	Independent Director
11. Mr. Tarin Thaniyavarn <sup>(1)</sup>	Independent Director

**Remarks:** (1) Appointed as directors by the resolution of the Extra-ordinary General Shareholders' Meeting no. 2/2019 dated 3 July 2019.

(2) Appointed as a director by the resolution of the 2019 Annual General Meeting of Shareholders' dated 26 April 2019.

Ms. Mayuree Seeta is the Company Secretary appointed by the Board of Directors' Meeting no. 1/2018 dated 28 May 2018.

## 1.2 Authorized Directors

(1) The authorized directors of the Company, who can sign and bind the Company, are any two of the following four directors, provided that they jointly sign with the Company's seal affixed: Mr. Adisak Tangmitrphracha, Mrs. Nattaya Tangmitrphracha, Ms. Ariya Tangmitrphracha and Mrs. Saliltip Ruangsuttipap.

(2) Any two of the following five directors can sign and bind the Company on the application or document submitted to the Revenue Department, the Customs Department, the Department of Business Development under the Ministry of Commerce, the Foreign Workers Administration Office, the Immigration Bureau, the Department of Skill Development, the Ministry of Industry, the Ministry of Public Health and other official agencies relevant to the submission of tax filing, import and export document, application for work permit and business license, provided that they jointly sign with the Company's seal affixed: Mr. Adisak Tangmitrphracha, Mrs. Nattaya Tangmitrphracha, Ms. Ariya Tangmitrphracha, Mrs. Saliltip Ruangsuttipap and Ms. Pikun Somwan

### 1.3 Board of Directors' Meeting

Details of the Board of Directors' Meeting attendance were summarized below.

Name	Position	the Board of Directors' Meeting of 2019	
		Total Number of Meetings	Number of Meeting Attendance
Mr. Chatrchai Tuongratanaphan	Chairman, Independent Director, Audit Committee Member and Chairman of the Nomination and Remuneration Committee	5	5
Mr. Adisak Tangmitrphracha	Vice Chairman, Chairman of the Executive Committee and Risk Management Committee Member	5	5
Mrs. Nattaya Tangmitrphracha	Director, Deputy Executive Committee and Nomination and Remuneration Committee Member	5	5
Ms. Ariya Tangmitrphracha	Director and Executive Committee Member	5	4
Mrs. Salitip Ruangsuttipap	Director and Executive Committee Member	5	5
Mr. Maruay Tangmitrphracha <sup>(2)</sup>	Director and Executive Committee Member	5	2
Ms. Pikun Somwan	Director	5	5
Mr. Chalit Thongprayoon	Independent Director, Audit Committee Member and Chairman of the Risk Management Committee	5	5
Mr. Suvait Theeravachirakul <sup>(1)</sup>	Independent Director, Chairman of the Audit Committee, Nomination and Remuneration Committee Member and Risk Management Committee Member	5	4
Ms. Sopawadee Lertmanaschai <sup>(2)</sup>	Independent Director	5	2
Mr. Tarin Thaniyavarn <sup>(2)</sup>	Independent Director	5	2

**Remarks:** (1) Appointed as a director by the resolution of the 2019 Annual General Meeting of Shareholders' dated 26 April 2019.

(2) Appointed as directors by the resolution of the Extra-ordinary General Shareholders' Meeting no. 2/2019 dated 3 July 2019.

## 2 Committees

### 2.1 Audit Committee

As of 31 December 2019, the Audit Committee consisted of three members as follows:

Name	Position	The Audit Committee Meeting of 2019	
		Total Number of Meetings	Number of Meeting Attendance
1. Mr. Suvait Theeravachirakul <sup>(1)</sup>	Chairman of the Audit Committee	5	4
2. Mr. Chatrchai Tuongratanaphan	Audit Committee Member	5	5
3. Mr. Chalit Thongprayoon	Audit Committee Member	5	5

**Remarks:** (1) Mr. Suvait Theeravachirakul is the Chairman of the Audit Committee appointed by the 2019 Annual General Meeting of Shareholders' dated 26 April 2019. And he has sufficient knowledge and experiences to be able to review the credibility of the financial statements.

## 2.2 Executive Committee

As of 31 December 2019, the Executive Committee consisted of five members as follows:

Name	Position
1. Mr. Adisak Tangmitrphracha	Chairman of the Executive Committee
2. Mrs. Nattaya Tangmitrphracha	Deputy Executive Committee
3. Ms. Ariya Tangmitrphracha	Executive Committee Member
4. Mrs. Saliltip Ruangsuttipap	Executive Committee Member
5. Mr. Maruay Tangmitrphracha <sup>(1)</sup>	Executive Committee Member

**Remarks:** (1) Appointed as directors by the resolution of the Extra-ordinary General Shareholders' Meeting no. 2/2019 dated 3 July 2019.

Ms. Pikun Somwan is the Executive Committee's advisor, who has been appointed by the Board of Directors' Meeting no. 1/2018 dated 28 May 2018.

## 2.3 Nomination and Remuneration Committee

As of 31 December 2019, the Nomination and Remuneration Committee consisted of three members as follows:

Name	Position	The Nomination and Remuneration Committee Meeting of 2019	
		Total Number of Meetings	Number of Meeting Attendance
1. Mr.Chatrchai Tuongratanaphan	Chairman of the Nomination and Remuneration Committee	2	2
2. Mrs. Nattaya Tangmitrphracha	Nomination and Remuneration Committee Member	2	2
3. Mr. Suvait Theeravachirakul <sup>(1)</sup>	Nomination and Remuneration Committee Member	2	1

**Remarks:** (1) Appointed as a director by the resolution of the 2019 Annual General Meeting of Shareholders' dated 26 April 2019.

## 2.4 Risk Management Committee

As of 31 December 2019, the Risk Management Committee consisted of three members as follows:

Name	Position	The Risk Management Committee Meeting of 2019	
		Total Number of Meetings	Number of Meeting Attendance
1. Mr. Chalit Thongprayoon	Chairman of the Risk Management Committee	2	2
2. Mr. Adisak Tangmitrphracha	Risk Management Committee Member	2	2
3. Mr. Suvait Theeravachirakul <sup>(1)</sup>	Risk Management Committee Member	2	2

**Remarks:** (1) Appointed as a director by the resolution of the 2019 Annual General Meeting of Shareholders' dated 26 April 2019.



### 3 Management

As of 31 December 2019, the Company had the following ten managements.

Name	Position
1. Mr. Adisak Tangmitrphracha	Managing Director
2. Mrs. Nattaya Tangmitrphracha	Deputy Managing Director
3. Ms. Ariya Tangmitrphracha	Deputy Managing Director (Operation and Procurement Group) and Assistant Managing Director (Procurement Department)
4. Mrs. Salitip Ruangsuttipap	Deputy Managing Director (Accounting, Finance and Corporate Support Group), Acting Senior Deputy Managing Director (Accounting and Finance Department) and Acting Assistant Vice president Finance Department
5. Mr. Maruay Tangmitrphracha	Deputy Managing Director information technology and E-commerce
6. Mrs. Jintana Koontawee	Assistant Managing Director (Operation Department)
7. Mrs. Pannee Khetchomphu	Assistant Managing Director (Market Management Department)
8. Mrs. Nongyao Sa-art	FEVP, Chief People Officer
9. Mr. Aphiyuch Fookul	FEVP, Chief Information Technology Officer
10. Ms. Nudchanad Monthinard	Assistant Vice President (Accounting Department)

### 4 Company Secretary

The Board of Directors' Meeting no. 1/2018 dated 28 May 2018, resolved the appointment of Ms. Mayuree Seeta as the Company Secretary to be in compliance with the section 89/15 of the Securities and Exchange Act.

#### The Authority, Duty and Responsibility of the Company Secretary

The Company Secretary is appointed by the Board of Directors to be responsible for the following functions:

- (1) Prepare and keep the following documents:
  - (a) a register of directors;
  - (b) a notice calling the Board of Directors' meeting, a minute of the Board of Directors' meeting;
  - (c) an annual report of the Company;
  - (d) a notice calling shareholders' meeting and a minute of shareholders' meeting
- (2) Collect information of major shareholders, directors, executives, related persons including their connected parties in order to monitor and review related party transactions or transactions which may have conflict of interest.
- (3) Keep reports on stake holding submitted by directors or executives and submit a copy of such reports to the Chairman of the Board of Director and the Chairman of the Audit Committee within seven days from the date on which the Company has received such reports.

- (4) Perform any other acts as specified in the notification of the Capital Market Supervisory Board.
- (5) Provide preliminary advice and recommendations pertaining to legal, regulatory and governance issues and practices necessary for the Board of Directors for acknowledgement and constantly monitoring the compliance. Also, if there is any significant change in the laws, rules and/ or regulations, the Board of Directors' has to be informed.
- (6) Monitor and ensure the disclosure of information and reports under responsibility to the authorities supervising the Company under the regulations and requirements of such authorities.
- (7) Organize the shareholders' meetings and the Board of Directors' meetings in accordance with the laws, the Company's Articles of Association and other relevant requirements.
- (8) Manage the activities of the Board of Directors and any other acts to comply with the laws and/ or as specified by the Capital Market Supervisory Board and/ or as assigned by the Board of Directors.

## 5 Remuneration of Directors and Executives

The Company's has the Nomination and Remuneration Committee to considered and approved to propose of the principles of remuneration of directors to approved by shareholders meeting.

### Remuneration of Directors Committee

In the 2019, the Nomination and Remuneration Committee has considered and approved and propose to the 2019 Annual General Meeting of shareholders dated 26 April 2019 approved the directors' remuneration for the year 2019 as per details showing below.

#### 1. Monetary Remuneration

##### 1.1 Monthly remuneration

- Chairman	40,000 Baht / person / Month
- Vice Chairman	35,000 Baht / person / Month
- Director Member	30,000 Baht / person / Month

##### 1.2 Meeting fee of Committee

- Chairman	30,000 Baht / person / Month
- Vice Chairman	25,000 Baht / person / Month
- Director Member	25,000 Baht / person / Month

##### 1.3 Meeting fee of Sub-Committee

- Chairman	25,000 Baht / person / Month
- Director Member	20,000 Baht / person / Month

The Directors, who are the Company's executives or employees, shall not be eligible for the retaining fee and attendance fee as members of the Board of Directors and committees.

#### 2. Other Remuneration

-None-

However, Ms. Pikun Somwan, a director of the company has been allocated the ordinary shares of the Company to be offered for sale initial offering public for the first time (IPO) from being a company employee. Which will be offered together with the initial public offering (IPO) at the same price as the initial public offering (IPO)

Details of the remuneration of monetary directors for the year 2019 are as follows:

Name	Position	Meeting fee	Monthly remuneration	Bonus	Total
1. Mr. Chatrchai Tuongratanaphan <sup>(1)</sup>	Chairman, Independent Director, Audit Committee Member and Chairman of the Nomination and Remuneration Committee	300,000	480,000	-	780,000
2. Mr. Adisak Tangmitrphracha	Vice Chairman, Chairman of the Executive Committee and Risk Management Committee Member	n/a	n/a	-	-
3. Mrs. Nattaya Tangmitrphracha	Director, Deputy Executive Committee and Nomination and Remuneration Committee Member	n/a	n/a	-	-
4. Ms. Ariya Tangmitrphracha	Director and Executive Committee Member	n/a	n/a	-	-
5. Mrs. Salitip Ruangsuttipap	Director and Executive Committee Member	n/a	n/a	-	-
6. Mr. Maruay Tangmitrphracha <sup>(2)</sup>	Director	n/a	n/a	-	-
7. Ms. Pikun Somwan	Director	n/a	n/a	-	-
8. Mr. Chalit Thongprayoon	Independent Director, Audit Committee Member and Chairman of the Risk Management Committee	275,000	360,000	-	635,000
9. Mr. Suvait Theeravachirakul <sup>(1)</sup>	Independent Director, Chairman of the Audit Committee, Nomination and Remuneration Committee Member and Risk Management Committee Member	260,000	300,000	-	560,000
10. Ms. Sopawadee Lertmanaschai <sup>(2)</sup>	Independent Director	50,000	180,000	-	230,000
11. Mr. Tarin Thaniyavarn <sup>(2)</sup>	Independent Director	50,000	180,000	-	230,000

**Remarks:** (1) Mr. Suvait Theeravachirakul appointed as directors by the resolution of the 2019 Annual General Meeting of Shareholders' dated on 26 April 2019.

(2) Mr. Maruay Tangmitrphracha, Ms. Sopawadee Lertmanaschai and Mr. Tarin Thaniyavarn appointed as directors by the resolution of the Extra-Ordinary General Shareholders' Meeting no. 2/2019 dated 3 July 2019.

## Remuneration of Executives

### (a) Monetary Remuneration

Remuneration of executives consisted of monthly salary and bonus as per details showing below.

	2018	2019
Number of Executives (Person) <sup>(1)</sup>	8	8
Remuneration (Baht)	22,302,724	23,191,622

**Remarks:** (1) Remuneration for executives did not include the remuneration of Senior Deputy to Assistant Managing Director Accounting and Finance Department, Assistant Vice President Finance Department and Assistant Vice President Accounting Department

### (b) Other Remuneration

Other remuneration of executives consisted of provident fund and social security fund as per details showing below.

	2018	2019
Number of Executives (Person) <sup>(1)</sup>	8	8
Remuneration (Baht)	605,133	713,381

**Remarks:** (1) Remuneration for executives did not include the remuneration Senior Deputy to Assistant Managing Director Accounting and Finance Department, Assistant Vice President Finance Department and Assistant Vice President Accounting Department

## 6 Personnel

### Number of Personnel

As of 31 December 2017, 2018 and 2019, the Company's group employed (excluding executives) 3,566, 3,505 and 3,706 personnel respectively. the details were as follows:

Function Group	Number of Personnel Divided into Function Group (Person) As of 31 December		
	2017	2018	2019
Supply Chain	1,038	889	946
Marketing	56	57	72
Reported Directly Executives	9	9	7
Operation	1,962	1,931	2,086
Procurement	59	62	68
Accounting and Finance	80	100	102
Technology Management	61	78	73
Human Resources and Site Building	301	379	352
<b>Total</b>	<b>3,566</b>	<b>3,505</b>	<b>3,706</b>

Source: Company's data

## Personnel Compensation

As of the year ended December 31, 2017, 2018 and 2019, the Company paid compensation to employees (excluding executives) in various forms, which were monthly salary, bonus, overtime pay, contribution to provident fund and other compensations, in the total of Baht 740.00 million, Baht 841.54 million and Baht 834.92 million respectively.

## Other remuneration

The Extra-ordinary General Shareholders' Meeting no. 1/2018 dated 22 May 2019 resolved has been allocated the registered capital increase ordinary shares of the Company not exceeding in amount 456,160,000 shares to be offered for sale initial offering public for the first time (IPO). which Including the employees of the Company and person with relationships by assigning the board of directors or managing director or the person assigned by the Board of Directors or the Managing Director has the power to take various actions Which is necessary and related to the allocation of the newly issued ordinary shares. In this regard, proportion of first offered to the employees not exceeding 6,031,600 shares and related person as the executives not exceeding 365,200 shares at the same price as the initial public offering (IPO)

## Provident Fund

In 2017, the Company, together with its employees, set up the provident fund in compliance with the Provident Fund Act, B.E. 2530 and as amended. Employees and the Company contributed 3 - 5% of the employees' salary base to the provident fund on a monthly basis. For the year ended 31 December 2018 and 31 December 2019, the Company contributed Baht 3.75 and Baht 5.00 million respectively. The provident fund was separated from other assets of the Company and managed by CIMB-Principal Asset Management Co., Ltd. Employees will receive money from the provident fund when their employment contracts end according to the fund's rules.

## Labour Dispute

During the past three years, the Company had no major labour dispute, which significantly affect the Company's business, financial status and operating result.

### **Personnel Development Policy**

The Company realizes the essence of human resources as it is the most important asset in its business operation and the key success factor that can lead the Company to its predetermined target. Therefore, the Company has set the policy focusing on continual development of skills and thoughts of employees in every level in order to increase their working effectiveness in all aspects and to generate a creative thinking and value-added innovation, which are considered as the Company's important strategy. The Company has set the following policy and guidelines on personnel development:

#### **(a) Nomination**

The Company puts great emphasis on personnel starting from the nomination process. The nomination and selection process must be on the transparent basis and proceed with equality and fairness. Employees' qualifications are defined according to the job description. Educational background, experience, expertise and other qualifications are clearly specified for each job position. The Company selects candidate for each position in accordance with its specified process in order to recruit personnel with proper qualifications for each position.

#### **(b) Personnel Development**

The Company has a policy to consistently develop its personnel aiming to increase knowledge, skills and expertise in order to improve the effectiveness of its personnel in all levels. Such policy is as follows:

- (1) The Company supports its personnel to improve knowledge and expertise from the actual operation by providing supervisor for each working group in order to give trainings within a group.
- (2) The Company supports and continuously provides internal and external seminars and trainings for its personnel in all levels from executives to officers. This is to develop their knowledge,



capabilities and working potential so that they can use such knowledge from trainings to improve the Company's operation.

(3) The Company assesses the need and the requirement for the personnel trainings in all levels from executives to officers and defines the Company's personnel development plan, which is consistent with the Company's development plan. This aims for preparing its personnel to take up more responsibilities, have a progress in career path and be capable for taking vacant positions.

(4) The Company organizes various activities to create intimacy, familiarity and good relationship between executives and every employee to increase work quality and demonstrate working professional, which will bring about the most clients' satis

# Corporate Governance



## Policy on Good Corporate Governance

In operating the business, the Company's Board of Directors has followed the laws, the Company's objectives and Articles of Association and the resolution of the shareholders' meetings. Also, the Company has abided by the Principles of Good Corporate Governance of Listed Companies 2012 as defined by the SET and the Corporate Governance Code for Listed Companies 2017 as defined by the SEC. They are guidelines for the Company's operation so as to create the operation effectiveness as well as the transparency to investors, which can create trust in the Company from outsiders. The Company's policy on good corporate governance covers five sections as follows:

### Section 1: The Rights of Shareholders

The Company realizes and focuses on various basic rights of shareholders, who are investors of the Company's securities and the Company's owners, for example, the right to buy, sell or transfer shares, the right to share in the profit of the Company, the right to obtain relevant and adequate information, the right to participate and vote in the shareholders' meeting to appoint or dismiss directors, appoint the external auditor, make decisions on any transactions that affect

the Company such as the dividend payment, the amendment to the Company's Memorandum of Association and Articles of Association, the capital decrease or increase and the extraordinary transactions, etc.

The Company has a mission to encourage and facilitate the shareholders to exercise their rights as follows:

(1) The Company shall provide the information on the meeting date, time and venue and all agenda items with complete explanations and reasons for each agenda item as specified in the notice of the general and extraordinary meetings of shareholders or the attachments and avoid any action that can be considered in violation of the shareholders' right to study the Company's information.

(2) The Company facilitates the shareholders' participation and voting in meetings. Any action that can be considered in violation of their right to attend the meetings shall be prohibited. For example, in organizing the shareholders' meetings, the Company uses the venue, which offers convenience in transportation for the shareholders, and provides map of the meeting venue in the notices of the meetings. Also,

the Company chooses proper meeting date and time and allocates sufficient time for the meetings.

(3) Prior to the meeting date, the Company allows the shareholders to submit their opinions, suggestions or questions in advance of the meetings. The Company sets criteria for submission of questions in advance, notifies the shareholders on such criteria when delivering the notices of the meetings and discloses it on the Company's website.

(4) The Company supports the shareholders to use the proxy form on which the shareholders are able to specify the votes and proposes at least one independent director as an option for the shareholders, who cannot attend the shareholders' meetings, to appoint as their proxies.

(5) In the shareholders' meetings, the Chairman of the meetings allocates appropriate meeting time and the shareholders are supported to express opinions, give suggestions or freely raise questions relevant to the Company prior to voting in all agenda items.

(6) The Company encourages all directors to attend the shareholders' meetings to provide information and answer questions.

(7) The Company allows the voting for each matter in case such agenda item contains several matters, for instance, the shareholders are able to vote on individual director nominee.

(8) The Company encourages the use of voting cards in all important agenda items, for instance, the related party transactions, the acquisitions and disposals of significant assets, etc. for the sake of transparency and verification of vote counting.

(9) The Company has an independent person to assist in vote counting in each agenda item.

(10) After the meetings are completed, correct and comprehensive minutes are recorded. They include key questions, clarifications, comments and suggestions so the shareholders are able to review. In addition, the Company discloses the voting results of each agenda item and posts the minutes of the meetings on its website for the shareholders' consideration.

(11) The Company delivers the minutes of the shareholders' meetings to the SET within fourteen days from the meeting date.

## Section 2: The Equitable Treatment of Shareholders

The Company treats all shareholders equally, no matter they are major shareholders, minor shareholders, shareholders with executive and non-executive positions, Thai shareholders or foreign shareholders as follows:

(1) The Company delivers the notices of the shareholders' meetings together with the agenda items and the opinions of the Board of Directors to the SET and discloses on its website at least twenty-eight days prior to the meeting date. The Company prepares the notices of the shareholders' meetings in English and discloses concurrently with the Thai version.

(2) The Company sets the criteria for the minor shareholders to nominate directors by proposing their names with qualifications and consent letters to the Board of Directors prior to the meeting date.

(3) The Company defines the explicit criteria for the minor shareholders to propose agenda items prior to the meeting date to demonstrate the fairness and transparency in considering whether to add such agenda items or not.

(4) The shareholders with management positions should not add any agenda item without notifying other shareholders in advance, if not necessary, especially an agenda item that requires the shareholders to spend a good deal of time to study relevant information before making decisions.

(5) In each shareholders' meeting, the Company provides equal opportunities to all shareholders. Before the meeting commences, the Chairman of the meeting will notify the shareholders about the meeting rules, voting procedures, voting right of each share type and vote counting in each agenda item.

(6) For the agenda to elect directors, the Company supports the election of individual director nominee.

(7) Directors are requested to disclose to the Board of Directors prior to the meeting whether they have any interest in any transaction or matter and such interest will be recorded in the minutes of the meetings. In addition, the Company prohibits the directors, who have significant conflict of interest which affects their independence, from participating in the meeting on such agenda item.

(8) The Company sets the written procedures to prevent the use of inside information for personal gain and discloses them to everyone in the organization to use as guidelines. Furthermore, the Company instructs that all directors and executives to regularly report the status of their holdings of the Company's securities to the Company Secretary in order to be disclosed in the Company's annual report.

### Section 3: The Role of Interested Persons

The Company values the rights of all shareholder groups whether they are the internal stakeholders, such as shareholders and employees, or the external stakeholders, such as partners, clients, etc. The Company realizes that all stakeholders' supports and comments will benefit the Company's business operations and developments. Therefore, the Company conforms the relevant laws and regulations as well as sets the policy to treat each stakeholder group by considering on its legal rights or the agreements with the Company. Also, the Company does not violate the stakeholders' rights.

Furthermore, in operating business, the Company takes into account the rights of all stakeholders according to the following guidelines:

Shareholders : The Company transparently and effectively conducts the business to create its sustainable value. The Company strives to obtain a good performance and steady growth for the utmost long term benefit of the shareholders. Also, the Company discloses transparent and reliable information to the shareholders.

Employees : The Company treats all employees equally and fairly and provides appropriate compensation. Moreover, the Company emphasizes on the continual developments of skills, knowledge, working capabilities and potential of employees, for instance, the arrangement of training provisions, seminars and trainings. The Company gives the equal opportunities to all employees and motivates high caliber employees to remain with the Company in order to further

develop the organization. Besides, the Company sets the anti-corruption guidelines and cultivates all employees to comply with the relevant laws and regulations, such as strictly prohibiting the use of inside information.

Partners : The Company sets with justice and fair-play the partner selection process allowing them to compete on equal information. Moreover, the Company utilizes appropriate forms of contracts, which offer fairness to all partners, and has a monitoring system to ensure that all contract conditions are compiled and flaws and corruption are entirely prevented in all steps of the selection process. The Company procures in accordance with the commercial conditions and strictly complies with the contracts.

Clients : The Company takes responsibilities for clients in keeping quality standards of products and services as well as completely responding to the needs of clients in order to create clients' long-term satisfaction. Furthermore, the Company considers on the clients' safety and hygiene in consuming the Company's products and services and provides the accurate and complete information on products and services. The Company also provides the channels for clients to inform about inappropriate products and services so that the Company can rapidly prevent and correct. The Company keeps confidential on the clients' information and will not wrongly use it for the Company's and its related parties' benefits.

Creditors : The Company abides by all terms and conditions as stipulated in the creditors' contract, including loan and interest payment and proper maintenance of collateral in compliance with the relevant contracts.



- Competitors : The Company competes with good and ethical manners within the legal framework and promotes a free and fair competition policy.
- Society and Public : The Company places the importance on the social safety, the environment and the living quality of the stakeholders relating to the Company's operations. The Company encourages its employees to volunteer and be responsible for the environment and society and strictly conducts the business under the relevant laws and regulations. Additionally, the Company strives to partake in various activities that create and maintain the environment and society and support local cultures of the community where the Company is located.

Moreover, the stakeholders can ask for details, make complaints and report on illegal conducts, inaccuracy of financial reports, deficient internal control and unethical conducts of the Company via the Company's independent directors or the Audit Committee's members. The complaints and reported information will be kept confidential and the independent directors or the Audit Committee's members will review such reported information, find solutions (if any) and then report to the Board of Directors.

#### Section 4: Disclosure and Transparency

The Company realizes the importance of significant information disclosure, both financial and non-financial. The disclosure of the Company's information, including other information that may affect the price of the Company's securities, the decision making process of investors and the Company's stakeholders, must be conducted accurately, completely, promptly and transparently under the following regulations of the SEC and the SET:

- (1) The Company sets up a mechanism to ensure that the information disclosed to investors is correct and adequate for the investors' decision makings and does not mislead the investors.
- (2) The Company has assigned the investor relations officer to communicate with the investors or the shareholders and disseminates the financial and general information of the Company to the shareholders, securities

analysts, credit rating companies and relevant agencies through various channels, namely reporting to the SEC and the SET and through its website. Furthermore, the Company puts great emphasis on consistently disclosing information in both Thai and English versions on its website, which is regularly updated. Such information disclosed on the Company's website includes the Company's vision, mission, financial statements, public relations news, annual report, management structure, shareholding structure, major shareholders, notices of the meetings, etc.

(3) The Company prepares the management discussion and analysis (MD&A) and discloses it with the financial statements every quarter in order for the investors to obtain information and clearly understand the significant changes that affect the Company's financial position and performance in addition to the financial statements.

(4) The Company reveals the roles and duties of the Board of Directors and committees, the numbers of meetings held and attendance record in the previous year, the opinions in performing duties, training records and professional developments throughout the year in its annual report. Besides, the Company discloses the remuneration policy for directors and senior executives, the types of remuneration and the amount of remuneration that includes the remuneration each director receives from being a director of subsidiaries.

(5) The Company discloses the audit and non-audit fees, which are paid to the auditor. In addition to the disclosure of information in the annual statement (Form 56-1), the annual report and the SET's channels as regulated, the Board of Directors considers on disclosing information in both Thai and English versions via other channels, such as the Company's website, which is regularly updated.

#### Section 5: Responsibilities of the Board of Directors

##### 1. Board and Committee Structure

The Board of Directors consists of directors with diversified qualifications in terms of knowledge, capabilities and experiences beneficial to the Company. The Board of Directors has significant role in defining the policies and the overview of the organization as well as monitoring, reviewing and evaluating the Company's performance as planned.

The Board of Directors is comprised of at least five directors, but not more than twelve directors. The ratio of the independent directors to the total number of directors on the board must be at least 1:3 with no less than three independent directors in order for the Board of Directors to have appropriate check and balance in considering and voting in matters. All of the Company's independent directors possess complete qualifications as specified in the notification of the Capital Market Supervisory Board, the SET's regulations and other relevant guidelines, rules and laws.

Each term of directorship does not exceed three years as specified by the relevant laws and the independent directors can continuously be in office for not more than nine years, except the Board of Directors deems that it is reasonable and necessary. In addition, the Company's directors and executives are able to be directors and executives of the affiliated or other companies if it is in accordance with the regulations of the SEC and the Capital Market Supervisory Board including other relevant guidelines, rules and laws and the Company's Board of Directors' Meeting must be informed. However, each director can be directors of not more five listed companies.

The Board of Directors has also established the committees to assist in overseeing the Company as follows:

**(1) Executive Committee**, which is comprised of at least three executive directors, assists the Board of Directors in operating the Company according to the policies, the business plan, the Articles of Association, the orders and the specified targets as assigned by the Board of Directors.

**(2) Audit Committee**, which is comprised of at least three members, assists the Board of Directors in controlling and reviewing the management, the internal control, the compliance with relevant laws as well the financial reporting so that the Company's operations and information disclosure are transparent and credible.

**(3) Nomination and Remuneration Committee**, which is comprised of at least three members, has the duties to nominate qualified candidates to be appointed as the Company's directors and senior executives, set the forms and criteria on remuneration paid to directors

and senior executives prior to proposing for the approval by the Board of Directors and/ or the shareholders' meeting (case by case) and conduct senior executives' development.

**(4) Risk Management Committee**, which is comprised of at least three members, assists the Board of Directors in defining appropriate, adequate, efficient and effective risk management policies and ensuring that there is a system or process for managing overall risks to be under an acceptable level.

Additionally, the Company has appointed the Company Secretary to perform functions relating to the Board of Director's meetings and the shareholders' meetings, support the Board of Directors by providing recommendations pertaining to the laws and regulations relating to the Board of Directors' duties as well as ensure that the Board of Directors' resolutions are correctly followed.

## **2. Roles, Duties and Responsibilities of the Board**

The Board of Directors is responsible for the shareholders in operating the Company's business and has duties to define the Company's policies and business directions and oversee the operations to be conducted in accordance with the Company's business objectives, visions, strategies and directions so as to create long-term benefits to the shareholders under the legal framework and the code of conduct while considering on all stakeholders' benefits. Details of the charter of the Board of Directors are as follows:

### **(1) Corporate Governance Policy**

The Board of Directors has approved the written corporate governance policy and annually reviews it. Such corporate governance manual is the guideline for all directors, executives and employees in performing their duties.

### **(2) Code of Conduct**

The Company intends to operate its businesses with transparency, good ethics and responsibilities for the stakeholders, the society and the environment. The Board of Directors has approved the code of conduct and requires all directors, executives and employees to strictly conform. The Company's code of conduct, which is publicized throughout the organization, supports the following practices:



(a) Ethics on responsibilities for the shareholders;

(b) Ethics on relationship with the clients;

(c) Ethics on relationship with the partners, the competitors and the creditors;

(d) Ethics on responsibilities for the employees; and

(e) Ethics on responsibilities for the society and the environment

### **(3) Conflict of Interest**

The Company has vigilant policy for eliminating conflicts of interest. Such policy is based on the honesty, reason and independency within a good ethical framework for the best interest of the Company. The persons, who have interest in any transactions, must disclose the information of their own and related person's interest to the Company and must not participate in the consideration and the decision-making process on such transactions.

The Company has set its policies on the related party transactions and the transactions which may have conflicts of interest in accordance with the laws and the regulations of the SEC, the Capital Market Supervisory Board and the SET and discloses such transactions its annual report and annual statement (Form 56-1).

### **(4) Internal Control**

The Company has established the internal control system to oversee the operations in both managerial and operational levels to ensure their efficiency. The Company has set up the Internal Audit Department/ unit to evaluate the sufficiency of the internal control system and report the result of the audit plan to the Audit Committee.

### **(5) Risk Management**

The Company has the monitoring system and the risk management processes to properly reduce impacts on the Company. The Risk Management Committee has been established to consider and define the risk management policies, which cover both external and internal risks and are consistent with the business strategies and directions, and propose to the Board of Directors for approval.

### **(6) Whistle Blowing Channel**

The Board of Directors has arranged for the reporting channels for whistle blowers to

report on any illegal conduct, inaccuracy of the financial reports, internal control deficiencies and unethical conducts of the Company through the Company's independent directors or Audit Committee members. The complaints and reported information will be kept confidential and the independent directors or the Audit Committee's members will review such reported information, find solutions (if any) and then report to the Board of Directors.

### **(7) Report of the Board of Directors**

The Audit Committee has the duty to review the financial reports, meet with the Accounting Department and the auditor and propose the financial reports to the Board of Directors for consideration on a quarterly basis. The Board of Directors is responsible for the Company's and subsidiaries' financial statements as well as financial information as appeared in the annual report.

## **3. Principles of the Board**

### **Principle 1: Establish Clear Leadership Role and Responsibilities of the Board**

The Board of Directors should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the Company and strengthen good corporate governance to achieve the sustainable value creation.

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

The Board of Directors should define objectives that promote sustainable value creation and governance outcomes for the Company, clients, stakeholders and general public.

### **Principle 3: Strengthen Board Effectiveness**

The Board of Directors should be responsible for determining and reviewing the board structure in terms of size, composition and proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives. Also, the Board of Directors should ensure the policy and procedures for selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

### **Principle 4: Ensure Effective Senior Executives and People Management**

The Board of Directors should oversee the personnel management and development to

ensure that personnel possess the proper knowledge, skills, experiences and motivation, define the succession plan for the positions of Managing Director/Chief Executive Officer and senior executives and oversee to ensure that the remuneration structure and the performance evaluation are in place.

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

The Board of Directors should prioritize and promote innovations that create value for the Company and its shareholders together with the benefits for its clients, other stakeholders, society and environment and ensure that the management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to sustainably meet its objectives and goals.

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

The Board of Directors should ensure that the Company has effective and appropriate risk management and internal control that enable the Company to efficiently achieve its objectives and operate under relevant laws and standards.

In addition, the Board of Directors should manage and monitor conflicts of interest that may occur between the Company, management, directors and shareholders and also prevent the inappropriate uses of assets, information and opportunities including inappropriate transactions with related parties.

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

The Board of Directors must ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with the applicable regulations, standards and requirements.

Moreover, the Board of Directors should monitor the Company's financial liquidity and solvency and ensure that financial difficulties are promptly identified and mitigated in case the Company encounters or inclines to face financial problems.

#### **Principle 8: Ensure Engagement and Communication with Shareholders**

The Board of Directors should ensure that the shareholders have the opportunities to

participate effectively in decision makings involving significant corporate matters.

#### **4. Board Meeting and Self-assessment**

The Board of Directors' meetings are scheduled at least every quarter and additional meetings may be held, if necessary. Agendas for the meetings are clearly set in advance while the agenda to monitor the performance is regularly included. The Company arranges for the delivery of the notices of the meetings together with agenda items and relevant documents to all board members for not less than seven days prior to the meeting date, except in urgent cases, so that the directors shall have adequate time to review information prior to the meeting. The minutes of the meetings are recorded, certified and maintained for future reference and auditing. In every meeting, the management and the persons responsible for issues proposed are encouraged to participate in such meeting to provide accurate information and other details for decision makings in a timely manner.

The board resolution is passed by a majority vote of the directors attending the meeting. One director shall have one vote. In the event that any director has a conflict of interest in any matter, such director must not participate in the meeting and take part in the decision-making process of such matter. In case there is an equal voting, the Chairman of the meeting has a casting vote.

In addition, the Board of Directors conducts the self-assessment at least once a year to allow directors to consider their performance and solve any problems they may have. A benchmark of the board's performance is clearly defined in advance. The assessment results are collected and reported to the Board of Directors and disclosed together with the assessment criteria and procedures in the Company's annual report.

#### **5. Remuneration**

The remuneration of directors should be comparable to the industry level in which the Company operates, reflect experiences, obligations, scope of work, accountability and responsibility and contribution of each director. The board members, who are assigned more tasks, such as committees, should be properly compensated.

The Company has established the Nomination and Remuneration Committee to consider the forms and criteria of remuneration of directors

and propose to the shareholders' meeting for approval.

## **6. Development of Directors and Executives**

The Board of Directors has the policy to encourage and arrange for the training courses for persons taking part in the Company's corporate governance, such as the directors, the Audit Committee members, executives and the Company Secretary, so that they will continuously improve their performance of duties. Such training courses may be arranged internally or provided by the external institutions.

In case there is a new director, such director will be provided with documents and information useful for performing his/ her duties and also will be briefed on the Company's nature of business and business framework.

The Board of Directors supports the work rotations, which can be assigned to the executives and the employees due to their proficiency, by considering mainly on the appropriateness of work and timing. The Managing Director/ Chief Executive Officer will specify the period of time and evaluate the performance in order to develop the succession plan of the Company. This aims to advance the working knowledge and capabilities of the executives and the employees so that they are able to take rotations.

## **Committees**

The management structure of the Company consists of the Board of Directors and four committees, namely the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee and the Risk Management Committee as per details showing below.

### **1 Board of Directors**

#### **Composition**

The board composition is as follows:

- (1) The board members are not necessary the Company's shareholders.
- (2) The number of the board members is specified by the shareholders' meeting. However, it has to be comprised of at least five but not more than twelve directors and no less than half must have a domicile in Thailand.
- (3) The ratio of independent directors to the total number of directors on the board must be at least 1:3 with no less than three independent

directors.

The Board of Directors selects any director to be the Chairman of the board and, if the Board of Directors deems appropriate, another director or several directors may be appointed as the Vice Chairman.

## **Roles, Duties and Responsibilities of the Board of Directors**

The Extra-ordinary General Shareholders' Meeting no. 1/2018 dated on 22 May 2018 has approved the charter of the Board of Directors, which specifies the following roles, duties and responsibilities:

(1) Perform duties with responsibilities, due care and honesty to ensure that the Company's operations comply with the laws, the objectives, the Articles of Association and the Board of Directors' and the shareholders' meeting resolutions for the utmost benefits of the Company and all shareholders.

(2) Determine the objectives, main goals, visions, strategies, business directions, plan, budget, management structure and authority limits of the Company and subsidiaries, which are proposed by the management, oversee the management of the Company in order to be in consistent with the specified objectives and main goals and have competitiveness and good performance in the long term, as well as oversee the allocation of major resources, the management and the performance of the management or any assigned person to ensure the effective and efficient compliance with the specified policies which will create the value added to the Company and the shareholders. Besides, the Board of Directors shall review its strategies, business directions, plan and budget at least once a year so that they are appropriate with the changing economic situation, market and competition.

(3) Regularly monitor and evaluate the performance of the Company's management and committees in order to achieve the strategies, business plan and budget as well as ensure the report on the Company's performance.

(4) Make sure that the Company conducts businesses in accordance with the good corporate governance principles and ethics, the respect and responsibilities for the shareholders and the stakeholders and the benefits of the society and the environment

and the Company is resilient to the changing factors.

(5) Assure that the Company has the succession plan for the positions of Managing Director/ Chief Executive Officer and senior executives, which is regularly reported to the Board of Directors at least once a year, and the personnel management and development so that its personnel possesses the proper knowledge, skills, experiences and motivation.

(6) Oversee to ensure the proper remuneration framework, policy and structure, which can motivate executives and all levels of employees to conduct businesses in accordance with the objectives, the main goals and the long-term benefits of the organization. Also, Board of Directors shall consider the remuneration policy and the appropriateness of the ratio of remuneration in the form of monthly salary and remuneration relating with short-term and long-term performance of the Company.

(7) Ensure the proper and effectiveness of the accounting system of the Company and its subsidiaries and the accurate, adequate and timely disclosure of information under the relevant regulations, standards and requirements and monitor the Company's financial liquidity and solvency.

(8) Ensure that the Company has adequate, proper and effective risk management system and internal control system and appoint the Audit Committee to effectively and independently review both systems.

(9) Acknowledge the reports of the Audit Committee and other committees of the Company.

(10) Consider determining and revising the Company's authorized directors.

(11) Approve and give opinions on the Company's acquisitions and disposals of assets (if the size of such transactions does not require the shareholders' approval), investment on new businesses and other transactions under the relevant laws, notifications and regulations.

(12) Approve and give opinions on the related party transactions (if the size of such transactions does not require the shareholders' approval) of the Company and its subsidiaries under the relevant laws, notifications and regulations.

(13) Approve the interim dividend payment to the Company's shareholders and report such payment to the next shareholders' meeting.

(14) Monitor and manage the conflicts of interest which may occur between the stakeholders of the Company and its subsidiaries and prevent the inappropriate uses of the Company's assets, information and opportunities and related party transactions. Directors, who have conflicts of interest in any matter or changes in the Company's and/ or its subsidiaries' shareholding, must immediately report to the Company.

(15) Approve the policies on the corporate governance, the responsibilities for the society and the anti-corruption and communicate such policies to every level in the organization and outsiders to ensure their compliance.

(16) Ensure that there are whistle blowing process and the procedures, if there is any report.

(17) Emphasize and encourage on innovations, which can create the long-term business value and the benefits to clients or relevant parties and are responsible for the society and the environment.

(18) Establish the committees, such as the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, the Risk Management Committee and/ or other committees to assist and support the performance of duties of the Board of Directors as appropriate.

(19) Appoint the Company Secretary with proper and necessary knowledge and experiences to assist the Board of Directors so that the Company's business operations are in accordance with the relevant laws, notifications and regulations.

(20) Appoint directors or executives of the subsidiaries or affiliates according to the shareholding proportion to oversee their management in order to be in accordance with the Company's policies and their transactions to be in compliance with the laws, including their proper disclosure of financial information, performance, related party transitions and acquisitions or disposals of significant assets.

(21) Seek professional opinions from the external organizations, if necessary, for decision makings.

(22) Prepare the annual report and be responsible for the preparation and correct disclosure of the Company's and subsidiaries' financial statements for the end of the fiscal year, which completely and accurately reflect the financial position and the performance under the acceptable accounting standards and are audited by the Company's Audit Committee,

prior to proposing to the shareholders' meetings for consideration and approval.

(23) Oversee to ensure the statutory rights of shareholders.

(24) Organize the annual general meeting of shareholders within four months of the end of the fiscal year, conduct such meeting transparently and effectively, disclose the meeting resolution and prepare the complete and accurate minutes of such meeting.

(25) Approve any matters on the fair basis and for the benefits of shareholders and all stakeholders of the Company.

(26) Assign a director or directors or other persons to act on behalf of the Board of Directors. Such authorization of duties and responsibilities will not enable the Board of Directors or authorized person (s) to approve the transactions in which they or their related person (s) (as specified in the notification of the SEC and/ or the notification of the Capital Market Supervisory Board and/ or the notification of the SET and/ or as specified by relevant authorities) may have interest or benefits or conflicts of interest with the Company or its subsidiaries, except the approval of transactions which are in accordance with the policy and guideline as approved by the meetings of shareholders or the Board of Directors.

## **2 Audit Committee**

### **Composition**

The Audit Committee consists of at least three independent directors and at least one of the Audit Committee members possess sufficient knowledge and experiences on the accounting or the finance to be able to review the credibility of the financial statements.

The Audit Committee selects one member to be the Chairman of the Audit Committee and appoints the secretary to assist in the performance of duties of the Audit Committee regarding the meeting arrangement, the agenda preparation, the delivery of meeting documents and the minute recording.

### **Roles, Duties and Responsibilities of the Audit Committee**

The Extra-ordinary General Shareholders' Meeting no. 1/2018 dated on 22 May 2018, has approved the charter of the Audit Committee, which specifies the following roles, duties and responsibilities:

(1) Review the Company's financial reporting

to ensure its accuracy and disclose adequate, accurate and complete information.

(2) Review the Company's internal control system and the internal audit systems to ensure the appropriateness and effectiveness.

(3) Consider the independence of the internal audit unit and approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other units in charge of the internal audit.

(4) Oversee that the Company conducts businesses in compliance with the law on securities and exchange, the SET's regulations and notifications and other relevant laws and standards applied to the Company or its businesses.

(5) Consider, select and nominate an independent person to be the Company's auditor, propose remuneration for the auditor as well as attend a non-management meeting with the auditor at least once a year.

(6) Consider the related party transactions or transactions that may lead to conflicts of interest to ensure that they are in compliance with the law on securities and exchange, the SET's regulations and notifications and other relevant laws applied to the Company or its businesses and that the transactions are reasonable and for the highest benefits of the Company.

(7) Prepare the Audit Committee's report, propose to the Board of Directors and disclose it in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and consisted of at least the following information:

- (a) an opinion on the accuracy, completeness and credibility of the Company's financial reports;
- (b) an opinion on the adequacy of the Company's risk management system and internal control systems;
- (c) an opinion on the compliance with the law on securities and exchange, the SET's regulations and notifications or the laws relating to the Company and/ or its businesses;
- (d) an opinion on the suitability of the auditor;
- (e) an opinion on the transactions that may lead to conflicts of interest;



- (f) the number of the Audit Committee's meetings and the attendance of such meetings by each committee member;
- (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter; and
- (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.

(8) Review and propose to the Board of Directors to consider revising the Audit Committee's roles, duties and responsibilities to be consistent with the circumstances.

(9) Inspect or question any relevant personnel regarding any related issues under the authorities of the Audit Committee and hire or bring in specialists to assist with the auditing process.

(10) Hire an advisor or independent person to give opinions or suggestions as appropriate.

(11) Report to the Board of Directors in order that remedial action be taken within time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct as follows:

- (a) a transaction that may cause conflict of interest;
- (b) any fraud, irregularity or material defect in the internal control system; or
- (c) any violation of the law on securities and exchange, the SET's regulations and notifications or other relevant laws applied to the Company or its businesses.

If the Board of Directors' Meeting or Executives are not actioning to improved within a reasonable time one of the Audited Committee may found list above to office of the SEC or the SET.

(12) Consider and approve the annual budget, headcount and necessary resources for the Internal Audit Department/ unit, the annual audit plan and the significant revision of such plan and monitor to ensure the compliance with the approved audit plan and the international

standards in internal audit professional. Also, the Audit Committee shall evaluate the performance of the internal auditor annually and attend a non-management meeting with the chief of the Internal Audit Department/ unit at least once a year to discuss on important issues.

(13) Consider, review and give opinions on the policies on the corporate governance, the social responsibility and the anti-corruption.

(14) Review and give opinions on the corporate governance assessment and social responsibility reports.

(15) Review the accuracy of the reference document and self-assessment form on the anti-corruption measure of Thailand's Private Sector Collective Action Coalition Against Corruption (if any).

(16) Review and propose to the Board of Directors to consider revising the Audit Committee's charter to be consistent with circumstances.

(17) Report the Audit Committee's performance to the Board of Directors every six months.

(18) Perform any other acts as assigned by the Board of Directors and accepted by the Audit Committee.

### **3 Executive Committee**

#### **Composition**

The Executive Committee consists of at least of three members, who are not necessary the Company's directors.

The Executive Committee selects one executive director to be the Chairman of the Executive Committee and appoints the secretary to assist in the performance of duties of the Executive Committee regarding the meeting arrangement, the agenda preparation, the delivery of meeting documents and the minute recording.

#### **Roles, Duties and Responsibilities of the Executive Committee**

The Board of Directors' Meeting no. 1/2018 dated on 28 May 2018, has approved the charter of the Executive Committee, which specifies the following roles, duties and responsibilities:

(1) Determine and propose to the Board of Directors' for approval the Company's visions, strategies, directions, policies, goals, business plan, budget, management structure and authority limits, conduct the businesses as approved by the Board of Directors as well as monitor the operations to ensure the effectiveness and efficiency.



(2) Oversee the operations regarding on the Company's general management by the Management Director/ Chief Executive Officer.

(3) Study on the possibilities of the new investment projects and have authority to consider and approve the investments or joint-investments with any juristic persons or business organizations in the form which the Executive Committee deems appropriate in order to operate the Company's businesses according to its objectives. The Executive Committee can consider and approve the expenditures of such investments, the entering into the juristic acts and/ or any order duties relating to such acts in accordance with its authority limits and/ or as specified by the Board of Directors and/ or as specified by relevant laws and regulations and/ or as specified by the Company's Articles of Association.

(4) Approve the entering into any agreements and/ or transactions relating to the Company's normal businesses, for instance, buying/ selling products and providing/ obtaining services, and for the benefit of achieving the Company's objectives within its authority limits and/ or as specified by the Board of Directors.

(5) Consider and approve the entering in to any transactions with the financial institutions for the purpose of opening account, borrowing, requesting for credit, pledging, mortgaging, guaranteeing and others, including any buying/ selling and registration of land ownership for the benefit of the Company's operations. Moreover, the Executive Committee has the authority to approve the entering into any contract laws or acts and the submission of application and proposal to the official agencies so as to obtain any rights of the Company and/ or the relevant transactions with such matters within its authority limits and/ or as specified by the Board of Directors and/ or as specified by the relevant laws and regulations.

(6) Approve the appointment of any advisors necessary for the Company's operations within the budget as approved by the Board of Directors annually.

(7) Define the remuneration framework, policy and structure to determine the monthly salary, salary increase, bonus, compensations and rewards for employees and executives (excluding the Management Director/ Chief Executive Officer.)

(8) Perform any other acts as assigned by the Board of Directors or as stipulated by the policies which are approved by the Board of Directors.

(9) Review and propose to the Board of Directors to consider revising the Executive Committee's roles, duties and responsibilities to be consistent with the circumstances.

Assign any person (s) to act on behalf of the Executive Committee. Such authorization of duties and responsibilities will not which enable the Executive Committee or authorized person (s) to approve the transactions in which they or their related person (s) (as specified in the notification of the SEC and/ or the notification of the Capital Market Supervisory Board and/ or the notification of the SET and/ or as specified by relevant authorities) may have interest or benefits or conflicts of interest with the Company or its subsidiaries, except the approval of transactions which are in accordance with the policy and guideline as approved by the meetings of shareholders or the Board of Directors.

#### **4 Nomination and Remuneration Committee**

##### **Composition**

The Nomination and Remuneration Committee comprises at least three members, most of whom are independent directors.

The Nomination and Remuneration Committee shall among them select one independent director to be its Chairperson, and appoint the committee's secretary to support its works regarding meeting appointment, preparing meeting agenda, sending meeting documents and making meeting reports.

##### **Scope of Authorities, Duties and Responsibilities of the Nomination and Remuneration Committee**

The Board of Directors' Meeting No. 1/2018 dated 28 May 2018 approved the Charter of Nomination and Remuneration Committee in which the Committee's scope of duties, authorities and responsibilities are specified as follows:

(1) Considering the Board of Directors' structure in terms of the number of directors suitable to the business size, nature and complexity.

(2) Determining the qualifications, criteria and selection of the company's directors and managing director, and selecting and nominating persons with suitable knowledge, experiences and expertise to the Board of Directors or to the Shareholders' Meeting for appointment (as the case may be). In doing so, the Committee shall provide shareholders with adequate information about the nominated persons for decision.

(3) Reviewing criteria and method on selecting directors for proposing to the BOD before selecting directors whose terms have expired. In case that the same director is nominated, the Committee shall take into consideration such director's past performance.

(4) Considering independence of each independent director to ensure that the Company's independent directors have all required qualifications.

(5) Considering the format and procedures of developing the Company's directors, sub-committee members and managing director in accordance with the Company's business and conditions. For newly appointed director, the Committee should oversee the Company to organize an orientation and provide documents and information beneficial for performing his/her duties.

(6) Preparing and reviewing the plan on developing the managing director and high-level executives in order to develop into a succession plan for replacement of managing director or high-level executives who are retired or unable to perform works so that the Company's management is not disrupted.

(7) Developing the remuneration structure, forms and payment criteria (whether in forms of money, securities or others) for directors, sub-committee members and managing director to be appropriate, fair and lawful. And determining the rate of pays, compensations, rewards, bonus, and pay rise for directors, sub-committee members and managing director in order to propose to the Board of Directors' meeting and/or the Shareholders' meeting (as the case maybe) for further consideration.

(8) Developing a guideline on directors' remuneration in accordance with the Company's strategies and long-term goal, experiences, duties, accountability and responsibility, as well as benefits expected to obtain from each director. Directors' remuneration should be at

a rate comparable with others in the same industry. The Committee shall also develop a guideline on the managing director's remuneration in accordance with the Company's main objectives and goals, and long-term benefits.

(9) Developing the evaluation criteria for the Company's managing director and proposing them to the Board of Director for approval.

(10) Reviewing and proposing the Board of Directors to consider amending the scope of authorization, duties and responsibilities of the Nomination and Remuneration Committee according to situations.

(11) Performing any other actions as assigned by the Board of Directors or according to the policy determined by the Board.

## **5 Risk Management Committee**

### **Composition**

The Risk Management Committee shall comprise at least three members. Members of this committee may not necessarily be the Company's directors.

The Risk Management Committee shall among them select one member to be its Chairperson, and appoint the committee's secretary to support its works regarding meeting appointment, preparing meeting agenda, sending meeting documents and making meeting reports.

Scope of Authorities, Duties and Responsibilities of the Risk Management Committee

The Board of Directors' Meeting No. 1/2018 dated 28 May 2018 approved the Charter of Risk Management Committee in which the Committee's scope of authorities, duties and responsibilities are specified as follows:

(1) Identifying and reviewing the characteristics of risks that are facing by the Company or expected to occur which affect the Company; as well as determining the Company's risk appetite.

(2) Formulating the policy on managing external and internal risks to be comprehensive and in line with the business strategies and directions; and proposing it to the Board of Directors for approval. The policy must cover at least the following four risks:

- (a) Financial risk (Financial Risk)
- (b) Operational risk
- (c) Strategic risk
- (d) Compliance risk

(3) Developing strategies and guidelines on risk management that conform with the risk management policy in order to evaluate, monitor and keep the risks at an acceptable level.

(4) Assigning persons to be in charge of carrying out the risk management policy so that the Company has an efficient, companywide risk management system that is implemented constantly.

(5) Designing the structure of and appointing a risk management working group to evaluate and monitor the results of risk management.

(6) Determining budget and responses to existing and potential risks in order to be used as an operational rule for each type of risks, and proposing them to the Board of Directors for approval.

(7) Reviewing the appropriateness and adequacy of the Company's policy, strategies and guidelines on risk management to ensure that such policy, strategies and guidelines are in line with the Company's business strategies and directions; keeping risks at an acceptable level; and giving advice and support to the BOD regarding organizational risk management; as well as promoting and supporting constant and regular improvement and development of a risk management system.

(8) Reporting the Board of Directors about risks and risk management.

(9) Performing any other actions as assigned by the Board of Directors or according to the policy determined by the Board.

## Executives

### Scope of Authorities, Duties and Responsibilities of Managing Director

The Board of Directors' Meeting No. 1/2018 dated 28 May 2018 approved the Managing Director's authorities, duties and responsibilities as follows:

(1) Formulating working plan and annual budget plans of the Company and its subsidiaries as proposed by the management; as well as designing the executive structure and power to be proposed to the Executive Committee and/or the Board of Directors for approval.

(2) Overseeing, administrating, operating and performing business work routine in accordance with the visions, business directions, policy, business strategies, goal, working plans and annual budget plans that have been

approved by the Executive Committee and/or the Board of Directors, and/or as assigned by the Executive Committee and/or the Board of Directors.

(3) Approving entering into a contract and/or any transaction relating to normal business operations (such as sale and purchase, investment or joint investment with others to do the Company's normal transactions for the benefits of achieving the Company's objectives) within the amount set forth in the authority limit and/or as determined by the Executive Committee and/or the Board of Directors, and/or as required by relevant laws, rules and/or the Company's regulations.

(4) Supervising the overall business operations in terms of finance, marketing, human resources management and other areas of works so that they are in conformity with the Company's policy, business strategies, goal, working plans, and annual budget plans that have been approved by the Executive Committee and/or the Board of Directors.

(5) Appointing advisors in areas necessary to the Company's operations within the power and budget set forth in the authority limits, and/or as determined by the Executive Committee and/or the Board of Directors.

(6) Introducing rules, criteria, guidelines, regulations to be implemented in the organizational structure lower than managing director, including employment, appointment, transfer, dismissal and discharge of employees in positions under managing director.

(7) Determining the rate of pays, compensations, rewards, bonus, and pay rise for executive and employees under managing director within a limit and policy specified by the Executive Committee and/or the Board of Directors.

(8) Issuing internal orders, regulations, notices and memorandums so that work operations are in line with the policy and for the benefits of the Company, as well as to maintain discipline in the organization.

(9) Approving operational plans of each line of work; approving requests of each line of work that go beyond their authorities; as well as approving usual transactions in operations according to the capital budgeting or the budget approved by the Executive Committee and/or the Board of Directors. The limit for each

transaction shall be as specified in the authority limits, but not exceeding the annual budget approved by the Board of Directors. This includes entering into contracts relating to such transactions. Important approval authority of Managing Director includes an investment under the budget approved by the Board of Directors at the amount not exceeding 200 million baht, an investment not included in the approved budget at the amount of not exceeding 50 million baht, and other operational expenses at the amount of mostly not exceeding 20 million baht (depending on type of expenses).

(10) Performing any other duties as assigned by the Executive Committee and/or the Board of Directors, including having an authority to take any actions required for performing such duties.

(11) Authorizing any person(s) to perform any action on behalf of the Managing Director. The authorization of duties and responsibilities of Managing Director by no means constitutes an authorization or sub-authorization that enables the Managing Director or his/her attorney(s) to approve any transaction in which ones or persons who may have a conflict of interests (as defined in the Notifications of the Securities and Exchange Commission, the Notifications of Capital Market Advisory Board, the Stock Exchange of Thailand, and/or other relevant agencies) may have stakes in, obtain any benefits from, or may have other conflict of interests with the Company or its subsidiaries, unless such transaction is approved under the policy and criteria that have been approved by the Board of Directors.

## **Nomination and Appointment of Directors and High-level Executives**

### **1 Independence Directors**

The Company has determined the qualifications of the independence directors as follows:

(a) Holding no more than 1 % of total voting shares in the Company, its parent company, its subsidiaries, its associates, major shareholder or controlling party of the Company, including the shareholding of persons related to the independent directors;

(b) Not currently be or never been executive director, worker, employee, salaried consultant, or controlling parties of the Company, parent company, subsidiaries, associates, same-level subsidiaries, major shareholder or controlling party, unless foregoing status has ended not less

than two years prior to the date of appointment except where the independent director(s) was the government officer or consultant of the government agency which is the major shareholder or a controlling person of the Company;

(c) Not be a person related by blood or registration under laws, such as father, mother, spouse, sibling or child, including spouse of the children, executives or majority shareholders or controlling parties or persons to be nominated as director, executive or controlling parties of the Company or its subsidiaries;

(d) Not have business relationship with the Company, its parent company, its subsidiaries, its associates, major shareholder or controlling party in a manner which may interfere with his/her independent judgment and neither being nor having been a significant shareholder or controlling party of any person having business relationship with the Company, its parent company, its subsidiaries, its associates, major shareholder or controlling party, unless the foregoing relationship has ended not less than two years prior to the date of appointment.

Such business relationship includes the normal business transaction, rent or lease of immovable property, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions which result in the Company or its counterparty being subject to indebtedness payable to the other party amounting to three percent or more of the net tangible assets of the Company or twenty million baht, whichever is lower. The value of the business relationship shall be calculated according to the method stipulated by the Capital Market Supervisory Board governing rules on connected transactions. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

(e) Not currently be or never be an auditor of the Company, its parent company, its subsidiaries, its associates, major shareholder or controlling party, and not being a significant shareholder, controlling party, or partner of an audit firm which employs auditors of the Company, its parent company, its subsidiaries,

its associates, major shareholder or controlling party, unless the foregoing relationship has ended not less than two years prior to the date of appointment;

(f) Not currently be or never be any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, its subsidiaries, its associates, major shareholder or controlling party, and neither being nor having been a significant shareholder, controlling party or partner of the professional advisor unless the foregoing relationship has ended not less than two years prior to the date of appointment;

(g) Not be a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;

(h) Not operate a business of the same nature as and in competition with the Company or subsidiaries; nor be the significant partner of the partnership, or executive director, worker, employee, or salaried consultant; or holding more than one percent of the total number of voting shares of any other companies operating the business of the same nature as and in competition with the Company or subsidiaries;

(i) Not under any conditions that may impede the person from having independent views towards the Company's operations.

After being appointed under the abovementioned qualifications, independent directors may be assigned by the Board of Directors to make decisions in a form of collective decision regarding the operations of the Company, its parent company, its subsidiaries, associates, same-level subsidiaries.

## **2 High-level Executives**

In the event that the positions of executive director or managing director become vacant, or a person holding office are unable to perform duties, the Board of Directors will designate another person holding office in similar or next lower level to be in charge in the interim until the nomination and selection of qualified persons under the criteria determined by the Company. The Nomination and Remuneration Committee will determine the qualification and selection criteria, and then nominate a qualified person with knowledge, experiences, skill, vision, and

understanding of corporate culture to the Board of Directors or the shareholders' meeting for appointment.

## **Subsidiaries and Associates' Operation Monitoring**

To monitor the operations of and to protect its investment interests in subsidiaries and associates, the Company has formulated a policy on monitoring and managing its subsidiaries and associates with an objective to set both direct and indirect measures and mechanism that allow the Company to monitor their operations, and to supervise them to observe such measures and mechanism as if they were directly under the Company, as well as to observe laws on public companies, civil and commercial code, securities law, other relevant laws, including notifications, regulations and criteria issued by the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. Details of such measures and mechanism are as follows:

(1) The Company shall appoint its representative to be a director of its subsidiaries or associates pursuant to the proportion of shareholding in each company in order to supervise those subsidiaries or associates to follow the law, good governance policy and other policies of the Company. However, sending such representative must be considered and approved by the Board of Directors taking into account appropriateness in each company.

(2) The board of directors and executives of each subsidiary have important legal duties and responsibilities; for examples, disclosure of financial status and operating performance to the Company, in which relevant laws as well as notifications, regulation and criteria of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand will be applied mutatis mutandis; disclosure and submission of information about their interests and related party to inform the Board of Directors of relationship and transaction with the Company and/or its subsidiary of a nature that may result in a conflict of interests so that the Board of Directors can avoid such conflict of interest.



(3) For any significant transaction or action of a subsidiary affecting the Company's financial status and performance, or falling within a scope of or being an acquisition or disposition of assets as prescribed in the relevant announcement, or connected transaction as prescribed in the relevant announcement, which the Company has to seek prior approval from the Board of Directors' meeting, the shareholders' meeting, or relevant agencies, a subsidiary can only do the transaction or action once the Board of Directors' meeting, the shareholders' meeting or the relevant agency has already approved.

Furthermore, in case of any transaction or incident of a subsidiary that requires the Company to disclose information to the Stock Exchange of Thailand pursuant to criteria set forth in relevant announcements, the director representing the Company in the subsidiary has a duty to promptly inform the Company's management of the subsidiary's plan to do such transaction or of the incident.

(4) The Company will form a working plan and take a necessary action to ensure that its subsidiaries or associates disclose information about their performance and financial status; the Company will take a necessary action and monitor to ensure that its subsidiaries or associates has adequate and appropriate disclosure system and internal control system for their business operations.

(5) Director representing the Company in its subsidiary or associate must monitor and take necessary actions to ensure that the policy and key work plans concerning the subsidiary or associate's operations are regularly reviewed, updated and improved to be suitable for current business conditions.

(6) In case where a joint venture company is a subsidiary, the director representing the Company has to consider, monitor and give necessary advice to the subsidiary; put in place a proper and prudent internal control system to prevent potential corruptions in the Company or its subsidiary; as well as put in place a clear, efficient and effective working system.

(7) For significant operations of a subsidiary, such as appointment or nomination of director in the subsidiary at least according to the proportion of the Company's shareholding in the subsidiary, share buying or selling, material business or assets, capital increase or decrease

in a subsidiary, merger and dissolution of subsidiary, approval of annual budget of a subsidiary of the Company unless specified otherwise in the Company's delegation of authority, the director representing the Company must obtain a prior permission to vote from the Board of Directors before casting vote in the subsidiary's board of directors' meeting.

## Control on Insider Trading

The Company pays attention to preventing insider trading. It is the Company's policy that directors, executives, employees and workers must not, directly or indirectly, with or without returns, disclose or seek benefits for themselves or others from information that potentially impacts the Company's stock price, or information that can jeopardize or impair the Company if being disclosed and regarded as confidential and important information, including secrets and/or non-public information; as well as must not do securities transactions that are based on insider information. To prevent misuse of insider information, the Company has undertaken the following steps:

1. Educate the Company's directors and executives regarding their duty to report to the SEC Office on their holdings of the Company's shares as well as the holdings of their spouse or cohabiting couple, and minor children, including a juristic person whose shares exceeding thirty percent of the total voting rights are held by the director and executives, their spouse or cohabited couple, and minor children. This duty is prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and its amendments with the penalty provision under Section 275. Also, the acquisition or disposition of securities must be reported under Section 246 with the penalty provision under Section 298 of the Securities and Exchange Act B.E. 2535 (1992) and its amendments.

2. Direct the Company's directors and executive, including their spouse or cohabited couple, and minor children, as well as a juristic person whose shares exceeding thirty percent of the total voting rights are held by the director and executives, their spouse or cohabited couple, and minor children to prepare and disclose reports to the SEC Office on the holding of securities and the changes to such holding under the criteria set forth in the Securities and



Exchange Act B.E. 2535 (1992) and its amendments, as well as submit a copy of such reports to the Company on the same day that the originals are submitted to the SEC Office.

3. Direct that directors, executives, employees and workers of the Company and its subsidiaries with the knowledge of or possession of material insider information which has or may have an impact on the change of securities price, including persons presumably knowing or having in possession the insider information under the Securities and Exchange Act B.E. 2535 (1992) and its amendments, must refrain from doing transactions of the Company's securities during

one month prior to the disclosure of the financial statements or such information to the public. And within 24 hours after the disclosure to the public, persons relating to such information must not disclose the information to any other persons until the submission to the Stock Exchange of Thailand. Any actions in violation of the above regulation will be deemed as disciplinary offence under the Company's Article of Associations and such persons will be proportionately punished based on intention and seriousness, ranging from verbal warning, written warning, probation, pay cut, suspension without pay to dismissal.

# Details of Directors, Executives, Controlling Persons and Company Secretary

## Mr. Chatrchai Tuongratanaphan

(Aged 63)

Chairman of the Board of Directors  
Independent Director  
Member of Audit Committee  
Chairman of Nomination and Remuneration Committee

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor of Science (Chemistry), Mahidol University
- Master Degree in International Marketing, United States International University
- Doctor of Philosophy in International Business, United States International University

**Training Course for Director :**

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Independent Director/Member of Nomination and Remuneration Committee of Aisance Co., Ltd.
Present	Independent Director of Vat Refund Center (Thailand) Co., Ltd.
Present	Advisor to Thai Resellers Association

## Mr. Adisak Tangmitrphracha

(Aged 66)

Vice Chairman of the Board of Directors  
Chairman of Executive Committee  
Member of Risk Management Committee  
Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 11.64 %

**Proportion of Indirect Shareholding :** 12.12 %

**Proportion of Shareholding by Spouse and Minor Children :**

8.73 %

**Family Relationship between Director and Executive**

Spouse of Mrs. Nataya Tangmitrphracha,  
Father of Ms. Ariya Tangmitrphracha,  
Mrs. Salitip Ruangsuttipap and  
Mr. Maruay Tangmitrphracha

**Educational Qualifications :**

- Bachelor's Degree in Engineering, Khon Kaen University

**Training Course for Director :**

- Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co., Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co., Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co., Ltd.
Present	Director, Dohome Express Co., Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director Dohome Holding Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director Aladdin Shoponline Co., Ltd.
Present	Director Ubon Watsadu Co., Ltd.
Present	Director Turbocash Insurance Broker Co., Ltd.

## Mrs. Nataya Tangmitrphracha

(Aged 65)

Director  
Deputy Executive Committee  
Member of Nomination and Remuneration Committee  
Deputy Managing Director  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 8.73 %

**Proportion of Indirect Shareholding :** 12.12 %

**Proportion of Shareholding by Spouse and Minor Children :**

11.64 %

**Family Relationship between Director and Executive**

Spouse of Mr. Adisak Tangmitrphracha,  
Mother of Ms. Ariya Tangmitrphracha,  
Mrs. Salitip Ruangsuttipap and  
Mr. Maruay Tangmitrphracha

**Training Course for Director :**

- Director Accreditation Program (DAP)  
Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co., Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co.,Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co.,Ltd.
Present	Director, Dohome Express Co.,Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director Dohome Holding Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director Aladdin Shoponline Co., Ltd.
Present	Director Ubon Watsadu Co., Ltd.

## Ms. Ariya Tangmitrphracha

(Aged 37)

Director  
Member of Executive Committee  
Deputy Managing Director - Operations and Procurement  
Assistant Managing Director - Procurement  
Authorized Director to sign on behalf of the Company as stipulated in the Company Certificate

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 5.82 %

**Proportion of Indirect Shareholding :** 3.46 %

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

Daughter of Mr. Adisak Tangmitrphracha and  
Mrs. Nataya Tangmitrphracha,  
Elder sister of Mrs. Salitip Ruangsuttipap and  
Mr. Maruay Tangmitrphracha

**Educational Qualifications :**

- Bachelor's Degree in Marketing,  
Chulalongkorn University

**Training Course for Director :**

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP),  
Thai Institute of Directors Association (IOD)
- Financial Statements for Directors (FSD),  
Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP),  
Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co.,Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co.,Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co.,Ltd
Present	Director, Dohome Express Co.,Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director, TMPC Trading Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd
Present	Director Ubon Watsadu Co., Ltd.
Present	Director, BCP Development Co., Ltd.
Present	Director Dohome Holding Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director Aladdin Shoponline Co., Ltd.
Present	Director Ubon Watsadu Co., Ltd.
Present	Director Turbocash Insurance Broker Co., Ltd.

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## Mrs. Salitip Ruangsuttipap

(Aged 36)

Director  
Member of Executive Director  
Deputy Managing Director - Accounting,  
Finance and Organization Support  
Assistant Managing Director - Accounting and Finance  
Acting Deputy Assistant to Senior Vice President -  
Accounting and Finance  
Acting Assistant Finance Director  
Authorized Director to sign on behalf of the Company  
as stipulated in the Company Certificate

**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** 5.82%

**Proportion of Indirect Shareholding :** 3.46 %

**Proportion of Shareholding by Spouse and  
Minor Children :**

- None -

**Family Relationship between Director and Executive**

Daughter of Mr. Adisak and Mrs. Nataya Tangmitrphracha,  
Younger sister of Mrs. Salitip Ruangsuttipap,  
and Elder sister of Mr. Maruay Tangmitrphracha

**Educational Qualifications :**

- Bachelor's Degree in Economics,  
Thammasart University

**Training Course for Director :**

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP),  
Thai Institute of Directors Association (IOD)
- Financial Statements for Directors (FSD),  
Thai Institute of Directors Association (IOD) IOD
- Advanced Audit Committee Program (AACP),  
Thai Institute of Directors Association (IOD)

**Training in 2019 :**

- Company Secretary Program (CSP),  
Thai Institute of Directors Association (IOD)

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co.,Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director, Dohome Automation Co.,Ltd.
Present	Director, Dohome Energy Co., Ltd.
Present	Director, Turbocash Co., Ltd.
Present	Director, AN Capital Co., Ltd.
Present	Director, ASM Real Estate Co.,Ltd
Present	Director, Dohome Express Co.,Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director TMPC Property Co., Ltd.
Present	Director ASM Land Co., Ltd.
Present	Director, TMPC Trading Co., Ltd.
Present	Director, Thong Mawin Capital, Co.Ltd.
Present	Director, Thuntarin Co., Ltd.
Present	Director, Money OK Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd
Present	Director, Ubon Watsadu Co., Ltd.

## Mr. Maruay Tangmitrphracha

(Aged 28)

Director  
Member of Executive Committee  
Deputy Managing Director information  
Technology and E-commerce

**Date of Appointment :** 3 July 2019

**Proportion of Direct Shareholding :** 5.82%

**Proportion of Indirect Shareholding :** 3.46 %

**Proportion of Shareholding by Spouse and  
Minor Children :**

- None -

**Family Relationship between Director and Executive**

Son of Mr. Mr.Adisak Tangmitrphracha and  
Mrs. Nataya Tangmitrphracha,  
Brother of Ms. Ariya Tangmitrphracha and  
Mrs. Salitip Ruangsuttipap

**Educational Qualifications :**

- Bachelor's Degree in Information and Communication  
Engineering, Chulalongkorn University
- Global MBA Program, University of Michigan

**Training Course for Director :**

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)

**Training in 2019 :**

- None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Director, Dohome Group Co., Ltd.
Present	Director, Kiddee Logistics Co., Ltd.
Present	Director Dohome Express Co., Ltd.
Present	Director, TMPC Property Co., Ltd.
Present	Director, TMPC Trading Co., Ltd.
Present	Director S.Ubon Watsadu Co., Ltd.
Present	Director, Aladdin Shoponline Co., Ltd.
Present	Director, Ubon Watsadu Co., Ltd.
Present	Director, ASM Real Estate Co., Ltd.
Present	Director, ASM Consultant Co., Ltd.
Present	Director, ASM Land Co., Ltd.
Present	Director, AN Capital Co., Ltd.

## Ms. Pikun Somwan

(Aged 48)

Director

Advisor to the Executive Committee

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**Date of Appointment :** 28 July 2018

**Proportion of Direct Shareholding :** 0.01 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree in Accounting, The Eastern University of Management and Technology

**Training Course for Director :**

- Financial Statements for Directors (FSD), Thai Institute of Directors Association (IOD)
- Company Secretary Program (CSP), Thai Institute of Directors Association (IOD)
- Company Reporting Program (CRP), Thai Institute of Directors Association (IOD)
- Board Reporting Program (BRP), Thai Institute of Directors Association (IOD)
- Effective Minutes Taking (EMT), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

- None -

## Mr. Chalit Thongprayoon

(Aged 63)

Director

Independent Director

Member of Audit Committee

Chairman on Risk Management Committee

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**Date of Appointment :** 28 May 2018

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree, Doctor of Medicine, Mahidol University
- Diploma of Thai Medical Council in Surgery
- Bachelor of Business Administration in Golf Management, Ramkhamhaeng University
- Master of Business Administration in Golf Management, Ramkhamhaeng University

**Training Course for Director :**

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Successful Formulation & Execution the Strategy (SFE), Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AAP), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

Present	Assistant Hospital Director, Bangkok Hospital
2013 - 2017	Hospital Director, Sunpasithiprasong Hospital

## Mr. Suvait Theeravachirakul

(Aged 60)

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

**Date of Appointment :** 26 April 2019

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree in Accounting, Ramkhamhaeng University
- Master of Business Administration, Wagner College
- Executive Program in Capital Market (CMA), Capital Market Academy
- Senior Executive Certificate in Anti-Corruption Strategic Management, Sanya Dharmasakti National Anti-Corruption Institute (SDI),
- Top Executive Program in Energy Literacy Thailand Energy Academy (TEA), Thailand Energy Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, UTCC

**Training Course for Director :**

- Successful Formulation & Execution the Strategy (SFE), Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)

**Training in 2019 :**

- Top Executive Program for Creative & Amazing Thai Services, UTCC

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

2009 - Present Chief of Executive Officers, MBK Plc.  
2002 - Present Director, Member of Executive Committee and President, MBK Plc.  
2007 - Present Independent Director and Member of Audit Committee, IFS Capital (Thailand) Plc.  
2005 - Present Independent Director/Member of Audit and Risk Management Committees, Thai Rung Car Plc.  
2017- Present Vice Chairman of the Board of Director, Patum Rice Mill and Granary Plc.  
2016 - Present Member of Nomination and Remuneration Committee, Patum Rice Mill and Granary Plc.  
2009 - Present Vice Chairman of Executive Committee, Patum Rice Mill and Granary Plc.  
2007 - 2018 Chairman of Executive Committee, Royal Orchid Hotel (Thailand) Plc.  
2000 - 2007 Member of Executive Committee, Royal Orchid Hotel (Thailand) Plc.

**Positions in non-listed companies :**

Present Chairman of the Board of Director and Director, Subsidiaries and Associates of MBK Plc.

## Ms. Sopawadee Lertmanaschai

(Aged 66)

Director  
Independent Director

**Date of Appointment :** 3 July 2019

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree, Commerce and Accountancy, Thammasart University
- Bachelor's Degree in Laws, Thammasart University
- Master's Degree, Commerce and Accountancy, Thammasart University
- The Wharton Advanced Management Program, University of Pennsylvania

**Training Course for Director :**

- Successful Formulation & Execution the Strategy (SFE), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)

**Training in 2019 :** - None -

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

2019 - Present Director and Chairperson of Audit Sub-committee, the Stock Exchange of Thailand  
2018 - Present Chairperson of Audit Committee and Independent Director, Central Plaza Hotel Plc.  
2015 - Present Chairperson of Audit Committee and Independent Director, Maybank Kim Eng Securities (Thailand) Plc.  
2014 - Present Independent Director, Member of Audit Committee and Strategic and Organizational Review Committee, Intouch Holdings Plc.  
2014 - Present Advisor to Chairman of the Board, Member of Investment Committee, Dhipaya Insurance Plc  
2014 - 2015 Independent Director and Member Audit Committee, CIMB Thai Bank Plc.

**Positions in non-listed companies :**

Present Director, Dohome Group Co., Ltd.  
Present Director, Kiddee Logistics Co., Ltd.  
Present Director Dohome Express Co., Ltd.  
Present Director, TMPC Property Co., Ltd.  
Present Director, TMPC Trading Co., Ltd.  
Present Director S.Ubon Watsadu Co., Ltd.  
Present Director, Aladdin Shoponline Co., Ltd.  
Present Director, Ubon Watsadu Co., Ltd.  
Present Director, ASM Real Estate Co., Ltd.  
Present Director, ASM Consultant Co., Ltd.  
Present Director, ASM Land Co., Ltd.  
Present Director, AN Capital Co., Ltd.



## Mr. Tarin Thaniyavarn

(Aged 35)

Director

Independent Director

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**Date of Appointment :** 3 July 2019

**Proportion of Direct Shareholding :** - None -

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- HBA, Exchange Program,  
The University of Western Ontario - Richard Ivey  
School of Business
- BBA, Finance, Thammasat University
- MBA, Business Administration, Finance,  
The Wharton School, University of Pennsylvania

**Training Course for Director :** - None -

**Training in 2019 :**

- Director Accreditation Program (DAP),  
Thai Institute of Directors Association (IOD)

**Work Experiences in the Past 5 Years in Brief :**

**Positions in other listed companies on SET :**

- None -

**Positions in non-listed companies :**

2018 - Present	Country Head, Thailand Grabtaxi (Thailand) Co.,Ltd.
Present	GTT 1 Co., Ltd.
Present	GTT 1 Co., Ltd.
2015 - Present	EVP, Group Strategy and Government Relation / EVP, Chief Commercial Officer Lazada Group
2007 - 2015	Project Leader BCG, The Boston Consulting Group

## The Management Team

### Mr. Aphiyuch Fookul

(Aged 45)

Assistant Managing Director - Information Technology

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**Proportion of Direct Shareholding :** 0.00 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor of Science in Computer Science, Ubon Ratchathani Rajabhat University

**Work Experiences in the Past 5 Years in Brief :**

2018 - Present	Assistant Managing Director - Information Technology
2015 - 2018	Manager of System and Information Development
2014 - 2015	Manager of Programmer

### Mrs. Phannee Khetchompoo

(Aged 35)

Assistant Managing Director - Marketing Administration

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**Proportion of Direct Shareholding :** 0.00 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor of Business Administration (General Management), Ubon Ratchathani University

**Work Experiences in the Past 5 Years in Brief :**

2018 - Present	Assistant Managing Director - Marketing Administration
2017 - 2018	Manager of Overseas Trade Administration Center
2016 - 2017	Head of Trade Administration Center
2014 - 2016	Domestic purchasing officer

### Mrs. Jintana Koontawee

(Aged 45)

Assistant Managing Director - Operations

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**Proportion of Direct Shareholding :** 0.01 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Diploma of Marketing, Chanapolkhan Technological College

**Work Experiences in the Past 5 Years in Brief :**

2018 - Present	Assistant Managing Director - Operations
2016 - 2018	Manager of Retail Setup
2014 - 2016	Manager of Ubon Ratchathani Store Development
2014 - 2015	Manager of Programmer

### Mrs. Nongyao Sa-art

(Aged 52)

Assistant Managing Director - Human Resources

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**Proportion of Direct Shareholding :** 0.00 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree in Management, Eastern University of Management and Technology

**Work Experiences in the Past 5 Years in Brief :**

2018 - Present	Assistant Managing Director - Human Resources
2014 - 2018	Manager of Personnel and Facility

## Company Secretary

### Ms. Nuchanat Montinard

(Aged 35)

Assistant Accounting Director

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**Proportion of Direct Shareholding :** 0.00 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor in Accounting,  
Mahasarakham University

**Work Experiences in the Past 5 Years in Brief :**

2018 - Present	Assistant Accounting Director
2017 - 2018	Accounting Officer (General Ledger)
2014 - 2017	Accounting Officer (Account Payable)

### Ms. Mayuree Seeta

(Aged 38)

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**Proportion of Direct Shareholding :** 0.01 %

**Proportion of Indirect Shareholding :** - None -

**Proportion of Shareholding by Spouse and Minor Children :**

- None -

**Family Relationship between Director and Executive**

- None -

**Educational Qualifications :**

- Bachelor's Degree in Accountancy,  
Ubon Ratchathani Rajabhat University
- Studying in Master of Business Economics Program,  
Thammasart University

**Training Course for Director :**

- Fundamentals for Corporate Secretaries,  
Thai Listed Companies Association
- Company Secretary Program (CSP),  
Thai Institute of Directors Association (IOD)
- Board Reporting Program (BRP),  
Thai Institute of Directors Association (IOD)

**Work Experiences in the Past 5 Years in Brief :**

2017 - Present	Corporate Governance Director and Company Secretary
2016 - 2017	Assistant Accounting Manager, Teo Hong Silom Company Limited
2014 - 2016	Assistant Accounting and Finance Manager

# Corporate Social Responsibility (CSR)



The Company recognizes the importance of sustainable business growth with corporate social responsibility, by doing business with care to stakeholders, economy, society and environment in a fair, ethical and moral manner. The Company hopes that business operation with corporate social responsibility would bring common benefits and the Company's growth at the same time. The Company has formulated a corporate social responsibility policy as follows:

## Business Operation with Equity

The Company commits to operation in a integrity, fair and ethical way, and determines to compete in accordance with the business ethics, laws and a principle of fair competition; as well as rejects any behaviors that impede fair competition, such as not seeking confidential information of competitors, and not requesting, obtaining or giving any corrupting interests. Moreover, the Company also respects the others' rights to intellectual property by directing its

personnel to follow laws or regulations concerning intellectual property, like using only lawful copyrighted software. The Company also promotes and raises the awareness of social responsibility among personnel in all levels.

## Anti-Corruption

The Company administers based on transparency, ethics, good governance and compliance with the laws against corruption, bribery of public official or private sector. The Company's organizational structure has been designed to clearly separate functions, procedures and chain of command of each unit in order to create proper checks and balances. The Company also sets out guidelines for directors, executives and employees as follows:

(1) Directors, executives and employees shall not directly and indirectly do or accept corruptions of all forms, with all agencies concerned. In this regard, anti-corruption due diligence shall be conduct regularly.

(2) Directors, executives and employees have a duty to report to the Company on any actions falling into a scope of corruptions relating to the Company, by informing their supervisors or responsible persons and cooperating in relevant investigations.

(3) The Company shall give fair treatment to and protect whistleblowers of corruption action, including persons cooperating in reporting and investigating such corruption.

(4) The Board of Directors, the Executive Committee and the management shall be an example for others in relation to anti-corruption, and shall be obliged to promote and support the anti-corruption policy in order to communicate it to all employees and parties concerned; as well as shall review the policy and measures to be proper to changes in business conditions, rules, regulations, and legal provisions.

(5) Disciplinary actions shall be taken against a person who is involved in corruption in accordance with the Company's regulation, as well as legal penalty in case of violating the law.

(6) The Company shall have the anti-corruption policy communicated to units in all levels through several channels, such as employee training and corporate communication, so that persons concerned are aware of and implement the policy.

(7) The Company shall arrange a whistleblowing channel by promoting different channel of communication so that employees and stakeholders can tip off any reasonable doubts; arrange a measure to protect whistleblowers by strictly covering their identity in order to avoid being unfairly punished or transferred; as well as appoint responsible persons to inspect every tip-offs.

(8) The Company shall encourage its counterparties, partners or other persons working in relation to the Company to report any violations of the Company's anti-corruption policy.

(9) The Company has a policy on personnel recruitment and selection, promotion, training, work evaluation, and employee and worker remuneration that is based on integrity in order to prevent internal corruption and provide security to the Company's employees and workers.

(10) The Company enforces a disbursement regulation and a procurement regulation determining limits, appropriate authority matrix

for each level, transaction objectives and receivers which must be accompanied by documents.

(11) Regarding the following matters that are highly prone to corruptions, the Company's directors, executives and employees shall carefully carry out and closely consider.

(11.1) Giving, offering or receiving gifts and entertainment activities must be carried out in a transparent and lawful way conforming with normal business practices or customs at a proper value.

(11.2) Giving or receiving donations or contributions must be carried out in a transparent and lawful way, ensuring that such giving or receiving is not a cover for bribery.

(11.3) Business activities, contacts, negotiations, bidding and other activities with public or private sectors must be transparent and lawful. The Company's directors, executives, employees and workers shall not offer or take a bribe throughout the whole business operations.

## Respect for Human Rights

It is the Company's policy to promote and protect human rights by treating all people concerned, whether employees, communities and surrounding societies, with respect for the value of human being, bearing in mind the equality and freedom, not violating the basic rights, and not discriminating on the grounds of race, nationality, religion, language, skin color, gender, age, education, physical condition or social status. The Company also monitors that its business does not involve in any human rights violations such as child labor and sexual harassment. In addition, the Company is being watchful for compliance with human rights obligations by providing opportunities for expressing opinions and channels for complaints of injured persons whose rights have been violated by the Company's business operations, as well as providing proportionate remedies.

To make respect for human rights become more effective, the Company has developed knowledge on human rights and raised consciousness of human rights principle among its personnel.



## Fair Treatment of Labors

The Company realized the importance of human resources development and fair treatment of labors which can increase the business's value and strengthen the Company's competitiveness and sustainable growth in the future. Policy and practices in this matter have been set out as follows:

(1) Respect the rights of employees according to human rights principle and observe a labor law;

(2) Have in place an equitable employment procedure and employment conditions, as well as determine remuneration and measure performance under an impartial evaluation process;

(3) Encourage personnel improvement by organizing in-house training and seminars, and sending personnel to join seminars and training on relevant areas in order to improve their knowledge, capability and potential; as well as develop positive attitude, morality, ethics and teamwork skill for personnel;

(4) Provide welfares for employees as required by law such as social security, beyond the law such as health insurance and accident insurance, as well as various kinds of allowance such as scholarships for children of employees and funeral allowance;

(5) Provide annual physical check-up for personnel at all levels based on the level of risk factors in relation to age, gender and working environment of each person;

(6) Ensure a safe working environment and hygienic work place by imposing accident prevention measures, establishing safety consciousness among employees, as well as train and encourage employees to have hygiene and keep work place safe and hygienic;

(7) Open an opportunity for employees to express their opinions or complain about unfair treatment or wrongful actions in the Company, as well as provide protection to such employees.

## Responsibility to Customers

The Company commits to develop its products and services for the utmost satisfaction and benefits of customers, as well as adhere to treating customers with responsibility and integrity as follows:

(1) Importantly, the Company concern about product quality and standard and service efficiency by focusing on using quality raw materials and standardized production, as well as developing a service administration system so that customers receive quality, hygienic products and services, as well as the highest satisfaction.

(2) The Company has a plan to constantly invent and develop new products and services to meet customers' demand so that customers can use a variety of quality and standardized products and services as required.

(3) The Company adheres to ethical marketing and has a policy to provide correct, undistorted, clear and unexaggerated information about its products and services so that customers can make decision based on correct and adequate information.

(4) The Company concerns about customer safety and aims for providing customers with product and services of quality and safety under international standard and regulation and as required by laws. The Company always develop, design and invent products and services so that customers can have confidence in the Company's products and services in terms of quality, standard and safety.

(5) The Company has introduced a customer relations system for communicating with customers and taking complaints about quality of product and service in order to quickly respond to customers' needs.

(6) Customer information will be kept confidential and will not be abused.

(7) The Company has organized activities to promote long-lasting relationships among customers and between customers and the Company.

## Environmental Care

The Company has paid attention to corporate social responsibility in relation to environmental care by exercising and controlling its production and service provision to strictly abide by environmental laws.

## Community or Social Development

The Company recognizes the importance of sustainable business growth with corporate social responsibility, by doing business with care to stakeholders, economy, society and environment in a fair, ethical and moral manner. The Company hopes that business operation with corporate social responsibility would bring common benefits and at the same time the Company's growth towards being a leader in retail, wholesale and service business of comprehensive home products. The Company commits to conduct business while emphasizing on corporate social responsibility in order to enhance the quality of life of people in communities, as well as willfully improving environmental quality in a sustainable way.

The Company is ready to take part in sponsoring projects of schools, religious institution, medical centers and government agencies; as well as providing assistance to communities suffered from disasters in order to reinforce and strengthen the communities and the business growth simultaneously.

## Flood Victims Assistance Program

### Dohome Recharge to Fight Floods

Following the floods in Ubon Ratchathani with widespread damage that directly caused people in more than 25 districts to be short of foods, medicines, clothes, etc., the Company realized the impact of such incident on communities around the location of Dohome Ubon Ratchathani which have had close relation with the organization for a long time. With concern for people and to demonstrating corporate social responsibility, the Company therefore initiated the project “Dohome Recharge to Fight Floods”, together with public agencies i.e. Warinchamrab Municipality and Sawang Bucha Thamma Sathan Foundation and donated consumable goods at a total value of 838,500 baht.



The Company also joined the SAVEUBON campaign of Ruamkatanyu Foundation managed by Bin Bunluerit, donating consumable goods to people from 21 communities (16,240 households).

### Dohome, Fill Spirit , Fill Love

Apart from direct sponsorship to public sector, the Company also joined hands with its business alliance to do fundraising for the flood victims through the project “Dohome, Fill Spirit, Fill Love” in which donations were given to



13 communities (2,860 households) at a total value of 818,500 baht. The Company also helped its employees affected by the floods at an amount of 303,000 baht. The total donation under this project was 1,121,500 baht.



## Scholarship Programs and Activities of Schools

With an ambition to enhance the people's quality of life, the Company recognizes the importance of education as a foundation for improving the quality of life, and therefore has sponsored learning activities in which students

are involved in useful activities. In 2019, the Company provided educational sponsorships to 40 schools, at a total amount of more than 528,935.05 baht.



## Fostering Religion

Recognizing the importance of religious institution as a community's spiritual anchor, the Company took part in religious activities and gave the requisites to the monks; for examples, giving chandeliers for decorating the chapel of Wat Maha Wannaram in Ubon Ratchathani valued 3,780,680 baht in total, and contributions to other religious project and activities at a total value of 205,077 baht.



## Support to Public Sector

The Company readily cooperates with all sectors in order to assist, facilitate and support a sustainable quality of life improvement. The Company donated medical equipment to



Apart from supporting public hospitals, the Company has also supported more than 164

Sunpasit Hospital, Ubon Ratchathani, such as electrocardiograph machines valued 2,000,000 baht, and jointly with the business alliance donated an ambulance valued 2,500,000 baht.



activities for public benefits organized by other agencies, valued more than 611,575 baht in total.

## Possession of and Diffusion of Innovations Derived from Business Operations with Responsibilities towards Society, Environment and Stakeholders

The Company has adopted the concept of social responsibility and invented business innovations that bring about social benefits and business competitiveness. Existing business processes are examined to see whether they are causing any risks or negative impacts on the society and environment; and the Company

then explores an approach to mitigate such impacts. Work procedures are also thoroughly scrutinized in all aspects in order to open up an opportunity for the discovery of business innovation and the sustainable growths business and profits.

# Internal Control and Risk Management



## The Opinion of the Board of Directors on the Company's Internal Control System

The Board of Directors has realized the importance of directing the Company to have a suitable internal control to bring about efficient operations and reasonable confidence that the Company's operations can achieve the operational objectives or goals at every level, in terms of strategy, operation and reporting, as well as compliance with relevant policies, rules and regulations. Therefore, the Board has assigned the Audit Committee composed of independent directors to conduct due diligence on adequacy and effectiveness of the internal control system and report to the Board regularly.

The Board of Directors and the Audit Committee jointly evaluated the adequacy of the Company's internal control for the year 2019 according to the SEC's Internal Control Sufficiency Evaluation Form which cover five areas i.e. organization and environment, risk management, control executive activities, information &

communications system, and monitoring system. After reviewing, the Audit Committee and the Board of Directors opined that the Company's internal system is proper and adequate.

In addition, the Company has set up its internal audit unit together with KPMG Phoomchai Audit Company Ltd. to regularly evaluate the adequacy and effectiveness of the internal control system in relation to internal operations or activities, including the risk management and governance system in order to ensure that competent internal control is in place and the internal control system is implemented. In this regard, an annual internal audit plan is prepared and proposed to the Audit Committee for approval, and the results of internal audit activities are directly reported to the Audit Committee in a regular basis for review so that such reporting is autonomous and has factual accuracy.



## Organization and Environment

The Company's organizational structure has been designed to permit the flow of works pursuant to a changing business situation, and to facilitate the operational control by the management, starting from the composition of the Board of Directors, which comprises six members who are executive directors and five members who are external expert members of the Audit Committee and independent directors, allowing a proper and efficient checks and balances in managerial decision making.

The Company has designed its organizational structure by clearly separating work functions and the responsibilities. Moreover, the Company sets business goal and devours strategic plan. Which has been cooperated among executives and management team. Thus, the Company's business goal will be certainly and effectively archived as a plan.

Also, the Company has established the internal audit unit that answers directly to the Audit Committee as another unit to promote, monitor, evaluate and improve the Company's internal control system.

## Risk Management

Regarding planning and administration, the Company has a procedure to formulate an annual work plan with precise and measurable goals under the corporate visions. The procedure includes the analysis of risks concerned in order to develop operational strategies and have proper indicator and follow-up tools. During the implementation of the work plan, risk factors that may affect the implementation are constantly monitored and assessed in order to adjust the strategies or take measures to promptly prevent and handle the risks in case of any change or increase in the risks from the level previously assessed in the planning stage.

## Control Executive Activities

The Board of Directors has established its sub-committees including the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee that have rigorously and duly performed within the assigned scope of duties and responsibilities.

Regarding administration, the Company has defined the scope of authorities, duties and

responsibilities for each function on a basis of decentralization and has in place measures to oversee the corporate regulation and legal compliance in the Company and its subsidiaries.

The Company has developed a clear vision to establish unidirectional operations of all units and has thoroughly and regularly conveyed information about operations.

Additionally, the Company has gathered and produced a corporate culture of which activities has been steadily promote in order to create unified and consistent values, practices and working environment. The Company believes that such corporate culture can be another mean to encourage employees to perform their duties and responsibilities with integrity and be momentum for success in the future.

## Information & Communications System

The Company has developed the information & communications system that focuses on the accuracy of information, necessity and adequacy, appropriate content, up-to-date system and easy-to-access for people concerned. The Company has also adopted a security system in order to secure the access to important or confidential information against unauthorized persons.

## Monitoring System

The Company's executives have constantly monitored its work performance; while responsible employees have prepared work progress reports, thus creating factual monitoring and reporting procedures that contribute to efficient administration, decision making and problem solving. The internal audit unit has also been established in order to regularly monitor and evaluate the adequacy of internal control.

## Information of the Head of Internal Audit

In its meeting on 15 May 2018, the Audit Committee has appointed Ms. Naralai Phromsarn to be the Head of Internal Audit, having a duty to examine the Company's internal control system and directly report the examination results to the Audit Committee.

Moreover, the Company has designated KPMG to support the implementations of Head of Internal Audit in order to make the examination of internal control system more efficient. Key persons responsible for this matter are Mr. Suphachet Kunaluckkul and Ms. Naipaporn Sakulyad.

Details of the evaluation of the adequacy of internal control are shown in the Internal Control Sufficiency Evaluation Form in Annex 3.

# Report of the Audit Committee

The Audit Committee of Dohome Public Company Limited comprises three independent directors appointed by the Board of Directors. Each of them is not involved in management and is fully qualified and in line with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Composition of the Audit Committee is:

- |    |               |                  |                                 |
|----|---------------|------------------|---------------------------------|
| 1. | Mr. Suvait    | Theeravachirakul | Chairman of the Audit Committee |
| 2. | Mr. Chatrchai | Tuongratanaphan  | Member of the Audit Committee   |
| 3. | Mr. Chalit    | Thongprayoon     | Member of the Audit Committee   |

The Committee's secretary is Ms. Naralai Phromsarn, Head of Internal Audit.

All members of the Committee are knowledgeable, capable and experienced persons who perform their duties and responsibilities with prudence and adequate independence under the Audit Committee Charter. During the past year, the Audit Committee had a total of five meetings. Key duties performed by the Committee can be summarized as follows:

## 1. Review of Financial Reports

The Audit Committee reviewed the quarterly and annual financial statements, consolidated financial statements of the Company and its subsidiaries jointly with the Auditor, the management of finance & accounting and the management of internal audit. The Committee's duties included reviewing the accuracy and completeness of the financial statements, adjusting material entries, accounting estimates, appropriateness of accounting policy, observations of the Auditor in key issues, as well as changes in Thai auditing and financial reporting standards, disclosure of financial statements which are adequate, timely and beneficial to users. The Auditor gave an unqualified opinion that the Company's financial statements were accurate and reliable in compliance with the financial reporting standard.

## 2. Review of the Internal Control System

The Audit Committee reviewed the evaluation of adequacy of the Company's internal control system based on the reports of the Internal Auditor and the Auditor in order to ensure that the Company's internal control was appropriate and adequate for preventing and mitigating potential risks. The Committee opined that the Company's internal control system was adequate and effective for its business operations.

## 3. Risk Management

The Audit Committee reviewed and assessed the efficiency of the Company's risk management process by establishing the Risk Management Working Group to consider and identify major risks, as well as propose a risk management plan and monitor the result of risk management that might affect the Company's goals and strategies.

## 4. Legal Compliance

The Audit Committee reviewed the Company's operations to ensure compliance to the laws relating to the Stock Exchange of Thailand and governing regulations of the Company, as well as acknowledged any changes of rules and regulations that might affect the Company's operations.

## 5. Related Party Transactions or Transactions that May Have Conflict of Interests

The Audit Committee reviewed and gave opinions about the Company's related party transactions or transactions that may have conflict of interests in order to consider whether such transactions were conducted according to reasonable normal business conditions as prescribed by the SET. In this regard, the Committee viewed that the Company had operated under the prescribed criteria, according to normal business practices, in a reasonable manner, with sufficient information disclosure, and for the benefits of stakeholders.

## 6. Supervision of Internal Audit

The Audit Committee reviewed the internal audit system in order to evaluate the efficiency of the Internal Audit Unit based on auditing principles. In doing so, the Committee emphasized on the level of business risks, annual internal audit plan, information from the internal audit reports, monitoring of corrections as specified in the reports and examination in key issues. The Committee also gave recommendations on how to improve the internal audit process to be efficient and effective, as well as evaluated annual performance of the Internal Audit Unit. The Committee viewed that the Company's internal audit had independence, appropriateness and effectiveness that would contribute to good internal control, risk management and good governance.

## 7. Review of Anti-Corruption

The Audit Committee reviewed the anti-corruption efforts, including reviewing preventive anti-corruption measures and approaches in systems of work. Procedures for handling complaints and whistleblowing and protection of whistleblowers were determined, with which persons involved in investigation were required to fully comply.

## 8. Selection and Appointment of the Auditor for the Year 2019

The Audit Committee considered and selected the Auditor, taking into account independence, reputation, past works and appropriate remuneration. This year the Auditor for Pricewaterhouse Coopers ABAS Ltd. was proposed to and approved by the Board of Directors be the Company's Auditor in the Board of Directors' meeting No. 1/2562.

In summary, the Audit Committee has been independently carrying out its duties with prudence, transparency and work ethics as stipulated in the Audit Committee Charter approved by the Board of Directors. The Committee was of the opinion that the Company's financial reports were prepared with accurate material information under general accepted accounting standards and sufficient information disclosure; and that the Company accurately and completely operated with adequate and appropriate internal control system, as well as complied with laws, rules and regulations relating to its business operations in accordance with the principles of good corporate governance, transparency and accountability for the benefits of all stakeholders.



(Mr. Suvait Theeravachirakul)  
Chairman of the Audit Committee

# Transactions

## Transactions between the Company or its Subsidiaries and Persons Who May Have Conflict of Interests

Person who may have conflict of interests	Nature of Transaction	Transaction Value (MTHB) For the year ended 31 December 2019	Necessity and Reasonableness of the Transaction	Opinion of Audit Committee
1. Mrs. Nataya and AN Capital Company Limited	1.1 Rental charge of land and building which is the location the Ubon Ratchathani warehouse <ul style="list-style-type: none"> <li>• Expenses</li> <li>• Account Payable</li> </ul>	0.96 -	The Company rents the land and building in Muaeng District, Ubon Ratchathani from AN Capital Company Limited to use as warehouse. The rental rate was evaluated by an independent valuation company approved by the SEC. The term of rental agreement is 3 years which can be extended for a period of 3 years each time.	Such transaction relates to property or service with rental rate and conditions conforming to general prices and commercial conditions. The rental rate was set according to the price evaluated by an independent valuation company approved by the SEC. The transaction is therefore deemed proper, reasonable and beneficial to the Group's business operations.
2. Thuntarin Company Limited	2.1 Sales of goods <ul style="list-style-type: none"> <li>• Income from sales</li> <li>• Account Receivable               <ul style="list-style-type: none"> <li>- Beginning balance</li> <li>- Increase</li> <li>- Payment</li> <li>- Ending balance</li> </ul> </li> </ul>	0.16 - 0.16 <u>(0.16)</u> <u>0.00</u>	The Company sells goods mostly office supplies to Thuntarin Company Limited with prices and general conditions similar to transactions with third parties.	Such transaction is an ordinary business operation with prices and general conditions similar to transactions with third parties.

Person who may have conflict of interests	Nature of Transaction	Transaction Value (MTHB) For the year ended 31 December 2019	Necessity and Reasonableness of the Transaction	Opinion of Audit Committee
	2.2 Buying of readymade goods <ul style="list-style-type: none"> <li>• Purchase goods</li> <li>• Account Payable               <ul style="list-style-type: none"> <li>- Beginning balance</li> <li>- Increase</li> <li>- Payment</li> <li>- Ending balance</li> </ul> </li> </ul>	19.57  - 19.57 (19.57) 0.00	The Company buys readymade goods from Thuntarin Company Limited for reselling to its customers with prices and general conditions similar to transactions with third parties.	Such transaction is an ordinary business operation with prices and general conditions similar to transactions with third parties.
3. Thong Mawin Capital Company Limited	3.1 Sales of goods <ul style="list-style-type: none"> <li>• Income from sales</li> <li>• Account Receivable               <ul style="list-style-type: none"> <li>- Beginning balance</li> <li>- Increase</li> <li>- Payment</li> <li>- Ending balance</li> </ul> </li> </ul>	0.59  0.04 0.59 (0.52) 0.11	Since July 2018 the Group has sold goods mostly office equipment and supplies to Thong Mawin Capital Company Limited with prices and general conditions similar to transactions with third parties.	Such transaction is an ordinary business operation with prices and general conditions similar to transactions with third parties.
4. Turbocash Company Limited	4.1 Sales of goods <ul style="list-style-type: none"> <li>• Income from sales</li> <li>• Account Receivable               <ul style="list-style-type: none"> <li>- Beginning balance</li> <li>- Increase</li> <li>- Payment</li> <li>- Ending balance</li> </ul> </li> </ul>	8.03  3.88 8.03 (9.98) 1.93	The Company sells goods mostly office supplies to Turbocash Company Limited with prices and general conditions similar to transactions with third parties.	Such transaction is an ordinary business operation with prices and general conditions similar to transactions with third parties.



## Measures and Procedures for Approval of Related Party Transactions or Connected Transactions

The Board of Directors' Meeting No. 1/2018 dated 26 March 2018 has approved the related party transactions policy and the principle on commercial transactions with general commercial conditions for transactions between the Company or its Subsidiaries and directors, executives or connected, which can be summarized as follows:

Regarding related party transactions of the Company and its subsidiaries, the Company shall follow the law on securities and exchange, including regulations, announcements, orders or provisions prescribed by the Capital Market Supervisory Board and the Stock Exchange; as well as follow the provisions on disclosure of related party transactions and other relevant criteria. An interested party shall not be able to take part in such transaction approval.

In case of any related party transaction required by law to be approved by the Board of Directors' meeting, the Audit Committee shall participate in the meeting to consider and give opinion about the necessity and reasonableness of the transaction. Ordinary business transactions or ordinary business supporting transaction that are commercial agreements with general commercial conditions and transactions that are commercial agreement with non-general commercial conditions shall be subject to the following principle:

(a) Commercial transaction with general commercial conditions

The Board of Directors has approved in principle that the management can approve related party transactions that are commercial agreements with general commercial conditions between the Company and its subsidiaries and directors, executives or connected parties provided that such transactions are of the same

nature as ones a person of ordinary prudence would enter into with other parties in general in similar circumstances with a bargaining power, free from the influence of being a director, executive or connected party (as the case maybe). The Company shall make a report of such transactions to submit to meetings of the Audit Committee and the Board of Directors on a quarterly basis.

(b) Commercial transaction with non-general commercial conditions

Commercial transaction with non-general commercial conditions shall be considered and approved by the Audit Committee before proposing to the Board of Directors and/or the shareholders' meeting (as the case may be) for approval. The law on securities and exchange, including regulations, announcements, orders or provisions prescribed by the Capital Market Supervisory Board and the Stock Exchange, as well as the provisions on disclosure of related party transactions and other relevant criteria shall all be applied.

In case that the Audit Committee has no expertise to consider any potential related party transaction, the Company will designate a knowledgeable specialist, such as an auditor or independent valuer, to provide opinion about the related party transaction for a review by the Audit Committee and/or the Board of Directors and/or shareholders (as the case may be) before making decision in order to be ensured that such transaction is necessary and reasonable based on the interest of the Company. The related party transactions are presented in the Company's annual Information Disclosure Report and notes to financial statements which have been reviewed by the Company's auditor.

## Policy on Future Related Party Transactions

The Board of Directors shall manage future related party transactions pursuant to the law on securities and exchange, including regulations, announcements, orders or provisions prescribed by the Capital Market Supervisory Board and the Stock Exchange, as well as the provisions on disclosure of related party transactions of the Company or its subsidiaries under the accounting standards set by the Institute of Certified Accountants and Auditors of Thailand and other relevant criteria.

Moreover, in the case of a related party transaction, or a change to the terms and conditions for a related party transaction with its major shareholders, directors, executives, or persons connected to the Company, the directors with interest in the particular issue will not be present at the Board of Directors' meeting when the agenda concerning the approval on such transaction is being discussed.

# Management Analysis and Discussion

## Management Analysis and Discussion

### 1 Overview of operations

In the year 2019, the Group has a total of 15 stores in service, comprising 10 large stores-Ubon Ratchathani, Nakhon Ratchasima, Rangsit, Khon Kaen, Udon Thani, Rama 2, Bang Bua Thong, Chiang Mai, Bang Na and Phetsakem, and 5 Dohome ToGo outlets - Makro Jaransanitwong, Makro Sathon, Big C Bang Phli, Tesco Lotus Korat, and Pantip Plaza Ngamwongwan. The Phetsakem store was opened in November 2019 in order to serve customers residing and doing businesses in the south of Bangkok and nearby provinces; while 5 Dohome ToGo outlets were opened all over to expand a customer base to urban people in Bangkok and potential large provinces, focusing on residential areas with high population density. Dohome ToGo outlets were opened in the second half of 2019 under the strategy to develop distribution channels to cover more customers.

The Group sells both non-house brand products and its own house brand products. Income from the sales of goods and services in relation to house brand products has grown steadily from 14.4 percent in 2018 to 16.0 percent of the income from the sale of goods and services in 2019. By the year 2022, the Group aims at increasing the proportion of house-brand products to 20.0% of the income from the sale of goods and services.

### 2 Overview of business performance and financial status

Most of the Group's incomes are from the sale of goods and services. For the years ended 31 December 2017, 2018 and 2019, the income from the sale of goods and services were at 18,664.21 million baht, 18,535.17 million baht and 17,971.82 million baht respectively. The income in 2019 decreased by 3.0% from the previous year due largely to the decrease in the income of existing stores caused by domestic economy, competition in the industry, and the devastating floods in Ubon Ratchathani in September 2019 that led to a decrease in the sales of Ubon Ratchathani store. On the contrary, the incomes of some stores were

increasing, particularly Bang Na store that fully opened in 2019 and the newly opened Phetkasem in 2019.

The Group's gross profits for the year ended 31 December 2017, 2018 and 2019 were 3,016.75 million baht, 2,684.50 million baht and 2,957.96 million baht respectively, which were equivalent to the gross profit margins of 16.2%, 14.6% and 16.6% respectively. In 2018, the gross profit decreased due to short-term price reduction and an increase of expenses relating to the Distribution Center which opened in the Q2 2018. Nonetheless, the gross profit increased due mainly to the increase in the sales of house brand products which have higher gross profit margin than non-house brand products, and the increase in gross profit margin for various product groups including the higher sales of repair and decoration products, and the reversing entries of allowance for obsolete and slow moving inventory in Q1 2019 of 73.29 million baht as a result of obsolete and slow moving inventory reserve adjustment. Within the reserve, the Group has made the classification of product groups more elaborated in order to be more in line with product lifespan, deterioration and obsolescence, as well as for more efficient product management.

For the years ended 31 December 2017, 2018 and 2019, the Group had the net profits amounting to 931.38 million baht, 438.75 million baht, and 725.51 million baht respectively, which were equivalent to the net profit margins of 5.0%, 2.4%, and 4.0% respectively. A decline in the 2018 net profit margin was caused by the decreased gross profit margin and the increasing ratio of selling, general & administrative expenses to the income from sale of goods and services so as to support business expansion and prepare for a stock exchange listing. In 2019, the net profit margin rose from the increased gross profit margin, resulting mainly from the increase in the sales of house brand products which have higher gross profit margin than non-house brand products, and the increase in gross profit margin for various product groups, including the higher sales of repair and decoration products, and the reversing entries of allowance for obsolete and slow moving

inventory in Q1 2019 of 73.29 million baht (the value of the reversing entries of allowance for obsolete and slow moving inventory after tax was 58.63 million baht or equivalent to 8.1% of the net profit), being offset with the increased ratio of selling, general & administrative expenses to the income from sale of goods and services.

The Group's consolidated assets as at 31 December 2017, 2018, and 2019 valued at 16,566.67 million baht, 16,674.63 million baht and 18,151.71 million baht respectively. The Group's consolidated asset values increased mainly due to (1) the construction of the Distribution Center, at Bang Na store which opened in early 2018 and at Phetkasem store which opened in late 2019, and (2) land purchases for future branch expansion. The Group's consolidated liabilities as at 31 December 2017, 2018, and 2019 were 11,805.74 million baht, 11,882.27 million baht and 11,691.34 million baht respectively. The change in consolidated liabilities was caused mainly by the

change in the number of account payables and other payables, and loans from financial institution according to a demand for working capital and fund for the Group's business expansion. The Group's shareholders' equity as at 31 December 2017, and 2018 and 2019 were 4,760.92 million baht, 4,792.37 million baht and 6,460.37 million baht respectively. Such increase was a result from higher retained earnings and the initial public offering in 2019.

With respect to branch expansion in 2019, the Company opened one large store i.e. Phetkasem store - the first branch using the Automated Storage and Retrieval System (ASRS) which help the Company achieves more efficient inventory management, and another 5 Dohome ToGo outlets i.e. Makro Jaransanitwong, Makro Sathon, Big C Bang Phli, Tesco Lotus Korat, and Pantip Plaza Ngamwongwan. Totally, the Group now have 10 large stores and 5 Dohome ToGo outlets in service.

## Analysis and Discussion of Business Performance

### 1 Income

The Group operates a retail, wholesale and service business of construction materials and home decoration items, as well as providing relevant services under the tradename "Dohome". The Group's income composes of (1) income from the sale of goods and services, in which most of income from service are goods delivery fee as

part of sale promotion, and (2) other income such as subsidies from product owners, and rental and service fees.

For the years ended 31 December 2017, 2018 and 2019, the Group's total income were 18,664.21 million baht, 18,535.17 million baht and 17,971.82 million baht respectively, decreasing 129.04 million baht or 0.7% in 2018, and 563.35 million baht or 3.0% in 2019.

**Table of the Group's Revenue Structure**

Revenue Structure	For the Year Ended 31 December					
	2017		2018		2019	
	Million THB	Percentage	Million THB	Percentage	Million THB	Percentage
Income from sale of goods and services	18,575.54	99.5	18,445.36	99.5	17,868.70	99.4
Other income	88.66	0.5	89.81	0.5	103.12	0.6
<b>Total Income</b>	<b>18,664.21</b>	<b>100.0</b>	<b>18,535.17</b>	<b>100.0</b>	<b>17,971.82</b>	<b>100.0</b>

**Notes:** (1) Percentage of total income

### **(1) Income from the sale of goods and services**

For the year ended 31 December 2017, 2018 and 2019, the Group's income from the sale of goods and services were 18,575.54 million baht, 18,445.36 million baht and 17,868.70 million baht, which are equivalent to 99.5%, 99.5% and 99.4% of the total income; decreasing by 130.18 million baht or 0.7% in 2018, and by 576.66 million baht or 3.1% in 2019. Such decreases were caused by the country's economic contraction, particularly in provincial areas, the floods in the Northeastern area in September 2019, and more fierce competition in the industry. However, the incomes of some branches are on the rise, especially Bang

Na store which fully opened in 2019 and Phetsakem store which opened in 2019. Based on product categories, the construction materials group declined by 10.5%; while the repair materials and decoration groups rose by 2.8% and 5.7% respectively, resulting in the ratio of the income from sale of construction materials to the income from the sale of goods and products decreased to 44.4%, compared to 48.1% in the same period of the previous year.

The income from the sale of goods and services can be classified by product categories into 2 groups : (1) non-house brand products and (2) house brand products.

**Table of the Revenue Structure from the Sale of Goods and Services by Product Categories**

Revenue Structure from the Sale of Goods and Services	For the Years Ended 31 December		
	2017	2018	2019
	Percentage <sup>(1)</sup>	Percentage <sup>(1)</sup>	Percentage <sup>(1)</sup>
Non-house brand products	85.7	85.6	84.0
House brand products	14.3	14.4	16.0
<b>Total income from the sale of goods and services</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Notes:** (1) Percentage to the Total income from the sale of goods and services

Most of the Group's income from the sale of products and services are from the sale of non-house brand products. For the year ended 31 December 2019, the proportion of income from the sale of non-house brand products decreased from 85.6% to 84.0%; while the income from the sale of house brand products increased from 14.4% to 16.0% as a result of (1) the Group's policy to increase the proportion of house brand products, and (2) product selection based on customers' demand. By the year 2022, the Group aims at increasing the proportion of house-brand products to 20.0% of the income from the sale of goods and services.

### **(2) Other income**

For the years ended 31 December 2017, 2018 and 2019, the Group's other income were 88.66 million baht, 89.81 million baht and 103.12 million baht respectively, equivalent to 0.5%, 0.5% and 0.6% of the total income respectively.

Comparing the Group's other income of 88.66

million baht for the year ended 31 December 2017 with that of 89.81 million baht for the year ended 31 December 2018, the other income increased by 1.15 million baht or 1.3%, mainly as a result of increased subsidies of product manufacturers and/or dealers from (1) subsidies for special promotions, and (2) subsidies for marketing activities of Bang Na store which opened in Q2 2018.

Comparing the Group's other income of 89.81 million baht for the year ended 31 December 2018 with that of 103.12 million baht for the year ended 31 December 2019, the other income increased by 13.31 million baht or 14.8%, mainly as a result of increased subsidies of product manufacturers and/or dealers from (1) subsidies for special promotions, (2) subsidies for marketing activities of Phetkasem store which opened in Q4 2019, (3) income from insurance indemnity payment for sagging building floor of Rama 2 store in 2017, and (4) subsidies for the floods given by business partners.

## 2. Gross Profits and Gross Profit Margins

The Group's gross profit margins can be grouped by product categories as follows:

**Table of Gross Profit Margins by Product Categories**

Gross Profit Margin	For the Years Ended 31 December 2018		
	2017	2018	2019
	Percentage <sup>(1)</sup>	Percentage <sup>(1)</sup>	Percentage <sup>(1)</sup>
Non-house brand products	13.7	12.2	13.7
House brand products	31.5	28.7	31.8
<b>Gross Profit Margin</b>	<b>16.2</b>	<b>14.6</b>	<b>16.6</b>

**Notes:** (1) Percentate for gross profit margin

Comparing the year ended 31 December 2017 with the year ended 31 December 2018, the Group's gross profit were at 3,016.75 million baht and 2,684.50 million baht respectively, decreasing by 332.25 million baht or 11.0%, while the gross profit margins were at 16.2% and 14.6% respectively. Main reasons for the decreased average gross profit margin are:

- The gross profit margin of house brand products decreased from 31.5% to 28.7% due largely to short-term price reduction to increase the Group's competitiveness amidst the economic and competition conditions.
- The gross profit margin of non-house brand products decreased from 13.7% to 12.2% due largely to short-term price reduction to increase the Group's competitiveness amidst the economic and competition conditions, and the decline in gross profit margin of construction materials group, particularly steel. However, the gross profit margin of steel products in the future may change according to the steel industry situation. During 2016 - 2018, the Group's gross product margins for steel and rebar were at approximately 10.0-15.0%. The income from steel products accounted for approximate 20.0 - 30.0% of the income from sale of goods and services.
- An increase in expenses relating to operations of Distribution Center, mostly personnel costs and depreciation of the Distribution Center.

Comparing the year ended 31 December 2018 with the year ended 31 December 2019, the Group's gross profit were 2,684.50 million baht and 2,957.96 million baht respectively; decreasing by 273.46 million baht or 10.2%; while the gross profit margins were at 14.6% and 16.6% respectively. Main reasons for the rise in gross profit margins were:

- The ratio of the income from the sale of house brand products to the total income from sale of products and services increased from 14.4% to 16.0% as a result of the Group's policy.
- The gross profit margins of house brand products and non-house brand products increased from 28.7% to 31.8% and from 12.2% to 13.7% respectively. The reasons included the higher sales of repair materials and decoration items, the reversing entries of allowance for obsolete and slow moving inventory of 73.29 million baht as a result of obsolete and slow moving inventory reserve adjustment in which the Group has made the classification of product groups more elaborated in order to be more in line with product lifespan, deterioration and obsolescence, as well as more efficient management of the cost of sales, and the higher revenues of Distribution Center than its costs leading to lower cost of goods sold.



### 3 Selling, General & Administrative Expenses

Most of the selling, general & administrative expenses are expenses relating to sales employees, administrative employees, depreciation and amortization, delivery costs, and marketing costs. For the years ended 31 December 2017, 2018 and 2019 the Group's selling, general & administrative

expenses were 1,614.30 million baht, 1,907.00 million baht and 1,879.09 million baht respectively, increasing by 292.70 million baht or 18.1% in 2018, and decreasing by 27.91 million baht or 1.5% in 2019.

**Table of Structure of Selling, General & Administrative Expenses**

Structure of Selling, General & Administrative Expenses (SG&A)	For the Years Ended 31 December					
	2017		2018		2019	
	MTHB	Percent <sup>(2)</sup>	MTHB	Percent <sup>(2)</sup>	MTHB	Percent <sup>(2)</sup>
Selling expenses	622.69	38.6	644.37	33.8	653.08	34.6
Administrative expenses	144.38	8.9	223.12	11.7	241.32	13.3
Depreciation and amortization	333.08	20.6	363.77	19.1	369.11	19.5
Delivery costs	161.98	10	157.73	8.3	147.45	7.8
Marketing costs	83.48	5.2	150.08	7.9	93.25	4.9
Others <sup>(1)</sup>	268.70	16.6	367.95	19.3	374.88	19.8
<b>Total SG&amp;A</b>	<b>1,614.30</b>	<b>100</b>	<b>1,907.00</b>	<b>100</b>	<b>1,879.09</b>	<b>100</b>

**Notes:** (1) Such as allowance for doubtful accounts, utilities costs, consumables costs, repairs and maintenance, bank and insurance fees, specific business tax, overhead expenses, consultant and system development fees, and rental fees for property, plant and equipment

(2) Percentage of the total selling, general & administrative expenses

Significant selling, general & administrative expenses are as follows:

- The selling and administrative expenses for the years ended 31 December 2017, 2018 and 2019 were 767.07 million baht, 867.49 million baht and 894.40 million baht respectively, increasing by 100.42 million baht or 13.1% in 2018, and increasing by 26.91 million baht or 3.1% in 2019, mainly due to (1) an increasing in the number of new employees for new stores, and (2) a rise in annual executives and employees' remunerations according to the Group's policy.
- Increased depreciation and amortization expenses were resulted mainly from the increase in depreciation of newly open stores and the depreciation of more transport vehicles for delivery service.
- Delivery costs decreased as the Group used its own vehicles more for delivery services, making delivery costs paid to third party transporters decreased.
- Marketing costs for the years ended 31 December 2017, 2018 and 2019 were 83.48 million baht, 150.08 million baht and 93.25 million baht respectively, increasing by 66.60 million baht or 79.8% in 2018, and decreasing by 56.83 million baht or 37.9% in 2019. Most of the marketing costs included (1) public relations media costs and (2) promotion expenses according to the marketing budget. The reason for the increased marketing costs in 2018 was that the Group wanted to increase sales volume amidst declining household purchasing power in provinces. However, in 2019 the Group adjusted its marketing plan to be more efficient, resulting in lower marketing costs.

- Other expenses for the years ended 31 December 2017, 2018 and 2019 were 268.70 million baht, 367.95 million baht and 374.88 million baht respectively, increasing by 99.25 million baht or 36.9% in 2018, and increasing by 6.93 million baht or 1.9% in 2019. The increase in other expenses in 2018 was caused mainly by the increased allowance for doubtful accounts from the adjustment of estimating allowance for doubtful accounts in order to reflect account receivable aging more accurately, an increase in consultant and system development fees from the employment of consultants and Cloud Server rental to support the improvement of SAP HANA system. While a slight increase in 2019 was a result from a consultancy fee which was a temporary expense for preparing to be listed on the stock market, and a purchase of computer software for office work.

#### 4 Other Expenses

Other expenses were resulted mostly from a decline in net loss on exchange rate since the Group ordered more products from overseas. However, the Group has a policy to use financial tools in order to prevent the risk of exchange rate fluctuations, such as FX forward contracts and FX options, making the Group had partially realized foreign exchange loss.

#### 5 Financial Cost

For the years ended 31 December 2017, 2018 and 2019, the Group's financial costs were 316.88 million baht, 320.20 million baht and 298.04 million baht respectively, increasing by 3.32 million baht or 1.0% in 2018, and decreasing by 22.16 million baht or 6.9% in 2019. Such numbers were in line with lower overdrawn amounts and short-term loans from financial institutions and lower interest rates. In addition, in 2019 the financial cost of some loans was recorded as the cost of fixed assets during the construction of Bang Na store and Distribution Center.

#### 6 Income Tax

For the years ended 31 December 2017, 2018 and 2019, the Group's income tax expenses were 225.63 million baht, 107 million baht and 132.12 million baht respectively, decreasing by 118.62 million baht or 52.6% in 2018, and increasing by 25.11 million baht or 23.5% in 2019. This was in conformity with the change in the Group's earnings before tax. Also, in 2019 the Group was able to use expenses relating directly to the initial public offering as tax deductible expenses.

#### 7 Net Profit and Net Profit Margin

For the years ended 31 December 2017, 2018 and 2019, the Group's net profits were 931.38 million baht, 438.75 million baht and 725.51 million baht respectively, decreasing by 492.63 million baht or 52.9% in 2018, and increasing 286.76 million baht or 65.4% in 2019.

Comparing the year ended 31 December 2017 with the year ended 31 December 2018, the Group's net profit were 931.38 million baht and 438.75 million baht respectively, decreasing by 492.63 million baht or 52.9%; while the net profit margins were at 5.0% and 2.4% respectively. This was a result of (1) a decline in gross profit margin, and (2) an increase in the ratio of selling, general & administrative expenses to the income from sale of goods and services from 8.7% to 10.3%.

Comparing the year ended 31 December 2018 with the year ended 31 December 2019, the Group's net profit were 438.75 million baht and 725.51 million baht respectively, increasing 286.76 million baht or 65.4%; while the net profit margins were at 2.4% and 4.0% respectively. This was a result of (1) the increase in gross profit margin due largely to the increase of house brand product sales according to the Group's strategies, (2) the higher sales of repair and decorative products, (3) the reversing entries of allowance for obsolete and slow moving inventory of 73.29 million baht (the reversing entries of allowance for obsolete and slow moving inventory after tax was 58.63 million baht or 8.1% of the net profit), and (4) more efficient cost of sales management.

## Analysis and Discussion of Financial Status

### 1 Total Assets

As at 31 December 2017, 2018 and 2019, the Group had the total assets amounting to 16,566.67 million baht, 16,674.63 million baht and 18,151.71 million baht respectively, increasing by 107.96 million baht or 0.7% in 2018, and by 1,477.08 million baht or 8.9% in 2019. Details of major changes in total assets are as follows:

- 1) The net trade account receivables and other receivables as at 31 December 2017, 2018 and 2019 were 1,043.00 million baht, 838.87 million baht and 859.90 million baht respectively; decreasing by 204.13 million baht or 19.6% in 2018 due mainly to a decline in account receivables and note receivables; while increasing by 21.03 million baht or 2.4% in 2019 due mainly to an increase in prepaid expenses.
- 2) The net inventories as at 31 December 2017, 2018 and 2019 were 6,712.71 million baht, 6,260.20 million baht and 7,048.16 million baht respectively; decreasing by 452.51 million baht or 6.7% in 2018 due mostly to higher in the Group's goods purchasing and goods management and the opening of Distribution Center; and increasing by 787.96 million baht or 12.6% in 2019 as a result of an increase in stocks to support the opening of a large store in Q4 2019 i.e. Phetkasem store and the expansion of both large stores and Dohome To Go outlets in the future.
- 3) The net property, plant and equipment as at 31 December 2017, 2018 and 2019 were 8,286.57 million baht, 8,865.71 million baht and 9,619.30 million baht respectively; increasing by 579.13 million baht or 7.0% in 2018 due mostly to (1) the opening of the Distribution Center and Bang Na store, (2) property purchase to support future branch expansion, and (3) a decrease in book value - net from depreciation of plant and equipment. and increasing in 2019 were 753.60 million baht or 8.5% due to the net result of (1) the increase from construction of Petchkasem branch (2) property purchase to support future branch expansion, and (3) a decrease in book value - net from depreciation of plant and equipment.

### 2 Liabilities

As at 31 December 2017, 2018 and 2019, the Group had total liabilities of 11,805.74 million baht, 11,882.27 million baht and 11,691.34 million baht respectively; increasing by 76.53 million baht or 0.6% in 2018; while decreasing by 190.92 million baht or 1.6% in 2019. Details of major changes in total liabilities are as follows:

- 1) Bank overdrafts and short-term loans from financial institutions as at 31 December 2017, 2018 and 2019 were 6,402.81 million baht, 6,577.03 million baht and 5,731.71 million baht respectively; increasing by 174.22 million baht or 2.7% in 2018; while decreasing by 845.32 million baht or 12.9% in 2019. The overdrafts and short-term loans from financial institutions were used as working capital. And the drastic decline in 2019 was from (1) change of payment terms from short-term to long-term, and (2) repayment with funds raised from the initial public offering.
- 2) Trade account payables and other payables as at 31 December 2017, 2018 and 2019 were 2,819.04 million baht, 2,128.13 million baht and 2,488.18 million baht respectively; decreasing by 690.93 million baht or 24.5% in 2018; while increasing by 360.05 million baht or 16.9% in 2019. The Group's average repayment periods were 49.2 days, 48.7 days and 48.7 days respectively.
- 3) Long-term loans from financial institution as at 31 December 2017, 2018 and 2019 were 2,351.76 million baht, 3,048.22 million baht and 3,339.14 million baht respectively, increasing by 696.46 million baht or 29.6% in 2018 due largely to (1) a draw from long-term loans of financial institutions to fund the construction of Distribution Center and Bang Na store and to adjust the proportion of short-term loans to long-term loans to be more appropriate and (2) a repayment of long-term loans of financial institutions under the repayment conditions specified in loan agreements; and increasing by 290.92 million baht or 9.5% in 2019 due mainly to (1) change of payment terms from short-term to long-term and (2) a repayment of long-term loans of financial institutions under the repayment conditions specified in loan agreements.

### 3 Shareholders' Equity

As at 31 December 2017, 2018 and 2019, the Group's shareholders' equity were 4,760.92 million baht, 4,792.37 million baht and 6,460.37 million baht respectively; increasing by 31.45 million baht or 0.7% in 2018; and by 1,668.00 million baht or 34.8% in 2019 as a result of the Group's business performance and the initial public offering in 2019.

On 25 December 2017, the Company increased a share capital with 4,000,000 issued and paid-up shares of 100 baht each in order to pay the Tangmitrphracha family for the purchase of the whole DHG shares under the Group's restructuring plan in order to prepare for the Company's initial public offering (IPO) and list the Company's shares on the stock exchange; as a result the Group had paid-up shares of 1,400,00 million baht as at 31 December 2017.

Such restructuring was deemed as a business combination under common control;

therefore, the Company prepared consolidated financial statements for the year ended 31 December 2017 and recorded the following items in the shareholder's equity portion of the balance sheet : (1) share premiums of 654.66 million baht from the record of issued and paid-up share value at a fair price of received net asset, and (2) discount of 598.39 million baht from the business combination under common control which showed the difference between the paid return and the book value of received net asset.

In 2019, the Board of Director's meeting no. 3/2562 on 24 June 2019 approved the interim dividend of 1.79 baht per share, or equivalent to a total of 2,506.00 million baht, paid out of the Company's accumulated profits.

And on 6 August 2019, the Company made its initial public offering (IPO) of shares 456.16 million, newly-issued shares at a par value of 1 baht, which were sold to subscribers at 7.80 baht each.

## Analysis and Discussion of Liquidity and Sources of Fund

### Cash Flow

**Table of Sources and Uses of Cash Flow by Category**

Sources and Uses of Cash Flow	For the Years Ended 31 December		
	2017	2018	2019
	Million Baht	Million Baht	Million Baht
Net cash flow from (used in) operating activities	1,989.88	852.35	588.26
Net cash flow from (used in) investing activities	(1,191.65)	(1,245.59)	(944.04)
Net cash flow from (used in) financing activities	(770.58)	470.12	392.70
<b>Net increase in cash</b>	<b>27.64</b>	<b>76.88</b>	<b>36.92</b>

### **(1) Cash flow from operating activities**

For the years ended 31 December 2017, 2018 and 2019, the Group had net cash flow used in operating activities amounting to 1,989.88 million baht, 854.88 million baht and 588.26 million baht respectively.

For the year ended 31 December 2017, the Group's net cash flow from operating activities of 1,989.88 million baht was mainly from the earning before income tax of 1,157.01 million baht and the net change in working capital resulted from (1) a decrease in trade account receivables and other receivables of 169.20 million baht and (2) an increase in trade account payables and other payables of 553.79 million baht.

For the year ended 31 December 2018, the Group's net cash flow from operating activities of 854.88 million baht was mainly from the net change in working capital from (1) a decrease in inventories of 424.70 million baht and (2) an increase in trade account receivables and other receivable of 131.33 million baht, and (3) a decrease in trade account payables of 542.37 million baht.

For the year ended 31 December 2019, the Group's net cash flow from operating activities of 588.26 million baht was resulted mainly from the net change in working capital from (1) a decrease in inventories of 704.03 million baht and (2) an increase in trade account payables and other payables of 289.84 million baht.

### **(2) Cash flow from investing activities**

For the years ended 31 December 2017, 2018 and 2019, the Group had net cash flow used in investing activities amounting to 1,191.65 million baht, 1,248.12 million baht and 944.04 million baht respectively.

For the year ended 31 December 2017, the Group's net cash flow used in investing activities of 1,191.65 million baht was mainly from (1) the purchase of land for Phetsaksem store (please refer to Item 6 Future Projects under Section 2.2 Branch Expansion for more details) and the construction of Bang Na store and Distribution Center, and (2) an increase in fixed deposits pledged as collateral.

For the year ended 31 December 2018, the Group's net cash flow used in investing activities of 1,245.59 million baht was mainly from the payment for land to be used as future stores and the payment of construction costs of Distribution Center and Bang Na store.

For the year ended 31 November 2019, the Group's net cash flow used in investing activities of 944.04 million baht was mainly from the payment for land to be used as future stores and the payment for construction costs of Phetkasem store.

### **(3) Cash flow from financing activities**

For the years ended 31 December 2017, 2018 and 2019, the Group had net cash flow from (used in) financing activities amounting to (770.58) million baht, 470.12 million baht and 392.70 million baht respectively.

For the year ended 31 December 2017, the Group's net cash flow used in financing activities of 770.58 million baht was mainly from the net result of (1) a repayment of short-term loans from financial institutions at the amount of 675.03 million baht, (2) a repayment of long-term loans from related businesses at the amount of 604.90 million baht, (3) a draw from long-term loans from financial institution at the amount of 774.41 million baht to fund the construction of Distribution Center and Bang Na store, and (4) a repayment of long-term loans from financial institutions at the amount of 524.70 million baht according to repayment terms.

For the year ended 31 December 2018, the Group's net cash flow from financing activities of 470.12 million baht was mainly from the net result of (1) a draw from short-term loans from financial institutions at the amount of 189.28 million baht, (2) a draw from long-term loans from financial institutions at the amount of 1,204.59 million baht to fund the construction of Distribution Center and Bang Na store and to adjust the proportion of short-term loans to long-term loans to be more appropriate, (3) a repayment of long-term loans from financial institutions at the amount of 508.12 million baht according to repayment terms, and (4) interim dividend payout of 403.00 million baht.

For the year ended 31 December 2019, the Group's net cash flow from financing activities of 392.70 million baht was mainly from (1) money received from the initial public offering, (2) dividend payout, (3) money received from long-term loans from financial institution at the amount of 290.91 million baht, and (4) a repayment of short-term loans from financial institutions of 845.32 million baht.



## Major Factors and Influences that May Have an Impact Future Business Operations and Financial Status

### 1 Impact of Investment in Constructions and New Store Rollout

The Group has a plan to open 3 more large stores in 2020 and others Dohome To Go outlets according to its strategy to develop the distribution channels in order to expand its customer base nationwide.

The new store rollout will make the Group realize an increasing selling, general & administrative expenses in the beginning stage, mostly from the employment of store employees which is a fixed cost, while the growth of income from sale of goods and services of the new stores will be still modest. In addition, such growth is depended on several major factors, including but not limited to the economic fluctuations and intense competition in retail and wholesale business of construction materials and decoration items. This may result in lower financial ratios in the beginning years, such as the net profit margin, return on assets and return on equity.

However, the Group expects to gain benefits from branch expansion in the long term; for examples, the growth of income and performance, a bargaining power with vendors when placing order in larger amount which will increase profitability, brand recognition and a bigger market share. The Group expects that these benefits could offset a short-term impact on its financial ratios.

### 2 Impact of the Ability to Increase the Proportion of House Brand Product Sales

In the past three years, the Group had a steadily increasing the proportion of house brand product sales from 14.3% in 2017 to 16.0% of the income from sale of goods and services in 2019 in accordance with the Group's business strategies. By the year 2022, the Group aims at increasing the proportion of house-brand products to 20.0% of the income from the sale of goods and services.

The increase in the proportion of income from the sale of house brand products is one of factors contributing to better business performance since house brand products has a higher profit margin than non-house brand products due to a lower cost of sales and marketing. The affected financial ratios include gross profit margin, net profit margin, return on assets and return on equity. However, in case that the Group could not increase the proportion of house brand product sales as planned, its business performance may not be as expected.

# Responsibilities of the Board of Directors for Financial Reports

The Board of Directors is responsible for the separated and the consolidated financial statements of the Company and its subsidiaries, including financial information appears in the Annual Report. The financial statements of the year ended 31 December 2019 were prepared in accordance with financial reporting standards using appropriate and consistent accounting policies, deliberate discretion, and reasonable estimation, as well as providing adequate information disclosure in the notes to financial statement, in order to accurately and transparently reflect the financial status, business performance and cash flows for the benefit of shareholders and general investors. Such financial statements were examined by the Certified Public Accountant from PricewaterhouseCoopers ABAS Ltd. who gave an unqualified opinion. During the financial statement audit, the Company provided the auditor with information and documents so that the auditor can examine and give opinion according to general accepted auditing standards.

The Board of Directors has established and maintained proper and effective risk management system, internal control system, internal audit and governance in order to ensure that the accounting information is accurate, complete and adequate for sustaining the Company's assets and preventing any risks, frauds or significant irregular operations.

In this regard, the Board of Directors has appointed the Audit Committee entirely comprising independent directors to be in charge of reviewing the accounting policies and responsible for the quality of financial reports, the reviews of internal control system and internal audit, as well as arranging complete, sufficient and proper disclosure of related party transactions. The opinions of the Audit Committee were already included in the Audit Committee Report in the Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system is proper and adequate enough to reasonably assure that the separated and consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 are reliable and comply with financial reporting standards, as well as relevant laws and regulations.



Mr. Chatrchai Tuongratanaphan  
Chairman of the Board of Directors



Mr. Adisak Tangmitrphracha  
Chairman of Executive Committee

**DOHOME PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

# Independent Auditor's Report

## To the Shareholders and the Board of Directors of Dohome Public Company Limited

### My opinion

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

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

### 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 Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are 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. I determined two key audit matters: Allowance for obsolete and slow-moving inventories and Recognition of revenue. The 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 the matters.

Key audit matter	How my audit addressed the key audit matter
<p><b>Allowance for obsolete and slow-moving inventories</b></p> <p>I refer to Note 4 Critical accounting estimates and judgements and Note 10 Inventories.</p> <p>As at 31 December 2019, the balance of inventories before allowance for obsolete and slow-moving inventories was amounting to Baht 7,113.58 million and the allowance for obsolete and slow-moving inventories was amounting to Baht 62.93 million.</p> <p>The Group has various categories of products with large numbers of inventory items. The inventories balance is material to the financial statements. The Group provides an allowance for obsolete and slow-moving inventories based on the physical condition and life cycle of inventory in each category. Deciding the condition of these inventories involves management's consideration and estimation, as does the age analysis of inventories.</p> <p>I focused on the allowance for obsolete and slow-moving inventories because it involves estimation and judgement in assessment of the appropriateness and adequacy of the allowance. The allowance impacts the measurement of inventory value, and the performance of the Group.</p>	<p><b>My key procedures included the following:</b></p> <ul style="list-style-type: none"> <li>■ obtain understanding of and evaluate management's method and assumptions used in determining the allowance for obsolete and slow-moving inventories</li> <li>■ assess key assumptions about the life cycle of inventory by randomly confirming the life cycle of products with suppliers, and use this information to consider the reasonableness of management's estimate</li> <li>■ check the integrity of the inventory aging report prepared by management and test the calculation accuracy of the allowance, and assess the completeness and appropriateness of accounting record</li> <li>■ assess the physical condition of inventory at the time physical count of inventory observation took place.</li> </ul> <p>Based on my works performed above, I did not note any significant issues.</p>
<p><b>Recognition of revenue</b></p> <p>The Group engages in retailing and has a large number of sales transactions with various customers. Revenue from sales is significant to the financial statements. The accounting policy for recognition of revenue from sales is disclosed in Note 2.21 to the consolidated financial statements.</p> <p>I determined that the recognition of revenue from sales is a key audit matter, particularly for the accuracy, occurrence and cut-off of the recognition. This is because there is a high volume of both credit and cash sales at the branches in Bangkok and other provinces.</p>	<p><b>My key procedures included the following:</b></p> <ul style="list-style-type: none"> <li>■ evaluate and test the IT general controls of the sales and receivable systems, including the cash collection system</li> <li>■ evaluate and test the internal controls in place over the revenue process of both credit and cash sales, including the authorisation of price changes and input of information into the sales systems</li> <li>■ test sales transactions on a sampling basis by inspection of sales invoices, delivery notes and receipts to examine whether revenue occurred and was accurate, including test sales transactions close to the period end and beginning of new fiscal year to assess whether they were recognised in the appropriate period</li> <li>■ perform analytical procedures on disaggregated sales data.</li> </ul> <p>Based on my works performed above, I did not note any significant issues.</p>



## Other information

The directors are 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 audit committee.

## Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group 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 scepticism 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.



**Kajornkiet Aroonpirodikul**

Certified Public Accountant (Thailand) No. 3445

Bangkok

20 February 2020

**Dohome Public Company Limited**
**Statement of Financial Position**
**As at 31 December 2019**

		Consolidated financial statements		Separate financial statements	
	Notes	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
Assets					
Current assets					
Cash and cash equivalents	8	204,016,407	167,135,924	191,615,341	139,517,042
Short-term investment		65,831	65,184	-	-
Trade and other receivables, net	9	859,899,090	838,871,106	860,101,090	838,871,106
Short-term loans to subsidiaries	33.5	-	-	251,000,000	290,900,000
Inventories, net	10	7,048,156,030	6,260,198,632	7,048,156,030	6,260,198,632
Other current assets		91,432,849	64,554,584	87,783,083	64,554,409
Total current assets		8,203,570,207	7,330,825,430	8,438,655,544	7,594,041,189
Non-current assets					
Restricted fixed deposits at banks	11	242,343,976	452,611,595	242,343,976	452,611,595
General investments	12	500,000	500,000	500,000	500,000
Investment in subsidiaries	13	-	-	1,120,904,940	1,079,654,940
Property, plant and equipment, net	14	9,619,302,130	8,865,706,877	8,778,558,158	8,052,675,123
Leasehold rights, net	15	8,297,007	8,681,826	8,297,007	8,681,826
Intangible assets, net	16	77,699,519	16,308,495	77,699,519	16,308,495
Total non-current assets		9,948,142,632	9,343,808,793	10,228,303,600	9,610,431,979
Total assets		18,151,712,839	16,674,634,223	18,666,959,144	17,204,473,168

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

**Dohome Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2019**

		Consolidated financial statements		Separate financial statements	
	Notes	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	17	5,731,705,487	6,577,027,529	5,731,705,487	6,577,027,529
Trade and other payables	18	2,488,177,361	2,128,126,722	2,488,101,409	2,099,791,642
Current portion of long-term borrowings					
from financial institutions	19	803,018,166	838,682,091	803,018,166	838,682,091
Current portion of liabilities under finance lease, net	20	13,171,007	12,671,431	13,171,007	12,671,431
Income tax payable		25,608,078	4,955,945	21,691,957	728,158
Other current liabilities		4,042,949	34,080,379	3,336,619	34,044,991
<b>Total current liabilities</b>		<b>9,065,723,048</b>	<b>9,595,544,097</b>	<b>9,061,024,645</b>	<b>9,562,945,842</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	19	2,536,120,272	2,209,542,808	2,536,120,272	2,209,542,808
Liabilities under finance lease, net	20	27,398,932	40,570,046	27,398,932	40,570,046
Deferred tax liabilities	21	19,753,356	5,605,693	19,753,356	5,605,693
Employee benefit obligations	22	25,068,108	18,412,821	25,068,108	18,412,821
Other non-current liabilities		17,279,811	12,590,742	17,279,811	12,590,742
<b>Total non-current liabilities</b>		<b>2,625,620,479</b>	<b>2,286,722,110</b>	<b>2,625,620,479</b>	<b>2,286,722,110</b>
<b>Total liabilities</b>		<b>11,691,343,527</b>	<b>11,882,266,207</b>	<b>11,686,645,124</b>	<b>11,849,667,952</b>
<b>Equity</b>					
Share capital	24				
Authorised share capital					
1,856,160,000 ordinary shares					
of par Baht 1 each		1,856,160,000	1,856,160,000	1,856,160,000	1,856,160,000
Issued and paid-up share capital					
1,856,160,000 ordinary shares of fully paid-up					
(2018: 1,400,000,000 ordinary shares					
of fully paid-up)		1,856,160,000	1,400,000,000	1,856,160,000	1,400,000,000
Premium on share capital	24	3,646,985,816	654,655,415	3,646,985,816	654,655,415
Shortage from business combination					
under common control		(598,386,370)	(598,386,370)	-	-
Retained earnings					
Appropriated - legal reserve	23	54,350,000	20,150,000	54,350,000	20,150,000
Unappropriated		1,495,299,306	3,309,988,411	1,422,818,204	3,279,999,801
Other components of equity		5,960,085	5,960,085	-	-
<b>Equity attributable to owners of the parent</b>		<b>6,460,368,837</b>	<b>4,792,367,541</b>	<b>6,980,314,020</b>	<b>5,354,805,216</b>
Non-controlling interests		475	475	-	-
<b>Total equity</b>		<b>6,460,369,312</b>	<b>4,792,368,016</b>	<b>6,980,314,020</b>	<b>5,354,805,216</b>
<b>Total liabilities and equity</b>		<b>18,151,712,839</b>	<b>16,674,634,223</b>	<b>18,666,959,144</b>	<b>17,204,473,168</b>

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

**Dohome Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2019**

		Consolidated financial statements		Separate financial statements	
	Notes	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
Revenues					
Sales		17,730,349,852	18,293,296,111	17,730,349,852	18,293,296,111
Services income		138,352,442	152,065,963	138,352,442	152,065,963
Other income	25	103,118,688	89,812,296	111,177,130	98,824,761
Total revenues		17,971,820,982	18,535,174,370	17,979,879,424	18,544,186,835
Expenses					
Cost of sales		14,910,742,547	15,760,866,653	14,909,723,509	15,760,866,653
Selling expenses		1,473,347,105	1,537,371,131	1,502,575,975	1,570,541,758
Administrative expenses		405,737,589	369,629,000	438,119,749	390,660,175
Other expenses	27	26,320,289	1,346,907	26,320,289	1,346,907
Total expenses		16,816,147,530	17,669,213,691	16,876,739,522	17,723,415,493
Profit before finance costs and income tax		1,155,673,452	865,960,679	1,103,139,902	820,771,342
Finance costs	28	(298,038,740)	(320,195,202)	(298,038,740)	(320,195,202)
Profit before income tax		857,634,712	545,765,477	805,101,162	500,576,140
Income tax	29	(132,123,817)	(107,013,451)	(122,082,759)	(97,772,809)
Net profit for the year		725,510,895	438,752,026	683,018,403	402,803,331
Other comprehensive income:					
Item that will not be reclassified to profit or loss					
Remeasurement of post-employment benefit obligations	22	-	(5,381,837)	-	(5,381,837)
Tax on remeasurement of post-employment benefit obligation		-	1,076,367	-	1,076,367
Total comprehensive income for the year		725,510,895	434,446,556	683,018,403	398,497,861
Net profit attributable to:					
Owners of the parent		725,510,895	438,752,026	683,018,403	402,803,331
Non-controlling interests		-	-	-	-
		725,510,895	438,752,026	683,018,403	402,803,331
Total comprehensive income attributable to:					
Owners of the parent		725,510,895	434,446,556	683,018,403	398,497,861
Non-controlling interests		-	-	-	-
		725,510,895	434,446,556	683,018,403	398,497,861
Basic earnings per share					
Net profit for the year	30	0.46	0.31	0.43	0.29

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



**Dohome Public Company Limited**  
**Statements of Changes in Equity**  
**For the year ended 31 December 2019**

Consolidated financial statements										
Notes	Attributable to owners of the parent								Non-controlling interests Baht	Total equity Baht
	Issued and paid-up share capital Baht	Share premium Baht	Shortage from business combination under common control Baht	Retained earnings		Changes in interests of non-controlling interests		Total owners of the parent Baht		
				Legal reserve Baht	Unappropriated Baht	Baht	Baht			
<b>Opening balance as at 1 January 2018</b>										
	1,400,000,000	654,655,415	(598,386,370)	-	-	3,298,691,855	5,960,085	4,760,920,985	-	4,760,920,985
Subsidiary's issuance of shares	-	-	-	-	-	-	-	-	450,375	450,375
Acquisition of shares in subsidiary from non-controlling interests	-	-	-	-	-	-	-	-	(449,900)	(449,900)
Dividends	-	-	-	-	-	(403,000,000)	-	(403,000,000)	-	(403,000,000)
Legal reserve	-	-	-	20,150,000	(20,150,000)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	434,446,556	-	434,446,556	-	434,446,556
<b>Closing balance as at 31 December 2018</b>										
	1,400,000,000	654,655,415	(598,386,370)	20,150,000	3,309,988,411	5,960,085	4,792,367,541	475	4,792,368,016	
<b>Opening balance as at 1 January 2019</b>										
	1,400,000,000	654,655,415	(598,386,370)	20,150,000	3,309,988,411	5,960,085	4,792,367,541	475	4,792,368,016	
Issuance of shares	456,160,000	2,992,330,401	-	-	-	-	-	3,448,490,401	-	3,448,490,401
Dividends	-	-	-	-	(2,506,000,000)	-	(2,506,000,000)	-	(2,506,000,000)	(2,506,000,000)
Legal reserve	-	-	-	34,200,000	(34,200,000)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	725,510,895	-	725,510,895	-	-	725,510,895
<b>Closing balance as at 31 December 2019</b>										
	1,856,160,000	3,646,985,816	(598,386,370)	54,350,000	1,495,299,306	5,960,085	6,460,368,837	475	6,460,369,312	

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

**Dohome Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2019**

Separate financial statements						
Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Unappropriated Baht	Total Baht
			Legal reserve Baht			
<b>Opening balance as at 1 January 2018</b>						
31	1,400,000,000	654,655,415	-	-	3,304,651,940	5,359,307,355
	-	-	-	-	(403,000,000)	(403,000,000)
	-	-	20,150,000	-	(20,150,000)	-
	-	-	-	-	398,497,861	398,497,861
<b>Closing balance as at 31 December 2018</b>						
	1,400,000,000	654,655,415	20,150,000	-	3,279,999,801	5,354,805,216
<b>Opening balance as at 1 January 2019</b>						
	1,400,000,000	654,655,415	20,150,000	-	3,279,999,801	5,354,805,216
24	456,160,000	2,992,330,401	-	-	-	3,448,490,401
31	-	-	-	-	(2,506,000,000)	(2,506,000,000)
23	-	-	34,200,000	-	(34,200,000)	-
	-	-	-	-	683,018,403	683,018,403
<b>Closing balance as at 31 December 2019</b>						
	1,856,160,000	3,646,985,816	54,350,000	-	1,422,818,204	6,980,314,020

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

**Dohome Public Company Limited**
**Statement of Cash Flows**
**For the year ended 31 December 2019**

		Consolidated financial statements		Separate financial statements	
	Notes	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		857,634,712	545,765,477	805,101,162	500,576,140
Adjustments for:					
Depreciation	26	393,443,040	376,854,145	391,921,258	376,854,145
Amortisation of intangible assets	26	13,939,213	10,637,385	13,939,213	10,637,385
Amortisation of leasehold rights	26	384,819	384,819	384,819	384,819
Allowance for obsolete and slow moving inventories (reversal)	26	(77,473,968)	29,320,118	(77,473,968)	29,320,118
Allowance for inventory cost in excess of net realisable value (reversal)	26	(6,454,079)	(1,511,996)	(6,454,079)	(1,511,996)
Gain on disposals of equipment		(1,250,771)	(4,534,171)	(1,250,771)	(4,534,171)
Loss on write-off of assets	27	3,187,107	609,083	3,187,107	609,083
Allowance for doubtful accounts receivables	26	9,553,679	33,457,160	9,553,679	33,457,160
Unrealised loss (gain) on foreign exchange		942,525	(1,028,912)	942,525	(1,028,912)
Increase in retirement benefit obligations	22	8,961,877	2,998,949	8,961,877	2,998,949
Interest income	25	(3,742,597)	(4,544,869)	(10,459,008)	(12,249,592)
Interest expense	28	298,038,740	320,195,202	298,038,740	320,195,202
Changes in working capital					
Trade and other receivables		15,283,497	131,328,854	15,081,497	131,328,854
Inventories		(704,029,351)	424,704,459	(704,029,351)	424,704,459
Advance payments for goods		(45,226,664)	44,376,366	(45,226,664)	44,376,366
Other current assets		(26,878,265)	9,510,863	(23,228,674)	9,511,038
Trade and other payables		289,840,598	(542,366,110)	290,511,126	(541,116,441)
Other current liabilities		(30,037,430)	22,403,352	(30,708,372)	22,367,964
Employee benefit paid	22	(2,306,590)	-	(2,306,590)	-
Other non-current liabilities		4,689,069	4,767,210	4,689,069	4,767,210
Cash generated from operations		998,499,161	1,403,327,384	941,174,595	1,351,647,780
Income tax paid		(114,613,715)	(232,103,912)	(104,260,991)	(225,864,738)
Interest paid		(299,365,090)	(320,888,143)	(299,365,090)	(320,888,143)
Interest received		3,742,597	4,544,869	10,459,008	12,249,592
<b>Net cash generated from operating activities</b>		<b>588,262,953</b>	<b>854,880,198</b>	<b>548,007,522</b>	<b>817,144,491</b>
<b>Cash flows from investing activities</b>					
Decrease (increase) in restricted fixed deposit at banks		210,267,619	(174,486,583)	210,267,619	(174,486,583)
Increase in short-term investments		(647)	(639)	-	-
Loans made to subsidiaries	33.5	-	-	(4,500,000)	(61,300,000)
Repayment received from loans to subsidiaries	33.5	-	-	44,400,000	96,000,000
Proceeds from disposals of general investment	12	-	1,360,000	-	1,360,000
Acquisition of investment in subsidiaries	13	-	-	(41,250,000)	(24,999,525)
Acquisition of property, plant and equipment		(1,152,224,903)	(1,103,877,133)	(1,095,402,303)	(1,102,427,069)
Acquisition of intangible assets		(16,822,662)	(3,524,770)	(16,822,662)	(3,524,770)
Proceeds from disposals of equipment		14,739,836	4,987,171	14,739,836	4,987,171
Proceeds from disposal of land held for sale		-	27,420,621	-	27,420,621
<b>Net cash used in investing activities</b>		<b>(944,040,757)</b>	<b>(1,248,121,333)</b>	<b>(888,567,510)</b>	<b>(1,236,970,155)</b>

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

**Dohome Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2019**

		Consolidated financial statements		Separate financial statements	
	Notes	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<b>Cash flows from financing activities</b>					
Non-controlling interests acquires ordinary shares in subsidiary		-	450,375	-	-
Purchasing shares from non-controlling interests		-	(449,900)	-	-
(Decrease) increase in short-term borrowings from financial institutions		(845,322,042)	189,279,840	(845,322,042)	189,279,840
Repayment to liabilities under finance lease	20	(12,671,538)	(12,629,317)	(12,671,538)	(12,629,317)
Proceeds from long-term borrowings from financial institutions	19	2,227,703,497	1,204,587,126	2,227,703,497	1,204,587,126
Repayment to long-term borrowings from financial institutions	19	(1,936,789,958)	(508,121,696)	(1,936,789,958)	(508,121,696)
Shares issuance	24	3,465,780,095	-	3,465,780,095	-
Dividends paid	31	(2,506,000,000)	(403,000,000)	(2,506,000,000)	(403,000,000)
<b>Net cash generated from financing activities</b>		392,700,054	470,116,428	392,700,054	470,115,953
<b>Net increase in cash and cash equivalents</b>		36,922,250	76,875,293	52,140,066	50,290,289
Cash and cash equivalents at beginning of the year		167,135,924	90,263,675	139,517,042	89,229,797
Effects of exchange rate		(41,767)	(3,044)	(41,767)	(3,044)
<b>Cash and cash equivalents at end of the year</b>		204,016,407	167,135,924	191,615,341	139,517,042
<b>Significant non-cash transactions</b>					
Acquisition of property, plant and equipment, not yet paid		105,886,446	35,889,309	105,886,446	8,300,709

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

**1 General information**

Dohome Public Company limited ("the Company") is a Public limited company incorporated and resident in Thailand. The address of its register office is as follows:

Head Office : 37 - 47 Srimongkol Road, Warinchamrab Sub-District, Warinchamrab District, Ubonratchathani 34190.

The Company registered the change of the Company's status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 24 May 2018.

On 6 August 2019, the Stock Exchange of Thailand endorsed the listing of the Company's ordinary shares in the Stock Exchange of Thailand (SET) The Company's ticker symbol is "DOHOME".

The principal business operations of the Company are retailing and wholesaling of construction materials, office equipment, and household products. As at 31 December 2019, the Company operates 15 stores of outlets and 1 distribution center (2018: 9 stores of outlets and 1 distribution center).

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The consolidated and separate financial statements have been approved for issue by the Group's authorised director on 20 February 2020.

**2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

**2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group**

**2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019**

**a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers**

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 18, Revenue and TAS 11, Construction contracts.

The Group's management has assessed and considered that the effectiveness of the above new standard will not have a material impact of the Group's financial statements.

**2 Accounting policies (Cont'd)**

**2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)**

**2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019 (Cont'd)**

**b) Thai Financial Reporting Interpretation no.22 (TFRIC 22), Foreign currency transactions and advance consideration**

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

**2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020**

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

**a) Financial instruments**

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the impact of initial adoption of these standards.

**b) TFRS 16, Leases**

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing the impact of initial adoption of this standard.

**c) Other new/amended standards**

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TFRS 9	Financial instruments
TFRIC 23	Uncertainty over income tax treatments



**2 Accounting policies (Cont'd)**

**2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)**

**2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)**

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group. (Cont'd)

**c) Other new/amended standards (Cont'd)**

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management is currently assessing the impact of initial adoption of these standards.

**2.3 Principles of consolidation**

**a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

**2 Accounting policies (Cont'd)**

**2.3 Principles of consolidation (Cont'd)**

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**2.4 Business combination**

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

*Acquisition-related cost*

Acquisition-related cost are recognised as expenses.

*Step-up acquisition*

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

**2 Accounting policies (Cont'd)**

**2.4 Business combination (Cont'd)**

*Contingent consideration paid/received*

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

*Business combination under common control*

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of by transferring to retained earnings.

**2.5 Foreign currency translation**

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**2.6 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

**2.7 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

## **2 Accounting policies (Cont'd)**

### **2.8 Inventories**

Inventories are stated at the lower of cost and net realisable value .

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

### **2.9 Investments in equity securities**

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

#### *General investments*

General investments are carried at cost less impairment.

#### *Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

### **2.10 Property, plant and equipment**

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Building and building improvement	10 - 30 years
Machinery, tools, and equipment	5 - 10 years
Equipment and computer	3 and 5 years
Motor vehicle	5 years
Furniture and fixture	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2 Accounting policies (Cont'd)**

**2.11 Leasehold rights**

Leasehold right represents the prepaid rent for a period of 30 years, which is initially recorded at cost, and are stated at cost less accumulated amortisation. The amortisation is calculated on the straight-line method over the period of lease agreements (30 years).

**2.12 Investments in equity securities**

**Computer software**

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 10 years.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

**2.13 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

**2.14 Leases**

**Leases - where the Group is the lessee**

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

**2.15 Borrowings**

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**2 Accounting policies (Cont'd)**

**2.16 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

**2.17 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

*Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.18 Employee benefits**

**a) Short-term employee benefits**

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care -that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.



**2 Accounting policies (Cont'd)**

**2.18 Employee benefits (Cont'd)**

**b) Defined benefit plans**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds /high-quality that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

**c) Termination benefits**

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

**2.19 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.20 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

**2.21 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

*Sale of goods*

The Group operates a chain of retail and wholesale construction materials, office equipment and household products. Revenue from the sale of goods is recognised when the Group transfers control of the goods to the customer, being when the goods are delivered.

**2 Accounting policies (Cont'd)**

**2.21 Revenue recognition (Cont'd)**

*Services*

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

*Contract assets and contract liabilities*

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

**2.22 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

**3 Financial risk management**

**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

**3.11 Foreign exchange risk**

The principal financial risks faced by the Group are exchange rate risk as certain purchase of inventories are entered into in foreign currencies. Foreign exchange forward contracts are taken out to manage the currency risks in future purchases, which are disclosed in Note 34.3.

**3.12 Interest rate risk**

The 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 in future. The Group's exposure to interest rate risk relates primarily to its deposits with banks and loans from bank. However, certain borrowings have interest rates closed to the market rate and some are lower, the Group has not hold derivative financial instrument to manage risk that may incur from interest rate fluctuation.

**3.13 Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

**3.14 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

**3.2 Accounting for financial instruments**

The Group is party to derivative financial instruments, which are foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception. The gains and loss on the foreign currency forward contracts are recognised in the financial statements on settlement with the financial institution.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 34.3.

**4 Critical accounting estimates and judgements**

**4.1 Change in accounting estimate**

During the year 2019, the Group has changed the accounting estimate relating to allowance for diminution in value of obsolete and slow-moving inventories because management has separated product categories in more detail and considered impact from deterioration due to technology. Change in such estimate resulted in lower amount required for the allowance amounting to Baht 54.31 million compared with the previous estimate.

**4.2 Critical accounting estimates and judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a) Estimated impairment of property, plant and equipment and intangible assets**

The Group considers impairment indicator for property, plant and equipment and intangible assets as described in 2.13. The recoverable amounts have been determined based on the higher of an asset's fair value less costs to sell and value in use. The calculation of value-in-use requires the use of estimates. The change in the assumption used would impact the recoverable amount.

**b) Allowance for doubtful accounts**

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit loss. The management uses judgment to establish reserves for estimated loss for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable loss and adjustments to the allowances may therefore be required in the future.

**c) Useful lives for property, plant and equipment and intangible assets**

The annual depreciation charge is sensitive to the estimated useful lives and residual values allocated to each type of asset. Useful lives and residual values are assessed annually and change when necessary to reflect current situation on their remaining useful lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

**d) Deferred tax**

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimize these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

**e) Borrowings**

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the director's expect would be available to the Group at the end of reporting date. The change in the discount rate would impact the fair value of the borrowings.

**f) Allowance for obsolete and slow-moving inventories**

In determining allowance for obsolete and slow-moving inventories, the management needs to make judgement in making estimates upon the condition of goods and aging analysis of inventories.

4 Critical accounting estimates and judgements (Cont'd)

**4.2 Critical accounting estimates and judgements (Cont'd)**

**g) Employee benefits**

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of high-quality government bonds that are denominated in the currency in which the benefits will be paid.

Other key assumptions for employee benefits are based in part on current market conditions. Additional information is disclosed in Note 22.

**5 Fair value estimation**

Financial instruments carry at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

**6 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

**7 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executives Board that makes strategic decisions.

**Business segments**

The Group operates in a single business represents the business of retailing and wholesaling of construction materials, office equipment, and household products. The Executives Board considers that the Group has only one major business segment. The Board review operating results in the same dimension as presented on the financial information.

**Geographical segments**

The Group operates in one single geographic area, being Thailand. Therefore, the Executives Board considers that the Group has only one major geographic segment. The Board review operating results in the same dimension as presented on the financial information.

**Timing of revenue**

**Timing of revenue recognition**

At a point in time - Revenue from sales  
 Over time - Revenue from transportation

Total revenue

Consolidated and separate Financial statement	
2019 Baht	2018 Baht
17,730,349,852	18,293,296,111
138,352,442	152,065,963
<b>17,868,702,294</b>	<b>18,445,362,074</b>

**8 Cash and cash equivalents**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	44,890,237	88,709,178	44,840,237	88,659,178
Deposits held at call with banks	159,126,170	78,426,746	146,775,104	50,857,864
	<u>204,016,407</u>	<u>167,135,924</u>	<u>191,615,341</u>	<u>139,517,042</u>

The weighted average effective interest rates of deposits held at call with banks were 0.05% to 1.00% per annum (2018: 0.13% to 0.80% per annum).

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
USD	418,947	427,228	418,947	427,228
THB	203,597,460	166,708,696	191,196,394	139,089,814
Total cash and cash equivalents	<u>204,016,407</u>	<u>167,135,924</u>	<u>191,615,341</u>	<u>139,517,042</u>

**9 Trade and other receivables, net**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Gross trade accounts receivable				
- third parties	823,283,200	694,361,973	823,283,200	694,361,973
Notes receivable	43,700,516	151,042,932	43,700,516	151,042,932
Total	866,983,716	845,404,905	866,983,716	845,404,905
<u>Less</u> Allowance for doubtful accounts	<u>(103,558,902)</u>	<u>(94,005,223)</u>	<u>(103,558,902)</u>	<u>(94,005,223)</u>
Trade accounts receivable and notes receivable, net	763,424,814	751,399,682	763,424,814	751,399,682
Amounts due from related parties (Note 33.3)	1,940,601	3,920,520	2,142,601	3,920,520
Prepaid expenses	29,553,202	11,102,354	29,553,202	11,102,354
Advance payments	2,964,279	52,959,192	2,964,279	52,959,192
Advance payments for goods	54,499,485	9,272,821	54,499,485	9,272,821
Others	7,516,709	10,216,537	7,516,709	10,216,537
	<u>859,899,090</u>	<u>838,871,106</u>	<u>860,101,090</u>	<u>838,871,106</u>

The Group provided the allowance for doubtful accounts after deduction of collateral given by customers.

During 2019, the Group and the Company recognised allowance for doubtful accounts of Baht 9.55 million (2018: Baht 33.46 million) to the statements of comprehensive income.

**9 Trade and other receivables, net (Cont'd)**

Outstanding trade accounts receivable and note receivables as at 31 December can be analysed as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Within credit term	409,458,278	346,767,457
Not over 3 months	242,466,046	296,209,689
3 - 6 months	15,371,986	35,818,409
6 - 12 months	38,883,649	26,325,332
12 - 24 months	55,396,559	24,120,180
Over 24 months	105,407,198	116,163,838
Total	866,983,716	845,404,905
<u>Less</u> Allowance for doubtful accounts	(103,558,902)	(94,005,223)
Trade accounts receivable and notes receivable, net	763,424,814	751,399,682

**10 Inventories, net**

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Finished goods	7,086,789,456	6,332,803,721
Goods in transit	26,788,546	76,744,930
	7,113,578,002	6,409,548,651
<u>Less</u> Allowance for obsolete and slow-moving inventories	(62,926,659)	(140,400,627)
Allowance for inventory cost in excess of net realisable value	(2,495,313)	(8,949,392)
Inventories, net	7,048,156,030	6,260,198,632

During 2019, the Group reversed allowance for obsolete and slow-moving inventories amounting to Baht 77.47 million and reversed allowance for inventory cost in excess of net realisable value amounting to Baht 6.45 million, (2018: recognised allowance for obsolete and slow moving inventories amounting to Baht 29.32 million and reversed allowance for inventory cost in excess of net realisable value amounting to Baht 1.51 million).

**11 Restricted fixed deposits at banks**

As at 31 December 2019, the interest rates of the fixed deposits with banks were between 0.95% and 1.65% per annum (2018: 1.00% and 1.55% per annum).

The Company used fixed deposits at banks as collateral for bank overdrafts and short-term borrowings, long-term borrowings from financial institutions and letters of bank guarantee (Note 17 and 19 and 32).



**Dohome Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**12 General investments**

Movements of general investments can be summarised as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
<b>For the year ended 31 December</b>		
Opening net book value	500,000	1,860,000
Disposals	-	(1,360,000)
Closing net book value	500,000	500,000

Details of general investments are as follows:

As at 31 December 2019 and 2018					
Business	Authorised share capital Baht	Paid-up capital Baht	% Ownership interest	Cost Baht	
Pracharath Rak Samakkee Ubon Ratchathani (Social Enterprise) Company Limited	Trading	4,000,000	4,000,000	12.50	500,000

**Transaction incurred during 2018:**

On 30 May 2018, the Company sold all investment in Dohome Land to third party for a consideration of Baht 136 million.

**13 Investment in subsidiaries**

At 31 December 2019						
Separate financial statements						
Business	Country of incorporation	Relationship	Paid-up capital Million Baht	% Ownership interest	Investment - at cost Baht	
Dohome Group Company Limited	Property investment	Thailand	Shareholder	400.00	100.00	1,054,655,415
Kiddee Logistics Company Limited	Logistics	Thailand	Shareholder	5.00	100.00	4,999,900
Dohome Energy Company Limited	Production and distribution of electricity	Thailand	Shareholder	60.00	100.00	59,999,700
Dohome Automation Company Limited	Automated storage services	Thailand	Shareholder	1.25	100.00	1,249,925
						1,120,904,940

At 31 December 2018						
Separate financial statements						
Business	Country of incorporation	Relationship	Paid-up capital Million Baht	% Ownership interest	Investment - at cost Baht	
Dohome Group Company Limited	Property investment	Thailand	Shareholder	400.00	100.00	1,054,655,415
Kiddee Logistics Company Limited	Logistics	Thailand	Shareholder	5.00	100.00	4,999,900
Dohome Energy Company Limited	Production and distribution of electricity	Thailand	Shareholder	18.75	100.00	18,749,700
Dohome Automation Company Limited	Automated storage services	Thailand	Shareholder	1.25	100.00	1,249,925
						1,079,654,940

**13 Investment in subsidiaries (Cont'd)**

Movements of investment in subsidiaries are as follows:

For the year ended 31 December	Separate financial statements	
	2019 Baht	2018 Baht
Opening net book value	1,079,654,940	1,054,655,415
Additional investments	41,250,000	24,999,525
Closing net book value	<u>1,120,904,940</u>	<u>1,079,654,940</u>

**Transactions incurred during 2019:**

**Dohome Energy Company Limited**

In January and April 2019, Dohome Energy Company Limited called for additional paid-up from the Company amounting to Baht 27.50 million and Baht 13.75 million, respectively, for the existing 550,000 ordinary shares. The investment portion remains 100% of interest in the subsidiary.

**Transactions incurred during 2018:**

**Kiddee Logistics Company Limited**

On 10 January 2018, the Company invested in Kiddee Logistics Company Limited ("Kiddee"), a newly established company. Kiddee has registered share capital of Baht 10 million and called for paid-up of Baht 5 million. The Company invested in Kiddee amounting to Baht 4.55 million representing 91% of the equity. Subsequently, on 30 May 2018, the Company purchased additional Kiddee's shares at par value for the consideration of Baht 0.45 million from non-controlling interests. As a result, the Group's shareholding interests in Kiddee increased from 91% to 100%.

**Dohome Energy Company Limited**

On 23 July 2018, the Company invested in 100% of equity of Dohome Energy Company Limited ("Dohome Energy"), a newly established company. Dohome Energy has registered share capital of Baht 5 million and called for paid-up of Baht 1.25 million. Subsequently, on 27 September 2018, Dohome Energy Company Limited called for additional paid-up of Baht 3.75 million from the Company.

On 29 October 2018, Dohome Energy Company Limited increased its shares capital from Baht 5 million to Baht 60 million and called for paid-up of Baht 13.75 million from the Company.

**Dohome Automation Company Limited**

On 24 July 2018, the Company invested in 100% of equity of Dohome Automation Company Limited ("Dohome Automation"), a newly established company. Dohome Automation has registered share capital of Baht 5 million and called for paid-up of Baht 1.25 million.

**Dohome Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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**14 Property, plant and equipment, net**

	Consolidated financial statements							Total Baht
	Land & land improvement Baht	Building & building improvement Baht	Machinery tool & equipment Baht	Equipment & computer Baht	Motor vehicles Baht	Furniture & office equipment Baht	Construction in progress Baht	
<b>As at 1 January 2018</b>								
Cost	2,962,694,003	4,355,241,774	412,937,157	123,944,727	244,304,679	1,063,675,074	976,982,312	10,139,779,726
Less Accumulated depreciation	-	(903,502,388)	(226,107,181)	(86,742,995)	(145,829,244)	(491,026,036)	-	(1,853,207,844)
Net book value	2,962,694,003	3,451,739,386	186,829,976	37,201,732	98,475,435	572,649,038	976,982,312	8,286,571,882
<b>For the year ended 31 December 2018</b>								
Opening net book value	2,962,694,003	3,451,739,386	186,829,976	37,201,732	98,475,435	572,649,038	976,982,312	8,286,571,882
Additions	384,259,758	3,634,471	12,839,643	23,071,961	7,792,853	49,482,473	475,970,064	957,051,223
Transfer in (out)	154,545,306	920,050,090	61,739,348	1,945,757	-	66,534,159	(1,204,814,660)	-
Write-off, net	-	-	(61,334)	(309,702)	-	(238,047)	-	(609,083)
Disposals, net	-	-	-	(255,918)	(3,222)	(193,860)	-	(453,000)
Depreciation charge (Note 26)	-	(192,649,822)	(45,853,365)	(14,948,130)	(27,421,162)	(95,981,666)	-	(376,854,145)
Closing net book value	3,501,499,067	4,182,774,125	215,494,268	46,705,700	78,843,904	592,252,097	248,137,716	8,865,706,877
<b>As at 31 December 2018</b>								
Cost	3,501,499,067	5,278,926,335	471,864,542	142,196,931	240,793,179	1,171,640,107	248,137,716	11,055,057,877
Less Accumulated depreciation	-	(1,096,152,210)	(256,370,274)	(95,491,231)	(161,949,275)	(579,388,010)	-	(2,189,351,000)
Net book value	3,501,499,067	4,182,774,125	215,494,268	46,705,700	78,843,904	592,252,097	248,137,716	8,865,706,877

**Dohome Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**14 Property, plant and equipment, net (Cont'd)**

	Consolidated financial statements							Total Baht
	Land & land improvement Baht	Building & building improvement Baht	Machinery tool & equipment Baht	Equipment & computer Baht	Motor vehicles Baht	Furniture & office equipment Baht	Construction in progress Baht	
<b>For the year ended 31 December 2019</b>								
Opening net book value	3,501,499,067	4,182,774,125	215,494,268	46,705,700	78,843,904	592,252,097	248,137,716	8,865,706,877
Additions	471,070,361	1,929,104	7,927,624	9,173,529	1,649,585	49,505,375	680,966,462	1,222,222,040
Transfer in (out)	3,375,421	459,651,182	78,875,547	-	-	32,444,933	(632,854,978)	(58,507,895)
Write-off, net	-	-	(2,122,064)	(608,186)	(8,289)	(448,248)	-	(3,186,787)
Disposals, net	-	-	(7,985,758)	(1,687,475)	(2,265)	(3,813,567)	-	(13,489,065)
Depreciation charge (Note 26)	-	(211,318,073)	(50,900,903)	(15,345,398)	(22,625,743)	(93,252,923)	-	(393,443,040)
Closing net book value	3,975,944,849	4,433,036,338	241,288,714	38,238,170	57,857,192	576,687,667	296,249,200	9,619,302,130
<b>As at 31 December 2019</b>								
Cost	3,975,944,849	5,740,506,621	524,308,159	126,598,381	242,081,414	1,178,056,884	296,249,200	12,083,745,508
Less Accumulated depreciation	-	(1,307,470,283)	(283,019,445)	(88,360,211)	(184,224,222)	(601,369,217)	-	(2,464,443,378)
Net book value	3,975,944,849	4,433,036,338	241,288,714	38,238,170	57,857,192	576,687,667	296,249,200	9,619,302,130

**Dohome Public Company Limited**  
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**For the year ended 31 December 2019**

**14 Property, plant and equipment, net (Cont'd)**

	Separate financial statements							Total Baht
	Land & land improvement Baht	Building & building improvement Baht	Machinery tool & equipment Baht	Equipment & computer Baht	Motor vehicles Baht	Furniture & office equipment Baht	Construction in progress Baht	
<b>As at 1 January 2018</b>								
Cost	2,178,700,913	4,355,241,774	412,937,157	123,944,727	244,304,679	1,063,675,074	976,982,312	9,355,786,636
Less Accumulated depreciation	-	(903,502,388)	(226,107,181)	(86,742,995)	(145,829,244)	(491,026,036)	-	(1,853,207,844)
Net book value	2,178,700,913	3,451,739,386	186,829,976	37,201,732	98,475,435	572,649,038	976,982,312	7,502,578,792
<b>For the year ended 31 December 2018</b>								
Opening net book value	2,178,700,913	3,451,739,386	186,829,976	37,201,732	98,475,435	572,649,038	976,982,312	7,502,578,792
Additions	384,259,758	3,634,471	12,839,643	23,071,961	7,792,853	49,482,473	446,931,400	928,012,559
Transfer in (out)	154,545,306	920,050,090	61,739,348	1,945,757	-	66,534,159	(1,204,814,660)	-
Write-off, net	-	-	(61,334)	(309,702)	-	(238,047)	-	(609,083)
Disposals, net	-	-	-	(255,918)	(3,222)	(193,860)	-	(453,000)
Depreciation charge (Note 26)	-	(192,649,822)	(45,853,365)	(14,948,130)	(27,421,162)	(95,981,666)	-	(376,854,145)
Closing net book value	2,717,505,977	4,182,774,125	215,494,268	46,705,700	78,843,904	592,252,097	219,099,052	8,052,675,123
<b>As at 31 December 2018</b>								
Cost	2,717,505,977	5,273,511,297	471,864,542	142,196,931	240,793,179	1,171,640,107	219,099,052	10,236,611,085
Less Accumulated depreciation	-	(1,090,737,172)	(256,370,274)	(95,491,231)	(161,949,275)	(579,388,010)	-	(2,183,935,962)
Net book value	2,717,505,977	4,182,774,125	215,494,268	46,705,700	78,843,904	592,252,097	219,099,052	8,052,675,123

**Dohome Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**14 Property, plant and equipment, net (Cont'd)**

	Separate financial statements							Total Baht
	Land & land improvement Baht	Building & building improvement Baht	Machinery tool & equipment Baht	Equipment & computer Baht	Motor vehicles Baht	Furniture & office equipment Baht	Construction in progress Baht	
<b>For the year ended 31 December 2019</b>								
Opening net book value	2,717,505,977	4,182,774,125	215,494,268	46,705,700	78,843,904	592,252,097	219,099,052	8,052,675,123
Additions	471,070,361	1,929,104	7,927,624	9,173,529	1,649,585	49,505,375	651,732,462	1,192,988,040
Transfer in (out)	3,375,421	459,651,182	32,894,547	-	-	32,444,933	(586,873,978)	(58,507,895)
Write-off, net	-	-	(2,122,064)	(608,186)	(8,289)	(448,248)	-	(3,186,787)
Disposals, net	-	-	(7,985,758)	(1,687,475)	(2,265)	(3,813,567)	-	(13,489,065)
Depreciation charge (Note 26)	-	(211,318,073)	(49,379,121)	(15,345,398)	(22,625,743)	(93,252,923)	-	(391,921,258)
Closing net book value	3,191,951,759	4,433,036,338	196,829,496	38,238,170	57,857,192	576,687,667	283,957,536	8,778,558,158
<b>As at 31 December 2019</b>								
Cost	3,191,951,759	5,735,091,583	478,327,159	126,598,381	242,081,414	1,178,056,884	283,957,536	11,236,064,716
Less Accumulated depreciation	-	(1,302,055,245)	(281,497,663)	(88,360,211)	(184,224,222)	(601,369,217)	-	(2,457,506,558)
Net book value	3,191,951,759	4,433,036,338	196,829,496	38,238,170	57,857,192	576,687,667	283,957,536	8,778,558,158

As at 31 December 2019, the Group's and the Company's certain land, land improvements, buildings and structures thereon with the total net book value amounting to Baht 7,085.97 million and Baht 6,302.77 million, respectively (2018: Baht 6,429.98 million and Baht 5,646.79 million, respectively) are mortgaged as collateral for credit facilities, overdrafts and short-term and long-term borrowings from financial institutions as explained in Note 17 and 19.

During 2019, borrowing costs of Baht 4.20 million (2018: Baht 14.22 million), arising from financing specifically entered into for the construction of new stores, were capitalised and are included in 'Additions'. A capitalisation rates of 3.02% to 3.41% (2018: 3.64% to 3.68%) were applied, representing the actual borrowing cost of the loan used to finance construction of new stores.



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**Notes to the Consolidated and Separate Financial Statements**  
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**14 Property, plant and equipment, net (Cont'd)**

As at 31 December 2019 and 2018, assets shown above includes leased assets, which are motor vehicles, where the Group is a lessee under finance lease agreements as per following details:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Cost-capitalised finance leases	61,112,430	78,325,710
<u>Less</u> Accumulated depreciation	(24,922,960)	(27,526,008)
Net book value	36,189,470	50,799,702

Depreciation was charged to the following categories of expenses:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of sales	41,450,628	24,105,858	39,928,846	24,105,858
Selling expenses	339,746,634	341,738,717	339,746,634	341,738,717
Administrative expenses	12,245,778	11,009,570	12,245,778	11,009,570
	393,443,040	376,854,145	391,921,258	376,854,145

**15 Leasehold rights, net**

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Current (included in "Other current assets")	384,819	384,819
Non-current	8,297,007	8,681,826
Total	8,681,826	9,066,645

**As at 1 January 2018**

Cost	11,544,574
<u>Less</u> Accumulated amortisation	(2,093,110)
Net book value	9,451,464

**For the year ended 31 December 2018**

Opening net book value	9,451,464
Amortisation (Note 26)	(384,819)
Closing net book value	9,066,645

**As at 31 December 2018**

Cost	11,544,574
<u>Less</u> Accumulated amortisation	(2,477,929)
Net book value	9,066,645

**For the year ended 31 December 2019**

Opening net book value	9,066,645
Amortisation (Note 26)	(384,819)
Closing net book value	8,681,826

**As at 31 December 2019**

Cost	11,544,574
<u>Less</u> Accumulated amortisation	(2,862,748)
Net book value	8,681,826

**16 Intangible assets, net**

	Consolidated and Separate financial statements Baht
<b>Software</b>	
<b>At 1 January 2018</b>	
Cost	108,525,249
<u>Less</u> Accumulated amortisation	<u>(85,104,139)</u>
Net book value	<u>23,421,110</u>
<b>For the year ended 31 December 2018</b>	
Opening net book value	23,421,110
Additions	3,524,770
Amortisation charge (Note 26)	<u>(10,637,385)</u>
Closing net book value	<u>16,308,495</u>
<b>At 31 December 2018</b>	
Cost	112,050,019
<u>Less</u> Accumulated amortisation	<u>(95,741,524)</u>
Net book value	<u>16,308,495</u>
<b>For the year ended 31 December 2019</b>	
Opening net book value	16,308,495
Additions	16,822,662
Transfer in	58,507,895
Write-off	(320)
Amortisation charge (Note 26)	<u>(13,939,213)</u>
Closing net book value	<u>77,699,519</u>
<b>At 31 December 2019</b>	
Cost	183,661,165
<u>Less</u> Accumulated amortisation	<u>(105,961,646)</u>
Net book value	<u>77,699,519</u>

**17 Bank overdrafts and short-term borrowings from financial institutions**

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Short-term borrowings from financial institutions	5,731,705,487	6,577,027,529

Bank overdrafts and short-term borrowings from financial institutions are collateralised by pledge of fixed deposit (Note 11), property, plant and equipment (Note 14) as guaranteed.

As at 31 December 2019, bank overdrafts and short-term borrowings bear interest rates between 2.35% to 6.87% per annum (2018: 2.71% to 7.68% per annum).

The carrying amounts of short-term borrowings are shown at an approximate fair value, as the impact of discounting is not significant.

**Dohome Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**18 Trade and other payables**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables - third parties	2,143,456,821	1,887,118,613	2,143,456,821	1,887,118,613
Amount due to related parties (Note 33.4)	-	-	484,048	-
Accrued expenses	78,276,338	92,887,109	78,176,338	92,417,469
Other payables	230,577,886	53,253,761	230,117,886	25,388,321
Deposits and retentions	35,866,316	94,867,239	35,866,316	94,867,239
<b>Total trade and other payables</b>	<b>2,488,177,361</b>	<b>2,128,126,722</b>	<b>2,488,101,409</b>	<b>2,099,791,642</b>

**19 Long-term borrowings from financial institutions**

Long-term borrowings from financial institutions as at 31 December 2019 and 2018 comprise the following:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Long-term borrowings from financial institutions		
- Within 1 year	803,018,166	838,682,091
- Between 1 year and 2 years	737,740,128	683,506,296
- Between 2 years and 5 years	1,330,378,498	1,165,201,568
- Later than 5 years	468,001,646	360,834,944
	<b>2,536,120,272</b>	<b>2,209,542,808</b>
<b>Total long-term borrowings from financial institutions</b>	<b>3,339,138,438</b>	<b>3,048,224,899</b>

Movements of long-term borrowings from financial institutions for the year ended 31 December 2019 and 2018 are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Opening balance	3,048,224,899	2,351,759,469
Additions	2,227,703,497	1,204,587,126
Repayments : cash outflows	(1,936,789,958)	(508,121,696)
<b>Closing balance</b>	<b>3,339,138,438</b>	<b>3,048,224,899</b>

The effective interest rates on the long-term borrowings are floating, ranging from 3.40% to 3.65% per annum (2018: 3.55% to 4.13% per annum).

The long-term borrowings are guaranteed by pledge of land, building or future building thereon and structure thereon (Note 14).

**19 Long-term borrowings from financial institutions (Cont'd)**

The carrying amounts and fair values of long-term borrowings are as follows:

	Consolidated and Separate financial statements			
	Carrying amounts		Fair values	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Long-term borrowing	3,339,138,438	3,048,224,899	3,339,138,438	3,048,224,899

The fair values of long-term borrowings are based on discounted cash flows using a discount rate from the borrowing market rates which are available to the Company at the statement of financial position date. The fair value is within level 2 of the fair value hierarchy.

**Unused credit facilities**

As at 31 December 2019 and 2018, the followings are undrawn borrowing facilities:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Overdrafts	39,999,801	50,000,000
Long-term loans	561,109,114	933,151,965
Working capital	1,080,636,195	2,284,582,716
Others	68,502,606	310,283,930

**20 Liabilities under finance lease, net**

As at 31 December 2019 and 2018, the Group has finance lease agreements to purchase motor vehicles. The future minimum lease payments, to which the Company is committed, are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Not later than 1 year	14,516,784	14,516,784
Later than 1 year but not later than 5 years	28,514,881	43,031,665
	43,031,665	57,548,449
<u>Less</u> Future finance charges on finance lease	(2,461,726)	(4,306,972)
Net present value - liabilities under finance lease	40,569,939	53,241,477
Liabilities under finance lease are classified according to the terms of payment as follows:		
- current	13,171,007	12,671,431
- non-current	27,398,932	40,570,046
	40,569,939	53,241,477

**20 Liabilities under finance lease, net (Cont'd)**

Movements of liabilities under finance lease agreements during 2019 and 2018 are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Opening balance	53,241,477	65,870,794
Repayment - cash outflows	(12,671,538)	(12,629,317)
Closing balance	40,569,939	53,241,477

**21 Deferred income tax**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
<b>Deferred tax assets:</b>		
Deferred tax asset to be recovered before 12 months	646,033	2,622,997
Deferred tax asset to be recovered after 12 months	40,432,778	51,692,409
	41,078,811	54,315,406
<b>Deferred tax liabilities:</b>		
Deferred tax liability to be settled before 12 months	(1,430,801)	(911,068)
Deferred tax liability to be settled after 12 months	(59,401,366)	(59,010,031)
	(60,832,167)	(59,921,099)
<b>Deferred tax liabilities, net</b>	(19,753,356)	(5,605,693)

The gross movements of deferred tax liabilities are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
At 1 January	(5,605,693)	(17,949,599)
Credited/(charge) to profit or loss (Note 29)	(14,147,663)	11,267,539
Credited to other comprehensive income	-	1,076,367
At 31 December	(19,753,356)	(5,605,693)

**21 Deferred income tax (Cont'd)**

The movements in deferred tax assets and deferred tax liabilities during the year are as follows:

Consolidated and Separate financial statements				
	As at 31 December 2018 Baht	Charged (Credited) to profit or loss Baht	Charged to other comprehensive income Baht	As at 31 December 2019 Baht
<b>Deferred tax assets</b>				
Employee benefit obligations	3,682,563	1,331,058	-	5,013,621
Allowance for decrease in value of inventories	29,870,003	(16,785,609)	-	13,084,394
Provision for decommissioning	430,574	172,531	-	603,105
Allowance for doubtful accounts	18,801,045	1,910,735	-	20,711,780
Leased assets	906,936	(30,844)	-	876,092
Others	624,285	165,534	-	789,819
	54,315,406	(13,236,595)	-	41,078,811
<b>Deferred tax liabilities</b>				
Depreciation of plant and equipment	(59,921,099)	(911,068)	-	(60,832,167)
<b>Deferred tax liabilities, net</b>	<b>(5,605,693)</b>	<b>(14,147,663)</b>	<b>-</b>	<b>(19,753,356)</b>

Consolidated and Separate financial statements				
	As at 31 December 2017 Baht	Charged (Credited) to profit or loss Baht	Credited to other comprehensive income Baht	As at 31 December 2018 Baht
<b>Deferred tax assets</b>				
Employee benefit obligations	2,006,406	599,790	1,076,367	3,682,563
Allowance for decrease in value of inventories	24,308,379	5,561,624	-	29,870,003
Provision for decommissioning	281,667	148,907	-	430,574
Allowance for doubtful accounts	12,109,613	6,691,432	-	18,801,045
Leased assets	915,709	(8,773)	-	906,936
Others	138,263	486,022	-	624,285
	39,760,037	13,479,002	1,076,367	54,315,406
<b>Deferred tax liabilities</b>				
Depreciation of plant and equipment	(57,709,636)	(2,211,463)	-	(59,921,099)
<b>Deferred tax liabilities, net</b>	<b>(17,949,599)</b>	<b>11,267,539</b>	<b>1,076,367</b>	<b>(5,605,693)</b>

**22 Employee benefit obligations**

Consolidated and Separate financial statements		
	2019 Baht	2018 Baht
Statements of financial position - Defined benefit plans	25,068,108	18,412,821
Statements of comprehensive income - Defined benefit plans	8,961,877	2,998,949



**22 Employee benefit obligations (Cont'd)**

The movements of the employee benefits obligation in the statement of financial position are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Beginning balance	18,412,821	10,032,035
Current service cost	4,198,340	2,652,329
Past service cost	4,262,133	-
Interest cost	501,404	346,620
Paid during the year	(2,306,590)	-
Remeasurement recognised in other comprehensive income		
Loss from change in demographic assumptions	-	759,675
Loss from change in financial assumptions	-	243,059
Experience loss	-	4,379,103
Ending balance	25,068,108	18,412,821

The amounts of the employee benefits have been recognised in the statements of comprehensive income under cost of sales, selling and administrative expenses as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Current service cost	4,198,340	2,652,329
Past service cost	4,262,133	-
Interest cost	501,404	346,620
Total	8,961,877	2,998,949

Employee benefit obligations are determined by the principal actuarial assumptions as follows:

	Consolidated and Separate financial statements	
	2019 %	2018 %
Discount rate	2.25	2.25
Future salary increase	5.0	5.0
Turnover rate	21.0 - 53.0	21.0 - 53.0

	Consolidated and Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2019 %	2018 %	Increase in assumption		Decrease in assumption	
	2019 %	2018 %	2019 %	2018 %	2019 %	2018 %
Discount rate	1.0	1.0	Decrease by 3.30	Decrease by 2.95	Increase by 3.67	Increase by 3.28
Salary growth rate	1.0	1.0	Increase by 3.55	Increase by 2.53	Decrease by 3.26	Decrease by 2.32
Turnover rate	1.0	1.0	Decrease by 3.80	Decrease by 3.40	Increase by 1.82	Increase by 1.64

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 5.89 years.

**22 Employee benefit obligations (Cont'd)**

Expected maturity analysis of undiscounted retirement during the year 2020 - 2029 as follows:

	Less than a year Baht	Between 1 - 2 years Baht	Over 3 years Baht	Total Baht
At 2019 Retirement benefits	734,854	29,478,530	32,287,644	62,501,028
At 2018 Retirement benefits	489,579	1,626,312	44,237,559	46,353,450

**23 Legal reserve**

	Consolidated and separate financial statements	
	2019 Baht	2019 Baht
Opening net book amount	20,150,000	-
Legal reserve	34,200,000	20,150,000
Ending net book amount	54,350,000	20,150,000

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**24 Share capital**

	Authorised number of shares	Issued and paid-up share capital		Premium on share capital Baht	Total Baht
		Number of shares	Ordinary shares Baht		
At 1 January 2018	14,000,000	14,000,000	1,400,000,000	654,655,415	2,054,655,415
Decrease par value	1,386,000,000	1,386,000,000	-	-	-
Issuance of shares	456,160,000	-	-	-	-
At 31 December 2018	1,856,160,000	1,400,000,000	1,400,000,000	654,655,415	2,054,655,415
Issuance of shares	-	456,160,000	456,160,000	3,101,888,000	3,558,048,000
Share issuance costs, net of tax	-	-	-	(109,557,559)	(109,557,559)
At 31 December 2019	1,856,160,000	1,856,160,000	1,856,160,000	3,646,985,816	5,503,145,816

As at 31 December 2019, the total authorised number of ordinary shares is 1,856,160,000 shares (2018: 1,856,160,000 shares) with a par value of Baht 1 each (2018: Baht 1 each). The number of issued and fully paid-up ordinary shares is 1,856,160,000 shares (2018: 1,400,000,000 shares).

On 6 August 2019, the Company offered 456.16 million newly issued ordinary shares in an initial public offering (IPO). The new shares with a par value of Baht 1 each, are offered at Baht 7.80 per share. The Company received a total proceed of Baht 3,558.05 million from the IPO. The Company's ordinary shares were approved to list in the Stock Exchange of Thailand (SET) on 6 August 2019. Expenses incurred relating to the share offering net of tax amounting to Baht 109.56 million, were recorded as a deduction against the share premium.

**Dohome Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**25 Other income**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Subsidy	34,861,413	32,364,897	34,861,413	32,364,897
Revenue from rent and services	14,513,159	13,932,840	15,855,159	15,240,582
Revenue from receivables past due	8,925,651	9,390,127	8,925,651	9,390,127
Revenue from credit card fees	6,433,441	10,823,255	6,433,441	10,823,255
Interest income	3,742,597	4,544,869	10,459,008	12,249,592
Revenue from scrap sales	2,653,031	4,065,355	2,653,031	4,065,355
Gain from disposals of equipment	1,250,771	4,534,171	1,250,771	4,534,171
Gain on exchange rate	-	1,513,366	-	1,513,366
Others	30,738,625	8,643,416	30,738,656	8,643,416
Total other income	103,118,688	89,812,296	111,177,130	98,824,761

**26 Expenses by nature**

The following expenditure items, classified by nature, have been charged in arriving at profit before finance costs and income tax:

Notes	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Changes in inventories of finished goods	14,953,219,966	15,733,058,531	14,953,722,710	15,733,058,531
Employee benefit	912,528,806	903,004,521	912,258,806	901,924,521
Depreciation	393,443,040	376,854,145	391,921,258	376,854,145
Amortisation of intangible assets	13,939,213	10,637,385	13,939,213	10,637,385
Amortisation of leasehold rights	384,819	384,819	384,819	384,819
Allowance for obsolete and slow moving inventories (reversal)	(77,473,968)	29,320,118	(77,473,968)	29,320,118
Reversal allowance for inventory cost in excess of net realisable value	(6,454,079)	(1,511,996)	(6,454,079)	(1,511,996)
Allowance for doubtful accounts	9,553,679	33,457,160	9,553,679	33,457,160

**27 Other expenses**

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Net loss from foreign exchange	23,133,182	-
Loss from write-off of assets	3,187,107	609,083
Others	-	737,824
Total other expense	26,320,289	1,346,907

**28 Finance costs**

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Interest expenses - banks	296,193,494	317,863,606
Interest expenses - finance lease	1,845,246	2,331,596
Total finance costs	298,038,740	320,195,202

**29 Income tax**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax	117,976,154	118,280,990	107,935,096	109,040,348
Deferred income tax (Note 21)	14,147,663	(11,267,539)	14,147,663	(11,267,539)
<b>Total income tax</b>	<b>132,123,817</b>	<b>107,013,451</b>	<b>122,082,759</b>	<b>97,772,809</b>

Income tax on profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit before income tax	857,634,712	545,765,477	805,101,162	500,576,140
Tax calculated at a tax rate of 20% (2018: 20%)	171,526,942	109,153,096	161,020,232	100,115,228
Tax effect of:				
Income not subject to tax	(608,545)	-	-	-
Expenses not deductible for tax purpose	897,556	3,438,469	891,474	3,438,237
Expense deductible at greater amount	(22,539,253)	(5,780,656)	(22,539,253)	(5,780,656)
Tax losses for which no deferred tax asset was recognised	136,811	202,542	-	-
Tax recognised directly to equity during the year	(17,289,694)	-	(17,289,694)	-
<b>Income tax</b>	<b>132,123,817</b>	<b>107,013,451</b>	<b>122,082,759</b>	<b>97,772,809</b>

The tax recognised directly to equity during the year is as follows:

	Consolidated and Separate financial statements
	2019 Baht
Current tax:	
Share issuance costs	17,289,694

**30 Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. There are no dilutive instruments in issue.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net profit (Baht)	725,510,895	438,752,026	683,018,403	402,803,331
Weighted average number of ordinary shares (Shares)	1,584,963,507	1,400,000,000	1,584,963,507	1,400,000,000
Basic earnings per share (Baht per shares)	0.46	0.31	0.43	0.29

**31 Dividends**

**2019**

At the Board of Directors Meeting no 3/2562 held on 24 June 2019, the directors passed a resolution to approved interim dividends at Baht 1.79 per share, totalling Baht 2,506 million. The dividends were for the shareholders listed in the register on 28 May 2019. The dividends were distributed to the shareholders on 22 July 2019.

**2018**

At the Board of Directors Meeting no 3/2561 held on 14 August 2018, the directors passed the resolution to approve interim dividends payment at Baht 0.0714 per share, totalling Baht 100 million. The dividends were for the shareholders listed in the register on 24 May 2018. The dividends were distributed to the shareholders on 24 August 2018.

At the Board of Directors Meeting no 4/2561 held on 13 September 2018, the directors passed the resolution to approve interim dividends payment at Baht 0.0714 per share, totalling Baht 100 million. The dividends were for the shareholders listed in the register on 24 May 2018. The dividends were distributed to the shareholders on 17 September 2018.

At the Board of Directors Meeting no 5/2561 held on 12 November 2018, the directors passed the resolution to approve interim dividends payment at Baht 0.145 per share, totalling Baht 203 million. The dividends were for the shareholders listed in the register on 24 May 2018. The dividends were distributed to the shareholders on 16 November 2018.

**32 Bank guarantees**

As at 31 December 2019 and 2018, banks have provided guarantees on behalf of the Group and the Company, primarily in respect of electricity, rental and service agreement, and sales and purchases of goods as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Bank guarantees	141,497,394	140,438,024

**33 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by directors of the Company who are members of Tangmitrphracha family, aggregating to 34.79% (31 December 2018: 50.14%) of the Company's shares, and Dohome Holding Company Limited owns 29.09% (31 December 2018: 38.57%) of the Company's shares.

**33 Related party transactions (Cont'd)**

The following material transactions were carried out with its related parties:

Company name	Country of incorporation	Relationship
Dohome Group Company Limited	Thailand	Subsidiary
Kiddee Logistics Company Limited	Thailand	Subsidiary
Dohome Energy Company Limited	Thailand	Subsidiary
Dohome Automation Company Limited	Thailand	Subsidiary
Dohome Holding Company Limited	Thailand	Common directors and being shareholder
Amplus Holding Limited	Hongkong	Common directors and being shareholder
Ngernturbo Company Limited	Thailand	Common directors
Thun Thong Mawin Company Limited	Thailand	Common directors
Thun Tarin Company Limited	Thailand	Common directors
TMPC trading Company Limited	Thailand	Common directors
Dohome Express Company Limited	Thailand	Common directors
TMPC Property Company Limited	Thailand	Common directors
ASM Consultant Company Limited	Thailand	Common directors
ASM Real Estate Company Limited	Thailand	Common directors
ASM Land Company Limited	Thailand	Common directors
S.Ubon Watsadu Company Limited	Thailand	Common directors
Ubon Material Company Limited	Thailand	Common directors
AN Capital Company Limited	Thailand	Common directors
Aladdin Shop Online Company Limited	Thailand	Common directors
NTBG Company Limited	Thailand	Common directors
NTBX Company Limited	Thailand	Common directors
Money Ok Company Limited	Thailand	Common directors
Ngernturbo Insurance Broker Company Limited	Thailand	Common directors

**33.1) Revenue from sales of goods and services**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Sales of goods</b>				
Related parties	8,781,151	16,840,023	8,781,151	16,840,023
<b>Rental income</b>				
Subsidiaries	-	-	1,342,000	1,307,742
<b>Interest income</b>				
Subsidiaries	-	-	6,779,671	7,739,096



**33 Related party transactions (Cont'd)**

The following material transactions were carried out with its related parties: (Cont'd)

**33.2) Rental expenses, purchase of services, interest expense and dividend paid**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Purchase of goods:</b>				
Subsidiary	-	-	5,059,613	-
Related parties	19,572,184	-	19,572,184	-
	<u>19,572,184</u>	<u>-</u>	<u>24,631,797</u>	<u>-</u>
<b>Rental expenses:</b>				
Subsidiaries	-	-	24,672,000	25,281,948
Related parties	961,692	961,692	961,692	961,692
	<u>961,692</u>	<u>961,692</u>	<u>25,633,692</u>	<u>26,243,640</u>
<b>Guarantee fees:</b>				
Subsidiaries	-	-	34,264,737	33,306,631
<b>Dividend paid:</b>				
Director	1,256,580,000	202,075,716	1,256,580,000	202,075,716
Related parties	1,249,420,000	155,442,858	1,249,420,000	155,442,858
	<u>2,506,000,000</u>	<u>357,518,574</u>	<u>2,506,000,000</u>	<u>357,518,574</u>

**33.3) Amounts due from related parties**

	Consolidated financial information		Separate financial information	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	202,000	-
Related parties	1,940,601	3,920,520	1,940,601	3,920,520
	<u>1,940,601</u>	<u>3,920,520</u>	<u>2,142,601</u>	<u>3,920,520</u>

**33.4) Amounts due to related parties**

	Consolidated financial information		Separate financial information	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Amounts due to related parties</b>				
Subsidiaries	-	-	484,048	-

**33 Related party transactions (Cont'd)**

The following material transactions were carried out with its related parties: (Cont'd)

**33.5) Short-term loans to subsidiary**

	Separate financial statements	
	2019 Baht	2018 Baht
Short-term loans to subsidiary	251,000,000	290,900,000

The movements of short-term loans to subsidiary during 2019 and 2018 are as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
Opening balance	290,900,000	325,600,000
Additions	4,500,000	61,300,000
Repayment received	(44,400,000)	(96,000,000)
Ending balance	251,000,000	290,900,000

As at 31 December 2019, short-term loans to subsidiary represent promissory notes denominated in Baht, carrying interest of 2.50% to 3.25% per annum (2018: 2.50% to 3.25% per annum) and due at call.

**33.6) Management remunerations**

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Short-term benefits	23,232,358	23,533,889
Post-employment benefits	3,703,894	718,555
Total	26,936,252	24,252,444

**34 Commitments**

**34.1 Operating lease agreements**

The future aggregate minimum lease payments under non-cancellable operating leases in terms of lease of land, building and service contracts as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	16,949,773	5,598,623	26,549,773	24,163,307
Later than 1 year and not later than 5 years	63,120,042	12,424,995	101,520,042	77,719,047
Later than 5 years	164,176,189	89,510,268	189,776,189	124,710,268
	244,246,004	107,533,886	317,846,004	226,592,622

**34 Commitments (Cont'd)**

**34.2 Capital commitments**

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Property, plant and equipment	337,793,156	176,756,062	336,437,956	146,166,862

**34.3 Financial instruments**

Foreign currency forward contracts

As at 31 December 2019 and 2018, the Group has outstanding foreign currency forward contracts with settlement dates not later than 6 months. The amounts to be received under contractual exchange rates of the outstanding contracts were:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
The amounts to be received:		
2019: USD 600,000		
at the exchange rate of Baht 30.11/USD		
(2018: USD 50,046.64		
at the exchange rate of Baht 32.54/USD)	18,067,500	1,628,518
2019: nil (2018: CNY 10,876,749.55		
at the exchange rate of Baht 4.78/CNY)	-	51,926,181
	<u>18,067,500</u>	<u>53,554,699</u>

Interest rate swaps

As at 31 December 2019 and 2018, the Group has outstanding interest rate swap contracts with settlement dates not later than 6 months. The amounts to be received under contractual exchange rates of the outstanding contracts were:

	Consolidated and Separate financial statements
	2019 Baht
<b>Financial liabilities</b>	
Interest rate swaps	840,000,000

**34 Commitments (Cont'd)**

**34.3 Financial instruments (Cont'd)**

**Net fair values of financial instruments**

The net fair values of the financial instruments at 31 December 2019 and 2018 were:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Unfavourable forward foreign exchange contracts	8,671	(705,516)
Contracts with negative fair values: Interest rate swaps	(13,024,548)	-

The fair values of forward foreign exchange contracts have been calculated using rates quoted by the Company's banker to terminate the contracts at the statement of financial position date. The fair value is within level 2 of the fair value hierarchy.

**34.4 Other commitments**

As at 31 December 2019 and 2018, the Group and Company had commitments but not yet recognised in the financial statements as follows:

	Consolidated and Separate financial statements			
	2019		2018	
	Other currencies	Equivalents to Baht	Other currencies	Equivalents to Baht
Letter of credit for purchase of goods commitments				
- USD	1,106,116	33,353,837	463,492	15,243,082
- CNY	7,926,079	34,227,185	12,953,420	62,081,332

**35 Events occurring after the reporting period**

At the Board of Directors meeting No.1/2020 held on 20 February 2020, the Board approved cash dividend payment amounting to Baht 0.0185 per share totaling Baht 34.37 million and a stock dividends at the ratio of 6 existing shares to 1 new share in respect of 2019 operating results. The dividends payable will be further proposed to the Annual General Meeting of the Company's shareholders for approval in April 2020.

# General Information and Other Important Information



## General Information

Information of Dohome Public Company Limited

Address	37-47 Srimongkol Road, Warinchamrab Sub-district, Warinchamrab District, Ubon Ratchathani 34190
Telephone no.	045 352 888
Fax no.	045 352 800
Website	<a href="http://www.dohome.co.th">www.dohome.co.th</a>
Type of business	Comprehensive retail and wholesale business of construction materials and home decoration items under the concept of "Complete, Cheap, Good...at Dohome"
Company registration no.	0107561000196
No. of registered shares	1,856,160,000 ordinary shares of 1 baht each
No. of paid-up shares	1,856,160,000 ordinary shares
Name of the market	The Stock Exchange of Thailand
Symbol	DOHOME

## Information of companies in which Dohome Public Company Limited holds at least 10% of issued shares

### 1. Dohome Group Company Limited

Address	37-47 Srimongkol Road, Warinchamrab Sub-district, Warinchamrab District, Ubon Ratchathani 34190
Telephone no.	045 352 888
Fax no.	045 352 800
Type of business	Buying and selling of on own account of non-residential buildings
No. of registered shares	4,000,000 shares of 10 baht each
No. of shares held	3,999,998 shares (99.99 percent)

### 2. Kiddee Logistics Company Limited

Address	37,39,41,43,47 Srimongkol Road, Warinchamrab Sub-district, Warinchamrab District, Ubon Ratchathani
Telephone no.	045 352 888
Fax no.	045 352 800
Type of business	Freight transport by road, not elsewhere classified
No. of registered shares	100,000 shares of 100 baht each
No. of shares held	99,998 shares (99.99 percent)

### 3. Dohome Automation Company Limited

Address	37 Srimongkol Road, Warinchamrab Sub-district, Warinchamrab District, Ubon Ratchathani
Telephone no.	045 352 888
Fax no.	045 352 800
Type of business	Business support services, not elsewhere classified
No. of registered shares	50,000 shares of 100 baht each
No. of shares held	49,997 shares (99.99 percent)

### 4. Dohome Energy Company Limited

Address	37 Srimongkol Road, Warinchamrab Sub-district, Warinchamrab District, Ubon Ratchathani
Telephone no.	045 352 888
Fax no.	045 352 800
Type of business	Electric power generation and transmission
No. of registered shares	600,000 shares of 100 baht each
No. of shares held	599,997 shares (99.99 percent)



## Other referenced Information

Regulatory Body of Issuing Company : The Securities and Exchange Commission, Thailand

Address : 333/3 Vibhavadi-Rangsit Road, Chomphon,  
Chatuchak, Bangkok

Telephone no. : 02-695-9999

Fax no. : 02-695-9660

Regulatory Body of Listed Company : The Stock Exchange of Thailand (SET)

Address : 93 SET Building, Ratchadaphisek Road  
Din Daeng, Din Daeng, Bangkok 10400

Telephone no. : 02-009-9726-50

Fax no. : 02-009-9807-8

Securities Registrar : Thailand Securities Depository Company Limited

Address : 93 SET Building, Ratchadaphisek Road  
Din Daeng, Din Daeng, Bangkok 10400

Telephone no. : 02-009-9000

Fax no. : 02-009-9991

Certified Public Accountant : PricewaterhouseCoopers ABAS Ltd.

Address : 179/74-80 Bangkok City Tower, Fl.15, South Sathon Rd.  
Thungmahamek, Sathon, Bangkok 10120

Telephone no. : 02-824-5313

Fax no. : -



## Centre of retail, wholesale, construction materials, repair and decorations

### Dohome Branches

<b>Ubon Ratchathani</b>	34-47 Srimongkhon Road, Warinchamrab Sub-District, Warinchamrab District, Ubon Ratchathani Province 34190, Thailand	Tel. 045-352-811 - 25
<b>Nakhon Ratchasima</b>	412 Moo 2, Ratchasima-Chokchai Road, Nongbuasala Sub-District, Muang District, Nakhon Ratchasima Province 30000, Thailand	Tel. 044-384-311 - 28
<b>Rangsit</b>	185/5 Moo 4, Rangsit-Nakhonnayok Road, Rangsit Sub-District, Thunayaburi District, Pathumthani Province 12110, Thailand	Tel. 02-577-9811 - 26
<b>Khonkaen</b>	678 Moo 2, Mittraphap Road, Sila Sub-District, Muang District, Khonkaen Province 40000, Thailand	Tel. 043-232-611 - 28
<b>Udonthani</b>	888 Moo 11, Mittraphap Road, Moomon Sub-District, Muang District, Udonthani Province 41000, Thailand	Tel. 042-215-311 - 23
<b>Rama II</b>	88/8 Moo 2, Rama II Road, Chaimongkhon Sub-District, Muang District, Samutsakorn Province 74000, Thailand	Tel. 034-403-211 - 20
<b>Bangbuathong</b>	88 Moo 5, Outer Ring Road, Laharn Sub-District, Bangbuathong District, Nonthaburi Province 11110, Thailand	Tel. 02-594-9311 - 20
<b>Chiangmai</b>	88/8 Moo 3, Chiangmai-Lamphun Superhighway Road, Umong Sub-District, Muang District, Lamphun Province 51000, Thailand	Tel. 053-107-588
<b>Bangna</b>	88/8 Moo 5, Bangna-Trad Road, Samak Sub-District, Bangpakong District, Chachoengsao Province 24180, Thailand	Tel. 038-579-502 - 09
<b>Petchkasem</b>	88/88 Moo 11, Tambol Aomnoi, Amphur Krathumban, Samutsakorn Province 74130, Thailand	Tel. 061-0315888

### Dohome ToGo

<b>Makro Charansanitwong</b>	521/27 Chanrunsanitwong Road, Bangkhunsri Sub-district, Bangkok Noi District, Bangkok 10700, Thailand	Tel. 062-1976633
<b>Makro Sathorn</b>	1 Narathiwat-Ratchanakarin Road, Thungwatdon Sub-district, Sathorn District, Bangkok 10210 Thailand	Tel. 062-1976600
<b>Big-C Bangplee</b>	89 Moo 9, Theparal Road, Tambol Bangpleeyai, Amphur Bangplee, Samutprakarn Province 10540, Thailand	Tel. 061-0284774
<b>Tesco Lotus Korat</b>	719/5 Mitrapap Road, Tambol Nai Mueang, Amphur Mueang, Nakhon Ratchasima, Province 30000, Thailand	Tel. 063-0214411
<b>Pantip Plaza</b>	217 Ngamwongwan Road, Tambol Bangkhen, Amphur Mueang, Nonthaburi Province 11000, Thailand	Tel. 063-0214422



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